

# Peso Bond 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 a stable and long-term growth by investing in government securities and/or high quality corporate debt securities and/or pooled fund/s that invest in these securities and other liquid fixed income instruments.

## Fund Information

<b>Inception Date</b> April 2004	<b>Fund Size</b> PHP 780.76 million	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 2.940	<b>Management Fee</b> 1.50% per annum	<b>Bloomberg Ticker</b> MPPHBND	

## Performance Return (March 31, 2021)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.68%	-1.93%	5.04%	14.35%	9.82%	194.00%
Annualized	n.a.	n.a.	5.04%	4.57%	1.89%	6.55%

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

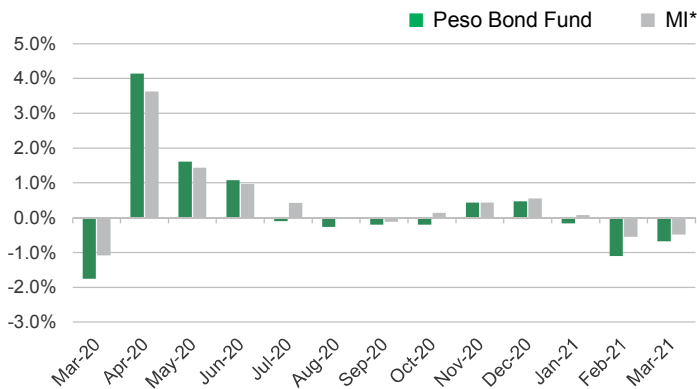


## Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 08/12/25	13.18%	Manulife Stable Income	
FXTN 02/11/23	10.34%	Fund Class I	38.33%
RTB 12/04/22	8.41%	FXTN 02/11/23	12.82%
FXTN 09/09/25	7.22%	RTB 12/04/22	11.90%
FXTN 03/12/24	6.11%	FXTN 04/21/23	7.44%
		FXTN 09/10/23	5.83%

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

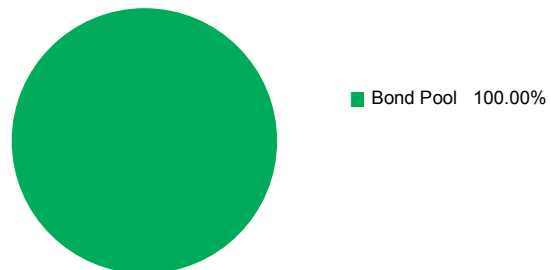
## Monthly Performance



\*Market Indicator = 10.0% Markit Iboxx ALBI Philippines Liquid + 90.0% Markit Iboxx ALBI Philippines 1-5

## Portfolio Breakdown

### Asset Allocation (at Market Value)



As per the fund's Investment Policy Statement, initial subscriptions are invested in fixed 90% Bond Pool and 10% Short-Term Bond Pool. 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.

# Peso Bond Fund

## Market Review

The escalated number of local Covid cases in March, with daily tally hitting record levels, has led the government to re-impose a lockdown over select areas in the Philippines. With Metro Manila included in the Enhanced Community Quarantine (ECQ) status and representing almost 40% of the Philippines' GDP, private consumption and fixed investments as the main growth drivers will be hampered and delay the expected bounce back to pre-Covid GDP activity. Against this sluggish growth, expectations are for more fiscal stimulus amid a widening deficit attributed to poor tax revenues.

In addition, the risks to accelerating inflation remain as March CPI again overshoot the 4% maximum inflation target range of the Bangko Sentral ng Pilipinas (BSP), printing at 4.5%. The BSP has signaled that inflation print will remain elevated in the first half of the year and forecasts an average of 4.2% for 2021.

## Outlook

Amid concerns on the elevated inflation environment, the continued rise in daily Covid cases and supply risk on government debt borrowing, we expect investor preference to remain on the short-end of the curve. Against this backdrop, we prefer to keep a shorter duration positioning vis-a-vis the benchmark in anticipation of a continued steepening of the local yield curve.

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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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