

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 665.51 million | Fund Currency Philippine peso | Dealing/Valuation Daily |
| Price (NAV/unit) PHP 2.869 | Management Fee 1.50% per annum | Bloomberg Ticker MPPHBND | |

Performance Return (August 31, 2023)

| Peso Bond Fund (net of management fee) | 1 Month | YTD | 1 Year | 3 Years | 5 Years | Since Inception |
|---|---------|-------|--------|---------|---------|-----------------|
| Absolute | 0.53% | 2.35% | 0.84% | -3.82% | 12.07% | 186.90% |
| Annualized | n.a. | n.a. | 0.84% | -1.29% | 2.31% | 5.58% |

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

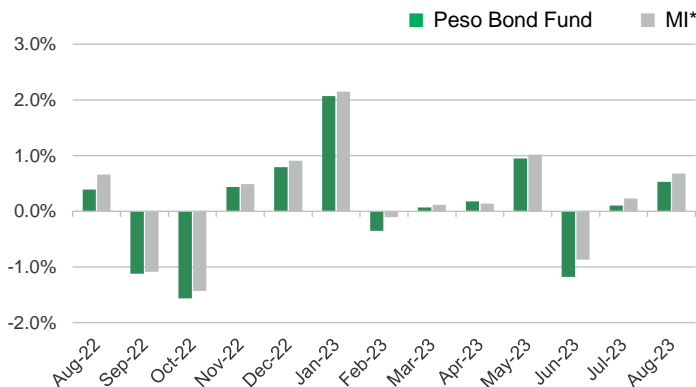


Top Five Holdings

| Bond Pool | Percentage | Short-Term Bond Pool | Percentage |
|--------------------------------------|------------|-------------------------------------|------------|
| FXTN 03/04/27 | 13.52% | Manulife Stable Income Fund Class I | 36.25% |
| FXTN 08/12/25 | 11.11% | Manulife Money Market Fund Class I | 18.03% |
| FXTN 09/09/25 | 6.73% | FXTN 08/12/25 | 10.06% |
| FXTN 04/08/26 | 6.68% | FXTN 02/14/26 | 8.87% |
| Manulife Income Builder Fund Class I | 5.55% | FXTN 04/08/26 | 8.16% |

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

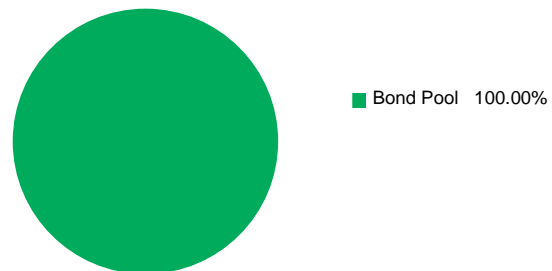
Monthly Performance



*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

The local yield curve steepened in August with yields at the short-ends and belly slightly declining as the disappointing GDP print in the second quarter dampened expectations of another rate hike from the Bangko Sentral ng Pilipinas (BSP) this year. However, the inflation print of 5.3% in August highlighted upside risks to inflation, putting the BSP in a tough position with rate hike bets back on the table. With the latest inflation print, BSP may raise this year's inflation forecast further from the current forecast of 5.6%.

Outlook

Recent developments have made the local bond market more challenging, further delaying the rally we have been anticipating earlier this year. Nevertheless, we still find current bond yields attractive as our expectations of slowing inflation and rate cuts next year remain intact. We will continue to watch out for upside risks to inflation, particularly the potential effects of El Nino and the recent increase in oil prices.

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.

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