

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 695.37 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.875	Management Fee 1.75% per annum	Bloomberg Ticker MPPHSTB	

Performance Return (March 31, 2022)

Peso Stable Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.28%	-0.24%	1.34%	5.08%	7.76%	187.50%
Annualized	n.a.	n.a.	1.34%	1.67%	1.51%	6.04%

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	15.23%	Manulife Stable Income Fund Class I	37.88%
FXTN 03/09/24	14.91%	FXTN 03/09/24	9.15%
FXTN 09/09/25	7.89%	FXTN 02/11/23	5.50%
FXTN 04/08/26	7.40%	FXTN 07/04/22	5.23%
FXTN 03/12/24	7.08%	FXTN 08/03/22	5.17%
Equity Pool			
SM INVESTMENTS CORPORATION			10.53%
Manulife Equity Wealth Fund Class I			9.88%
SM PRIME HOLDINGS INC			9.84%
INTERNATIONAL CONTAINER TERMINAL SERVICES INC			7.44%
AYALA LAND INC			7.00%

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

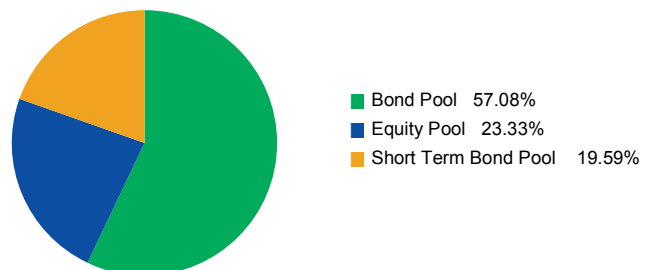
Monthly Performance



*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 was down by 0.7% in March to close at 7,203. We saw a significant increase in volatility due to the geopolitical tension in Europe, pushing global commodity prices higher. The rise in crude oil, metals, and food raw materials is pushing inflation pressure higher. This dampened the sentiment over the reopening of the economy, pushing the market lower.

Mobility continued to improve in March as Metro Manila was placed under Alert Level 1 and enjoyed the lowest restriction since the pandemic started. Majority of industries are allowed to operate at 100% capacity, increasing economic activity. Foot traffic in retail areas such as shopping malls as well as work places have reached pre-pandemic levels. Meanwhile, the country's COVID-19 case count remains low, averaging less than 400/day at the end of month. However, the vaccination rate appeared to have stalled at around 65% of the population.

Majority of corporates have reported fourth quarter results in March. The common theme was that 4Q21 topline was strong mostly due to the low restriction levels in November to December coupled by merry making during the holidays. Hence, there was a sharp recovery in shopping mall and restaurant revenues quarter on quarter. However, deteriorating margins have already plagued consumer manufacturing companies due to the rising prices of soft commodities such as wheat and palm oil. Note that these commodity prices have further increased in 1Q22 due to the geopolitical risks in Europe and could further put pressure on margins this year.

Local bond yields continued its uptrend in March as the Russia-Ukraine conflict brings about significant broad based supply shock implications, leading to elevated local oil and food prices and higher inflation expectations. March inflation printed at 4%, exceeding market expectation of 3.7% and February's 3%. In addition to the global geo-political concerns, the local bond market reacted to the large supply stemming from the newly issued 5 year Retail Treasury Bond (RTB), causing an average of 15bps uptick in yields for the month of March.

Outlook

We continue to have a positive view on the Philippine Equities market as the recovery and reopening of the economy would likely more than offset the inflation pressure from higher commodity prices. With mobility levels back to pre-pandemic levels after two years, there is a likelihood that consumer spending will increase. In addition, election campaign spending could also provide a boost to the economy. Lastly, tourism could also play a big role during the summer season as more Filipinos are more confident to travel, contributing further to consumer spending and the economy.

Notwithstanding the current elevated inflation environment, we expect the Bangko Sentral ng Pilipinas (BSP) to keep an accommodative policy stance for the first half of 2022 to support the Philippine's economic recovery. We expect the Philippine economic engine to ramp up this year, with GDP averaging at least 7% as the country's vaccine inoculation continue to improve. We will continue to monitor local developments on the supply risk and inflation in addition to the developments on the Russia and Ukraine war. Against this backdrop, we will keep a neutral duration positioning for the local fixed income portfolios and opportunistically increase our position on select securities.

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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