

Peso Diversified Value Fund

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

Investment Objective

The Fund seeks to achieve 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

Inception Date April 2009	Fund Size PHP 5.07 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 1.971	Management Fee 2.00% per annum	Bloomberg Ticker MPPHDVF	

Performance Return (October 31, 2025)

Peso Diversified Value Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.51%	1.23%	-1.15%	10.11%	4.18%	97.10%
Annualized	n.a.	n.a.	-1.15%	3.26%	0.82%	4.19%

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

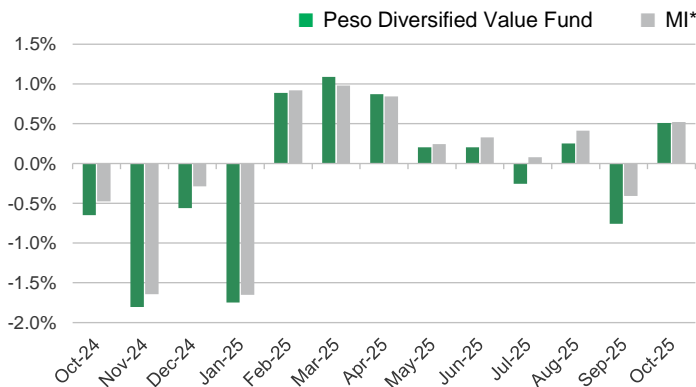


Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 07/19/31	7.32%	Manulife Stable Income Fund Class I	43.27%
Manulife Income Builder Fund Class I	6.14%	Manulife Money Market Fund Class I	9.94%
FXTN 09/15/32	5.75%	RTB 08/20/30	6.69%
FXTN 02/28/29	5.31%	FXTN 03/04/27	6.49%
RTB 08/20/30	5.21%	FXTN 04/22/28	5.67%
Equity Pool			
INTERNATIONAL CONTAINER TERMINAL SERVICES INC	15.30%		
SM INVESTMENTS CORPORATION	11.22%		
Manulife Equity Wealth Fund Class I	9.88%		
BDO UNIBANK INC	8.52%		
BANK OF THE PHILIPPINE ISLANDS	7.45%		

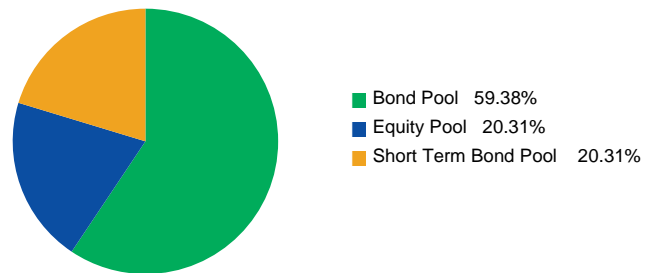
*Notes:
FXTN - Fixed Treasury Notes or Peso-denominated debts of the Philippine Government
RTB - Retail Treasury Bonds of the Philippine Government*

Monthly Performance



Portfolio Breakdown

Asset Allocation (at Market Value)



* Market Indicator = 20.0% PSEi + 57.0% BBG Philippine Sov Bond Agg Net Tax Formula + 3.0% Philippines 91 Day T-Bill Auction Avg Yield 20% WHT + 20.0% Markit Iboxx ALBI Philippines 1-3

As per the fund's Investment Policy Statement, initial subscriptions are invested in fixed 60% Bond Pool and 20% each Short-Term Bond and Equity Pools. The investments of these pools consist of the following:
 - 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 Diversified Value Fund

Market Review

In October, the Philippine Stock Exchange Index (PSEi) declined by 0.39% to 5,929 level, resulting in a year-to-date return of -6.59%. The market's ongoing decline was further influenced by a weakening peso, which reached as high as 59.235 intraday on October 29, 2025, and lowered GDP growth prospects as investors assessed the potential impact of recent infrastructure spending issues.

The Consumer Price Index for October held steady at 1.7%, aligning with market expectations. Additionally, core inflation eased to 2.5% from 2.6% in September as lower prices of some food items like meat and vegetables offset slight increases in fish and fruits.

In the Monetary Board Meeting held last October 9, 2025, the Bangko Sentral ng Pilipinas reduced policy rates by 25 basis points to 4.75%, bringing total policy rate cuts to as much as 175 basis points since 2024. The rate cut in the last October meeting came as a surprise to the market, as the BSP reinforced its concerns about growth while inflation remains well below the target range of 2-4%.

On October 9, the Bangko Sentral ng Pilipinas cut its policy rate by 25 basis points to 4.75%, citing downside risks to GDP due to public infrastructure spending concerns, typhoon season, and higher U.S. tariffs. However, the BSP also projects 2025 inflation at 1.7%, with levels expected to stay within the 2–4% target range thereafter. This set the tone which led local bond yields to decline 11 basis points on average.

Later in the month, global risks resurfaced: U.S.–China trade tensions flared with threats of restrictive policies, while the Fed cut its policy rate by 25 bps to balance inflation and growth. These developments capped further yield declines locally as investors locked in gains to close the month.

Outlook

For portfolio positioning, we are adding stocks with defensive qualities and attractive dividend yields to manage recent market volatility. We expect market activity to remain subdued for the rest of the fourth quarter of 2025 or until clear indicators of recovery in consumer and government spending emerge for the local economy. Notably, some stocks are currently trading at multi-year lows.

We are closely monitoring potential further policy rate cuts, as the BSP looks to reinforce its accommodative monetary policy considering softer inflation and potentially weak GDP growth outlook. Given the subdued inflation environment, the market anticipates a high probability of a 25-basis point rate cut at the next Monetary Board meeting in December.

As global trade risks begin to ease and with the backdrop of relatively stable Philippine fundamentals, we maintain a positive view on the local fixed income market while keeping a cautious stance. We will continue to capitalize on yield upticks, keeping a defensive duration position.

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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