

# 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

<b>Inception Date</b> June 2016	<b>Fund Size</b> PHP 423.38 million	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 0.945	<b>Management Fee</b> 2.25% per annum (of which 0.18% will go to the Investment advisor, Manulife Investment Management (HK) Limited.)		<b>Bloomberg Ticker</b> MPPHWTN

## Performance Return (November 30, 2020)

Peso Wealth Optimizer Fund 2026 (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	4.07%	-7.89%	-7.44%	-10.51%	n.a.	-5.50%
Annualized	n.a.	n.a.	-7.44%	-3.63%	n.a.	-1.25%

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	16.70%	Manulife Stable Income	
FXTN 02/11/23	11.37%	Fund Class I	35.33%
FXTN 03/12/24	9.54%	FXTN 02/11/23	13.49%
RTB 12/04/22	8.65%	RTB 12/04/22	12.28%
FXTN 09/09/25	8.27%	FXTN 04/21/23	7.87%
		FXTN 08/15/23	6.06%

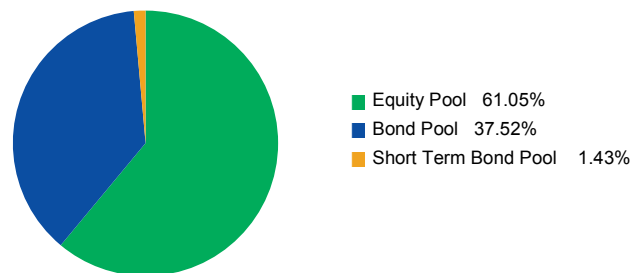
## Equity Pool

SM INVESTMENTS CORPORATION	14.42%
Manulife Equity Wealth Fund Class I	10.83%
SM PRIME HOLDINGS INC	9.05%
AYALA LAND INC	8.05%
AYALA CORPORATION	6.30%

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.

# Peso Wealth Optimizer Fund 2026

## Market Review

The Philippine Stock Exchange Index was up 7.4% in November alongside rally in markets globally like the US which has gone up 3.9% on account of optimistic vaccine developments abroad. This month's performance alongside the 7.9% performance seen in October has trimmed the market's YTD losses lower to -11.5% from -40% during the peak of the pandemic.

The local COVID situation continues to remain manageable as mobility restrictions in major cities continue to keep infection rates at a steady 1,500 to 2,000 new cases per day. We expect introduction of more easing measures to move forward in the coming weeks even if the current GCQ lockdown restrictions in NCR and nearby provinces may continue to remain in place until the end of the year.

The BSP also made a surprise 25bps cut in its policy rates this month, bringing it down further to 2%. This was seen as a response to expectations of slower economic growth due to the impact from the recent typhoons earlier in the month. Also, consumer and business sentiment indicators continue to remain weak with the BSP's Overall Consumer Outlook Composite Index falling to -54 in September 2020. GDP for the third quarter was reported at -11.5% much slower than what market expected at -9.6%.

The Senate also approved the package 2 of the administration's tax reform program or the CREATE bill. This bill aims to reform and restructure corporate taxes and rationalize the country's tax incentive structure. Among the main highlights of the bill include a reduction in corporate income tax rates from 30% to 25% as well as the rationalization of tax holidays for select industries.

The BSP delivered a surprise 25bps rate cut on November 19, bringing policy rate down to 2% with total rate cuts year-to-date at 200bps. The policy action took the market by surprise, with only five out of 18 economists predicting the move. BSP Governor Diokno has been quite vocal about keeping policy rate steady until year-end in recent months as there remains a substantial amount of liquidity in the financial system, which is struggling to find its way to the broader economy. However, the disappointing 3Q GDP print of 11.5% contraction year-on-year, which was worse than the expected 9.6% contraction, and the expected adverse impact of typhoon Ulysses on 4Q GDP, urged the BSP to act sooner. After the initial rally post-rate cut, the market seems to be turning defensive again as inflation is expected to pick up for the rest of the year due to the typhoons and holiday spending.

## Outlook

We expect investors to take profits in the near term on the back of the market's two-month rally vis a vis prospects of an uneven economic recovery. Over the next twelve months, factors that may continue to support a re-rating of the market include the prospects for deployment of the vaccine, renewed infrastructure spending by the government, start of 2022 election spending come 2nd half of 2021 and the passage of additional fiscal measures. In terms of portfolio positioning, we are starting to favor cyclical sectors such as banks and industrials and look to rotate out of staples and utilities as we move closer to 2021.

Our view on the local bond market remains to be neutral with positive bias as the recent surprise rate cut by the BSP signals its willingness to cut policy rates in response to weak economic data even as real interest rate becomes negative. Absent further monetary actions and fiscal surprises, there seems to be no compelling catalyst for yields to move in either direction. Nonetheless, investors may gradually start to position for next year, in which a rate cut becomes more likely.

---

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.

The information and/or analysis contained in this material have been compiled or arrived at from sources believed to be reliable but The Manufacturers Life Insurance Co. (Phils.), Inc. ("Manulife Philippines") does not make any representation as to their accuracy, correctness, usefulness or completeness and does not accept liability for any loss arising from the use hereof or the information and/or analysis contained herein. 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. Neither Manulife Philippines or its affiliates, nor any of their directors, officers or employees shall assume any liability or responsibility for any direct or indirect loss or damage or any other consequence of any person acting or not acting in reliance on the information contained herein.

The information in this material may contain projections or other forward-looking statements regarding future events, targets, management discipline or other expectations, and is only as current as of the date indicated. There is no assurance that such events will occur, and may be significantly different than that shown here. The information in this material including statements concerning financial market trends, are based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons. This material was prepared solely for informational purposes and does not constitute a recommendation, professional advice, an offer, solicitation or an invitation by or on behalf of Manulife Philippines to any person to buy or sell any security. This material should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any investment products or to adopt any investment strategy. Nothing in this material constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. Past performance is not an indication of future results.

Manulife and the block design are registered service marks and trademarks of The Manufacturers Life Insurance Company and used by it and its affiliates including Manulife Financial Corporation.