

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 224.18 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 MPPHWFN

Performance Return (June 30, 2025)

Peso Wealth Optimizer Fund 2031 (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.22%	1.31%	4.75%	12.77%	9.32%	-7.30%
Annualized	n.a.	n.a.	4.75%	4.09%	1.80%	-0.83%

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

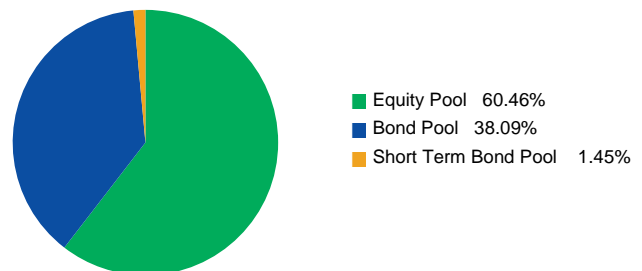
Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 07/19/31	7.20%	Manulife Stable Income Fund Class I	42.59%
Manulife Income Builder Fund Class I	6.13%	Manulife Money Market Fund Class I	10.91%
FXTN 09/15/32	5.79%	FXTN 03/04/27	6.47%
FXTN 02/28/29	5.39%	FXTN 04/22/28	5.62%
FXTN 03/04/27	4.92%	FXTN 05/04/27	5.22%
Equity Pool			
SM INVESTMENTS CORPORATION	13.31%	INTERNATIONAL CONTAINER TERMINAL SERVICES INC	11.00%
Manulife Equity Wealth Fund Class I	9.71%	BDO UNIBANK INC	9.39%
BANK OF THE PHILIPPINE ISLANDS	8.96%		

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 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

In June, the Philippine Stock Exchange Index (PSEi) increased by 0.62% to 6,364.94, driven by a 25-basis point policy rate cut by the Bangko Sentral ng Pilipinas and positive developments on local inflation. The market hit a low of 6,218 on June 23 after reaching a peak of 6,566 the previous month due to tensions in Iran and Israel.

Inflation continued to decline, reaching 1.4% year-on-year in June. This brought the year-to-date inflation rate to 1.9%, below the BSP's 2-4% target and market expectations. Food inflation in June increased by 0.1% year-on-year, compared to the previous month's 0.7% year-on-year increase, mainly due to a sharp drop in rice prices that offset slight increases in meat and fish. However, utility costs rose due to higher transmission charges, and fuel prices increased sharply because of Middle East tensions, slight peso depreciation, and local pump price adjustments.

The Bangko Sentral ng Pilipinas continued its monetary easing with another 25-basis point rate cut. This marks the second consecutive meeting where the BSP has lowered policy rates, signaling the possibility of at least one more reduction anytime this year to bolster economic growth. The Monetary Board reduced the policy rate from 5.50% to 5.25%. BSP Governor Remolona indicated that the outlook for inflation has moderated, and expectations are well-anchored. Consequently, the BSP has revised its inflation forecast for this year down to 1.6% from the previous 2.4%.

Recent developments in the Israel and Iran conflict have dampened investor risk sentiment, including the Philippine local bonds. The local yield curve continues to remain steep on weaker demand on the long ends amid the ongoing tension in the Middle East. However, June inflation printed at 1.4%, slightly higher than May's 1.3% but well below the Bangko Sentral ng Pilipinas' (BSP) 2-4% target. With rice prices moderating, we anticipate local inflation will remain slightly below the 2% of the BSP's target range. Following this, BSP Governor Remollona's dovish stance suggests the possibility of two additional rate cuts by the end of 2025.

Outlook

Inflation and tariffs remain key concerns for the market. Given the fluidity of the tariff announcements from the United States, the market remains very tentative on its effects, which could have significant and widespread effects beginning the second half of 2025. Investors are keeping a close eye on further developments as we approach August 1, when higher reciprocal trade tariffs announced last July 7 could take effect.

We think that the Philippines demonstrates resilience compared to its ASEAN neighbors, largely due to its relatively low direct exposure to U.S. goods exports. Additionally, any further trade escalations from the U.S. may be mitigated by President Ferdinand Marcos Jr.'s upcoming visit to the U.S. Any favorable trade agreements resulting from these negotiations could further enhance market returns in the latter half of 2025.

With rice prices moderating, we anticipate inflation will remain slightly below the 2% of the BSP's target range. Following this, BSP Governor Remollona's dovish stance suggests the possibility of two additional rate cuts by the end of 2025. In the absence of any fresh catalysts and with inflation risk minimized, we expect the market to continue to look to global developments for direction. In the near term, we will closely monitor US President Trump's tariff policies as these could sway market sentiment and yield direction.

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.