

Peso Wealth Optimizer Fund 2026

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

Investment Objective

The Fund seeks to maximize long-term capital growth while managing the risk of capital erosion as the target date approaches through a dynamic rebalancing of exposure to diversified portfolios of peso-denominated fixed income securities and securities listed on the Philippine Stock Exchange and/or pooled funds that invest in these securities and other liquid fixed income instruments.

Fund Information

Inception Date June 2016	Fund Size PHP 426.07 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 0.927	Management Fee 2.25% per annum (of which 0.18% will go to the Investment advisor, Manulife Investment Management (HK) Limited.)		Bloomberg Ticker MPPHWTN

Performance Return (January 31, 2021)

Peso Wealth Optimizer Fund 2026 (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-4.83%	-4.83%	-4.83%	-15.73%	n.a.	-7.30%
Annualized	n.a.	n.a.	-4.83%	-5.54%	n.a.	-1.62%

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.

Why Peso Wealth Optimizer Funds?

Investing through a target date approach simplifies asset allocation for an average investor. The asset mix changes over time, becoming more conservative as the investor's financial milestone draws closer.

The change in asset allocation over time is called the **glide path** which Manulife designed specifically for these funds.



The glide path's objectives include:

- To maximize wealth accumulation prior to target date
- To minimize risk as the target date approaches
- To make wealth last long enough to support any financial needs beyond the chosen target date

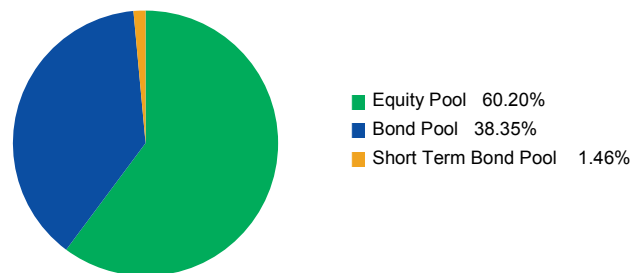
Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 08/12/25	16.17%	Manulife Stable Income	
FXTN 02/11/23	10.85%	Fund Class I	38.03%
FXTN 03/12/24	10.13%	FXTN 02/11/23	12.80%
FXTN 09/09/25	7.69%	RTB 12/04/22	11.87%
RTB 12/04/22	7.56%	FXTN 04/21/23	7.43%
		FXTN 09/10/23	5.82%
Equity Pool			
SM INVESTMENTS CORPORATION			14.68%
Manulife Equity Wealth Fund Class I			10.65%
SM PRIME HOLDINGS INC			9.97%
AYALA LAND INC			9.00%
AYALA CORPORATION			6.86%

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

Portfolio Breakdown

Asset Allocation (at Market Value)



As per the fund's Investment Policy Statement, initial subscriptions are invested in fixed 78.23% Equities, 21.3% Long term bonds, 0.47% Short term bonds. The investments of these pools consist of the following:

-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.

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Market Review

The Philippine Stock Exchange Index was down -3.87% to 6,863.61 in January on the back of concerns surrounding local infections related to the spread of the COVID-19 UK variant alongside the issues relating possible delays in vaccine deployment / procurement relative to other countries. We expect the government to announce the latest round of protocols on mobility restrictions for February in the coming days. December export data also showed a contraction of -0.2% alongside weak 4Q20 agriculture output which also fell by 3.8%.

On government measures, the Department of Finance Secretary Carlos Dominguez has urged Congress to quickly approve pending economic bills which includes CREATE and FIST Bill. Currently, the bills are stuck on review in the Bicameral Committee. Among the most visible provisions for those bills are the reduction of corporate tax rates as well as the rationalization of tax incentives.

Agriculture Secretary William Dar stated that the country is now under “state of calamity” because of the recent rise in prices of pork, chicken, fruits and vegetables caused by African Swine Fever and recent typhoons. As a result, the Department of Agriculture is seeking to impose various 60-day price caps on retail food prices subject to approval of President Duterte. The government could also increase imports to temper rising prices.

President Duterte reimposed stay-at-home rules for children between ages 10 to 14 for the entire country. The IATF initially recommended a loosening of mobility for children but was overturned by President Duterte as a precaution to 12 new cases of the more transmissible virus variant that has spread in provinces north of NCR.

Outlook

We have a positive outlook for equities as an asset class for 2021, nevertheless we are closely watching reflation trends. In terms of portfolio positioning, we continue to add to cyclical sectors such as real estate and banks. We move away from sectors that will be negatively impacted by sudden rise in inflation like consumer staples and utilities. Lastly, we also look to reduce exposure to dividend paying sectors like telcos which during periods of high inflation make dividend payouts unattractive.

The investment fund option for The Manufacturers Life Insurance Company's variable life insurance product is managed by Manulife Asset 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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