

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 646.61 million | Fund Currency Philippine peso | Dealing/Valuation Daily |
| Price (NAV/unit) PHP 3.002 | Management Fee 1.50% per annum | Bloomberg Ticker MPPHBND | |

Performance Return (July 31, 2024)

| Peso Bond Fund (net of management fee) | 1 Month | YTD | 1 Year | 3 Years | 5 Years | Since Inception |
|---|---------|-------|--------|---------|---------|-----------------|
| Absolute | 1.73% | 1.90% | 5.19% | 0.70% | 8.45% | 200.20% |
| Annualized | n.a. | n.a. | 5.19% | 0.23% | 1.64% | 5.56% |

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

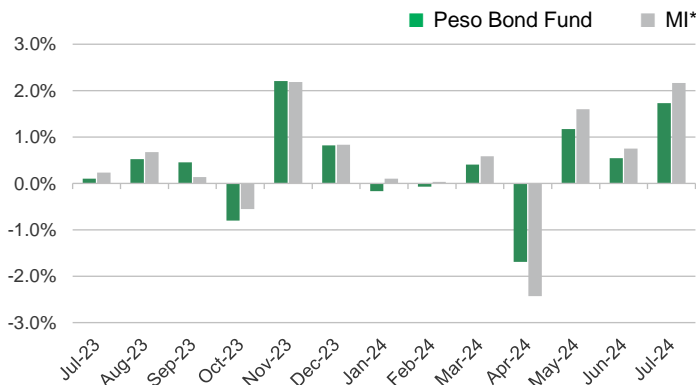


Top Five Holdings

| Bond Pool | | Short-Term Bond Pool | |
|--------------------------------------|-------|-------------------------------------|--------|
| Manulife Income Builder Fund Class I | 5.85% | Manulife Stable Income Fund Class I | 40.05% |
| FXTN 02/28/29 | 5.24% | Manulife Money Market Fund Class I | 10.56% |
| FXTN 09/15/32 | 4.98% | FXTN 04/08/26 | 6.78% |
| FXTN 03/04/27 | 4.87% | FXTN 03/04/27 | 6.30% |
| FXTN 08/12/25 | 4.76% | FXTN 08/12/25 | 5.64% |

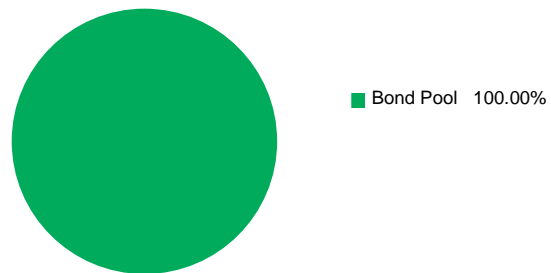
Notes:
FXTN - Fixed Treasury Notes or Peso-denominated debts of the Philippine Government
RTB - Retail Treasury Bonds of the Philippine Government

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

Peso Bond Fund

Market Review

Local bonds had a strong month in July, with long-dated bonds leading the rally, as the market looked forward to a more benign inflation environment in the next two years. The likelihood of a rate cut this month from the Bangko Sentral ng Pilipinas (BSP) boosted demand in recent bond auctions, prompting the Bureau of Treasury (BTr) to issue additional bonds through the tap facility. Offshore developments have also been favorable to bond markets with U.S. inflation moderating and Fed Chairman Powell signaling the possibility of a September rate cut. U.S. 10-year yields finally fell below 4%, with the recent move triggered by weaker-than-expected jobs data, putting recessionary fears back in focus.

Outlook

Looking ahead, while an upward surprise in local inflation for July at 4.4% stalled the rally and triggered some profit-taking, we continue to have a positive outlook on the bond market. We expect inflation to moderate through next year and the BSP to deliver a rate cut this month to support growth. While the 2Q year-on-year GDP print at 6.3% was in line with expectations, quarter-on-quarter growth disappointed at 0.5%, which is slower than in 1Q, suggesting some weakness in growth momentum.

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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