Manulife

Annual Performance Report
as of **December 31, 2022**

Variable Unit-Linked Funds

2022

Contents

About Manulife Philippines

The Manufacturers Life Insurance Company (Manulife) opened its doors for business in the Philippines in 1907. Since then, Manulife's Philippine Branch and later, The Manufacturers Life Insurance Co. (Phils.), Inc. (Manulife Philippines) has grown to become one of the leading life insurance companies in the country. Manulife Philippines is a wholly owned domestic subsidiary of Manulife Financial Corporation, among the world's largest life insurance companies by market capitalization.

Manulife Financial Corporation is a leading international financial services provider, helping people make their decisions easier and lives better. With our global headquarters in Toronto, Canada, we provide financial advice and insurance, operating as Manulife across Canada, Asia, and Europe, and primarily as John Hancock in the United States. Through Manulife Investment Management, the global brand for our Global Wealth and Asset Management segment, we serve individuals, institutions, and retirement plan members worldwide.

At the end of 2022, we had more than 40,000 employees, over 116,000 agents, and thousands of distribution partners, serving over 34 million customers. We trade as 'MFC' on the Toronto, New York, and the Philippine stock exchanges and under '945' in Hong Kong. Not all offerings are available in all jurisdictions.

For additional information, please visit manulife.com.

Variable Unit-linked Funds

Net Asset Value
in thousands (based on Unaudited Figures)

Fund	2022	2021
Peso Growth	**19,108,086**	18,260,845
Peso Dynamic Allocation	**5,120,047**	5,325,084
Peso Diversified Value	**4,582,353**	4,587,912
Peso Secure	**5,138,821**	5,086,815
Peso Target Distribution	**1,435,848**	1,650,163
Peso Equity	**1,044,972**	1,155,466
Peso Bond	**683,550**	753,012
Peso Stable	**648,505**	705,708
Peso Balanced	**246,468**	277,915
Peso Cash	**57,921**	68,823
Peso Target Income	**159,231**	177,448
Peso Wealth Optimizer 2026	**479,393**	479,133
Peso Wealth Optimizer 2031	**198,741**	189,099
Peso Wealth Optimizer 2036	**236,739**	223,927
USD ASEAN Growth Fund	**2,872,302**	3,046,767
USD Secure	**1,178,509**	1,385,544
USD Global Target Income Fund	**4,313,371**	4,922,841

Fund	2022	2021
USD Asia Pacific Bond Fund	**632,422**	691,492
USD Bond	**403,071**	454,881
USD Wealth Premier	**-**	-
Power House Fund	**6,837,003**	6,132,801
Emperor Fund	**1,641,043**	1,289,894
Asia Pacific Property Income Fund (PHP)	**743,950**	809,092
Asia Pacific Property Income Fund (USD)	**1,453,447**	1,533,781
MP PHP Tiger Growth Fund	**191,681**	118,870
MP PHP Global Preferred Securities Income Fund	**236,697**	213,536
MP PHP US Growth Fund	**612,875**	357,256
MP USD Tiger Growth Fund	**27,463**	27,261
MP USD Global Preferred Securities Income Fund	**163,055**	82,662
MP USD US Growth Fund	**173,856**	77,185
MIMTC as IM of MP PHP Global Health Fund	**97,799**	
MIMTC as IM of MP PHP Global Multi-Asset Income Fund	**53,531**	
MIMTC as IM of MP PHP Global Health Fund	**12,036**	
MIMTC as IM of MP PHP Global Multi-Asset Income Fund	**11,690**	
Total	**60,796,476**	**60,085,212**
Control	60,796,476	60,085,212
Difference	-	-

Based on December 31, 2022 unaudited figures submitted to the Insurance Commission on January 2022.

Market Review and Outlook

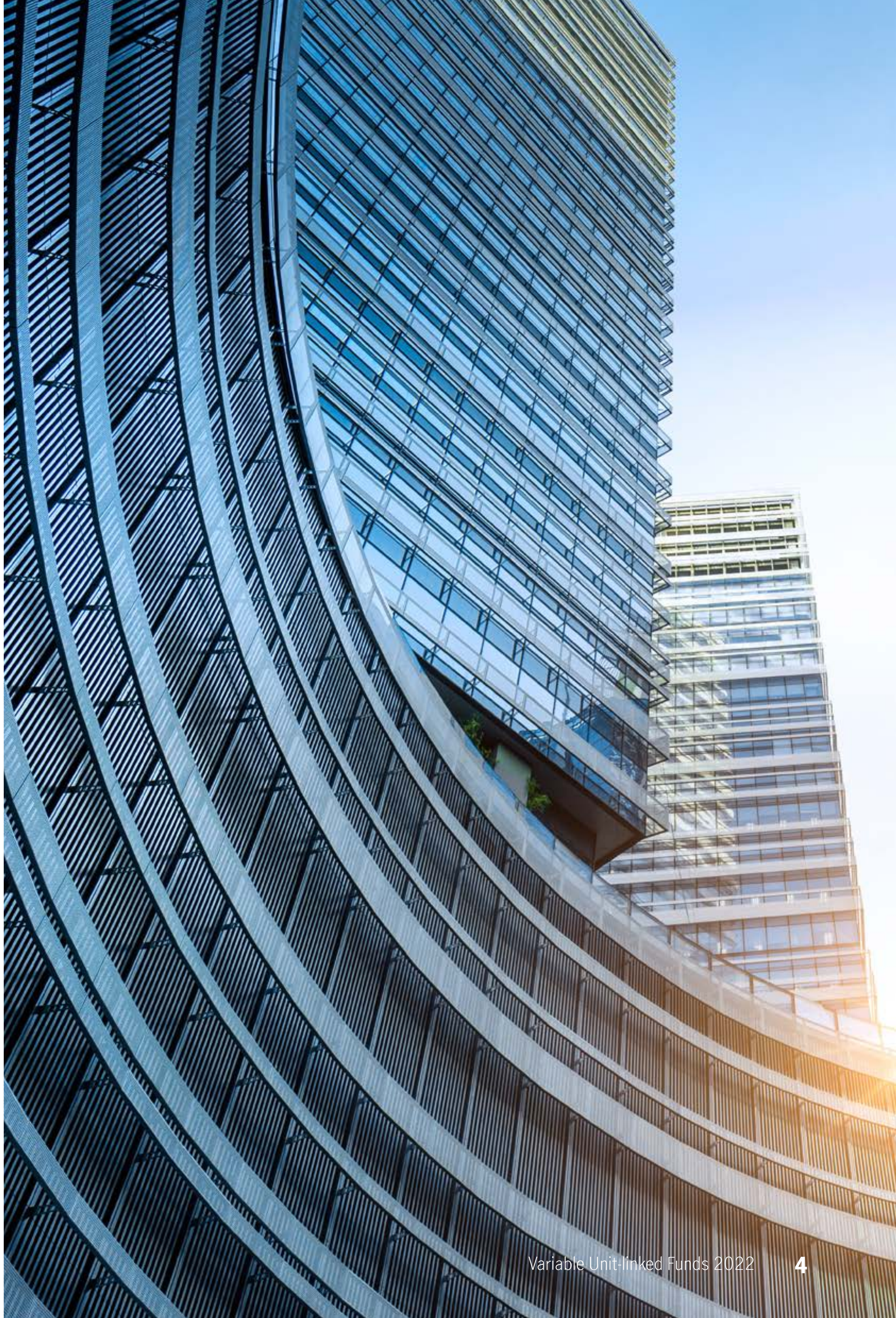
Philippine Equity
Review

The year 2022 was a challenging year for the equity market, pushing the Philippine Stock Equity Index (PSEi) to the 6,566 level, down by 6% year-on-year. The market was quite volatile throughout the year. In the first quarter, the Philippine economy reopened fully, resulting in a strong recovery of consumer demand throughout the year. However, the market rally in the first two months of the year was cut short as the conflict in Russia-Ukraine started in February. Although the conflict has minimal direct impact to Philippines, the war caused a jump on prices of food and energy items due to supply constraints.

This accelerated the increase in global inflation, prompting the aggressive interest rate hikes by central banks, including the Bangko Sentral ng Pilipinas. The impact of higher rates in developed markets as well as the rising import bill due to higher commodity prices put pressure on the Philippine Peso, causing a 9% depreciation in 2022. Despite the external shocks, the Philippine economy stayed resilient as strong consumer demand pushed GDP growth to 7.6%.

The Philippines saw a change in administration during the year with the election of Ferdinand “Bongbong” Marcos Jr as President. The current administration has been actively promoting the Philippines to the global investment community. President Marcos Jr secured numerous investment pledges totaling $23.6bn in 2022. Alongside this, the agriculture sector is at the forefront of the priorities of the new administration to improve the prices of staple food items such as rice, with the President himself heading the Department of Agriculture. In addition, the government is pushing for renewable energy, public private programs (PPP) for infrastructure, and sovereign wealth fund (Maharlika).

The full reopening of the economy was very positive for corporate earnings as it pushed revenues higher. In general, the growth in revenues helped offset pressures on profit margins caused by higher prices of commodities such as oil and food items. Against this backdrop, the cyclical sectors such as consumer, financials and real estate saw a sharp increase in earnings in 2022.



Outlook

We have a positive view on Philippine Equities as attractive valuations and strong corporate earnings provide tailwinds to the market. Currently, the Philippine Equity Index is trading at around 13.5x forward price to earnings, a discount to the historical average of around 15x. The Philippines is a consumption- driven economy, making it more resilient to the potential slowdown of global growth. The reduction of the personal income tax rate in 2023 will provide an added lift to the disposable income of consumers. The improving macroeconomic picture provides a favorable backdrop for strong earnings growth to continue in 2023 despite elevated inflation, which is expected to moderate in the second quarter of the year, reducing pressure for further rate hikes.

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Peso Bond
Review

Last year continued to be very challenging for the local fixed income market as inflation averaged 5.8% for the year. In the fourth quarter, inflation hovered around 8%, breaching the recent high of 6.9% in 2018. Both the Russia-Ukraine war and zero-COVID policy in China brought about significant broad based supply shock implications, leading to a massive increase in food and commodity prices. Crude oil prices surged above US$100/barrel around mid-year, before moderating to around US$80/barrel towards the yearend. These supply shocks, exacerbated by a weak currency, translated to second-round effects, including wage and transport fare hikes, which further fanned domestic inflation.

The short-end of the yield curve bore the brunt of the sell-off as initial hesitation from both the Federal Reserve (Fed) and the Bangko Sentral ng Pilipians (BSP) to tighten monetary policy necessitated more aggressive rate hikes during the year. The Fed and the BSP raised policy rates by 425bps and 350bps, respectively, during the year. Two Retail Treasury Bond (RTB) issuance amounting to almost PhP900bio also flooded the market with massive additional supply, which proved to be difficult to digest given the weak market sentiment.

Outlook

We expect economic growth to remain robust. The government estimates 2023 economic growth to fall within the range of 6-7%. Barring an escalation in the Russia-Ukraine war, we expect inflation to start moderating in the second quarter. While it may be too early to conclude that domestic inflation has peaked, the BSP's latest statement that it is nearing the end of its tightening cycle is reasonable as it takes a while for the economy to fully respond to monetary policy actions.

Furthermore, emerging recession risks in the U.S. urged the market to pare back Fed rate hike expectations. With the BSP closely following the Fed's actions, this also translates to smaller hikes from the BSP. As more attention shift to U.S. recession risks, the resulting decline in U.S. interest rates may also encourage foreign flows to domestic assets as investors search for yield.

Against this backdrop, we expect the macroeconomic environment to be more supportive for the local bond market than last year. Nevertheless, we will continue to monitor negative effects from supply and inflation risks.

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USD Bond

Review

In the United States, Treasury yields generally trended higher during most of the period amid persistent inflation and multiple interest rate hikes by the Federal Reserve (Fed). Towards the end of the period, Treasury yields retracted to lower levels due to statements by Fed Chairman Powell that the potential pace of future rate hikes could be slower. On the economic front, third quarter GDP grew by 2.9% (quarter-on quarter, annualised, actual), ending two consecutive quarters of contraction, consumer price inflation decelerated to 7.1% (year on year) in November. Over the period, the 10-year Treasury yield trended higher from 1.51% to 3.87%, whilst the Philippine dollar-denominated (ROP) bond yield also ended higher.

Asian investment grade (IG) credits posted negative return over the period owing to higher US Treasury yields and wider credit spread, amid the broad risk-off sentiment, geopolitical developments from Russia-Ukraine, ongoing China property slump over the year. Credit spreads on the JP Morgan Asian Investment Grade Corporate Bond Index widened by 21bps; the J.P. Morgan Asian Investment Grade Corporate Bond Index decreased by 9.55% in US dollar terms. China credit notably outperformed towards the end of the period as market sentiment was strong amid positive news on China's easing of Covid restrictions which includes reopening of China's borders and dropping quarantine times. Chinese property sector was also a notable outperformer continuing the rebound in November amid market expectations of a stronger commitment from the government to support the sector.

Outlook

Federal Reserve remains focused on inflation as it continues to rapidly adjust its monetary policy settings to a restrictive setting. Aggressive developed market central bank monetary policy tightening will likely weigh on global growth outlook with risk of recession building. We believe the supportive measures for the real estate sector announced by the Chinese government is positive and eases onshore debt refinancing risk of Chinese developers. To see a sustained recovery of the Chinese real estate sector, we would monitor the effective implementation of the announced measures and physical market sales recovery. On the other hand, Asia ex-China region has generally adopted more flexible pandemic policies, which is expansionary for economic activity. Some Asian economies initiated various measures such as subsides, tax cuts and trade restrictions to contain inflation. With relatively benign inflation environment and resilient supply-chain in Asia, we expect Asian central banks to tighten its monetary policy at a more gradual pace than developed markets.

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Asia Pacific Bond
Review

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In China, Caixin's Manufacturing Purchasing Managers' Index moved higher in November (49.4) from October (49.2), marginally ahead of market expectations but was still in contractionary territory amidst production disruptions related to the pandemic, before the government's decision to exit its zero-covid policy in December. Chinese onshore government bond yields trended lower during the start of the period amidst monetary easing, whilst retraced to higher levels amidst stimulus measures to the Chinese property sector and loosening of its zero-covid policy. In India, inflation remained generally elevated over the period, but decelerated to 5.88% yoy in November. In October, foreign investors turned net sellers after an announcement that Indian sovereign debt would not be included in the J.P. Morgan Emerging Debt index this year. Indian local government bond yields trended higher over the period. In Indonesia, inflation remain elevated over the period at 5.42% yoy in November, exceeding Bank Indonesia (BI)'s target range of 2-4%. As BI hiked the policy rate five times over the period to 5.50%, Indonesian local government bond yields rose over the period. In South Korea, Bank of Korea raised its policy rate seven times over the period to 3.25% to combat inflation.

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The Singapore dollar (SGD) strengthened by 0.71% against the USD, whilst most Asian currencies weakened against the USD over the period amidst a strong USD environment. The SGD was a strong performer as the Monetary Authority of Singapore tightened monetary policy for the fourth time in nearly a year to combat surging inflation. In contrast, the Indian rupee lagged as the economy posted a nine-year high current account deficit (4.4% of GDP) in the third quarter amidst a widening merchandise trade deficit.

Asia Pacific Bond

Outlook

The Fed remains focused on inflation as it continues to rapidly adjust its monetary policy settings to a restrictive setting. Aggressive developed market central bank monetary policy tightening will likely weigh on global growth outlook with the risk of a recession building. We believe the supportive measures for the real estate sector announced by the Chinese government are positive and eases the onshore debt refinancing risk of Chinese developers. To see a sustained recovery of the Chinese real estate sector, we would monitor the effective implementation of the announced measures and physical market sales recovery. On the other hand, Asia ex-China region has generally adopted more flexible pandemic policies, which is expansionary for economic activity. Some Asian economies initiated various measures such as subsidies, tax cuts and trade restrictions to contain inflation. With a relatively benign inflation environment and resilient supply-chain in Asia, we expect Asian central banks to tighten their monetary policy at a more gradual pace than developed markets.

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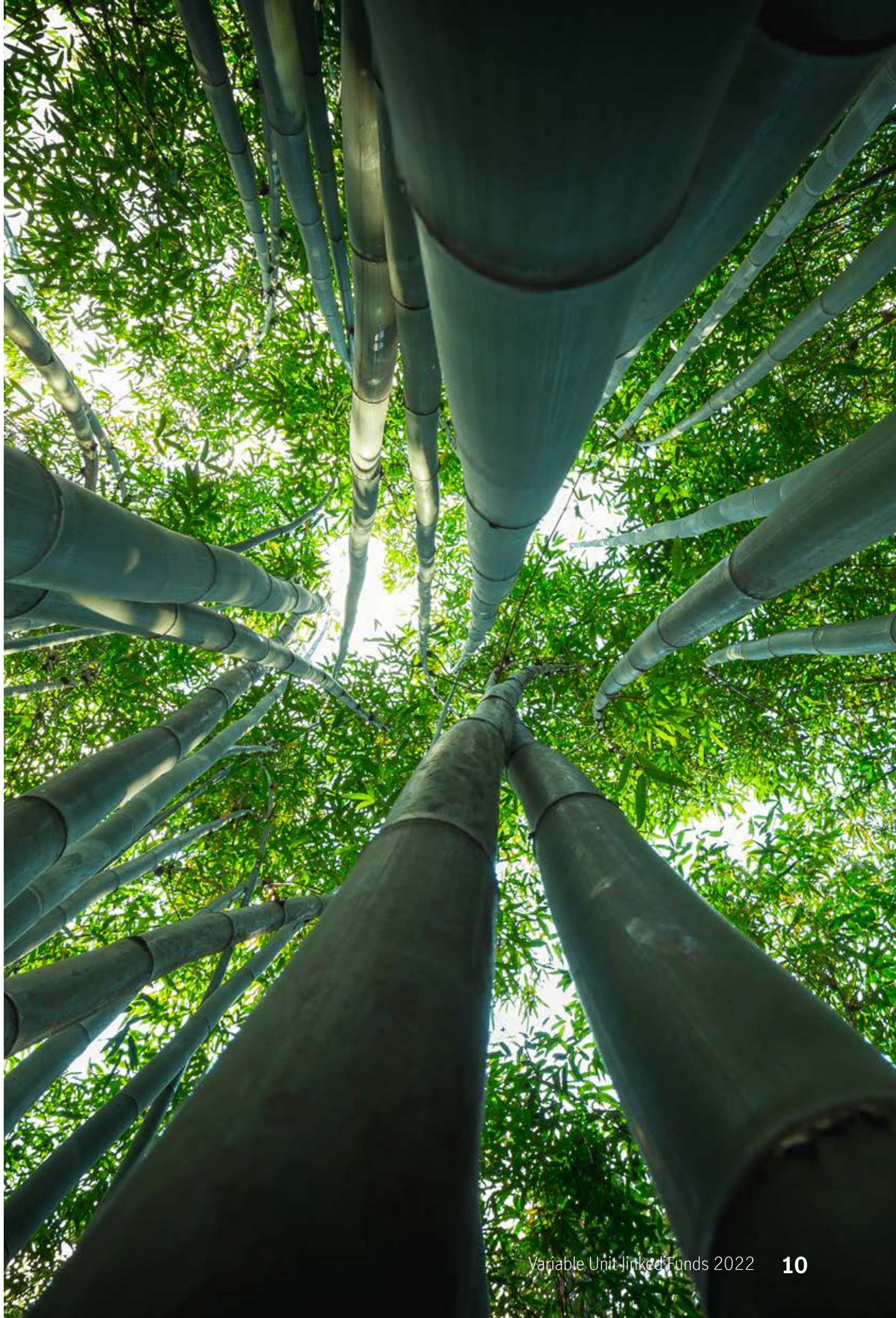

ASEAN Equity
Review

Asia Pacific ex Japan small cap equities posted losses for the year.

In the first quarter, markets moved lower, driven by surging inflationary pressure and increasing rates, and the escalating Russia-Ukraine conflict. Sustained inflationary pressure of monthly CPI figures above 7% (year-on-year (yoy)) in the US led to an increasingly hawkish US Federal Reserve Board (Fed), which raised rates by 25 bps in March and promised a more aggressive rate-hike cycle. As a result, global rates moved higher, and price pressures were amplified by the Russian invasion of Ukraine, which increased uncertainty and contributed to significant price gains in commodities such as oil and gas.

In the second quarter, Asia Pacific ex Japan small cap equities continued to pull back as an increasingly hawkish Fed further raised interest rates by 50 bps in May and 75 bps in June amidst escalating inflationary pressures. Growth stocks were particularly hard hit by surging global rates and experienced significant drawdowns in June as concerns over a global slowdown and a potential hard landing in the US emerged. Whilst most of Asia Pacific ex Japan moved in-line with risk-off global sentiment, China emerged as relative bright spots during the quarter on the back of positive catalysts, including attractive valuations, gradual economic reopening, countercyclical monetary policy, and targeted economic stimulus.

In the third quarter, sustained hawkishness of the Fed and rising geopolitical risks sent equities further lower. In July, markets rebounded on the back of confidence that the Fed would pivot towards a more accommodative stance as inflation was assumed to be peaking. This optimism ended with Chairman Powell's speech in late August that re-emphasised the need to raise rates, and keep them elevated, to combat rising prices. The Fed's 75 bps rate hike in September and hawkish guidance into 2023 contributed to a full risk-off environment as concerns over economic growth increased. Growing geopolitical tensions also weighed on markets. A visit by the Speaker of the US House of Representatives to Taiwan amplified Sino-US tensions in August, whilst Russia's decision to partially mobilise new soldiers for the war in Ukraine in September sparked tensions.

In the fourth quarter, Asia Pacific ex Japan small cap equities rebounded significantly, largely due to a historic performance in November on the back of the trajectory of Fed's monetary policy and China's reopening from zero-covid policies. Market optimism over a potential Fed pivot increased in October and November with the release of favourable CPI data. Whilst the Fed did reduce the level of rate hike in December, it provided higher terminal guidance in 2023 and 2024. The Chinese government released key support policies for the real estate sector and abandoned core policies of zero-covid in November and December, which strongly boosted market sentiment. As a result, most Asia ex Japan equity markets posted quarterly gains.

Outlook

A lower-than-expected US inflation figure released in November led to a relief rally in most markets in the fourth quarter 2022. Whilst investors became excited over a slower pace of rate hikes and potentially a rate cut towards the latter half of 2023, we prefer to err on the side of caution. Core inflation is expected to remain elevated, underpinned by a strong labour market and higher costs related to the recalibration of global supply chain. Interest rate may stay higher for longer. More importantly, the full impact of 2022's policy tightening has yet to work through the system. Bouts of liquidity tightness may pose risks to the stability of the financial system.

Going into 2023, we remain vigilant on the impact of tighter financial condition on Asia. Barring any financial shock, we see Asia's economic growth profile as stronger relative to developed markets. Growth in the region is expected to be supported by the normalisation of economic activities in China and further recovery from the pandemic in other parts of Asia. The attractiveness of the region is accentuated by stocks trading on undemanding valuations. Although China was restricted by various headline issues ahead of the 20th National Congress in mid-October, the government is now taking measures to ease some of the economic pressure. The recent relaxation of its zero-covid policy and measures to ease funding pressure on the property sector have prevented further deterioration in the geographical location's economic conditions. The government is expected to announce more policies to support and stabilise economic growth going into 2023.

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Asia Pacific REIT
Review

Major Asia ex Japan REITs were lower on the back of escalating inflationary pressure and most major central banks' tightening monetary policy which led to higher interest rates. Heightened market volatility amidst the Russia-Ukraine conflict also contributed to higher energy and utility costs. Resurgence of the pandemic in Hong Kong and China dampened investor sentiment in these markets. However, markets recovered part of their losses in the fourth quarter as expectations of a step down in global rate hikes gained traction after softer than expected US Consumer Price Index 1(CPI) numbers were reported in the middle of November. Buying sentiment was further lifted as the US Federal Reserve Board (Fed) minutes revealed that most officials are in the camp to reduce the size of rate hikes from December.

Australian REITs posted losses on the back of a spike in government bond yields amidst inflationary pressure and rate hikes. Industrial REITs sold off after a global ecommerce company's announcement that it would be slowing down demand and sub-letting excess capacity. Retail REITs performed well on continued strength in consumption and retail sales data.

Hong Kong REITs were lower. Between the first and third quarter, tightening social measures amidst a local pandemic outbreak and dampened sentiment by mortgage boycotts amongst Chinese homebuyers affected Hong Kong REITs' performance. However, market rebounded strongly in the fourth quarter after the Chinese government rolled out aggressive supply side support policies to ease financing risks for the battered Chinese real estate sector, as well as favourable policy pivot from its zero-covid policy. Retail REITs performed well on the back of a healthy rebound in consumption aided by reopening and distribution of consumption vouchers.

The Singapore REITs market was a strong performer in the region led by reopening beneficiaries. Hospitality REITs and investment managers with hospitality assets benefitted from expectations of RevPAR recovery driven by a recovery in tourism and a visible Meetings, Incentives, Conferences and Exhibitions (MICE) pipeline. Retail REITs also gained momentum on the back of further reducing pandemic related restrictions, continued opening of borders and quarantine free travel. On the other hand, industrial REITs, especially data centres, lagged due to concerns on higher electricity costs.

Asia Pacific REIT

Outlook

After a difficult 2022, investors in Asia Pacific REITs should look at the asset class's robust underlying fundamentals in the new year, which we consider as core earnings and cashflow strength, strong capital management and quality real estate which generally provides greater resilience to rental rates during times of economic uncertainty – all factors which provide support to sustainable dividend pay outs. Our Fund stays focused on Asian REITs with strong real estate fundamentals and balance sheet to ride through this period.

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Global Assets
Review

2022 has been a difficult year for investment, with heightened volatility across global equities and fixed income assets. Global markets were in red across the board over the year as elevated inflation, aggressive rate hikes by global central banks, recession fears and geopolitical tensions weighed on markets. Latin America was the only survivor recording a single digit gain in 2022 as high commodity prices have benefitted exporters, which rely heavily on metals and mining, whilst Mexico and Brazil have a large exposure to oil and agricultural goods. Emerging markets (EM) led the losses and became the worst performer in 2022 given strong US dollar (USD) and a deteriorating market outlook. Energy was the only sector that strongly performed given supply chain disruptions and the Russia-Ukraine conflict.

This year was characterised by surging and elevated inflation across the globe. The US headline Consumer Price Index (CPI) hit 9.1% year-over-year (yoy) at its peak in June 2022. Although it has shown moderation and slowed for a fifth consecutive month to 7.1% yoy in November, it is still set to remain more than three times the Fed's 2 % inflation target, highlighting the elevated inflationary pressures. The UK headline CPI hit 11.1% yoy in October, the highest level in decades. Even Japan, which battled disinflation for decades, saw its core consumer inflation rise close to the highest level since 1991.

Global central banks have remained hawkish and committed to tightening against a slowing economy with an aim to combat inflation. The Fed has brought the Federal Funds Rate up to 4.25% - 4.5%, the highest level since 2007. In Europe, the European Central Bank (ECB) raised the main refinancing operation rate to 2.5%, the highest since 2008. The Bank of England (BOE) has pushed up its main rate to 3.5%, and has delivered nine hikes in a year. Within Asia, the Bank of Japan (BoJ) raised the cap for its long-term interest rate policy, shifting the target for 10-year bond yields to between 0% - 0.5%. The Japanese yen (JPY) has rebounded after the BoJ decision.

The majority of the world's largest economies—including the US, China, and especially now the UK and Eurozone—are facing slowing growth and lower economic growth forecasts. JP Morgan Global manufacturing purchasing manager indices (PMI) hit a cycle low of 48.6 in December (below 50 is considered contractionary). Given slow progress on inflation rates, central banks are now poised to amplify recessionary dynamics, knowingly hiking into a global contraction.

The announcement of supportive measures to boost the property sector and reopening borders to loosen zero-covid policy have been the highlights and catalysts of Chinese equities and Asian credit markets approaching the end of 2022. The China re-opening theme has improved sentiment across Asia, driving regional markets over the fourth quarter. Chinese equities have rallied strongly alongside oil prices rising to $80/barrel on WTI. The USD further depreciated.

Across global equities, MSCI World fell -17.7% in 2022, driven by the S&P 500 falling -18.1%. Emerging markets (EM) lagged, falling -19.7%, whilst Asia Pacific (APAC) ex Japan was down -17.2% driven by China, which fell -22.8%. Japan was -16.3% and Europe -14.5%. Latin America performed well and ended 2022 in positive territory by gaining +9.5%, primarily driven by Chile.

Sectorally, energy strongly performed, being the only sector gaining positive returns at +47.6% in 2022. Laggards were consumer services, consumer discretionary and information technology, losing -36.7%, -33.1% and -30.6%, respectively.

Across styles, Russell 1000 Value performed better than the Russell 1000 Growth, which fell -7.5% vs -29.1% in 2022, respectively.

Within fixed income, US 10 year Treasuries trended higher at +2.37% to 3.88%, and the Citi World Government Bond Index fell -18.3%. Barclays Global Aggregate – Corporate suffered, falling -16.7% and the EM USD Aggregate lost -15.3%. US High Yield performed better but still recorded an -11.2% return.

In terms of spreads, we saw spreads widening over the year 2022 in the Bloomberg Barclays US Corporate High

Yield Average OAS to 469 bps vs 281 bps at the end of 2021 by 188 bps. Euro High Yield Average OAS also widened by 193 bps to 512 bps over the year.

Within foreign exchange (FX), most currencies weakened against the USD with the Swedish krona and Japanese yen suffering the most, recording negative returns of -13.1% and -12.7% in 2022, respectively. On the contrary, the Brazilian real and Mexican peso gained against the USD with +5.5% and +5.0% returns, respectively.

In terms of a gauge for volatility, the VIX trended higher ending at 22 at the end of 2022 vs 17 at the end of 2021.

Overall, this year has seen a poor market performance for both equities and fixed Income. 2022 has been characterised by the continuation of tightening acts by global central banks to fight against persistent inflation, weaker economic market data pointing towards a deteriorating growth profile. Although narratives have changed with respects to China's zero-covid policies and reopening, this has provided some optimism for Asian markets and broad EM in the fourth quarter. Challenges, however lie ahead as covid cases soar within the region, which could give rise to challenges within hospital and healthcare systems across Asia.

Outlook

Tighter financial conditions, recessionary fears and heightened geopolitical risks have exerted a heavy toll on the economic outlook and valuations. Elevated inflation persists as we are currently operating in a period of energy and commodity-supply shortages. These are being driven by the Russia-Ukraine conflict, tight labour markets, and disrupted supply chains – albeit inflation has moderated since summer 2022. As Fed officials have consistently stated their unconditional commitment to fight high inflation, investors have finally come to terms with the reality of a higher-interest rate environment in both DM and EM.

CPI data suggests further moderation in prices but the Fed Chairman Jerome Powell still remains hawkish, reiterating the need to combat persistent inflation with appropriate and sufficiently restrictive rate hikes. Markets are pricing in a 25 bps hike in both February and March amidst softer inflation figures after the 50 bps hike at the December meeting. Inflation seems to be showing easing signs, whilst labour market conditions remains too tight for the Fed to consider cutting rates anytime soon. Despite some positive developments in price stability, interest rates likely need to stay at restrictive levels for longer until the full effect of tightening this year is felt in the US economy well into 2023. Looking ahead, we expect a pause in the Fed's aggressive rate hike cycle and a pivot to eventually occur as the narrative shifts to growth concerns. It is anticipated that a terminal rate may reach closer to 5.0%.

Furthermore, more recently the Fed have highlighted that rate cuts are unlikely in 2023, which is contrary to the market (and ourselves) currently pricing in rate cuts by year end. We believe the Fed guidance is likely anchored around the potential concern for inflation to possibly return in 2024, should the Fed choose to pivot towards easier monetary conditions by year end. We believe this is a reasonable concern and historically is evidenced by the inflation profile in the mid-1970s, where victory was announced on inflation, only for it to return the following year as policy was loosened.

The disjuncture between market expectations and Fed guidance will keep volatility expectations heightened into 2023.

Many of the world's largest economies—including the US, China, and especially now the UK and Euro zone—are facing slowing growth and lower economic growth forecasts. Global GDP expectations have been revised lower. Preliminary Purchasing Manager's Indexes (PMI) (timely global business surveys) showed global economic growth should continue decelerating in the first half of 2023. Our outlook suggests that the US, Canada, and Europe are expected to slip into recession in 2023. Stagflationary dynamics remain in play. Given slow progress on inflation rates, central banks are now poised to amplify recessionary dynamics, knowingly hiking into a global contraction. We are less concerned about the binary "recession or no recession" call than we are about the risk of a 4-6 quarter period of very slow growth.

Given tightening liquidity conditions, weaker economic growth momentum, coupled with ongoing geopolitical uncertainty, we expect equity markets to experience heightened volatility. Moreover, the continuing conflict between market expectations surrounding the peak inflation narrative, and reality remains one that is driving near term volatility. Going forward into 2023, there will be a macro battle between the China reopening hope being priced into markets and global central banks raising rates curtailing growth to fight inflation.

With the recent announcement of policy support and reopening measures, we believe that sentiment will continue to drive these markets higher in the short run. We expect a disruptive transition from zero-covid over a 1-3 month investment horizon as covid cases soar, which could hinder mobility rates and consumption. We need to see an improvement in economic activity, a sustained recovery in property sales, an orderly recovery of outbound travel and a revival of consumer confidence.

The rally in cyclical sectors across global equities in the fourth quarter suggests that markets are not pricing much of an economic slowdown. We need to be careful over emphasising a risk-on view in portfolios as monetary policy works with a lag and central banks have just turned on one of the most aggressive monetary tightening policies in history, that will likely be felt well into 2023.

Markets with significant exposures to energy, materials and agricultural commodities (as inflation hedges) and the low volatile, defensive attributes of consumer staples, utilities, broad dividend names as well as investment grade credits may find some insulation. We also like income-themed portfolios that offer resilience whilst keeping pace with inflation.

Tactical positioning will be more prevalent again into 2023, to be able to nimbly add and de-risk portfolios as well as add to yield opportunities as they arise. Valuations within some sectors have more than halved without a corresponding decline in earnings or cash flows. This suggests a disconnect between market conditions and fundamentals in some quality franchises. Overall, we are tilted towards higher rates and stable spreads, but see yields keeping contained given the potential for macro data disappointments.

A rising number of questions are growing around Fed policy. Fiscal stimulus is unlikely to be enough for a rapid economic recovery, as getting back to pre-pandemic growth rates is likely to be pushed into 2023 and beyond. The lasting impact of the pandemic on the global economy is not the only factor to monitor. Rising geopolitical tensions in Ukraine, decoupling between China and the West, decelerating growth rates post stimulus, supply chain disruptions and a general deglobalisation trend all raise questions about the future trajectory of global debt and equity markets.

US Equities
Review

The US stock market posted a steep loss in 2022, marking its worst year since 2008. Inflation, which the US Federal Reserve Board (Fed) initially thought would be transitory, remained stubbornly high as supply chain issues persisted and were exacerbated by surging energy prices following Russia's invasion of Ukraine. To curb inflation, the Fed aggressively hiked its key overnight lending rate – seven times in 2022, starting in March – and also curtailed its massive bond buying programme. Rapidly rising interest rates triggered mounting fears that the US economy and earnings could be headed for a sharp recession, rattling investors. Added headwinds included rising inflation in many non-US developed markets, geopolitical tensions and lingering supply chain issues. In addition, the US consumer finally began to show signs of decelerated spending amid macroeconomic uncertainty late in the year.

For the 12-month Period, US stocks across all market capitalisations posted steep declines, with growth lagging value by a wide margin. Within the broad-based Standard & Poor's (S&P) 500 Index, the growth-oriented communication services, consumer discretionary and information technology sectors posted notable declines, pressured by difficult year-over-year earnings comparisons and worries about the impact an economic deceleration would have on their businesses if consumer and corporate spending were to slow. The real estate sector also fell sharply, as higher interest rates raised the longer-term cost of capital for these business models. Conversely, the energy sector posted a steep gain, buoyed by elevated oil and gas prices that resulted from demand outstripping supply amidst a tumultuous geopolitical backdrop that is driving an overhaul of these foundational markets. In addition, the more defensive utilities and consumer staples sectors retained value, with roughly flat returns.

Outlook

As we head into 2023, uncertainty persists, with stock prices generally reflecting expectations for a fairly negative and prolonged earnings recession. Given mounting evidence that inflation is being tamed, however, we expect mild economic deceleration and better-than-expected earnings growth over the course of the coming year. Whilst market volatility is likely in the near term, we're encouraged by the US economy's strong foundation. More specifically, we take comfort in the health of the consumer, strong corporate profitability and balance sheets, considerable pent-up demand and capital spending plans, and a well-capitalised banking system poised to support economic growth as liquidity normalises. We expect near-term economic growth to remain choppy, but believe the economy will continue to expand in 2023 and accelerate in 2024.

As equity investors, we take a long-term perspective. Our plan is to maintain our long-term focus on financially sound companies with competitive advantages, the ability to generate substantial cash flow over sustained periods and attractive stock prices relative to our estimate of intrinsic value. Going forward, we expect to take advantage of attractive valuations and position the Fund for a global recovery. The Fund ends the period with a significantly increased weighting in the information technology sector and notably reduced exposure to the communication services and consumer discretionary sectors. At year-end, the Fund has overweights in the financials, information technology, consumer discretionary and communication services sectors.

We expect near-term economic growth to remain choppy, but believe the economy will continue to expand in 2023 and accelerate in 2024.

China and Hong Kong Equity

Review

Chinese equities posted losses for the year.

In the first quarter, Chinese equities moved lower. In January, a hawkish US Federal Reserve Board (Fed) put pressure on global equities, leading to a rotation from growth to value/ higher-yield names. In February and March, Chinese equities were negatively affected by the Russia-Ukraine conflict, widening pandemic outbreak and fear of ADR delisting. However, equities rebounded sharply in the second half of March as the State Council reiterated its stance to stabilise economic growth.

In the second quarter, Chinese equities posted gains. In April and the first half of May, markets continued to face headwinds brought by the Russia-Ukraine conflict and the pandemic. However, in the second half of May, equities rebounded as China announced 33 measures and guidelines to stimulate the economy. In June, Chinese equities continued to move higher on the back of easing lockdown measures in Beijing and Shanghai, relaxed quarantine rules on inbound travellers and stepped-up stimulus policies in property, auto and TMT sectors.

In the third quarter, Chinese equities retreated. In July and the first half of August, Chinese equities moved lower on the back of mortgage boycotts by homebuyers in the property sector as well as intensifying geopolitical tension amid the US's push for bans on chipmaking technology's exports to China and the US House Speaker's visit to Taiwan. However, Chinese equities subsequently moved higher in the second half of August supported by a policy stimulus package, PBOC's rate cuts and a preliminary agreement between the US and China to avoid ADR de-listing. In September, Chinese equities closed lower due to pandemic related lockdowns in key provinces such as Sichuan and the hawkish Fed which spurred concerns over a global economic slowdown.

In the fourth quarter, Chinese equities moved notably higher. In October, equities retreated on the back of conclusion of 20th National Party Congress with lack of hints on dynamic zero-covid strategy and the US's shipment restrictions of chip technology to China. However, Chinese equities subsequently rebounded in November and December thanks to reopening hopes amidst pandemic related relaxations and pro-growth policy stance. Hong Kong equities also posted losses along with Chinese equities. In January to April, Hong Kong equities moved lower with a significant pandemic related outbreak which led the government to impose strict social distancing standards. In May and June, the Hong Kong market rebounded on the back of easing pandemic related measures, positive catalysts from China and market expectation for preferential policies by the new government. In the third quarter, Hong Kong equities posted losses amidst global macro headwinds and China's sell-off. However, in the fourth quarter, the market rebounded as the government removed most of its pandemic related restrictions.

China and Hong Kong Equity

Outlook

Overall, we remain positive as policy executions accelerate into 2023, with China striving to implement proactive fiscal policy and prudent monetary policy.

For policy tailwinds, major policy shifts on pandemic related easing and policy relaxation for the property sector should enable economy to re-accelerate this year. In addition, the government will introduce business-friendly policies to support development of private enterprises and expand market access for overseas firms. The pro-growth policy stance could lead the cyclical recovery in 2023.

For innovations, China emphasised the importance of innovation, technology development and manufacturing upgrades to pursue technology self-sufficiency. President Xi has also urged the establishment of a new "national innovation system" to facilitate technological breakthroughs. These should serve as long-term tailwinds for China's technology and manufacturing industries involved in scientific and technological innovation. China also pledged to support healthy development of online platform companies. We continue to favour niche growth areas which could see stronger rebound after the easing of pandemic related controls.

For consumption upgrade, the favourable zero-covid policy shift is expected to benefit reopening-related sectors, including airlines, catering services, tourism and Macau gaming, etc. We expect both domestic and international tourist traffic to further recover once the pandemic subsides in China. In addition, the government has announced plans to expand domestic demand by stimulating consumption and investments towards 2035.

We believe the fiscal and monetary stimulus announced set the stage for economic recovery going into 2023. We remain selective and continue to focus on our key structural investment themes.

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Global Preferred Securities

Review

In 2022, the US bond market experienced its worst calendar-year performance in decades. The key factors included surging inflation and the efforts of the US Federal Reserve Board (Fed) to curb inflationary pressures. The 12-month US inflation rate soared during the first half of the year, peaking in July at a 40-year high of 9.1% before falling back, but it remained elevated throughout the year. The Fed responded with seven short-term interest rate increases—the Fed's first rate hikes since December 2018—which lifted the Federal Funds rate to 4.5%, its highest level in 15 years.

In this environment, US bond yields rose sharply, putting significant downward pressure on bond prices. Reflecting the Fed rate hikes, short-term bond yields rose the most, leading to an inverted yield curve (where short-term yields are higher than longer-term yields). Sector performance was broadly negative, with investment-grade corporate bonds and US Treasury securities posting the largest declines, whilst shorter-term sectors such as asset-backed securities held up the best.

Outlook

The Fed continues its path to tighten monetary policy in 2023. The full impact of the tightening started early in 2022 and is flowing through the real economy. Consumers and businesses in the US are beginning to feel this tightening. The impact to earnings and balance sheets is uneven, but it is there and broadening out.

Credit metrics supported by strong earnings and low leverage were very healthy for most businesses at the beginning of the year. Earnings deterioration is beginning to put pressure on companies as demand for goods wanes and inflationary pressures impact margins. Most higher quality corporates should be able to withstand softening economic conditions. Companies of lower credit quality will have to carefully navigate worsening conditions compounded by increased required rates of return by the financial markets.

We maintain our favourable view of preferred securities as significantly improved yields should lead to attractive forward returns. The ability to select securities from a broader credit universe and across the capital structure will help navigate the softening landscape and focus on risk-adjusted returns. There is potential for incremental upside in addition to income as inflation, volatility, and uncertainty subside medium-term. Preferred securities are higher quality in nature and continue to offer value compared to higher duration and traditional investment grade areas of the market. We continue our defensive position stance since 2019, with overweight allocations in areas such as utilities and underweight allocations in retail fixed-coupon securities.

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Find out more

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Peso Bond Fund

Investment Objective

The Fund seeks to achieve a stable and long-term growth by investing in government securities and/or high quality corporate debt securities and/or pooled fund/s that invest in these securities and other liquid fixed income instruments.

Historical Yield

Year-to-Date	
Absolute	-3.88%
Since Inception	
Absolute	180.30%
Annualized	5.65%

Fund Information

April 2004
Inception date

PHP 683.55 million
Fund size

PHP 2.803
Price (NAV/Unit)

1.50% per annum
Management fee

Fund Performance

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Peso Stable Fund

Historical Yield

Year-to-Date	
Absolute	-3.85%
Since Inception	
Absolute	177.10%
Annualized	5.59%

Investment Objective

The Fund seeks to achieve a long-term growth by investing in government securities and/or high quality corporate debt securities, stocks listed on the Philippine Stock Exchange and/or in pooled fund/s that invest in these securities and other liquid fixed income instruments.

Fund Information

April 2004
Inception date

PHP 648.51 million
Fund size

PHP 2.771
Price (NAV/Unit)

1.75% per annum
Management fee

Fund Performance

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Peso Equity Fund

Historical Yield

Year-to-Date	
Absolute	-4.99%
Since Inception	
Absolute	109.60%
Annualized	4.95%

Investment Objective

The Fund seeks to achieve long-term capital appreciation by investing in stocks listed on the Philippine Stock Exchange, government securities and/or pooled fund/s that invest in these securities and other liquid instruments.

Fund Information

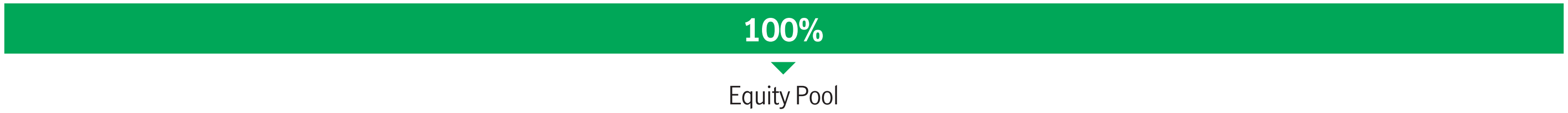
September 2007
Inception date

PHP 1.04 billion
Fund size

PHP 2.096
Price (NAV/Unit)

2.00% per annum
Management fee

Fund Performance



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Peso Balanced Fund

Historical Yield

Year-to-Date	
Absolute	-5.03%
Since Inception	
Absolute	0%
Annualized	0%

Investment Objective

The Fund seeks to achieve long-term capital growth through investments in diversified portfolios of peso-denominated fixed income securities and securities listed on the Philippine Stock Exchange and/or pooled fund/s that invest in these securities and other liquid fixed instruments. It shall generally maintain a balanced allocation between fixed income and equity investments and may shift asset allocation between the two as risk/reward dynamics warrant but in no case shall the fund's equity or fixed income allocation exceed 70% of its asset.

Fund Information

July 2013
Inception date

Php 246.47 million
Fund size

Php 1.000
Price (NAV/Unit)

2.00% per annum
Management fee

Fund Performance

37.79% Bond Pool

64.21% Equity Pool

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Peso Target Income Fund

Investment Objective

The Fund aims to provide periodic payouts of up to 3% per annum* while providing the potential for capital appreciation and limiting the risk of capital erosion by investing in a diversified portfolio of fixed income and equity investments based on an active asset allocation strategy.

Historical Yield

Year-to-Date	
Absolute	-4.63%
Since Inception	
Absolute	-0.23%
Annualized	-0.03%

Fund Information

April 2014
Inception date

Php 159.23 million
Fund size

Php 0.769
Price (NAV/Unit)

2.00% per annum
(of which 0.2% will go to the investment advisor, MIM Hong Kong, Ltd.)
Management fee

Fund Performance

49.09%	28.33%	22.58%
Bond Pool	Equity Pool	Short Term Bond Pool

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Peso Secure Fund

Historical Yield

Year-to-Date	
Absolute	-4.14%
Since Inception	
Absolute	64.24%
Annualized	3.68%

Investment Objective

The Fund seeks to achieve a stable and long-term growth by investing in government securities and/or high quality corporate debt securities and/or pooled fund/s that invest in these securities and other liquid fixed income instruments.

Fund Information

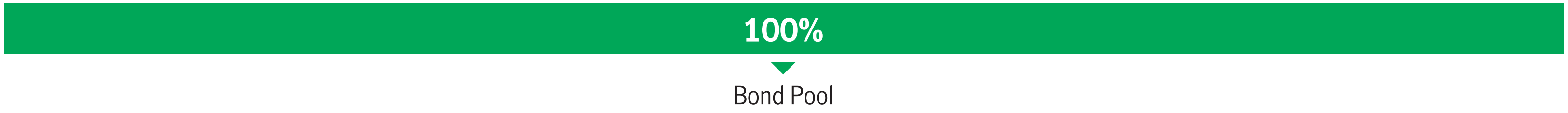
April 2009
Inception date

Php 5.14 billion
Fund size

Php 1.644
Price (NAV/Unit)

1.75% per annum
Management fee

Fund Performance



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Peso Diversified Value Fund

Investment Objective

The Fund seeks to achieve a long-term growth by investing in government securities and/or high quality corporate debt securities, stocks listed on the Philippine Stock Exchange and/or in pooled fund/s that invest in these securities and other liquid fixed income instruments.

Historical Yield

Year-to-Date	
Absolute	-4.09%
Since Inception	
Absolute	82.70%
Annualized	4.49%

Fund Information

April 2009
Inception date

Php 4.58 billion
Fund size

Php 1.827
Price (NAV/Unit)

2.00% per annum
Management fee

Fund Performance

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Peso Growth Fund

Historical Yield

Year-to-Date	
Absolute	-5.21%
Since Inception	
Absolute	181.43%
Annualized	7.84%

Investment Objective

The Fund seeks to achieve a long-term capital appreciation by investing in stocks listed on the Philippine Stock Exchange, government securities and/or pooled fund/s that invest in these securities and other liquid instruments.

Fund Information

April 2009
Inception date

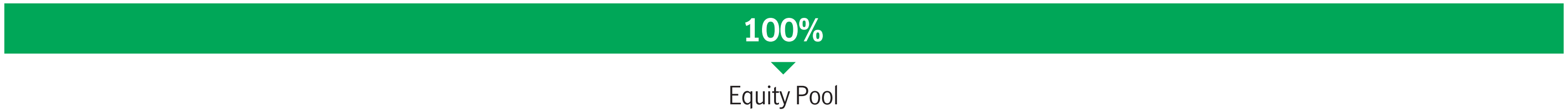
Php 19.11 billion
Fund size

Php 2.803
Price (NAV/Unit)

2.25% per annum
Management fee

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Fund Performance



Peso Dynamic Allocation Fund

Investment Objective

The Fund seeks to achieve long-term capital growth through investments in diversified portfolios of peso-denominated fixed income securities and securities listed on the Philippine Stock Exchange, and/or pooled fund/s that invest in these securities and other liquid fixed income instruments. It generally maintains a balanced allocation between fixed income and equity investments and may shift asset allocation between the two as risk/reward dynamics warrant but in no case will the fund's equity or fixed income allocation exceed 70% of its assets.

Historical Yield

Year-to-Date	
Absolute	-5.24%
Since Inception	
Absolute	-2.40%
Annualized	-0.26%

Fund Information

July 2013
Inception date

Php 5.12 billion
Fund size

Php 0.976
Price (NAV/Unit)

2.25% per annum
Management fee

Fund Performance

35.78%	64.22%
Bond Pool	Equity Pool

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Peso Target Distribution Fund

Investment Objective

The Fund aims to provide periodic payouts of up to 3% per annum* while providing the potential for capital appreciation and limiting the risk of capital erosion by investing in a diversified portfolio of fixed income and equity investments based on an active asset allocation strategy.

Historical Yield

Year-to-Date	
Absolute	-4.78%
Since Inception	
Absolute	-2.31%
Annualized	-0.27%

Fund Information

April 2014
Inception date

Php 1.44 billion
Fund size

Php 0.753
Price (NAV/Unit)

2.25% per annum
(of which 0.2% will go to the investment advisor, MAM Hong Kong, Ltd.)
Management fee

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Fund Performance

Bond Pool	Equity Pool	Short Term Bond Pool
49.09%	28.34%	22.59%

Peso Wealth Optimizer Fund 2026

Historical Yield

Year-to-Date	
Absolute	-4.92%
Since Inception	
Absolute	-9.10%
Annualized	-1.44%

Investment Objective

The Fund seeks to maximize long-term capital growth while managing the risk of capital erosion as the target date approcahes through a dynamic re-balancing of exposure to diversified portfolios of peso-denominated fixed income securities and securities listed on the Philippines Stock Exchange, and /or pooled funds that invest in these securities and other liquid fixed income instruments.

Fund Information

June 2016
Inception date

Php 479.39 million
Fund size

Php 0.909
Price (NAV/Unit)

2.25% per annum
(of which 0.18% will go to the investment advisor, MAM Hong Kong, Ltd.)
Management fee

Fund Performance

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Peso Wealth Optimizer Fund 2031

Investment Objective

The Funds seeks to maximize long-term capital growth while managing the risk of capital erosion as the target date approaches through a dynamic re-balancing of exposure to diversified portfolios of peso-denominated fixed income securities and securities listed on the Philippine Stock Exchange and/or pooled funds that invest in these securities and other liquid fixed income instruments.

Historical Yield

Year-to-Date	
Absolute	-5.11%
Since Inception	
Absolute	-12.70%
Annualized	-2.05%

Fund Information

June 2016
Inception date

Php 198.74 million
Fund size

Php 0.873
Price (NAV/Unit)

2.25% per annum
(of which 0.18% will go to the investment advisor, MAM Hong Kong, Ltd.)
Management fee

Fund Performance

24.31% Bond Pool

75.06% Equity Pool

Short Term Bond Pool **0.63%**

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Peso Wealth Optimizer Fund 2036

Investment Objective

The Fund seeks to maximize long-term capital growth while managing the risk of capital erosion as the target date approaches through a dynamic re-balancing of exposure to diversified portfolios of peso-denominated fixed income securities and securities listed on the Philippines Stock Exchange, and /or pooled funds that invest in these securities and other liquid fixed income instruments.

Historical Yield

Year-to-Date	
Absolute	-5.17%
Since Inception	
Absolute	-13.80%
Annualized	-2.23%

Fund Information

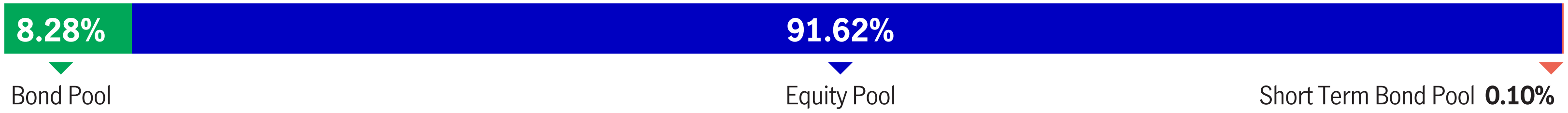
June 2016
Inception date

Php 236.74 million
Fund size

Php 0.862
Price (NAV/Unit)

2.25% per annum
(of which 0.18% will go to the investment advisor, MAM Hong Kong, Ltd.)
Management fee

Fund Performance



Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Emperor Fund

Historical Yield

Year-to-Date	
Absolute	-5.96%
Since Inception	
Absolute	-14.80%
Annualized	-3.59%

Investment Objective

The Fund aims to achieve long-term capital appreciation by investing in equity or equity-linked securities od a divesified portfolio of Philippine listed companies with bias towards companies with Filipino-Chinese heritage and companies with potential to become industry leaders. The Fund may also invest in pooled funds that invest in similar securities and other liquied fixed income instruments.

Fund Information

August 2018
Inception date

Php 1.64 billion
Fund size

Php 0.852
Price (NAV/Unit)

2.00% per annum
Management fee

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Fund Performance

100%
Emperor Pool

Powerhouse Fund

Investment Objective

The Fund aims to achieve long-term capital appreciation by investing in a concentrated portfolio of companies with significant economic exposure to or derive a significant portion of earnings from the Philippines. The Fund may also invest in pooled funds that invest in similar securities and other liquid fixed income instruments.

Historical Yield

Year-to-Date	
Absolute	-6.14%
Since Inception	
Absolute	-15.90%
Annualized	-2.86%

Fund Information

January 2017
Inception date

Php 6.84 billion
Fund size

Php 0.841
Price (NAV/Unit)

2.00% per annum
Management fee

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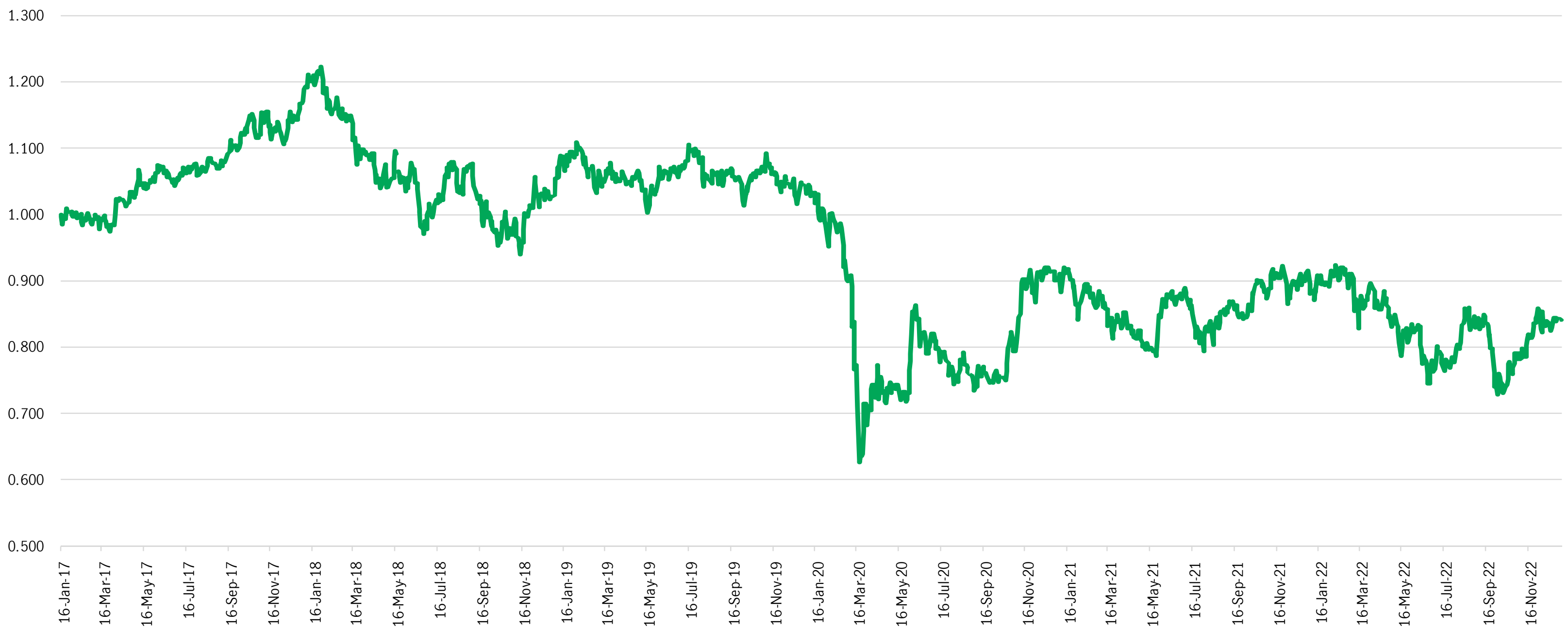
Fund Performance



100%

Powerhouse Pool

USD Bond Fund

Historical Yield

Year-to-Date	
Absolute	-14.81%
Since Inception	
Absolute	110.60%
Annualized	4.19%

Investment Objective

The Fund seeks to achieve long-term capital appreciation by investing in USD denominated sovereign and corporate debt securities and/or pooled fund/s that invest in these securities and other liquid instruments.

Fund Information

November 2004
Inception date

US$ 7.23 million
Fund size

US$ 2.106
Price (NAV/Unit)

1.75% per annum
Management fee

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Fund Performance

USD Secure Fund

Historical Yield

Year-to-Date	
Absolute	-15.01%
Since Inception	
Absolute	47.20%
Annualized	2.86%

Investment Objective

The Fund seeks to achieve long-term capital appreciation by investing in USD denominated sovereign and corporate debt securities and/or pooled fund/s that invest in these securities and other liquid instruments.

Fund Information

April 2009
Inception date

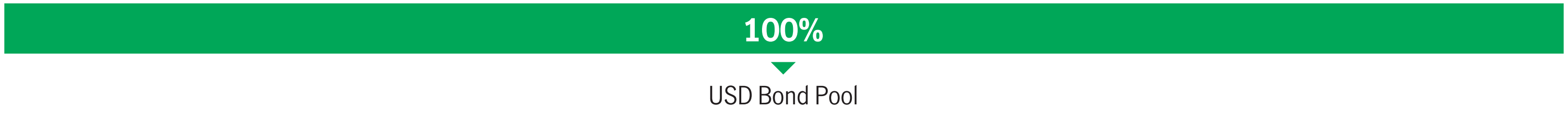
US$ 21.14 million
Fund size

US$ 1.472
Price (NAV/Unit)

2.00% per annum
Management fee

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Fund Performance



USD Asia Pacific Bond Fund

Investment Objective

The Fund seeks to maximize returns from a combination of capital appreciation and income generation. The Fund primarily invests in diversified portfolio of fixed income securities, issued by governments, agencies supra, and corporate issuers in the Asia Pacific region.

Historical Yield

Year-to-Date	
Absolute	-10.31%
Since Inception	
Absolute	2.60%
Annualized	0.23%

Fund Information

October 2011
Inception date

US$ 11.13 million
Fund size

US$ 1.026
Price (NAV/Unit)

2.00% per annum
(of which 0.6% will go to the investment manager)
Management fee

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Fund Performance

USD ASEAN Growth Fund

Investment Objective

The objective of this Fund is to generate long-term capital growth through investments in equity and equity-related securities of companies incorporated in countries which are members of ASEAN as well as companies incorporated outside ASEAN but with material exposure to ASEAN markets. The Fund may hold cash and fixed income instruments for liquidity management purposes

Historical Yield

Year-to-Date	
Absolute	-5.91%
Since Inception	
Absolute	51.30%
Annualized	4.19%

Fund Information

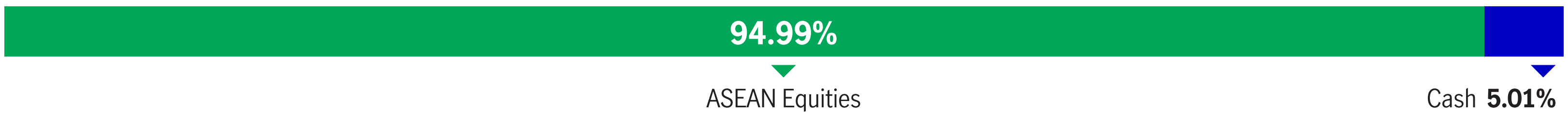
26 Nov 2012
Inception date

US$ 51.44 million
Fund size

US$ 1.513
Price (NAV/Unit)

2.25% per annum
(of which 0.9% will go to the Manager)
Management fee

Fund Performance



Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

USD Global Target Income Fund

Investment Objective

The Fund seeks to deliver periodic distribution of up to 4.75%* p.a. while providing the potential for capital appreciation and limiting the risk of capital erosion. The Fund will invest primarily in a diversified portfolio of collective investment schemes (including exchange-traded funds (ETFs), real estate investment trusts (REITs) and cash and cash equivalents.

Historical Yield

Year-to-Date	
Absolute	-15.19%
Since Inception	
Absolute	-0.62%
Annualized	-0.09%

Fund Information

18 Jan 2016
Inception date

US$ 77.65 million
Fund size

US$ 0.718
Price (NAV/Unit)

2.25% per annum
(of which 0.60% will go to the Manager)
Management fee

Fund Performance

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

USD Asia Pacific Property Income Fund

Investment Objective

The Fund is Feeder Fund that invests in the Asia Pacific REIT Fund of Fund of Manulife Asset Management and Trust Corporation. The target fund is a unit-paying fund of funds that seeks to achieve long-term capital appreciation and to generate income by investing primarily in a diversified portfolio of exchange-listed real estate investment trust (REITs) in the Asia Pacific region and other allowable investments.

Historical Yield

Year-to-Date	
Absolute	-14.45%
Since Inception	
Absolute	-12.55%
Annualized	-3.38%

Fund Information

February 2019
Inception date

US$ 26.07 million
Fund size

US$ 0.804
Price (NAV/Unit)

2.25% per annum
Management fee

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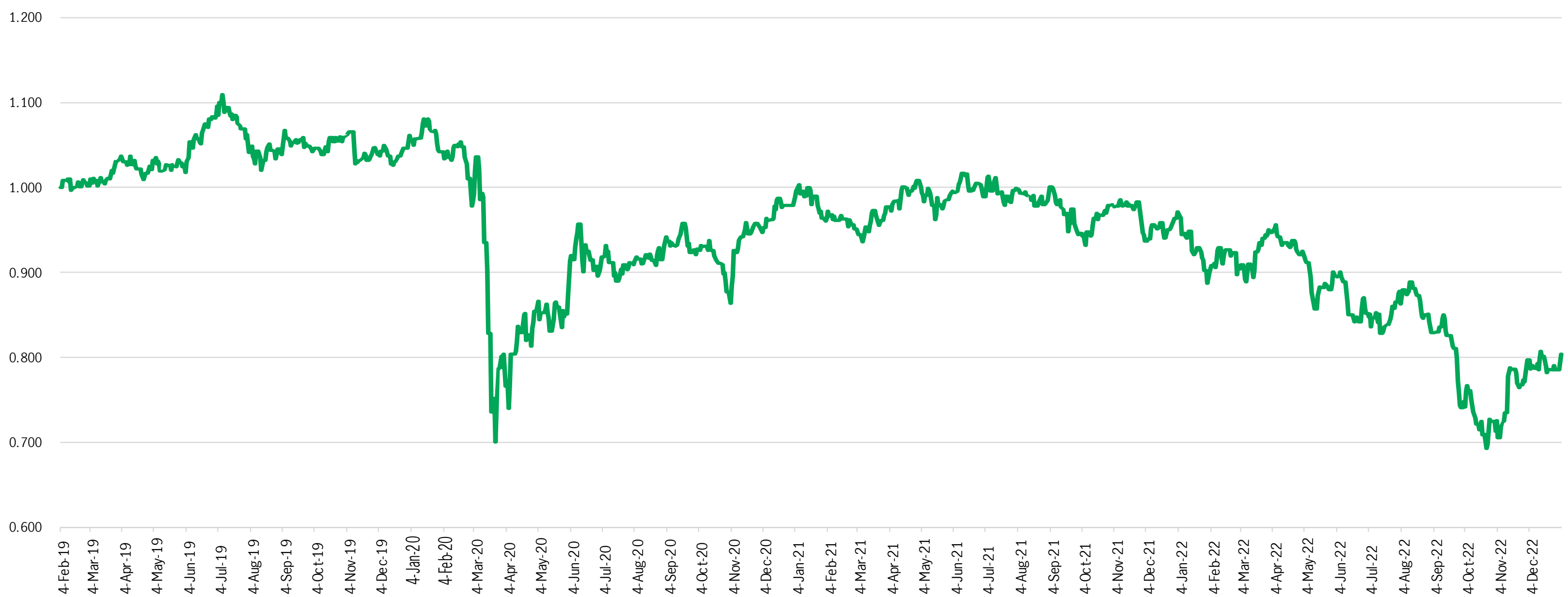
Fund Performance



PHP Asia Pacific Property Income Fund

Historical Yield

Year-to-Date	
Absolute	-6.55%
Since Inception	
Absolute	-8.70%
Annualized	-2.51%

Investment Objective

The Fund is Feeder Fund that invests in the Asia Pacific REIT Fund of Fund of Manulife Asset Management and Trust Corporation. The target fund is a unit-paying fund of funds that seeks to achieve long-term capital appreciation and to generate income by investing primarily in a diversified portfolio of exchange-listed real estate investment trust (REITs) in the Asia Pacific region and other allowable investments.

Fund Information

May 2019
Inception date

PHP 743.95 million
Fund size

PHP 0.838
Price (NAV/Unit)

2.25% per annum
Management fee

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Fund Performance

100%

Target Fund

USD US Growth Fund

Historical Yield

Year-to-Date	
Absolute	-26.96%
Since Inception	
Absolute	-20.90%
Annualized	-13.29%

Investment Objective

The Fund aims to maximize total return by investing substantially all of its asset in one or more equity collective investment schemes which aims to achieve capital growth through an underlying strategy that invests primarily in a portfolio of equity and equity related securities of North American companies.

Fund Information

May 2021
Inception date

US$ 3.12 million
Fund size

US$ 0.791
Price (NAV/Unit)

2.25% per annum
Management fee

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Fund Performance

100%

Target Fund

PHP US Growth Fund

Investment Objective

The Fund aims to maximize total return by investing substantially all of its asset in one or more equity collective investment schemes which aims to achieve capital growth through an underlying strategy that invests primarily in a portfolio of equity and equity related securities of North American companies.

Historical Yield

Year-to-Date	
Absolute	-20.58%
Since Inception	
Absolute	-6.20%
Annualized	-3.82%

Fund Information

May 2021
Inception date

PHP 612.87 million
Fund size

PHP 0.938
Price (NAV/Unit)

2.25% per annum
Management fee

Fund Performance

100%
Target Fund

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

USD Tiger Growth Fund

Investment Objective

The Fund aims to maximize total return by investing substantially all of its asset in one or more equity collective investment schemes which aims to achieve capital growth through an underlying strategy that invests primarily in a portfolio of equity and equity related securities of public companies which are listed in Hong Kong and/or, although not listed in Hong Kong, are listed on a stock exchange in any other jurisdiction and have substantial business interests in Hong Kong and/or China.

Historical Yield

Year-to-Date	
Absolute	-28.84%
Since Inception	
Absolute	-44.00%
Annualized	-29.72%

Fund Information

May 2021
Inception date

US$ 492.56 thousand
Fund size

US$ 0.560
Price (NAV/Unit)

2.25% per annum
Management fee

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Fund Performance

PHP Tiger Growth Fund

Historical Yield

Year-to-Date	
Absolute	-21.87%
Since Inception	
Absolute	-33.90%
Annualized	-22.26%

Investment Objective

The Fund aims to maximize total return by investing substantially all of its asset in one or more equity collective investment schemes which aims to achieve capital growth through an underlying strategy that invests primarily in a portfolio of equity and equity related securities of public companies which are listed in Hong Kong and/or, although not listed in Hong Kong, are listed on a stock exchange in any other jurisdiction and have substantial business interests in Hong Kong and/or China.

Fund Information

May 2021
Inception date

PHP 191.68million
Fund size

PHP 0.661
Price (NAV/Unit)

2.25% per annum
Management fee

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Fund Performance

USD Global Preferred Securities Income Fund

Historical Yield

Year-to-Date	
Absolute	-16.19%
Since Inception	
Absolute	-15.65%
Annualized	-9.84%

Investment Objective

The Fund aims to maximize total return by investing substantially all of its asset in one or more equity collective investment schemes which aims to provide income generation with potential long-term capital appreciation by investing primarily in preffered securities listed or traded on any regulated market in the world.

Fund Information

May 2021
Inception date

US$ 2.92 million
Fund size

US$ 0.797
Price (NAV/Unit)

2.25% per annum
Management fee

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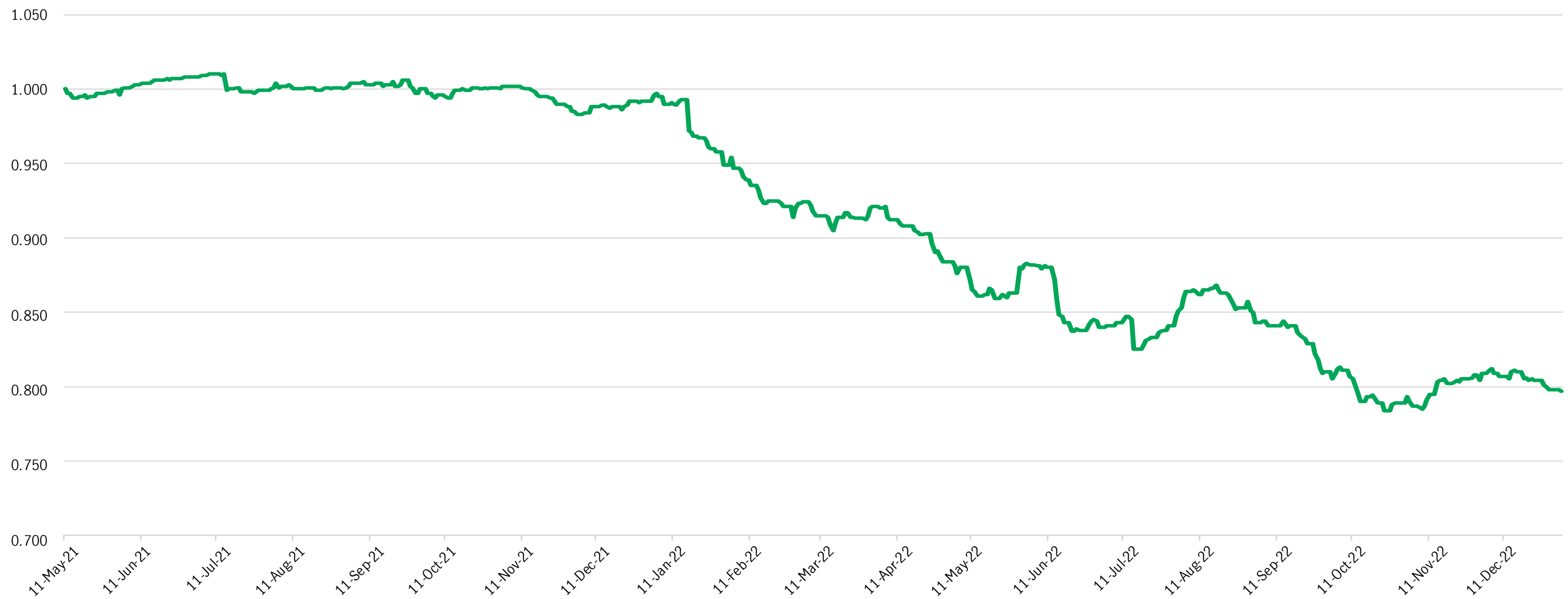
Fund Performance



PHP Global Preferred Securities Income Fund

Historical Yield

Year-to-Date	
Absolute	-7.88%
Since Inception	
Absolute	-1.29%
Annualized	-0.78%

Investment Objective

The Fund aims to maximize total return by investing substantially all of its asset in one or more equity collective investment schemes which aims to provide income generation with potential long-term capital appreciation by investing primarily in preffered securities listed or traded on any regulated market in the world.

Fund Information

May 2021
Inception date

PHP 236.70 million
Fund size

PHP 0.937
Price (NAV/Unit)

2.25% per annum
Management fee

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Fund Performance

100%

Target Fund

USD Global Health Fund

Historical Yield

Year-to-Date	
Absolute	n.a.
Since Inception	
Absolute	2.60%
Annualized	2.60%

Investment Objective

The Fund aims to maximize total return by investing substantially all of its asset in one or more equity collective investment schemes which aims to provide medium to long term capital growth by investing mainly in equity-related securities in health care and related industries globally, which are listed on any stock exchange. The Target Fund may invest in companies which derive a significant portion of their earnings from medical and pharmaceutical products and services. The remaining assets may include bonds and deposits.

Fund Information

May 2022
Inception date

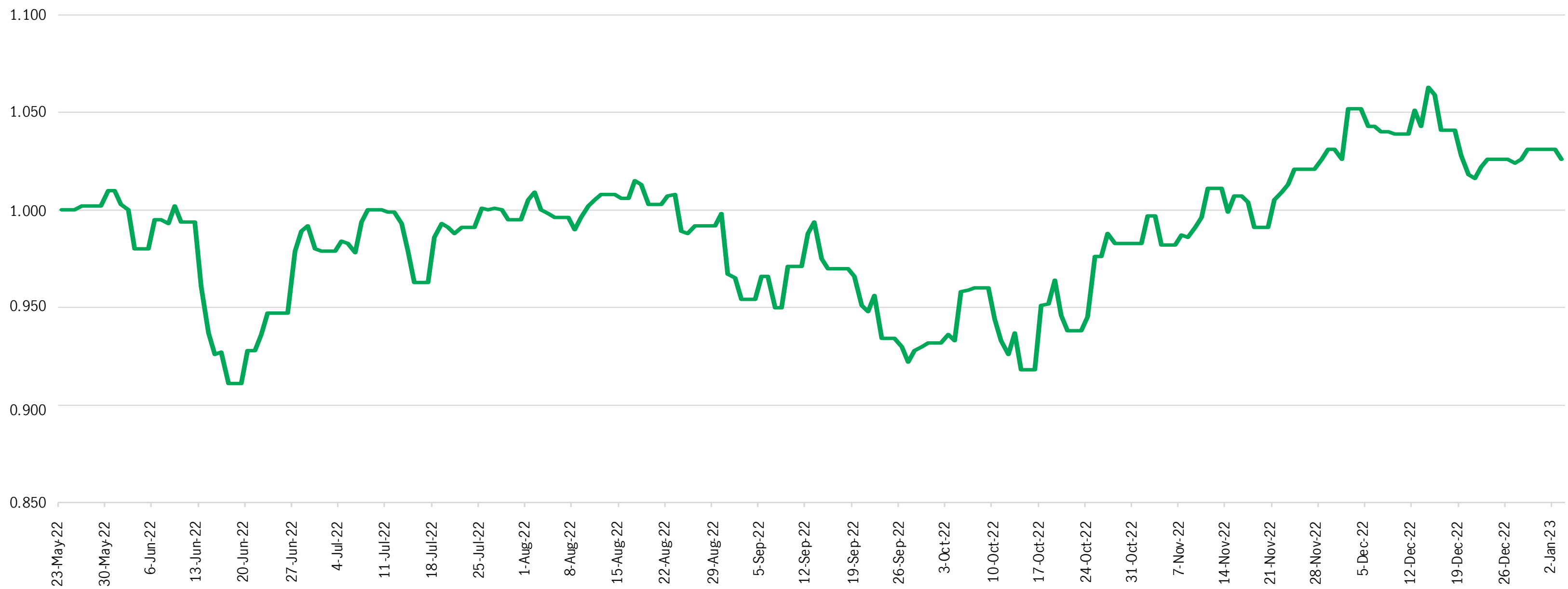
US$ 215.87 million
Fund size

US$ 1.026
Price (NAV/Unit)

2.25% per annum
Management fee

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Fund Performance



100%

Target Fund

PHP Global Health Fund

Historical Yield

Year-to-Date	
Absolute	n.a.
Since Inception	
Absolute	8.40%
Annualized	8.40%

Investment Objective

The Fund aims to maximize total return by investing substantially all of its asset in one or more equity collective investment schemes which aims to provide medium to long term capital growth by investing mainly in equity-related securities in health care and related industries globally, which are listed on any stock exchange. The Target Fund may invest in companies which derive a significant portion of their earnings from medical and pharmaceutical products and services. The remaining assets may include bonds and deposits.

Fund Information

May 2022
Inception date

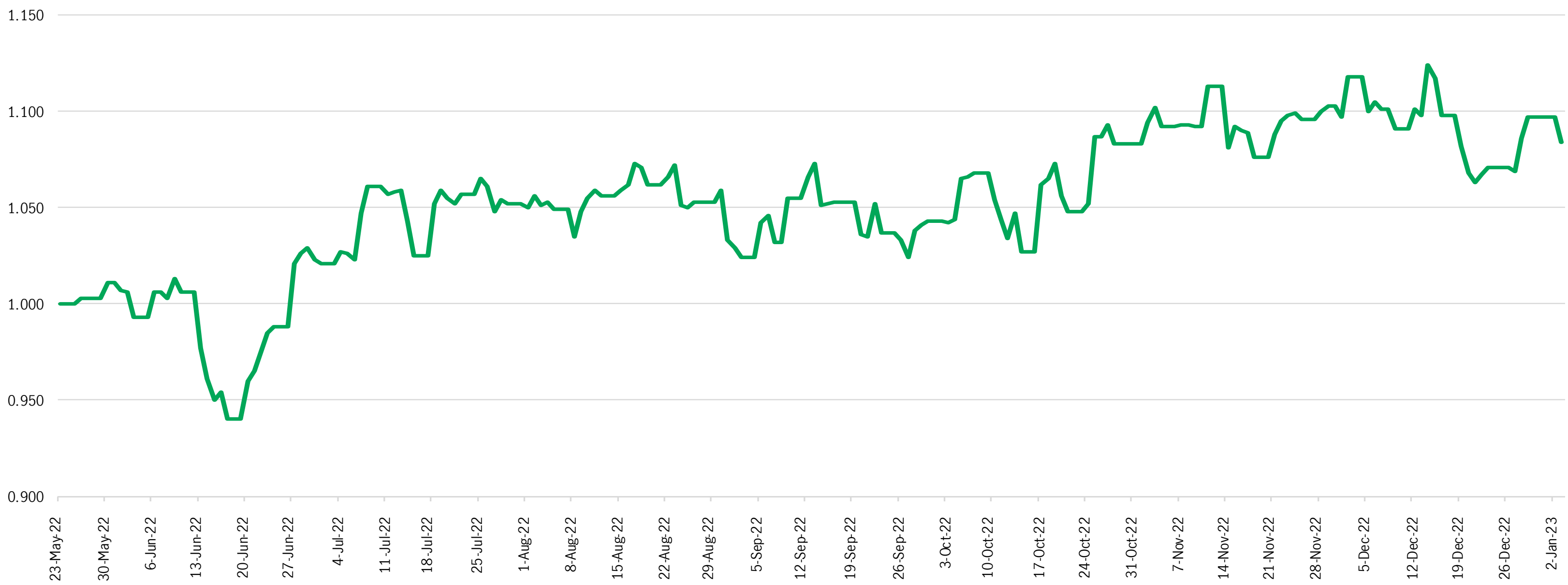
PHP 97.80 million
Fund size

PHP 1.084
Price (NAV/Unit)

2.25% per annum
Management fee

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Fund Performance



USD Global Multi-Asset Income Fund

Historical Yield

Year-to-Date	
Absolute	n.a.
Since Inception	
Absolute	-2.36%
Annualized	-2.36%

Investment Objective

The Fund aims to maximize total return by investing substantially all of its asset in one or more collective investment schemes which aims to achieve income generation by investing primarily in a diversified portfolio of equity, equity-related, fixed income and fixed income-related securitires of companies and/or government (including the emerging markets).

Fund Information

May 2022
Inception date

US$ 209.67 million
Fund size

US$ 0.953
Price (NAV/Unit)

2.25% per annum
Management fee

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Fund Performance

PHP Global Multi-Asset Income Fund

Historical Yield

Year-to-Date	
Absolute	n.a.
Since Inception	
Absolute	3.80%
Annualized	3.80%

Investment Objective

The Fund aims to maximize total return by investing substantially all of its asset in one or more collective investment schemes which aims to achieve income generation by investing primarily in a diversified portfolio of equity, equity-related, fixed income and fixed income-related securitires of companies and/or government (including the emerging markets).

Fund Information

May 2022
Inception date

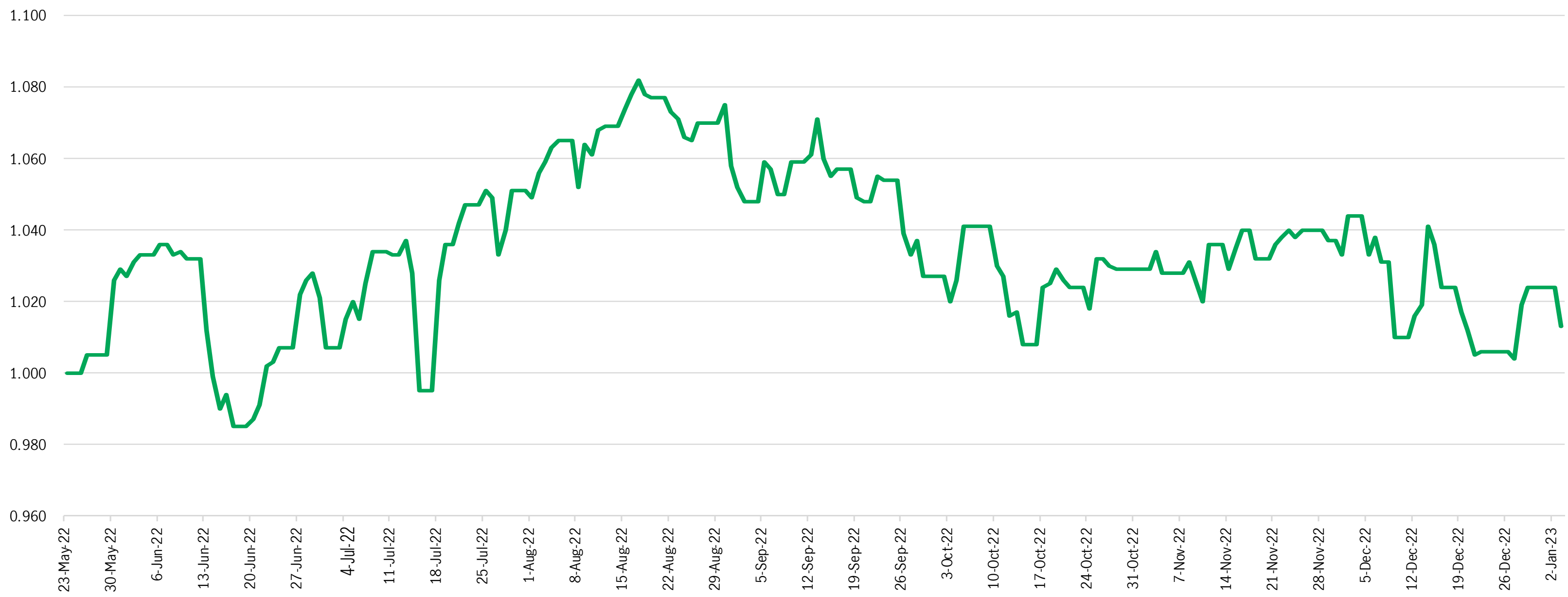
PHP 53.53 million
Fund size

PHP 1.013
Price (NAV/Unit)

2.25% per annum
Management fee

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Fund Performance



100%
Target Fund

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