

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

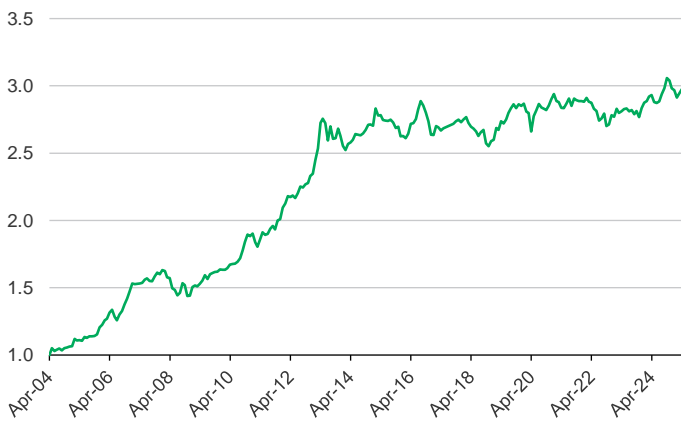
Inception Date April 2004	Fund Size PHP 587.33 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.974	Management Fee 1.75% per annum	Bloomberg Ticker MPPHSTB	

Performance Return (March 31, 2025)

Peso Stable Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	1.12%	0.20%	1.47%	3.44%	11.72%	197.40%
Annualized	n.a.	n.a.	1.47%	1.13%	2.24%	5.33%

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 07/19/31	6.67%	Manulife Stable Income Fund Class I	41.49%
Manulife Income Builder Fund Class I	6.18%	Manulife Money Market Fund Class I	11.43%
FXTN 09/15/32	5.95%	FXTN 04/08/26	6.89%
FXTN 02/28/29	5.50%	FXTN 03/04/27	6.36%
FXTN 03/04/27	5.01%	FXTN 05/04/27	5.13%
Equity Pool			
SM INVESTMENTS CORPORATION			12.53%
INTERNATIONAL CONTAINER TERMINAL SERVICES INC			9.96%
BANK OF THE PHILIPPINE ISLANDS			9.78%
BDO UNIBANK INC			9.77%
Manulife Equity Wealth Fund Class I			9.58%

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

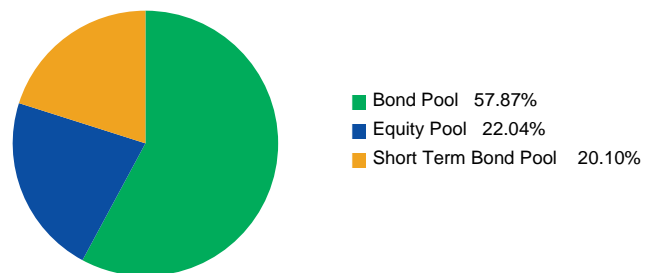
Monthly Performance



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

In March, the Philippine Stock Exchange Index (PSEi) rose by 4.25%, reducing the market's year-to-date decline to -4.18%. This marked the second consecutive month of gains, driven by a recovery in the peso against the U.S. dollar and stabilizing domestic inflation. During the month, the market climbed to a high of 6,360 before retreating due to profit-taking. Investors remained cautious, closely monitoring developments related to U.S. tariffs in the latter half of March. Additionally, the Philippine peso moved favorably against the U.S. dollar for the first three months of the year.

The Consumer Price Index for March slowed to 1.8% year-on-year, below market expectations of 2%. This inflation figure was slower than February's rate of 2.1%. Food inflation contributed to the slowdown in CPI for March, with rice prices falling by 7.7% following a 4.9% decline in February.

On the monetary policy front, the Bangko Sentral ng Pilipinas may resume monetary easing this month. BSP Governor Remolona stated that the BSP remains on an easing cycle and could reduce borrowing costs by as much as 75 basis points this year, depending on macroeconomic data. The BSP has already cut policy rates by 75 basis points since it began its monetary easing last August. The current overnight policy rate is 5.75%.

The yield curve for local bonds steepened in March, with yields declining for short and intermediate tenors, as the market priced in the Bangko Sentral ng Pilipinas' (BSP) 25bps rate cut for April. Contraction in rice prices continued to push down the local inflation rate, with March inflation rate down to 1.8% from 2.1% in February. The BSP also cut inflation forecast to 2.3% from 3.5% this year, and to 3.3% from 3.7% in 2026.

Given the benign inflation outlook, April began with local yields initially following U.S. yields lower after U.S. President Trump's announcement of reciprocal tariffs. However, the succeeding days saw wild swings in rates, with U.S. 10-year yields surging over 60bps as on fears of U.S. stagflation and the U.S. losing its appeal as safe haven. The sell-off trickled to local bond markets, with yields for the liquid intermediate securities rising over 20bps MTD. The Bureau of Treasury's jumbo 10-year FXTN issuance this month also added to the selling pressure.

Outlook

From a regional fund flow perspective, we remain cautiously optimistic about Philippine equities, as escalating tariff tensions may result in weak global equity sentiment. With 70% of GDP linked to the domestic consumer economy, the Philippines is relatively more defensive than its regional counterparts, as it is less reliant on exports. We view any weakness in local equity prices as an opportunity for investors to reallocate portfolios, especially in the context of a weakening U.S. growth backdrop caused by potentially rising U.S. consumer prices in the near term and prolonged tariff negotiations among developed nations.

Given the weaker-than-expected CPI figures for March, we believe the BSP may take this as an opportunity to continue cutting policy rates by another 25 basis points at its upcoming Monetary Board meeting in April. We have a positive bias towards financials, select consumer, and utilities stocks, as well as stocks that may benefit from emerging domestic themes related to ongoing provincial growth and infrastructure development.

While the U.S.' announcement of tariff exemptions and a temporary reduction in tariff rates slightly calmed markets over the past few days, we expect risk sentiment to remain fragile and for tariff headlines to continue driving markets in the short-term. Over the medium-term, a benign inflation outlook and rising growth risks with U.S. tariffs make the case for the BSP to stay on an easing path this year.

The investment fund option for The Manufacturers Life Insurance Company's variable life insurance product is managed by Manulife Investment Management and Trust Corporation.

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