

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 4.92 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 1.892	Management Fee 2.00% per annum	Bloomberg Ticker MPPHDVF	

Performance Return (April 30, 2024)

Peso Diversified Value Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-1.77%	0.11%	1.61%	0.80%	5.17%	89.20%
Annualized	n.a.	n.a.	1.61%	0.27%	1.01%	4.33%

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

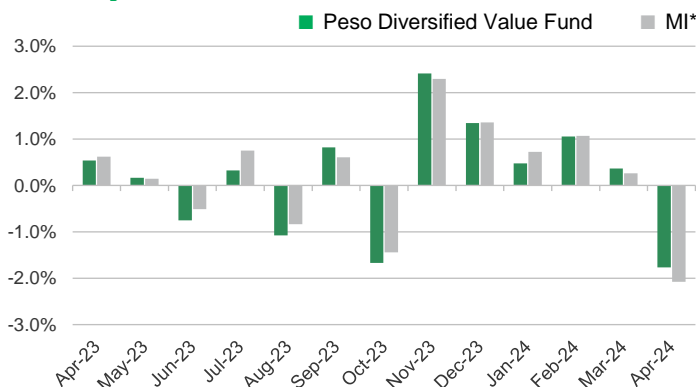


Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 08/12/25	7.14%	Manulife Stable Income Fund Class I	39.26%
FXTN 09/09/25	6.27%	Manulife Money Market Fund Class I	13.12%
FXTN 03/04/27	5.92%	FXTN 04/08/26	8.74%
Manulife Income Builder Fund Class I	5.83%	FXTN 08/12/25	8.41%
FXTN 03/07/28	5.06%	FXTN 09/09/25	8.26%
Equity Pool			
SM INVESTMENTS CORPORATION			14.67%
INTERNATIONAL CONTAINER TERMINAL SERVICES INC			9.56%
Manulife Equity Wealth Fund Class I			9.16%
BANK OF THE PHILIPPINE ISLANDS			8.66%
BDO UNIBANK INC			8.32%

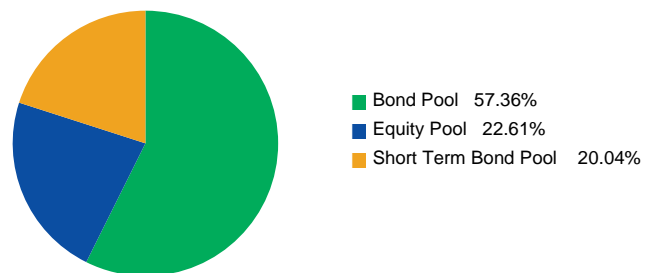
*Notes:
FXTN - Fixed Treasury Notes or Peso-denominated debts of the Philippine Government
RTB - Retail Treasury Bonds of the Philippine Government*

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% Markit 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 Diversified Value Fund

Market Review

The Philippine Stock Equity index (PSEi) was down 2.9% to 6,700.49 in April. Year to date in April, the PSEi is up 5.13% on a total return basis. The PSEi weakness for the month of April came on the back of renewed foreign outflows led by investor negative sentiments towards the possibility of rate cuts being delayed, escalating Middle East tensions. In addition, the weakness of ASEAN regional currencies on account of strong economic data coming from the US further put downward pressure on the equity markets.

The latest Consumer Price Index (CPI) report for the month of April showed that inflation increased for the third straight month due to continued acceleration in food and transport prices. CPI for April rose by 3.8% year-on-year, although this was below median estimates of 4.1% year-on-year but is higher than March CPI of 3.7% and February CPI of 3.4%.

Bangko Sentral ng Pilipinas Governor Remolona said that the window for the BSP to start reducing its key policy rate in the second half of 2024 is narrowing as the inflation figure is at risk of breaching its target range of 2-4%. Additionally, Governor Remolona added that he expects monetary easing will more likely begin in the first quarter of 2025 with the rate cuts enough to just bring the policy rate closer to what the BSP thinks is a neutral rate of interest for the economy. The next Monetary Board Meeting will be on May 16, 2024.

Corporate 1st quarter earnings were quite upbeat with the PSEi members showing income growth of 13% YoY. Notable strong performance came from the telecommunication and financial sectors. Telecoms saw improvement in the mobile revenue segment as subscribers use more data. Meanwhile, banks saw an acceleration in loan growth coupled with steady net interest margins. On the other hand, retailers reported weaker than expected earnings results due to lower demand and higher operating costs.

Stronger-than-expected economic data in the U.S. triggered a massive sell-off in the bond market. Higher-than-expected U.S. payrolls and inflation figures in the U.S. led to a sudden repricing of Federal Reserve rate cuts in April from three to just one cut for the year, sending U.S. 10-year yields almost 50bps higher. Negative sentiment in bond markets spilled over to local markets, with local yields rising by 50-80bps across the curve for the month. Furthermore, domestic inflation has been accelerating for three consecutive months, with the latest print at 3.8% in April. While GDP growth still accelerated to 5.7% YoY in 1Q from the previous quarter, elevated inflation has evidently dampened consumer sentiment, resulting in a slower growth in private consumption.

Outlook

Our outlook for Philippine Equities remains cautious given the current macroeconomic headwinds. The risks of re-acceleration in inflation due to continuing increases in food, transport and oil prices could eventually put downward pressure on consumption growth. We remain watchful on any changing developments surrounding the growth and inflation pressure situation for the Philippines. The timing of interest rate cuts will be the next major catalyst for the stock market. Nevertheless, The PSEi is trading again at attractive valuations of just 10x forward price to earnings, which is at a discount from historical average of around 15x.

Looking ahead, with the effects of extreme weather conditions on agricultural production, inflation may temporarily breach the Bangko Sentral ng Pilipinas' (BSP) target in the coming months. Given upside inflation risks, the BSP has raised the possibility of delaying rate cuts to next year. Nevertheless, while heightened volatility will likely continue, current yield levels seem to have largely priced in these risks and provide a good opportunity for long-term investors.

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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