

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 4.93 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 1.944	Management Fee 2.00% per annum	Bloomberg Ticker MPPHDVF	

Performance Return (April 30, 2026)

Peso Diversified Value Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.21%	-1.97%	-1.22%	4.40%	3.57%	94.40%
Annualized	n.a.	n.a.	-1.22%	1.45%	0.70%	3.98%

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

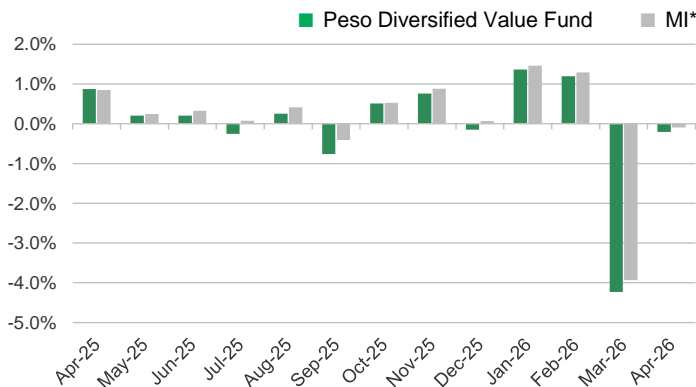


Top Five Holdings

Bond Pool		Short-Term Bond Pool	
Manulife Income Builder Fund Class I	7.19%	Manulife Stable Income Fund Class I	43.94%
FXTN 02/28/29	5.96%	Manulife Money Market Fund Class I	13.63%
FXTN 04/28/35	4.71%	FXTN 03/04/27	6.51%
FXTN 09/15/32	4.63%	FXTN 04/22/28	5.64%
Manulife Money Market Fund Class I	4.57%	FXTN 06/02/27	5.25%
Equity Pool			
INTERNATIONAL CONTAINER TERMINAL SERVICES INC			21.16%
Manulife Equity Wealth Fund Class I			10.22%
SM INVESTMENTS CORPORATION			9.11%
MANILA ELECTRIC CO			8.12%
BDO UNIBANK INC			6.88%

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

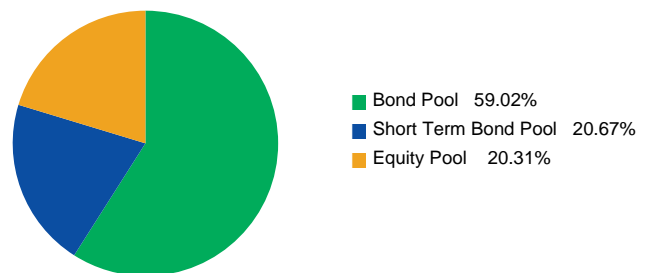
Monthly Performance



* 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:
 - 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 PSEi fell by 1.66 percent in April to 5,834, marking its second straight month of decline. Market sentiment stayed weak due to ongoing tensions between the US and Iran. The peso also weakened, reaching 61.73, reflecting external risks and concerns about rising inflation. As of end April 2026, the market is down around 2 percent year to date.

Inflation rose sharply to 7.2 percent in April from 4.1 percent in March, mainly due to higher food and fuel prices. General price increases were seen across many essential goods, putting pressure on household spending. In response, the BSP raised interest rates by 25 basis points in April, its first hike since October 2023, and increased its inflation forecast for 2026 to 6.3 percent, well above its 2 to 4 percent target range.

Meanwhile, economic growth remained modest, with first quarter GDP expanding by 2.8%, below expectations of 3.3% and compared with the prior quarter's 3%. The soft GDP results were evident across industry, agriculture, and investment components. Household consumption expenditure also grew by a modest 3% year on year.

Local bond yield movements were mixed in April with the short end of the curve declining by 26bps and the belly to the long end of the curve rising by 8-9bps. Market participants took cues from the March inflation print of 4.1%, the BSP's inflation forecast of 5.5% (released late March), and the start of negotiations between US and Iran. Investors flocked to shorter securities and cash as they de-risked their intermediate to long dated securities leading to a steepening of the yield curve for the month of April.

The BSP's Monetary Board reconvened on April 23 where it was decided that a 25bp policy rate hike to 4.5% was appropriate. The Board also revised its inflation expectations for 2026 to 6.3% and indicated that it may raise interest rates further to achieve price stability.

On the macro front, headline inflation accelerated further to 7.2% YoY in April, significantly above market forecast of 5.5% suggesting that second round effects are beginning to trickle down from the spike in fuel prices. 1Q26 GDP growth moderated to 2.8% from 3.0% led by government underspending and a slowdown in consumer spending.

Outlook

First quarter 2026 earnings are starting to reflect the impact of higher energy costs. Property developers are reporting weaker residential sales and delays in projects, pointing to softer demand. Banks are becoming more cautious and are increasing provisions due to rising credit risks. The consumer sector is also under pressure from higher costs and weaker discretionary spending.

Overall, weaker earnings and a more challenging environment, especially with rising inflation, could lead to further cuts in GDP growth forecasts. The BSP's tighter policy stance may likely limit near term upside for equities. In addition, oil price above 100 dollars may further weigh on household consumption.

Given these conditions, positioning remains defensive, with a focus on dividend-paying stocks and higher cash levels to help manage market volatility and protect capital, while providing flexibility to reposition once geopolitical risks begin to de-escalate.

Geopolitical developments remain in focus, particularly the ongoing negotiations between the US and Iran in hopes of more a lasting peace/ceasefire. Points of discussion mainly revolve around the ongoing issues surrounding the Strait of Hormuz and the future of Iran's nuclear enrichment program.

Given the constantly evolving landscape, we maintain a cautious and defensive stance, focusing on shorter-duration, more liquid securities while we closely monitor developments both domestically and globally.

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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