

Peso Bond Fund

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

Investment Objective

The Fund seeks to achieve a stable and long-term growth by investing in government securities and/or high quality corporate debt securities and/or pooled fund/s that invest in these securities and other liquid fixed income instruments.

Fund Information

Inception Date April 2004	Fund Size PHP 777.16 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.981	Management Fee 1.50% per annum	Bloomberg Ticker MPPHND	

Performance Return (July 31, 2021)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.10%	-0.57%	-0.33%	16.99%	4.89%	198.10%
Annualized	n.a.	n.a.	-0.33%	5.37%	0.96%	6.50%

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.

Monthly Net Asset Value per Unit

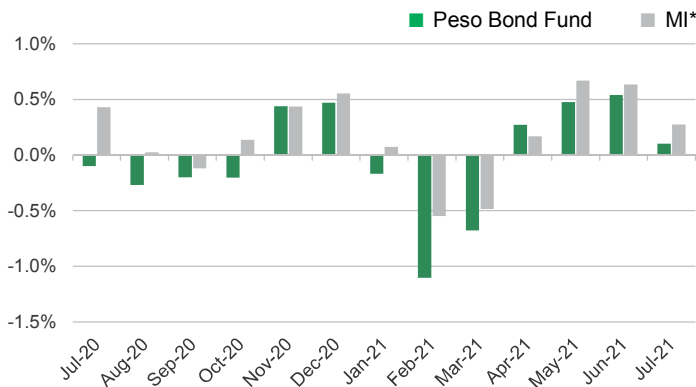


Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 08/12/25	13.71%	Manulife Stable Income Fund Class I	36.23%
FXTN 03/09/24	10.15%	FXTN 02/11/23	7.96%
FXTN 02/11/23	8.40%	FXTN 04/21/23	7.00%
FXTN 09/09/25	7.94%	FXTN 03/09/24	6.96%
FXTN 03/12/24	6.21%	FXTN 08/11/21	5.67%

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

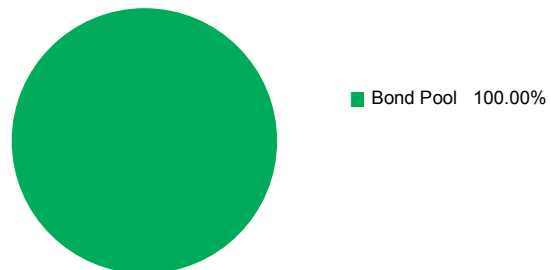
Monthly Performance



*Market Indicator = 10.0% Markit Iboxx ALBI Philippines Liquid + 90.0% Markit Iboxx ALBI Philippines 1-5

Portfolio Breakdown

Asset Allocation (at Market Value)



As per the fund's Investment Policy Statement, initial subscriptions are invested in fixed 90% Bond Pool and 10% Short-Term Bond Pool. 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 Bond Fund

Market Review

Concerns on the rise in Covid-19 cases due to the Delta variant has resulted in Metro Manila, including nearby provinces and select cities, to be placed under the Enhanced Community Quarantine (ECQ) for two weeks. ECQ is the strictest category of lockdown and this is the third time since the start of the pandemic that the Philippines is revisiting this category. Moving forward, this lockdown may dampen growth prospects for the Philippines and may keep investor sentiment lukewarm in the near term. The Philippine government targets to vaccinate 30% of the population by end of August as the country continues to lag the vaccination rates in the region.

Outlook

Local bond yields for July were slightly lower as inflationary pressures from rising oil prices has abated after the OPEC and its allies have settled deals to increase output. July inflation printed at 4%, less than June's 4.1%, on base effects coupled with lower meat and transport prices. In this regard, we expect local inflation to continue to moderate for the second half of 2021. With local inflation finally within the Bangko Sentral ng Pilipinas' target range and the current flush liquidity environment, we expect the Monetary Board to keep both policy rates and Reserve Requirement Ratio (RRR) steady at its August 12 meeting. Against this backdrop, we will keep the neutral duration positioning vis-à-vis the benchmark as we continue to monitor the local and global developments.

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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