

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 667.72 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.854	Management Fee 1.50% per annum	Bloomberg Ticker MPPHBND	

Performance Return (July 31, 2023)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.11%	1.82%	0.71%	-4.58%	12.01%	185.40%
Annualized	n.a.	n.a.	0.71%	-1.55%	2.29%	5.57%

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

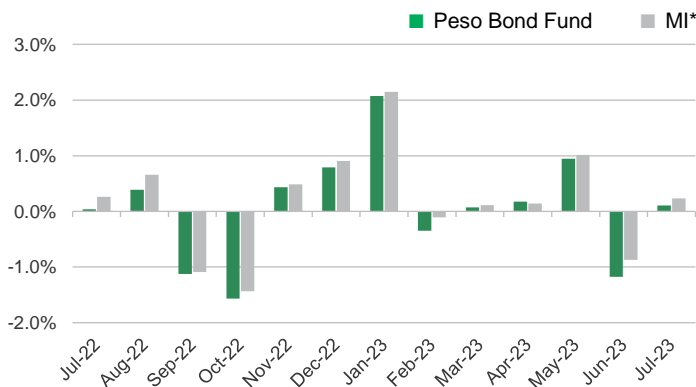


Top Five Holdings

Bond Pool	Percentage	Short-Term Bond Pool	Percentage
FXTN 03/04/27	13.48%	Manulife Stable Income Fund Class I	36.88%
FXTN 08/12/25	11.08%	Manulife Money Market Fund Class I	16.60%
FXTN 09/09/25	6.74%	FXTN 08/12/25	10.24%
FXTN 04/08/26	6.68%	FXTN 02/14/26	9.06%
Manulife Income Builder Fund Class I	5.53%	FXTN 04/08/26	8.32%

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

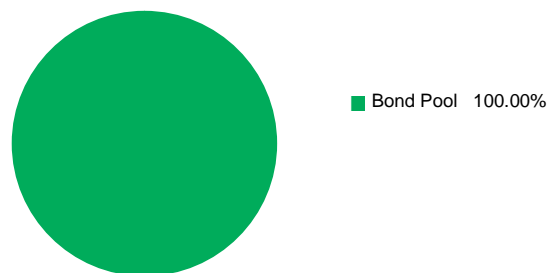
Monthly Performance



*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.

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Market Review

In spite of slowing local inflation, local bond yields continued to rise in July, tracking the movement of U.S. Treasuries as the market braced for another hike from the U.S. Federal Reserve (Fed). Indeed, the Fed raised policy rate to 5.25-5.5% in July as U.S. core inflation remained sticky. New BSP Governor Eli Remolona's emphasis on the Bangko Sentral ng Pilipinas' (BSP) inflation-targeting role was initially viewed as the BSP's inclination to follow the Fed's hike. However, with the disappointing 2Q GDP print of 4.3%, the BSP would now need to balance inflation and growth risks faced by the economy. While this reduces the risk of an impending BSP hike, the narrowing interest rate differential between the U.S. and the Philippines has been weighing on the local currency and the overall market sentiment.

Outlook

Indeed, these developments have added to the risks in the local bond market. Nevertheless, we remain optimistic of a positive second half as inflation continues to moderate, with July inflation slowing to 4.7% from 5.4%. 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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