

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 599.89 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 3.095	Management Fee 1.50% per annum	Bloomberg Ticker MPPHBND	

Performance Return (March 31, 2026)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-3.25%	-2.27%	0.65%	8.48%	5.27%	209.50%
Annualized	n.a.	n.a.	0.65%	2.75%	1.03%	5.27%

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

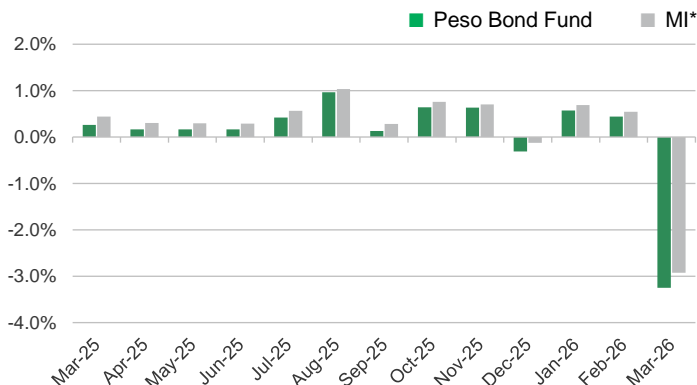


Top Five Holdings

Bond Pool		Short-Term Bond Pool	
Manulife Income Builder Fund Class I	7.02%	Manulife Stable Income Fund Class I	43.53%
FXTN 04/28/35	4.78%	Manulife Money Market Fund Class I	16.16%
FXTN 09/15/32	4.73%	FXTN 03/04/27	6.46%
Manulife Money Market Fund Class I	4.63%	FXTN 04/22/28	5.62%
FXTN 03/07/28	4.57%	FXTN 05/04/27	5.22%

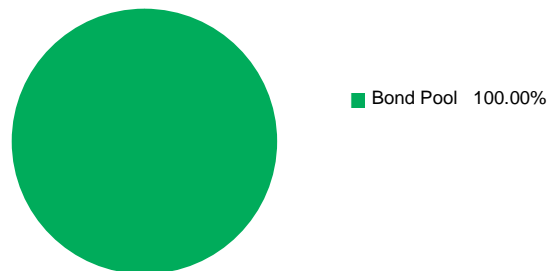
Notes:
FXTN - Fixed Treasury Notes or Peso-denominated debts of the Philippine Government
RTB - Retail Treasury Bonds of the Philippine Government

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.

Peso Bond Fund

Market Review

Local government bond yields rose by an average of 81 basis points in March, with the increase largely concentrated in the 2Y–10Y segment of the curve. Broad de-risking across financial assets was evident, driven by the Middle East conflict involving Iran and U.S./Israel. Investors shifted toward safe-haven assets as they priced in higher inflation risks linked to elevated global oil prices. Market participants closely monitored Middle East developments, central bank guidance, and economic data for signals on potential effects to the Philippine and global economies.

With Iran restricting traffic through the Strait of Hormuz for an extended period, concerns grew that oil supply disruptions could materially affect the Philippines. The scarcity of incremental supply pushed domestic fuel prices sharply higher, exacerbating fears of second-round effects. These concerns were reinforced by the March headline inflation printing at 4.1% year-on-year, driven by the increase in the price of transportation, housing, and rice. Even as efforts to ease supply constraints progressed, analysts expected normalization to take time.

On the policy front, mounting risks led the BSP to hold a rare off-cycle policy meeting on March 26, where it kept the policy rate unchanged at 4.25%. While maintaining the current policy stance, the BSP revised its 2026 average inflation forecast to 5.1%, implying a breach of their 2-4% target band.

Outlook

After a month of intermittent exchanges between the U.S. and Iran, prospects for de-escalation and negotiations remain uneven and fragile. In the coming weeks, we expect markets to remain cautious amid persistent external uncertainties. With sentiment still reactive, investors may use market rallies as opportunities to further de-risk.

Our strategy will remain cautious and disciplined, focusing on prudent risk management above all else. We will prioritize yield pickup over short term market gains amid uncertainties and volatility in markets.

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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