

Peso Diversified Value 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 2009	Fund Size PHP 4.54 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 1.869	Management Fee 2.00% per annum	Bloomberg Ticker MPPHDVF	

Performance Return (April 30, 2022)

Peso Diversified Value Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-1.58%	-1.89%	-0.43%	3.89%	4.94%	86.90%
Annualized	n.a.	n.a.	-0.43%	1.28%	0.97%	4.91%

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

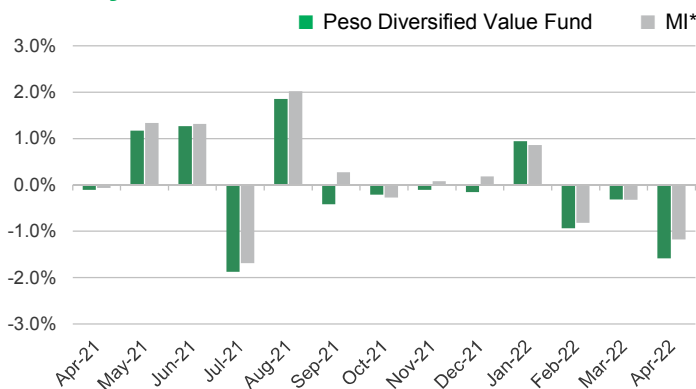


Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 03/09/24	14.93%	Manulife Stable Income Fund Class I	37.93%
FXTN 08/12/25	14.14%	FXTN 03/09/24	9.75%
FXTN 04/08/26	8.52%	FXTN 02/11/23	5.49%
FXTN 09/09/25	7.85%	FXTN 03/12/24	5.23%
FXTN 03/04/27	7.13%	FXTN 07/04/22	5.22%
Equity Pool			
SM INVESTMENTS CORPORATION			10.58%
SM PRIME HOLDINGS INC			9.91%
Manulife Equity Wealth Fund Class I			9.81%
INTERNATIONAL CONTAINER TERMINAL SERVICES INC			7.58%
BDO UNIBANK INC			7.46%

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

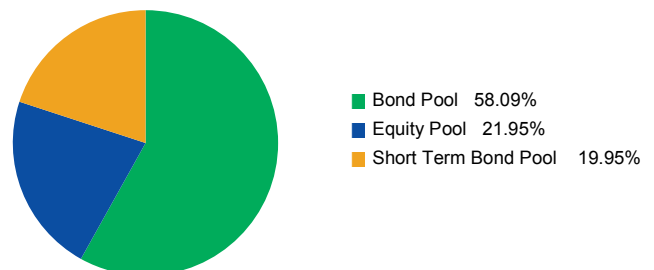
Monthly Performance



*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 Diversified Value Fund

Market Review

The Philippine Stock Exchange Index declined 6.6% to close at 6,731 points in April. The drop was driven by concerns on rising prices of goods, higher global interest rates as well as uncertainty going into elections. The detection of the Omicron subvariant in the Philippines during the period made sentiment worse as it could derail the momentum of the reopening of the economy.

The country's economic recovery remains intact as evidenced by the 8.3% GDP growth during 1Q22. Headwinds remain however such as rising inflation which reached 4.9% in April, an acceleration from 4% the prior month. The rise in overall cost of goods was driven by higher global commodity prices which brought food, oil and transportation costs higher. Meanwhile, the Bangko Sentral ng Pilipinas has recently raised policy rates by 25bps as the recovery of the economy is underway as evidenced by the strong 1Q22 GDP Growth.

The Philippine equity market completed reporting FY2021 earnings in April. Results were broadly in line with expectations underpinned by a strong recovery in the fourth quarter. Major beneficiaries of the country's reopening including the Consumer Discretionary and Real Estate sectors recorded robust revenue growth in 4Q21. Meanwhile banks continued to report an acceleration in loan growth, reaching +8.9% YoY in March.

The Bangko Sentral ng Pilipinas (BSP) has kept policy rates unchanged since November of 2020 but recent rhetoric from BSP Gov. Diokno have noted that the lift-off may begin as early as June. Supportive of this view are two factors, namely 1) the elevated inflation environment and 2) the higher than expected 1Q GDP print. Local inflation has recently been on an uptrend with April printing at 4.9% from March's 4%, still higher from February's 3%, mainly driven by global oil prices. In addition, the surprise 8.3% GDP print for the first quarter was much higher than market expectations of 6.8% and places pressure of a rate hike at the upcoming May 19 Monetary Board (MB) meeting.

Outlook

We remain generally constructive on the Philippine equity market as the recent elections was relatively peaceful and orderly. We are optimistic that the recovery of the economy remains underway given the strong 1Q22 GDP growth. Corporate revenue and income growth remain supportive of this thesis as well. The short-term direction of the market will likely remain volatile as the new administration's emerging economic policy takes shape. We are also watchful on inflation pressures as it can impact consumption and overall growth.

Local bond yields on the belly to long-ends trended higher for the month of April as the Bureau of Treasury (BTr) continues to aggressively accept bids on the high end of market expectations at the weekly bond auction. This behavior, in addition to the weekly bond supply has led to lackluster appetite for local bonds. We expect investors to be cautious ahead of the MB meeting in case a rate hike is triggered sooner than June. Against this backdrop, we will keep the portfolio in a more defensive position with a shorter duration vis-avis the benchmark.

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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