

Peso Stable 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 long-term growth by investing in government securities and/or high quality corporate debt securities, stocks listed on the Philippine Stock Exchange and/or in pooled fund/s that invest in these securities and other liquid fixed income instruments.

Fund Information

Inception Date April 2004	Fund Size PHP 719.20 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.906	Management Fee 1.75% per annum	Bloomberg Ticker MPPHSTB	

Performance Return (June 30, 2021)

Peso Stable Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	1.29%	-1.12%	1.43%	10.58%	2.87%	190.60%
Annualized	n.a.	n.a.	1.43%	3.41%	0.57%	6.38%

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

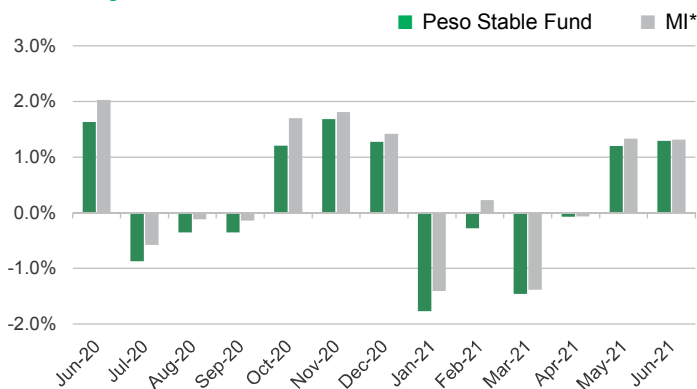


Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 08/12/25	13.93%	Manulife Stable Income Fund Class I	36.14%
FXTN 03/09/24	9.50%	FXTN 02/11/23	7.97%
FXTN 02/11/23	8.57%	FXTN 04/21/23	7.00%
FXTN 09/09/25	8.06%	FXTN 03/09/24	6.94%
FXTN 03/12/24	6.33%	FXTN 08/11/21	5.66%
Equity Pool			
SM INVESTMENTS CORPORATION			14.09%
Manulife Equity Wealth Fund Class I			10.31%
SM PRIME HOLDINGS INC			9.74%
AYALA LAND INC			9.09%
AYALA CORPORATION			8.42%

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

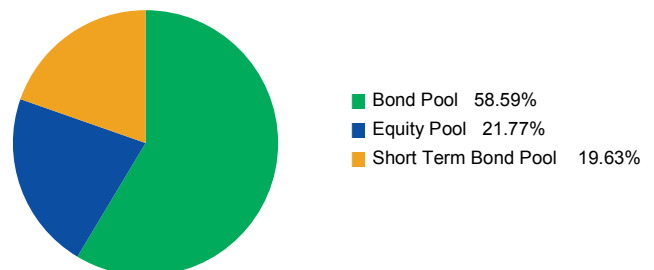
Monthly Performance



*Market Indicator = 20.0% PSEi + 6.0% Markit Iboxx ALBI Philippines Liquid + 54.0% Markit Iboxx ALBI Philippines 1-5 + 20.0% Markit Iboxx ALBI Philippines 1-3

Portfolio Breakdown

Asset Allocation (at Market Value)



As per the fund's Investment Policy Statement, initial subscriptions are invested in fixed 60% Bond Pool and 20% each Short-Term Bond and Equity Pools. 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.
- Equity Pool: Various stocks listed on the PSE and term deposits

Peso Stable Fund

Market Review

The PSEi rose by another 4% in June to close at 6,901 points, driven by sustained improvements in the vaccination front while the daily average new cases of COVID-19 steadily declined from the peak in April. As of June, we received a total of 17.5m doses of COVID-19 vaccines. Note that as of June, the Philippines has now vaccinated 2.5m people. The government expects COVID-19 vaccine deliveries to ramp up in 2H21.

The macroeconomic backdrop for the Philippines continues to improve as the reopening continues. June inflation slowed to 4.1% from 4.5% in May as the increase in transportation costs decelerated. In addition, the latest unemployment figure (May 2021) dipped to 7.7% from 8.7% the prior month as lockdown eases. The Bangko Sentral ng Pilipinas kept policy rates at 2% to support the recovery of the economy.

On the corporate front, ICTSI's Enrique Razon has finally taken over Manila Water Company, opening the possibility to further expand the latter's presence to other regions as well. MWC's ASEAN footprint pales in comparison to ICTSI's global presence. The REIT space is also getting busier with more property companies expressing interest to raise capital via REITs. Filinvest, Robinsons and Megaworld combine to raise around P69bn via REITs.

Outlook

We remain optimistic in the long term as we continue to reopen the economy on the back of the improvement in vaccination. We continue to prefer cyclical industries such as Financials and Real Estate. However, we remain cognizant of the global headwinds such as rising oil prices, a weaker currency and the prospect of higher interest rates. We also remain watchful on COVID-19 as we see our neighboring countries being negatively affected by the recent surge in cases brought around by the Delta variant.

The investment fund option for The Manufacturers Life Insurance Company's variable life insurance product is managed by Manulife Asset 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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