

# 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 779.93 million	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 2.948	<b>Management Fee</b> 1.50% per annum	<b>Bloomberg Ticker</b> MPPHBND	

## Performance Return (April 30, 2021)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.27%	-1.67%	1.13%	14.84%	9.55%	194.80%
Annualized	n.a.	n.a.	1.13%	4.72%	1.84%	6.54%

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

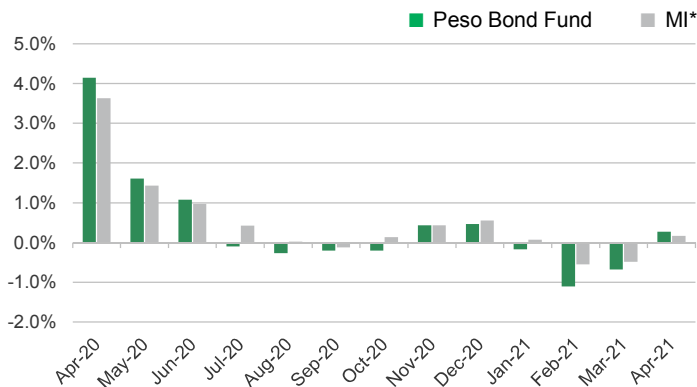


## Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 08/12/25	13.22%	Manulife Stable Income Fund Class I	37.48%
FXTN 02/11/23	10.00%	FXTN 02/11/23	12.49%
FXTN 03/09/24	8.03%	RTB 12/04/22	11.61%
FXTN 09/09/25	7.97%	FXTN 04/21/23	7.27%
RTB 12/04/22	7.82%	FXTN 09/10/23	5.68%

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

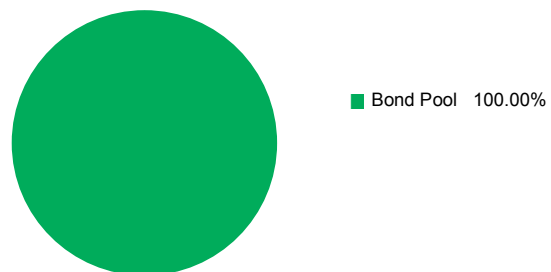
## Monthly Performance



\*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.

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## Market Review

Local peso bond yields rallied for the month of April on an improved inflation outlook and expectation that the extended lockdown in the National Capital Region and surrounding areas will keep inflation contained. April and March CPI printed flat from February's 4.5%, halting the uptrend we have seen the past five months. Moreover, 1Q GDP was a contraction of 4.2%, lower than market forecast of 3.2%, highlighting the effect of the mobility restrictions to our economic growth. Against this backdrop, investors have scaled back on their growth and inflation outlook and have shown renewed interest in the local bond market.

## Outlook

In May, the Bureau of Treasury announced that it will re-issue the 5 and 7 year bonds issued in April. With the upcoming PHP 130Bn bond maturity in June and improved investment sentiment we anticipate strong demand at the auctions to drive bond yields lower in the near term. In light of this, we have added to our positions on this part of the curve as we expect the excess liquidity in the market and improved inflation expectations to generate demand for local bonds.

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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.

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