

# PHP Global Multi-Asset Income 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 achieve income generation by investing primarily in a diversified portfolio of equity, equity-related, fixed income and fixed income-related securities of companies and/or governments globally (including the emerging markets).

## Fund Information

<b>Inception Date</b> May 2022	<b>Fund Size</b> PHP 638.45 million	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 1.200	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> PHEQPPM	

## Performance Return (November 30, 2024)

PHP Global Multi-Asset Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	2.72%	17.80%	21.70%	n.a.	n.a.	34.92%
Annualized	n.a.	n.a.	21.70%	n.a.	n.a.	12.61%

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.

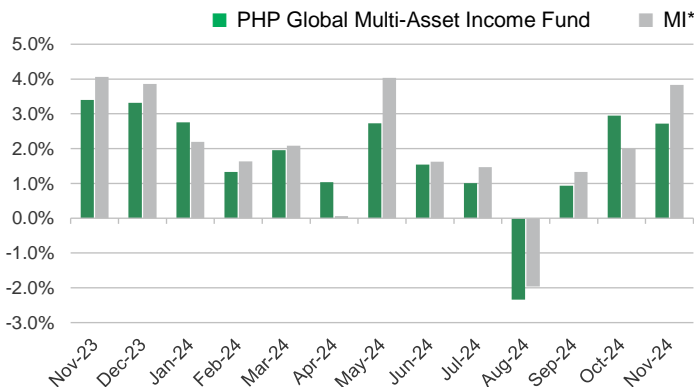
## Monthly Net Asset Value per Unit



## Top Five Holdings

MICROSOFT CORPORATION	1.14%
NVIDIA CORPORATION	1.13%
APPLE INC.	1.04%
FEDERAL HOME LOAN BANK DISCOUNT NOTES 0% 02/12/2024	0.95%
AMAZON.COM, INC.	0.85%

## Monthly Performance

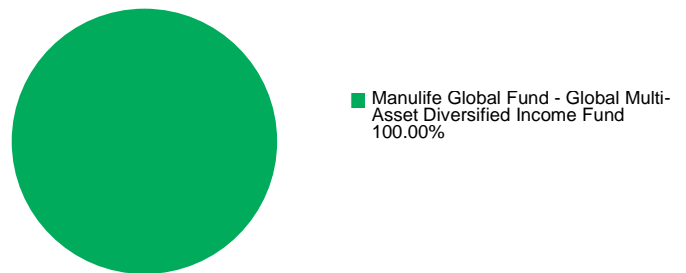


\*50% MSCI World GR (USD) Index + 50% Bloomberg Barclays Global Aggregate Bond (USD Hedged) Index

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

November saw numerous headlines dominated by the outcome of the US presidential election, which saw Donald Trump's sweeping victory and Republicans securing majorities in both chambers of Congress. Markets anticipated pro-growth and pro-business policies under the new administration, including potential tax cuts, America First, more nationalist trade policies and a shift towards a more deregulation approach. This optimism led to a substantial rally in local US equity markets, sending major indices to new highs. Global equities were mixed outside US markets as concerns around Trump's potential trade policy, and a strengthening US dollar negatively impacted the performance of emerging markets (EMs). Fixed income markets were marginally positive over the month, even with central banks cutting rates. However, uncertainty remains on reduced US rate cut expectations and elevated inflation under a new administration in 2025.

In the US, positive macro data also contributed to the rally with headline retail sales and composite Purchasing Managers' Index (PMI) data coming in higher than expected. The labor market data remained consistent, showing a normalizing and slowing labor market. Regarding inflation data in October, inflation remained stubborn with the headline inflation accelerating to 2.6% year-on-year (YoY) and core inflation remaining unchanged at 3.3% YoY. The US Federal Reserve Board (Fed) continued its normalization of monetary policy against a backdrop of economic growth by cutting the US Fed funds rate by 25 bps to a range of 4.50% -4.75%. Presidential election results, positive macro data and the US Fed's rate cut guidance boosted US equities to fresh highs, performing significantly, with small caps and cyclical stocks being the main beneficiaries. The US dollar had a strong rally over the month as markets anticipated an inflationary backdrop under Trump's expansionary fiscal plans, leading to a higher-for-longer rate environment.

European equities fell marginally in November on softening economic activity in the eurozone. The Eurozone Composite and Services PMIs missed estimates and edged to 10-month lows to 48.1 and 49.2, respectively, while Manufacturing PMI continued to hover deep in contractionary territory at 45.2. The new US administration continues to weigh further on macro sentiment in the eurozone. In the UK, inflation data moved higher with headline and core inflation accelerating to 2.3% YoY and 3.3% YoY, respectively. The November composite also tumbled to a 13-month low to 49.9. The Bank of England (BoE) cut its base rate to 4.75%. Despite softer activities and stickier inflation prints, strong performances across the healthcare and communications sectors supported UK equities during the month.

Within Asia, Chinese equities continued to sell off as the long-awaited details of the government's fiscal package failed to live up to expectations, where markets originally expected additional support for property and consumption sectors. Other economic data painted a modestly better picture with firmer retail sales and manufacturing sector. In Japan, the Japanese yen was more resilient to the US dollar amidst more hawkish developments from the Bank of Japan (BoJ), which continues to support normalization. Services PMI edged up back into expansionary territory to 50.2.

Equities were mixed in November with the MSCI ACWI up +3.77% and MSCI World up +4.62%, led by the US, which saw Standard & Poor's (S&P) 500 returning +5.87%. Canada was another bright spot returning +6.57%. EMs were the laggard, falling -3.58%, while Asia Pacific ex Japan also fell -3.26%. Latin America detracted the most, declining -5.50%.

Within MSCI World, consumer discretionary drove the gains adding +9.40%, followed by financials +8.03%. Healthcare and materials continued to be the laggards, falling -0.84% and -0.88%, respectively as concerns regarding Trump's less favorable position towards the pharmaceutical industry weighed on the sector.

Fixed income markets ended in positive territory marginally over the month as bond yields modestly fell. The US 10-year Treasury yield fell back to 4.17% at the end of the month. The FTSE World Government Bond Index gained +0.25%. Global and US high yields were notable performers ending the month with +0.82% and +1.15% returns, respectively. Investment-grade (IG) credits lagged with global aggregate adding slightly +0.34%.

In foreign exchange, major currencies weakened against the US dollar, including the GBP (-1.14%) and EUR (-2.71%). However, the Japanese yen strengthened against the US dollar during the month by +1.42%.

## Outlook

Looking ahead, our medium- to long-term outlook suggests that ultimately lower interest rates would be accommodative for economic growth with inflation coming down and continuing resiliency in corporate earnings growth. However, we are at a juncture where rates may not need to be as aggressively cut as previously expected in 2025, given recent favorable macro data and sticky, elevated inflation. We also remain on data watch in order to garner more clarity on the global macroeconomic path and how that translates into portfolios. We expect volatility to persist amid a complex macroeconomic landscape where geopolitical risks and the potential for a global economic slowdown could be potential headwinds going into 2025.

We believe the global easing cycle is well underway although more recently data has shown improvement while market sentiment has shifted positively post a Trump win. All major central banks have indicated that the next moves are cuts, provided inflation continues to moderate, except for the BoJ, which finally moved out of its negative interest rate policy. With the US Fed's cutting cycle started, attention shifts to the extent and speed of these cuts. The extent to which the US Fed cuts remain data-dependent, and we continue to expect that some uneven cooling in the labor market and well-contained inflation will allow the US Fed to continue moving towards a neutral policy rate. That being said, against a backdrop of government policy uncertainty any ambiguity in the data would suggest the US Fed proceeds with caution, slowing the pace of their easing cycle. Outside the US and Japan, we expect the central banks of developed markets (DMs) to continue their easing cycles, supported by softer inflation pressures and sluggish growth, where growth is slowly recovering in these economies back to low-trend levels. The EM easing cycle will continue. Uncertainty around the US Fed's path had created a ripple effect around EM paths. With the US Fed now looking more certain, other EM central banks that had slowed or paused their own easing cycles should now be set to resume. We could expect a more synchronous easing cycle across most central banks given a clearer US Fed policy path and a potentially weaker US dollar. We currently expect a 25-bps cut in December and followed by cuts about once a quarter through 2025. The size and shape of this easing cycle depends on whether we see downside surprises to the labor market and consumer data.

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We expect the US economy to slow down modestly due to pre-existing dynamics (i.e., the lagged effects of policy tightening), which would negatively affect the global trade and manufacturing cycle. However, more pronounced weakness or tariff-related uncertainty could further weigh on risk assets in export-dependent regions. While the discussion around whether or not the US can stick the landing is alive and well, we would note that large parts of Europe, the UK, Japan, Canada, and China have all experienced underwhelming, and comparatively weaker, growth at various points over the last six quarters. Any regional-level assessment should include careful consideration of its exposure to the global trade impulse.

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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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