PHP Global Health Fund

An investment fund option for variable life insurance products of **The Manufacturers Life Insurance Co., (Phils), Inc.**.

Investment Objective

The Fund aims to maximize total return by investing substantially all of its assets in one or more collective investment schemes which aims to provide medium to long term capital growth by investing mainly in equity and 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

Inception Date May 2022	**Fund Size** PHP 728.12 million	**Fund Currency** Philippine peso	**Dealing/Valuation** Daily
Price (NAV/unit) PHP 1.384	**Management Fee** 2.25% per annum	**Bloomberg Ticker** PHEQPGH	

Performance Return (December 31, 2025)

PHP Global Health Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.43%	21.19%	21.19%	27.68%	n.a.	38.40%
Annualized	n.a.	n.a.	21.19%	8.48%	n.a.	9.42%

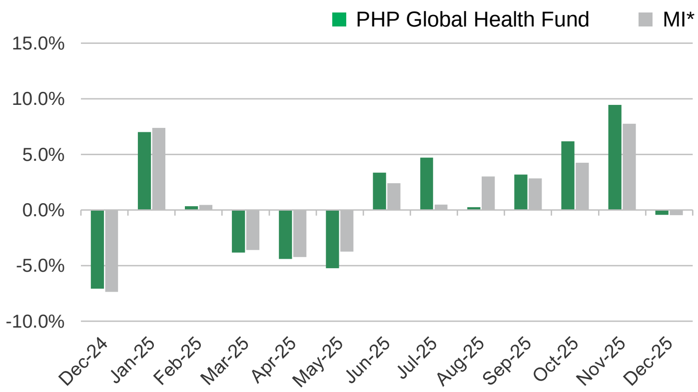
Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

Monthly Net Asset Value per Unit

Top Five Holdings

Eli Lilly and Company	9.86%
AstraZeneca PLC	6.35%
Johnson & Johnson	6.21%
AbbVie, Inc.	5.88%
Amgen Inc.	4.64%

Monthly Performance

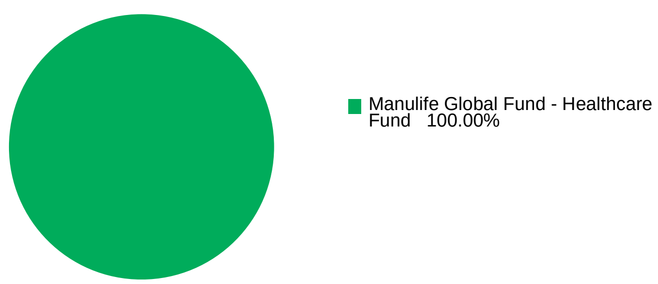


**100% MSCI World/Healthcare NR USD index*

This is not a deposit product. Earnings are not assured and principal amount invested is exposed to risk of loss. This product cannot be sold to you unless its benefits and risks have been thoroughly explained. If you do not fully understand this product, do not purchase or invest in it.

Portfolio Breakdown

Asset Allocation (at Market Value)



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Market Review

The world equity markets moved steadily higher in December, helping the broad-based global indices hit a series of all-time highs and deliver their third consecutive year of double-digit returns. After an uneven showing in November stemming from a brief evaporation of enthusiasm about the artificial intelligence (AI) theme, stocks regained their footing to close out the year on a high note amid mounting optimism about the economic outlook. Consistent with the trend that was in place throughout 2025, European stocks led the way. The region continued to be supported by improving growth prospects, low interest rates, and compelling valuations relative to the US. The US market finished slightly behind its global peers, but the month was characterized by a rotation toward the value style and smaller companies – a potential indication of broadening leadership. Developed Asia also gained ground, led by Australia. Emerging market stocks produced a gain as well, capping a year in which the asset class produced its best return since 2017 and outpaced the developed markets.

The healthcare sector declined during the period and detracted, as measured by the MSCI World Index. The pharmaceuticals sub-sector performed well while the healthcare providers and services, life sciences tools and services, healthcare equipment and supplies, and biotechnology sub-sectors lagged.

Outlook

We believe that the defensive characteristics of the sector coupled with solid organic growth in select companies should provide strong performance over a full market cycle. In addition, capital markets access has improved dramatically in the back half of 2025 for biopharmaceutical companies which is a welcome change over the prior two years. We expect mergers and acquisitions to remain abundant as healthcare companies with strong balance sheets utilize excess capital to expand pipeline and product offerings.

Scrutiny continues over regulatory and public policy changes recently implemented by the current US administration coming into 2026. Concerns over longstanding US policies regarding vaccine availability, FDA (Food and Drug Administration) regulatory approval pathways, and Medicare/Medicaid reimbursement frameworks of CMS (Centers for Medicare and Medicaid Services) persist in the sector. We remain comfortable that practical changes to longstanding policies in these agencies will be incremental at best. We expect that legislative oversight from the US Congress, along with meaningful input from corporations governed by such policies and the broader scientific community, can and should curtail any dramatic changes in this regard.

From a portfolio perspective, we believe that we are very well positioned to avoid undue exposure to any of these potential headwinds, including the possible financial implications of recently proposed tariffs. Of note, we were pleased to see recent negotiated agreements between major global biopharmaceutical companies, and the Trump administration have improved product access while excluding explicit tariffs on biopharmaceutical products. We anticipate that the primary focus of the current US Department of Health and Services (HHS) secretary will remain on issues of food safety and vaccination policy. Fortunately, our portfolio has been and remains under indexed to these prospective issues.

In addition, the healthcare sector has experienced modest volatility following the July passage of the US Reconciliation Bill (One Big Beautiful Bill). While this law facilitates meaningful cuts (~USD1.2 trillion over 10 years) in US government healthcare spending, these cuts are primarily directed at Medicaid and ACA (Affordable Care Act) insurance programs. Our portfolio holdings remain well positioned to minimize potential downside implications from these cuts. More specifically, we continue to maintain limited to the Medicaid and ACA insurers, as well as limited exposure to publicly traded hospital companies. One positive ramification of the One Big Beautiful Bill worth noting was a carve out provision protecting rare and orphan drugs from potential price cuts under Medicare negotiations. We have maintained and continue to find interesting investment opportunities in these orphan drug companies.

Within biopharmaceuticals, we are focused on companies with best-in-class product portfolios serving patients in disease states with inelastic demand. Our previous findings related to structural changes in the healthcare industry support the urgency to effectively manage other pre-existing disease states (cancer, metabolic syndrome, asthma, and other immunologic disorders), which our research suggests pre-dispose these comorbid patients to higher morbidity and mortality post-COVID. Accordingly, this has led us to favor biopharmaceutical companies over-indexed to cardiovascular disease, neurological disease, and diabetes.

Fundamentals within select areas of both the healthcare equipment and supplies and life science tools and services industries remain attractive. Specifically, we continue to favor select companies working in the fields of electrophysiology and hypertension, which we believe hold great promise in underserved populations with substantial unmet medical needs. We expect several of these companies will continue to generate above market returns as the incremental research, capex, and pipeline investments they have implemented continue to reach fruition in the coming quarters and years.

Within the healthcare providers and services industry, we continue to see significant value in select supply chain companies, specifically pharmaceutical wholesalers and specialty pharmacy companies. We continue to see these companies generating improving margins from favorable modifications to patient co-pay obligations, driving elevated prescription volumes. In addition, we continue to maintain an underweight exposure to Medicaid and ACA insurers as previously discussed.

Overall, we continue to emphasize a bottom-up fundamental research process informed by our assessment of emerging scientific and medical trends, coupled with a thorough intrinsic valuation analysis. This approach should ensure that our allocation of capital is focused on companies tackling important unmet medical needs, pursuing underappreciated market opportunities, and/or demonstrating an ability to bend the healthcare cost curve.

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The investment fund option for The Manufacturers Life Insurance Company's variable life insurance product is managed by Manulife Investment Management and Trust Corporation.

The Fund mentioned in this document is specific to variable life insurance contracts and is not considered a mutual fund. Yields depend on interest and foreign exchange rate levels, both of which may fluctuate. Other factors that affect yield include changes in the credit standing of the issuers and changes in the value of the stocks and dividends received. Further, investments of the Fund may provide that their values be determined based on prices or yields of other securities, instruments or foreign currencies, and such provisions may result in negative fluctuations in the value of these investments and, in turn, the Fund's yields. Thus, the performance of the separate account(s) is not guaranteed and the value of the policy could be less than the capital invested. THE VARIABLE LIFE POLICYHOLDER SHALL BEAR ALL INVESTMENT RISKS. Past performance of the Fund is not necessarily indicative of future performance. Yields are not guaranteed.

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