

Peso Target 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 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.

Fund Information

Inception Date April 2014	Fund Size PHP 143.29 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 0.799	Management Fee 2.00% per annum (of which 0.20% will go to the Investment advisor, Manulife Investment Management (HK) Limited.)	Bloomberg Ticker MPPHINC	

* The 3% per annum payout rate is not guaranteed.

Performance Return (October 31, 2024)

Peso Target Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.74%	6.12%	10.37%	4.72%	3.75%	9.53%
Annualized	n.a.	n.a.	10.37%	1.55%	0.74%	0.87%

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

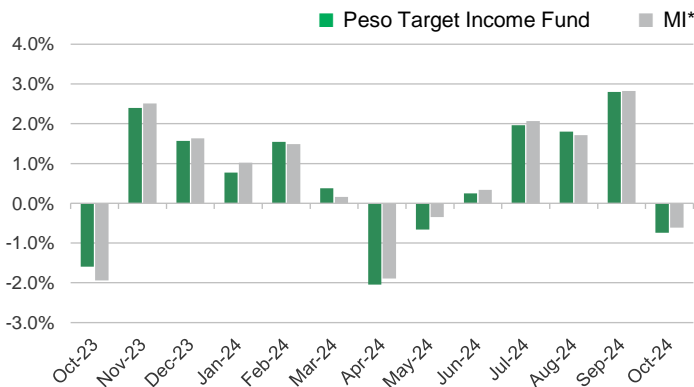


Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 07/19/31	6.29%	Manulife Stable Income Fund Class I	41.72%
Manulife Income Builder Fund Class I	6.26%	Manulife Money Market Fund Class I	8.81%
FXTN 02/28/29	6.09%	FXTN 04/08/26	7.01%
FXTN 09/15/32	5.98%	FXTN 03/04/27	6.51%
FXTN 03/04/27	5.15%	FXTN 02/28/29	6.09%
Equity Pool			
SM INVESTMENTS CORPORATION			13.92%
INTERNATIONAL CONTAINER TERMINAL SERVICES INC			10.38%
Manulife Equity Wealth Fund Class I			9.54%
BANK OF THE PHILIPPINE ISLANDS			9.28%
BDO UNIBANK INC			8.54%

Notes:
FXTN - Fixed Treasury Notes or Peso-denominated debts of the Philippine Government
RTB - Retail Treasury Bonds of the Philippine Government

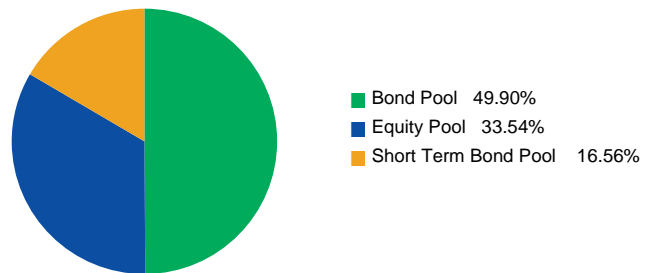
Monthly Performance



* Market Indicator = 30.0% PSEI + 46.74% BBG Philippine Sov Bond Agg Net Tax Formula + 2.46% Philippines 91 Day T-Bill Auction Avg Yield 20% WHT + 20.80% Market Iboxx ALBI Philippines 1-3

Portfolio Breakdown

Asset Allocation (at Market Value)



As per the fund's Investment Policy Statement, initial subscriptions are invested in fixed 49.2% Bond Pool, 20.8% Short-Term Bond Pool and 30% Equity Pool. The investments of these pools consist of:

- Peso Bond Pool: Peso-denominated bonds of the Republic of the Philippines and term deposits.
- Short Term Bond Pool: Peso-denominated bonds of the Republic of the Philippines with a term of up to three years and term deposits.
- Equity Pool: Various stocks listed on the PSE and term deposits

Peso Target Income Fund

Market Review

The Philippine Stock Exchange Index (PSEi) decreased by -1.68% in October, closing at 7,142. Despite this monthly decrease, the PSEi still maintained a positive year-to-date performance of 13.43%. Earlier in October, the index reached a four-year high of 7,554, buoyed by positive investor sentiment following a lower-than-expected September inflation rate of 1.9%. However, the market's strong rally was halted as attention shifted towards the potential market impact and uncertainties surrounding the recently concluded US elections. Additionally, the realization of another anticipated 25 basis points rate cut by the Bangko Sentral ng Pilipinas did not sustain the market's momentum in the prior months as the 7,500 level became a significant resistance point for the PSEi.

The Consumer Price Index for October increased by 2.3% year-on-year. Food was the only category that increased by 2.9% with all other categories showing either flat or lower growth year-on-year.

The third quarter corporate earnings results were reported mixed overall with relatively more disappointments than expected, dampening the optimistic market sentiment from the previous months. The banking sector reported healthy growth and record profits while telcos, property and holding companies' results were broadly inline. However, the consumer staples and discretionary disappointed, showing delayed recovery in consumer spending despite the recent low inflation rate.

Local bond yields rose in October and the curve generally steepened as the sell-off in U.S. Treasuries spilled over to local markets. Nevertheless, government bond spreads over U.S. Treasuries have substantially narrowed as the market weighs between a dovish Bangko Sentral ng Pilipinas (BSP) and uncertainties from a Trump presidency in the U.S. While outlook on local inflation remains benign, it quickened to 2.3% YoY in October as recent strong typhoons hit domestic agricultural production. As expected, domestic output was also affected, with GDP growth decelerating to 5.2% in 3Q from 6.4% in 2Q.

Outlook

We remain positive on Philippine equities following the recent drop in the market. The outcome of the US elections and the strong US dollar have already been factored in, with the PSEi retracing by nearly 6% since its high on October 7. Despite this, the market is still trading at attractive valuations. Since hitting a low of 6,158 in June, the PSEi is still up by 15% as of the end of October. Once near-term volatility subsides, we anticipate buying opportunities to emerge in preparation for 2025, when we expect central banks to continue their monetary easing trajectory, albeit at a more gradual pace.

We expect global market developments to continue to drive the local market in the short-term. Looking ahead, while the weaker-than-expected GDP growth may urge the BSP to continue easing monetary policy, there is a risk of the cut being delayed if a weaker Peso persists following a Trump win. Consequently, we change our outlook from positive to slight positive over the medium-term, while recognizing heightened volatility in the short-term as the market digests the implications of another Trump regime.

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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