

Peso Wealth Optimizer Fund 2036

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 255.33 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 0.880	Management Fee 2.25% per annum (of which 0.18% will go to the Investment advisor, Manulife Investment Management (HK) Limited.)		Bloomberg Ticker MPPHWTY

Performance Return (March 31, 2025)

Peso Wealth Optimizer Fund 2036 (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	3.53%	-2.33%	-5.38%	-5.38%	21.55%	-12.00%
Annualized	n.a.	n.a.	-5.38%	-1.83%	3.98%	-1.44%

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

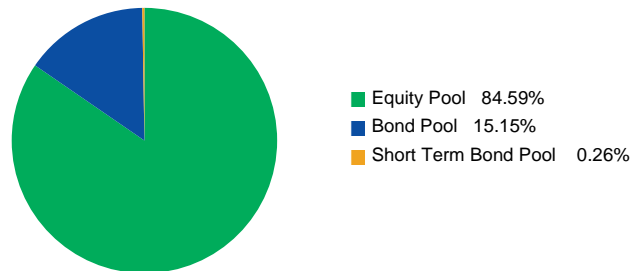
Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 07/19/31	6.67%	Manulife Stable Income Fund Class I	41.49%
Manulife Income Builder Fund Class I	6.18%	Manulife Money Market Fund Class I	11.43%
FXTN 09/15/32	5.95%	FXTN 04/08/26	6.89%
FXTN 02/28/29	5.50%	FXTN 03/04/27	6.36%
FXTN 03/04/27	5.01%	FXTN 05/04/27	5.13%
Equity Pool			
SM INVESTMENTS CORPORATION	12.53%		
INTERNATIONAL CONTAINER TERMINAL SERVICES INC	9.96%		
BANK OF THE PHILIPPINE ISLANDS	9.78%		
BDO UNIBANK INC	9.77%		
Manulife Equity Wealth Fund Class I	9.58%		

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 93.32% Equities, 6.6% Long term bonds, 0.08% 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 2036

Market Review

In March, the Philippine Stock Exchange Index (PSEi) rose by 4.25%, reducing the market's year-to-date decline to -4.18%. This marked the second consecutive month of gains, driven by a recovery in the peso against the U.S. dollar and stabilizing domestic inflation. During the month, the market climbed to a high of 6,360 before retreating due to profit-taking. Investors remained cautious, closely monitoring developments related to U.S. tariffs in the latter half of March. Additionally, the Philippine peso moved favorably against the U.S. dollar for the first three months of the year.

The Consumer Price Index for March slowed to 1.8% year-on-year, below market expectations of 2%. This inflation figure was slower than February's rate of 2.1%. Food inflation contributed to the slowdown in CPI for March, with rice prices falling by 7.7% following a 4.9% decline in February.

On the monetary policy front, the Bangko Sentral ng Pilipinas may resume monetary easing this month. BSP Governor Remolona stated that the BSP remains on an easing cycle and could reduce borrowing costs by as much as 75 basis points this year, depending on macroeconomic data. The BSP has already cut policy rates by 75 basis points since it began its monetary easing last August. The current overnight policy rate is 5.75%.

The yield curve for local bonds steepened in March, with yields declining for short and intermediate tenors, as the market priced in the Bangko Sentral ng Pilipinas' (BSP) 25bps rate cut for April. Contraction in rice prices continued to push down the local inflation rate, with March inflation rate down to 1.8% from 2.1% in February. The BSP also cut inflation forecast to 2.3% from 3.5% this year, and to 3.3% from 3.7% in 2026.

Given the benign inflation outlook, April began with local yields initially following U.S. yields lower after U.S. President Trump's announcement of reciprocal tariffs. However, the succeeding days saw wild swings in rates, with U.S. 10-year yields surging over 60bps as on fears of U.S. stagflation and the U.S. losing its appeal as safe haven. The sell-off trickled to local bond markets, with yields for the liquid intermediate securities rising over 20bps MTD. The Bureau of Treasury's jumbo 10-year FXTN issuance this month also added to the selling pressure.

Outlook

From a regional fund flow perspective, we remain cautiously optimistic about Philippine equities, as escalating tariff tensions may result in weak global equity sentiment. With 70% of GDP linked to the domestic consumer economy, the Philippines is relatively more defensive than its regional counterparts, as it is less reliant on exports. We view any weakness in local equity prices as an opportunity for investors to reallocate portfolios, especially in the context of a weakening U.S. growth backdrop caused by potentially rising U.S. consumer prices in the near term and prolonged tariff negotiations among developed nations.

Given the weaker-than-expected CPI figures for March, we believe the BSP may take this as an opportunity to continue cutting policy rates by another 25 basis points at its upcoming Monetary Board meeting in April. We have a positive bias towards financials, select consumer, and utilities stocks, as well as stocks that may benefit from emerging domestic themes related to ongoing provincial growth and infrastructure development.

While the U.S.' announcement of tariff exemptions and a temporary reduction in tariff rates slightly calmed markets over the past few days, we expect risk sentiment to remain fragile and for tariff headlines to continue driving markets in the short-term. Over the medium-term, a benign inflation outlook and rising growth risks with U.S. tariffs make the case for the BSP to stay on an easing path this year.

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.