

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

Inception Date April 2004	Fund Size PHP 728.77 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.876	Management Fee 1.50% per annum	Bloomberg Ticker MPPHBNB	

Performance Return (April 30, 2022)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.10%	-1.37%	-2.44%	9.60%	11.04%	187.60%
Annualized	n.a.	n.a.	-2.44%	3.10%	2.12%	6.02%

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

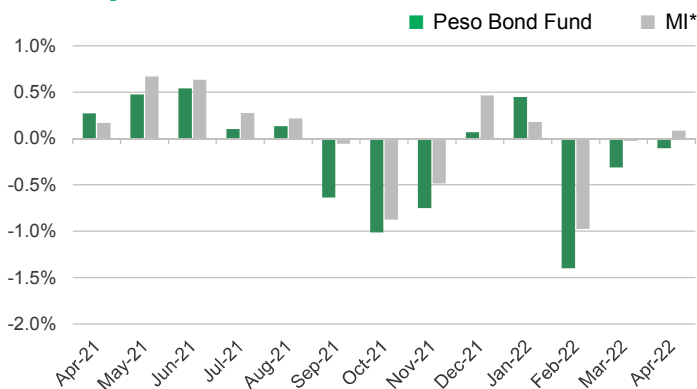


Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 03/09/24	14.93%	Manulife Stable Income Fund Class I	37.93%
FXTN 08/12/25	14.14%	FXTN 03/09/24	9.75%
FXTN 04/08/26	8.52%	FXTN 02/11/23	5.49%
FXTN 09/09/25	7.85%	FXTN 03/12/24	5.23%
FXTN 03/04/27	7.13%	FXTN 07/04/22	5.22%

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 Bangko Sentral ng Pilipinas (BSP) has kept policy rates unchanged since November of 2020 but recent rhetoric from BSP Gov. Diokno have noted that the lift-off may begin as early as June. Supportive of this view are two factors, namely 1) the elevated inflation environment and 2) the higher than expected 1Q GDP print. Local inflation has recently been on an uptrend with April printing at 4.9% from March's 4%, still higher from February's 3%, mainly driven by global oil prices. In addition, the surprise 8.3% GDP print for the first quarter was much higher than market expectations of 6.8% and places pressure of a rate hike at the upcoming May 19 Monetary Board (MB) meeting.

Outlook

Local bond yields on the belly to long-ends trended higher for the month of April as the Bureau of Treasury (BTr) continues to aggressively accept bids on the high end of market expectations at the weekly bond auction. This behavior, in addition to the weekly bond supply has led to lackluster appetite for local bonds. We expect investors to be cautious ahead of the MB meeting in case a rate hike is triggered sooner than June. Against this backdrop, we will keep the portfolio in a more defensive position with a shorter duration vis-avis the benchmark.

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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