

Peso Wealth Optimizer Fund 2031

An investment fund option for 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 217.93 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 0.911	Management Fee 2.25% per annum (of which 0.18% will go to the Investment advisor, Manulife Investment Management (HK) Limited.)		Bloomberg Ticker MPPHWFN

Performance Return (July 31, 2024)

Peso Wealth Optimizer Fund 2031 (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	2.94%	2.82%	2.36%	8.07%	-12.66%	-8.90%
Annualized	n.a.	n.a.	2.36%	2.62%	-2.67%	-1.14%

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:

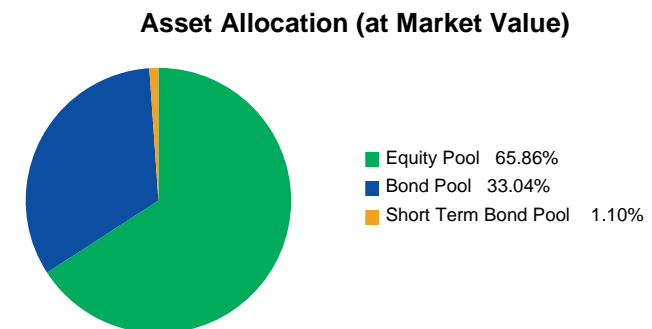
- To maximize wealth accumulation prior to target date
- To minimize risk as the target date approaches
- To make wealth last long enough to support any financial needs beyond the chosen target date

Top Five Holdings

Bond Pool		Short-Term Bond Pool	
Manulife Income Builder Fund Class I	5.85%	Manulife Stable Income Fund Class I	40.05%
FXTN 02/28/29	5.24%	Manulife Money Market Fund Class I	10.56%
FXTN 09/15/32	4.98%	FXTN 04/08/26	6.78%
FXTN 03/04/27	4.87%	FXTN 03/04/27	6.30%
FXTN 08/12/25	4.76%	FXTN 08/12/25	5.64%
Equity Pool			
SM INVESTMENTS CORPORATION	14.22%		
INTERNATIONAL CONTAINER TERMINAL SERVICES INC	9.79%		
Manulife Equity Wealth Fund Class I	9.30%		
BANK OF THE PHILIPPINE ISLANDS	8.42%		
BDO UNIBANK INC	8.21%		

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

Portfolio Breakdown



As per the fund's Investment Policy Statement, initial subscriptions are invested in fixed 91.82% Equities, 8.08% Long term bonds, 0.1% 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 2031

Market Review

The Philippine Stock Exchange Index rose by 3.3% in July, closing at 6,619.09. This positive performance in the equities market was attributed to the market's anticipation of a potential 25 basis points cut in policy rates by the Bangko Sentral ng Pilipinas in its upcoming Monetary Board Meeting in August. Furthermore, a similar dovish shift in monetary policy direction from the US Federal Reserve, with the possibility of initiating US policy rate cuts as early as September, also contributed to the positive performance in July.

July Consumer Price Index (CPI) came in at 4.4%, slightly higher than the consensus estimates of 4.1% and a notable increase from the June CPI of 3.7%. The rise in inflation was primarily driven by higher prices in food, utilities, and transportation.

Bangko Sentral ng Pilipinas Governor Remolona had indicated that a policy rate cut in August is possible, noting that the risks to inflation has eased. The BSP's monetary board is set to convene next on August 15.

Local bonds had a strong month in July, with long-dated bonds leading the rally, as the market looked forward to a more benign inflation environment in the next two years. The likelihood of a rate cut this month from the Bangko Sentral ng Pilipinas (BSP) boosted demand in recent bond auctions, prompting the Bureau of Treasury (BTr) to issue additional bonds through the tap facility. Offshore developments have also been favorable to bond markets with U.S. inflation moderating and Fed Chairman Powell signaling the possibility of a September rate cut. U.S. 10-year yields finally fell below 4%, with the recent move triggered by weaker-than-expected jobs data, putting recessionary fears back in focus.

Outlook

We expect that local inflation is likely to stay within the BSP's target range of 2-4% for the year. Any policy rate cuts made by the BSP, possibly as early as the third quarter of 2024, could serve as a catalyst for the local equities market. We maintain a positive outlook on the potential impact of a policy rate cut on corporate earnings growth, which we anticipate could benefit local equity prices.

Looking ahead, while an upward surprise in local inflation for July at 4.4% stalled the rally and triggered some profit-taking, we continue to have a positive outlook on the bond market. We expect inflation to moderate through next year and the BSP to deliver a rate cut this month to support growth. While the 2Q year-on-year GDP print at 6.3% was in line with expectations, quarter-on-quarter growth disappointed at 0.5%, which is slower than in 1Q, suggesting some weakness in growth momentum.

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.

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.