

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 635.51 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 3.053	Management Fee 1.50% per annum	Bloomberg Ticker MPPHBND	

Performance Return (January 31, 2025)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.39%	0.39%	3.81%	4.23%	8.30%	205.30%
Annualized	n.a.	n.a.	3.81%	1.39%	1.61%	5.50%

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

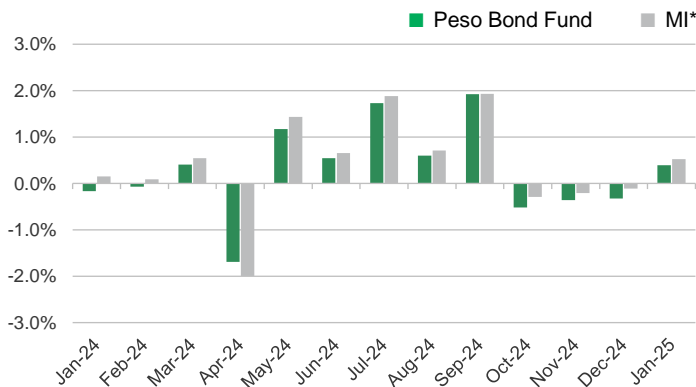


Top Five Holdings

Bond Pool		Short-Term Bond Pool	
Manulife Income Builder Fund Class I	6.24%	Manulife Stable Income Fund Class I	41.01%
FXTN 07/19/31	6.16%	Manulife Money Market Fund Class I	11.95%
FXTN 02/28/29	6.01%	FXTN 04/08/26	6.85%
FXTN 09/15/32	5.86%	FXTN 03/04/27	6.33%
FXTN 03/04/27	5.09%	FXTN 05/04/27	5.10%

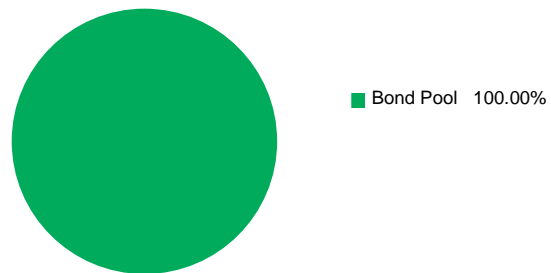
Notes:
 FXTN - Fixed Treasury Notes or Peso-denominated debts of the Philippine Government
 RTB - Retail Treasury Bonds of the Philippine Government

Monthly Performance



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.

* Market Indicator = 95.0% BBG Philippine Sov Bond Agg Net Tax Formula + 5.0% Philippines 91 Day T-Bill Auction Avg Yield 20% WHT

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Market Review

The yield curve steepened in January as the market anticipates a continuation of rate cuts while remaining defensive given uncertainties over U.S. President Trump's policies. Latest macro data continue to show benign inflation and sluggish growth, which increases the likelihood that the BSP will proceed with a 25bps policy rate cut this week, as expected by the market. January inflation printed at 2.9% YoY, while full-year 2024 GDP growth printed at 5.6%, missing the government's target of 6% to 6.5%.

Short-term yields fell by up to 30bps, pushing bond yields 5 years and shorter below 6%. On the other hand, yields at the long-end rose by 10-20bps, with liquidity thinning out for bonds with maturities beyond 10 years.

Outlook

Looking ahead, we expect the local bond market to broadly track movements in U.S. Treasuries with some defensiveness from a potential jumbo Retail Treasury Bond issuance in a few weeks. Nevertheless, we maintain a slight positive view over the medium-term with a curve steepening bias. While we expect inflation to remain benign, U.S. President Trump's trade rhetorics will likely keep investors on their toes, adding to risk premium at the long-end.

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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