

# 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 753.58 million	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 2.914	<b>Management Fee</b> 1.50% per annum	<b>Bloomberg Ticker</b> MPPHBND	

## Performance Return (November 30, 2021)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.75%	-2.80%	-2.35%	16.65%	11.95%	191.40%
Annualized	n.a.	n.a.	-2.35%	5.27%	2.28%	6.24%

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

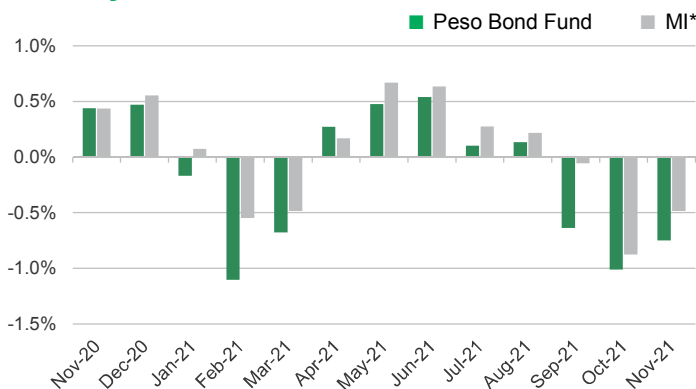


## Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 08/12/25	14.48%	Manulife Stable Income	
FXTN 03/09/24	13.47%	Fund Class I	36.54%
FXTN 09/09/25	7.98%	FXTN 03/09/24	9.08%
FXTN 02/11/23	7.79%	FXTN 02/11/23	5.37%
FXTN 03/12/24	6.99%	RTB 12/04/22	5.22%
		FXTN 07/04/22	5.11%

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

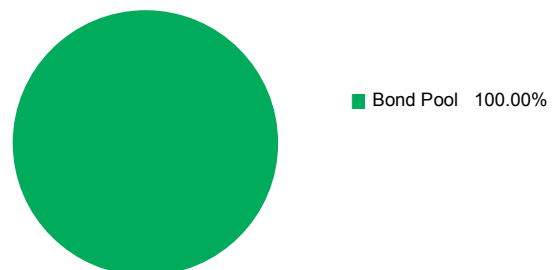
## Monthly Performance



\*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

Bond yields were volatile in November due to the unexpected Retail Treasury Bond (RTB) issuance, with specific day-on-day movements reaching almost 40bps for the belly of the curve, where the new RTB (5.5 year) was issued. While the market readily absorbed the PHP360Bn new RTB issuance, the whole bond yield curve shifted upward leading to and following the pricing.

## Outlook

On the other hand, inflation pressure eased as the slower trajectory printed a 4.2% inflation for November from 4.6% in October. As expected, the Bangko Sentral ng Pilipinas (BSP) kept policy rates unchanged at its December 16 meeting. We believe that the lower inflation environment should allow the BSP to maintain its accommodative policy stance until the second half of 2022. Against this backdrop, we continue to keep a neutral duration position vis-à-vis the benchmark with an overweight on the belly part of the curve as we expect the excess cash from investors to be deployed before the end of the year.

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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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