

# 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

<b>Inception Date</b> April 2009	<b>Fund Size</b> PHP 5.07 billion	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 1.971	<b>Management Fee</b> 2.00% per annum	<b>Bloomberg Ticker</b> MPPHDVF	

## Performance Return (July 31, 2025)

Peso Diversified Value Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.25%	1.23%	2.18%	8.24%	4.62%	97.10%
Annualized	n.a.	n.a.	2.18%	2.67%	0.91%	4.25%

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

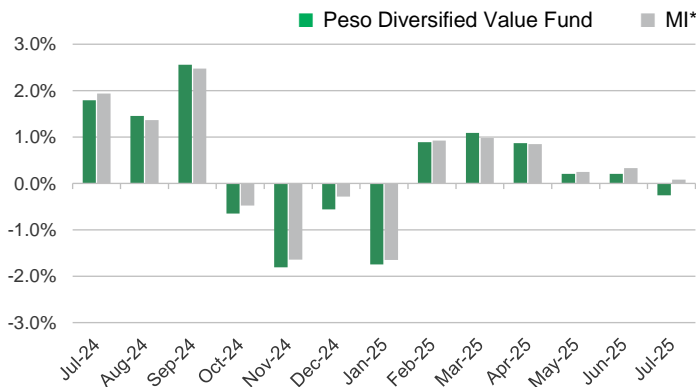


## Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 07/19/31	7.19%	Manulife Stable Income Fund Class I	42.72%
Manulife Income Builder Fund Class I	6.14%	Manulife Money Market Fund Class I	9.33%
FXTN 09/15/32	5.79%	FXTN 03/04/27	6.47%
FXTN 02/28/29	5.38%	FXTN 04/22/28	5.62%
FXTN 03/04/27	4.92%	FXTN 05/04/27	5.22%
Equity Pool			
SM INVESTMENTS CORPORATION			12.74%
INTERNATIONAL CONTAINER TERMINAL SERVICES INC			12.30%
Manulife Equity Wealth Fund Class I			9.75%
BDO UNIBANK INC			8.93%
BANK OF THE PHILIPPINE ISLANDS			8.25%

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

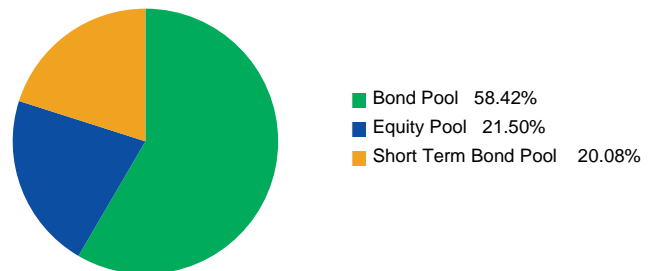
## Monthly Performance



\* 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 Diversified Value Fund

## Market Review

In July, the Philippine Stock Exchange Index (PSEi) fell by 1.71% to 6,265, marking its worst monthly performance since January 2025. The market's decline was influenced by developments related to US tariffs, profit-taking from significant private placements in SM and SMPH, and anticipation of the upcoming 5-year Retail Treasury Bond (RTB) issue by the Bureau of Treasury.

The consumer price index in July rose by 0.9% year-on-year, marking the lowest inflation level in nearly six years and remaining below the Bangko Sentral ng Pilipinas' target range. This was a decrease from 1.4% in the previous month and better than market estimates of 1.1%. BSP Governor Remolona indicated that a policy rate cut is possible at the upcoming Monetary Board meeting on August 28. The last 25-basis-point rate cut occurred in June, bringing the total policy rate reductions to 50-basis-points for 2025. The policy rate of the BSP is currently at 5.25.

The Philippine government bond yields fell around 3 bps on average for the month of July on the back of inflation trending lower in June to 1.40% and the dovish forward guidance from the Bangko Sentral ng Pilipinas (BSP). Tariff trade uncertainties and the August 1 deal deadline imposed by the United States on trade partners kept the market wary of upside risks to inflation globally and curbed local bond yields from declining further.

## Outlook

We believe that market performance for the remainder of the third quarter of 2025 will be driven by the fundamentals reflected in the profit trends from first-half corporate results. Due to recent adverse weather conditions, we anticipate that second-quarter corporate earnings may temporarily normalize. However, we expect spending activities to pick up once again towards the latter part of 2025 as holiday activities commence.

Additionally, the market is closely monitoring any further developments in the BSP's easing cycle. Any disappointments in the growth outlook, coupled with benign inflation, may prompt the Monetary Board to cut interest rates further ahead of the US Federal Reserve. Nonetheless, BSP Governor Remolona has emphasized that the domestic economy is in good shape, supported by solid fundamentals, ample reserves, stable remittances, and slowing inflation.

With Philippine inflation in July printing lower than expected at 0.9% and growth expected to be relatively stable, we may see local bond yields gradually decline. Against this backdrop, the BSP is expected to cut policy rates two more times in 2025 which could allow the short end to decline faster than the rest of the local yield curve. Moving forward, global trade and the effects of the US tariffs may continue to dampen investor sentiment, but we expect the Philippines to be relatively insulated due to its stable economic environment.

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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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