

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 615.66 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.938	Management Fee 1.75% per annum	Bloomberg Ticker MPPHSTB	

Performance Return (July 31, 2024)

Peso Stable Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	1.87%	2.23%	4.15%	3.05%	3.67%	193.80%
Annualized	n.a.	n.a.	4.15%	1.01%	0.72%	5.44%

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

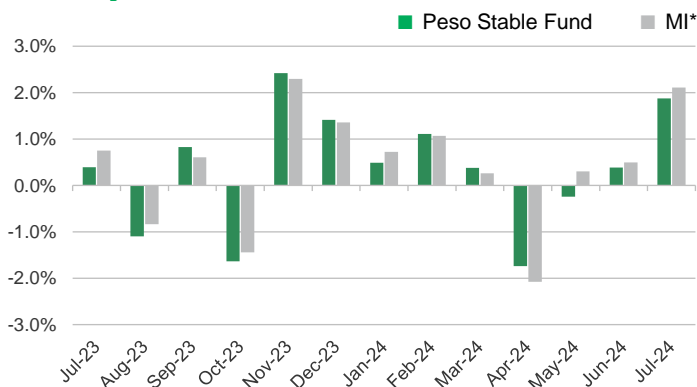


Top Five Holdings

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%
Equity Pool			
SM INVESTMENTS CORPORATION			14.22%
INTERNATIONAL CONTAINER TERMINAL SERVICES INC			9.79%
Manulife Equity Wealth Fund Class I			9.30%
BANK OF THE PHILIPPINE ISLANDS			8.42%
BDO UNIBANK INC			8.21%

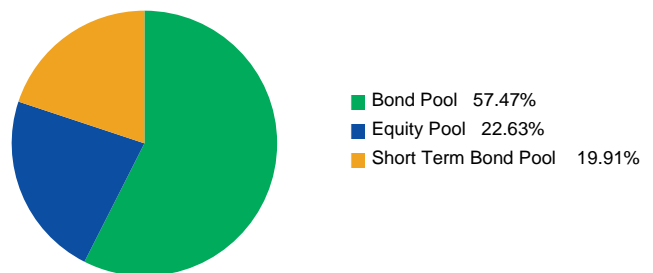
Notes:
 FXTN - Fixed Treasury Notes or Peso-denominated debts of the Philippine Government
 RTB - Retail Treasury Bonds of the Philippine Government

Monthly Performance



Portfolio Breakdown

Asset Allocation (at Market Value)



* Market Indicator = 20.0% PSEi + 57.0% BBG Philippine Sov Bond Agg Net Tax Formula + 3.0% Philippines 91 Day T-Bill Auction Avg Yield 20% WHT + 20.0% Market Iboxx ALBI Philippines 1-3

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:
 - 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 Exchange Index rose by 3.3% in July, closing at 6,619.09. This positive performance in the equities market was attributed to the market's anticipation of a potential 25 basis points cut in policy rates by the Bangko Sentral ng Pilipinas in its upcoming Monetary Board Meeting in August. Furthermore, a similar dovish shift in monetary policy direction from the US Federal Reserve, with the possibility of initiating US policy rate cuts as early as September, also contributed to the positive performance in July.

July Consumer Price Index (CPI) came in at 4.4%, slightly higher than the consensus estimates of 4.1% and a notable increase from the June CPI of 3.7%. The rise in inflation was primarily driven by higher prices in food, utilities, and transportation.

Bangko Sentral ng Pilipinas Governor Remolona had indicated that a policy rate cut in August is possible, noting that the risks to inflation has eased. The BSP's monetary board is set to convene next on August 15.

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

We expect that local inflation is likely to stay within the BSP's target range of 2-4% for the year. Any policy rate cuts made by the BSP, possibly as early as the third quarter of 2024, could serve as a catalyst for the local equities market. We maintain a positive outlook on the potential impact of a policy rate cut on corporate earnings growth, which we anticipate could benefit local equity prices.

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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