

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 642.16 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.951	Management Fee 1.50% per annum	Bloomberg Ticker MPPHBND	

Performance Return (June 30, 2024)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.55%	0.17%	3.51%	-0.91%	8.25%	195.10%
Annualized	n.a.	n.a.	3.51%	-0.30%	1.60%	5.49%

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

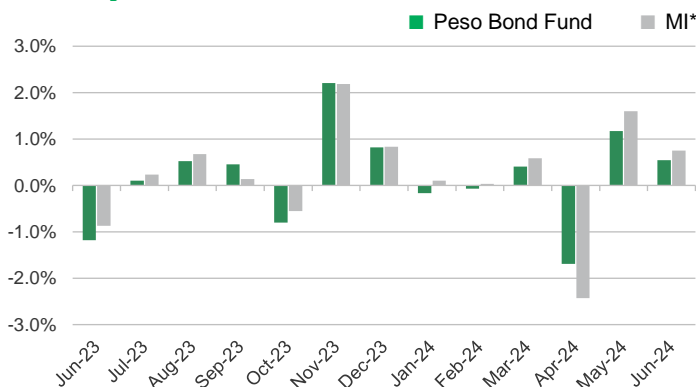


Top Five Holdings

Bond Pool	Short-Term Bond Pool
FXTN 03/04/27	Manulife Stable Income Fund Class I
Manulife Income Builder Fund Class I	39.68%
FXTN 09/09/25	Manulife Money Market Fund Class I
FXTN 08/12/25	11.35%
FXTN 03/07/28	FXTN 04/08/26
	8.80%
	FXTN 08/12/25
	7.00%
	FXTN 02/14/26
	6.60%

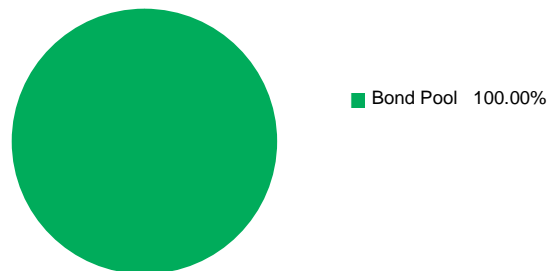
Notes:
FXTN - Fixed Treasury Notes or Peso-denominated debts of the Philippine Government
RTB - Retail Treasury Bonds of the Philippine Government

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

Local yields ended slightly lower in June as inflation rose slower than expected in May. Rate cut expectations were further reinforced with June's inflation print showing a decline for the first time this year. The government's issuance of Executive Order (EO) 62, which covers the reduction of import duty on rice, among others, dramatically improved the local inflation outlook. In fact, the Bangko Sentral ng Pilipinas (BSP) lowered its risk-adjusted inflation estimate to 3.1% for this year and next, from 3.8% and 3.7%, respectively.

Outlook

The better inflation outlook and the dovish tilt of recent BSP statements significantly improved the sentiment on the local bond market. We expect BSP to deliver the first rate cut in August as inflation moderates, especially as the Peso stabilized over the past weeks. Nevertheless, while we expect the bond rally to continue, we are mindful of the possibility of some retracement should there be negative surprises that will alter the inflation outlook and push back the timing of BSP rate cuts, such as a delay in the implementation of EO 62.

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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