

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 5.05 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 1.961	Management Fee 2.00% per annum	Bloomberg Ticker MPPHDVF	

Performance Return (September 30, 2025)

Peso Diversified Value Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.76%	0.72%	-2.29%	9.98%	4.87%	96.10%
Annualized	n.a.	n.a.	-2.29%	3.22%	0.95%	4.18%

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

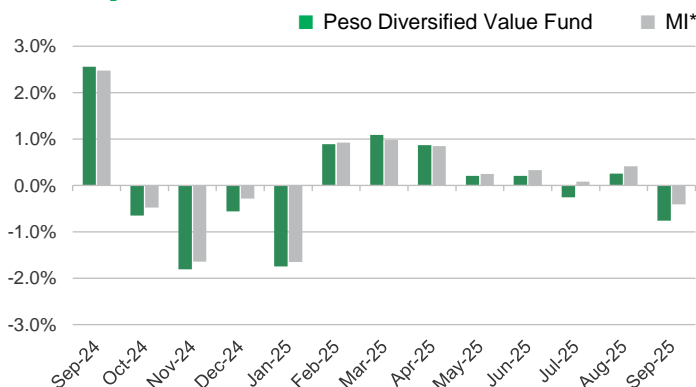


Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 07/19/31	7.30%	Manulife Stable Income Fund Class I	42.98%
Manulife Income Builder Fund Class I	6.10%	Manulife Money Market Fund Class I	10.34%
FXTN 09/15/32	5.72%	RTB 08/20/30	6.65%
FXTN 02/28/29	5.30%	FXTN 03/04/27	6.48%
RTB 08/20/30	5.19%	FXTN 04/22/28	5.63%
Equity Pool			
INTERNATIONAL CONTAINER TERMINAL SERVICES INC			13.60%
SM INVESTMENTS CORPORATION			11.68%
Manulife Equity Wealth Fund Class I			9.82%
BDO UNIBANK INC			8.69%
BANK OF THE PHILIPPINE ISLANDS			8.34%

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

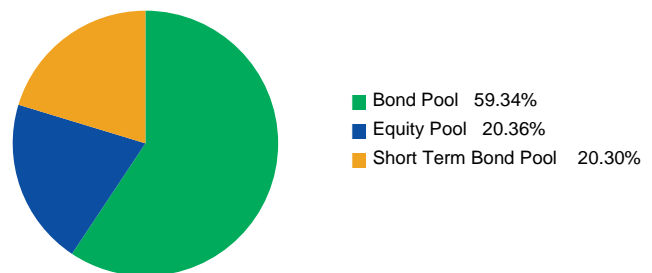
Monthly Performance



* Market Indicator = 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

Portfolio Breakdown

Asset Allocation (at Market Value)



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 September, the Philippine Stock Exchange Index (PSEi) fell by 3.03%, closing at 5,953, which brings the year-to-date return to -6.22%. This decline was largely influenced by political concerns at the national public works agency, which have dampened market sentiment.

The consumer price index in September increased by 1.7% year-on-year, staying below the Bangko Sentral ng Pilipinas' target range of 2-4%. September's inflation rate was slightly higher than August's 1.5% due to elevated vegetable prices and increased transportation costs. Furthermore, although the print was softer-than-target, supply-side pressures from the two-month suspension of rice imports and typhoon-related disruptions added to the month-on-month increase in food prices.

Local yields had mixed movements throughout September which ultimately ended the month little changed, supported by moderate inflation expectations and BSP's dovish tone amid global uncertainties.

In the first half of the month, yields gradually declined 3-5 basis points following the August inflation print of 1.5%. Sentiment was further supported by news that the Philippines was placed on the watchlist for potential inclusion in a JP Morgan bond index which spurred demand from fixed income investors.

However, later in the month, yields began to rise as concerns over global growth and inflation resurfaced. On average, yields ended 2.8 basis points higher month-on-month.

Outlook

We expect the market's performance in the last quarter of 2025 to be influenced by trends in third-quarter corporate earnings, which will start to be released by mid-October. The market is also closely watching developments in the BSP's easing cycle as we move into the fourth quarter and 2026. The recent political concerns at the national public works agency may result in slower government disbursements, potentially leading to temporarily slower GDP growth in the upcoming months. Consequently, the combination of low inflation and the prospect of slower growth may give the BSP flexibility to implement additional policy cuts beyond market expectations.

The PSEi's current level of 5,953 is only 2.9% above its lowest point for the year, which was 5,822 in April 2025. This proximity may present an opportunity to selectively acquire positions in Philippine equities, especially within the consumer sector, as we are optimistic about improving employment trends in the fourth quarter compared to the third quarter. Additionally, we believe that stocks offering attractive dividend yields can help mitigate some of the adverse effects of recent market volatility.

While inflation was slightly higher than previous readings, it remained below the BSP's target range of 2-4%, reinforcing expectations of one more rate cut in 2025. We maintain a cautious outlook given the prevailing external risks. Nonetheless, we remain opportunistic—ready to take advantage of yield upticks while keeping a defensive duration stance.

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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