

# 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 683.12 million	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 2.858	<b>Management Fee</b> 1.50% per annum	<b>Bloomberg Ticker</b> MPPHBND	

## Performance Return (April 30, 2023)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.18%	1.96%	-0.63%	-1.96%	11.34%	185.80%
Annualized	n.a.	n.a.	-0.63%	-0.66%	2.17%	5.66%

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

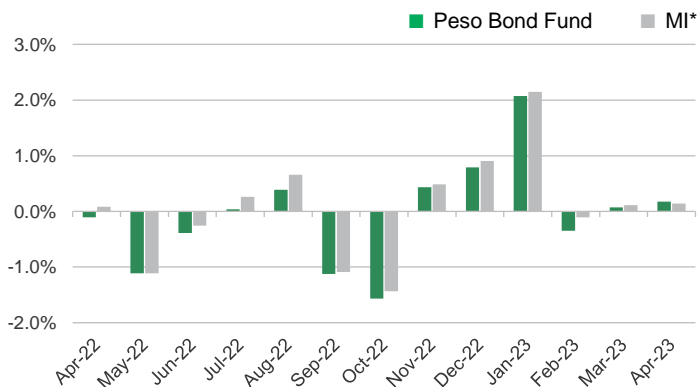


## Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 03/04/27	14.37%	Manulife Stable Income	
FXTN 08/12/25	11.66%	Fund Class I	35.75%
FXTN 09/09/25	7.24%	FXTN 08/12/25	12.24%
FXTN 04/08/26	7.05%	FXTN 02/14/26	8.25%
Manulife Income Builder		FXTN 09/09/25	7.90%
Fund Class I	5.81%	FXTN 04/08/26	6.86%

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

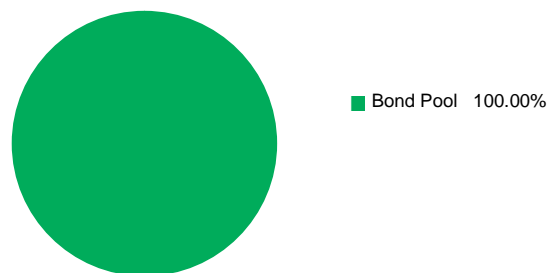
## Monthly Performance



\*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

We saw slightly lower yields in April followed by a strong rally as we entered May as April inflation printed at 6.6%, down from March's 7.6% print. This increases the likelihood that the BSP will pause hiking and keep policy rate at 6.25% for the year, especially as economic growth is expected to slow. While GDP growth in 1Q at 6.2% beat forecasts, it marked the slowest expansion since the pandemic. The expectations that inflation will continue declining into the second half of the year and that the Bangko Sentral ng Pilipinas' tightening cycle has finally ended emboldened investors to lengthen duration, resulting in a flat yield curve.

## Outlook

Overall, we think there continues to be room for yields to decline further even with the recent rally. A decline in core inflation, which currently remains sticky at 7.9%, and an anticipation for a rate cut in the U.S. as early as 4Q, are potential drivers for the current rally to continue.

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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.

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