

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 652.30 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.827	Management Fee 1.75% per annum	Bloomberg Ticker MPPHSTB	

Performance Return (April 30, 2023)

Peso Stable Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.60%	2.02%	-0.07%	1.91%	5.41%	182.70%
Annualized	n.a.	n.a.	-0.07%	0.63%	1.06%	5.60%

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

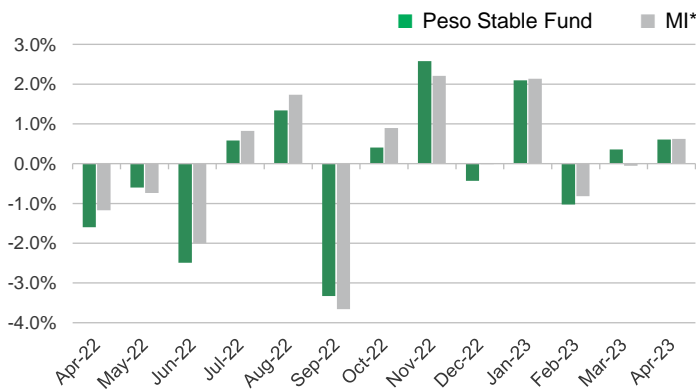


Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 03/04/27	14.37%	Manulife Stable Income Fund Class I	35.75%
FXTN 08/12/25	11.66%	FXTN 08/12/25	12.24%
FXTN 09/09/25	7.24%	FXTN 02/14/26	8.25%
FXTN 04/08/26	7.05%	FXTN 09/09/25	7.90%
Manulife Income Builder Fund Class I	5.81%	FXTN 04/08/26	6.86%
Equity Pool			
SM INVESTMENTS CORPORATION			13.03%
SM PRIME HOLDINGS INC			9.63%
Manulife Equity Wealth Fund Class I			9.15%
BDO UNIBANK INC			8.92%
BANK OF THE PHILIPPINE ISLANDS			7.55%

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

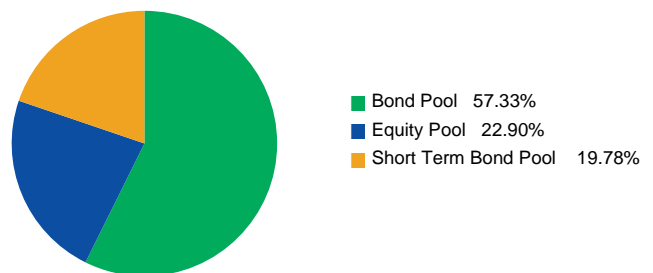
Monthly Performance



*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 Philippine Stock Equity index (PSEi) was up 2.3% for the month of April, rising to 6,625. The market rally during the month was driven by sustained strong corporate earnings in the first quarter of 2023. In addition, we continue to see a deceleration of inflation from the peak in January. The macroeconomic environment has improved as inflation continued to slow down. As of April, inflation stood at 6.6%, a decline from 7.6% the prior month and significantly below from 8.7% in January. The decline in inflation was due to deceleration in electricity, transport and food prices. Meanwhile, unemployment rate remains low at 4.7% as of March. Note that unemployment in prior month was at 4.8% while March last year was at 5.8%. In addition, March underemployment further declined to 11.2%, the lowest level since April 2005. The low unemployment and underemployment figures provide a strong case for sustained consumer spending in the country.

We saw slightly lower yields in April followed by a strong rally as we entered May as April inflation printed at 6.6%, down from March's 7.6% print. This increases the likelihood that the BSP will pause hiking and keep policy rate at 6.25% for the year, especially as economic growth is expected to slow. While GDP growth in 1Q at 6.2% beat forecasts, it marked the slowest expansion since the pandemic. The expectations that inflation will continue declining into the second half of the year and that the Bangko Sentral ng Pilipinas' tightening cycle has finally ended emboldened investors to lengthen duration, resulting in a flat yield curve.

Outlook

We have positive view in Philippine Equities due to strong first quarter corporate earnings coupled with declining inflation pressure on consumers. Valuations are also quite attractive as the PSEi is trading at only around 12x forward consensus PER, a discount a discount from historical average of around 15-16x. Meanwhile, we are seeing indications that the interest rate hiking cycle has reached its peak. Recall that the steep rate hikes seen in 2022 was the main reason for the weakness in global equities market, Philippines included.

Overall, we think there continues to be room for yields to decline further even with the recent rally. A decline in core inflation, which currently remains sticky at 7.9%, and an anticipation for a rate cut in the U.S. as early as 4Q, are potential drivers for the current rally to continue.

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.

The information and/or analysis contained in this material have been compiled or arrived at from sources believed to be reliable but The Manufacturers Life Insurance Co. (Phils.), Inc. ("Manulife Philippines") does not make any representation as to their accuracy, correctness, usefulness or completeness and does not accept liability for any loss arising from the use hereof or the information and/or analysis contained herein. 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. Neither Manulife Philippines or its affiliates, nor any of their directors, officers or employees shall assume any liability or responsibility for any direct or indirect loss or damage or any other consequence of any person acting or not acting in reliance on the information contained herein.

The information in this material may contain projections or other forward-looking statements regarding future events, targets, management discipline or other expectations, and is only as current as of the date indicated. There is no assurance that such events will occur, and may be significantly different than that shown here. The information in this material including statements concerning financial market trends, are based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons. This material was prepared solely for informational purposes and does not constitute a recommendation, professional advice, an offer, solicitation or an invitation by or on behalf of Manulife Philippines to any person to buy or sell any security. This material should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any investment products or to adopt any investment strategy. Nothing in this material constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. Past performance is not an indication of future results.

Manulife and the block design are registered service marks and trademarks of The Manufacturers Life Insurance Company and used by it and its affiliates including Manulife Financial Corporation.