

# 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 638.61 million	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 2.901	<b>Management Fee</b> 1.50% per annum	<b>Bloomberg Ticker</b> MPPHBND	

## Performance Return (April 30, 2024)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-1.69%	-1.53%	1.50%	-1.59%	10.56%	190.10%
Annualized	n.a.	n.a.	1.50%	-0.53%	2.03%	5.45%

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

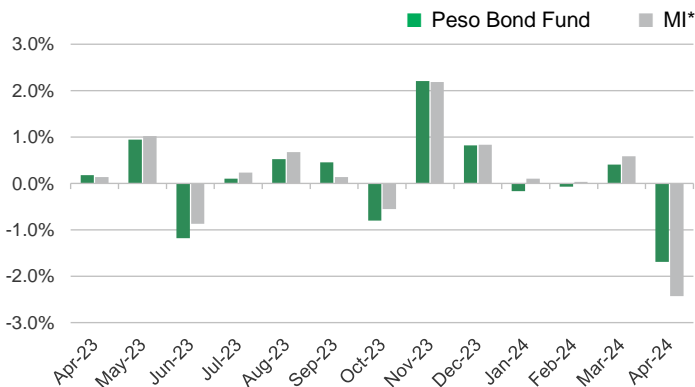


## Top Five Holdings

Bond Pool	Percentage	Short-Term Bond Pool	Percentage
FXTN 08/12/25	7.14%	Manulife Stable Income Fund Class I	39.26%
FXTN 09/09/25	6.27%	Manulife Money Market Fund Class I	13.12%
FXTN 03/04/27	5.92%	FXTN 04/08/26	8.74%
Manulife Income Builder Fund Class I	5.83%	FXTN 08/12/25	8.41%
FXTN 03/07/28	5.06%	FXTN 09/09/25	8.26%

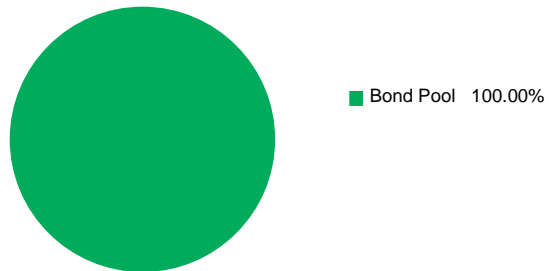
Notes:  
FXTN - Fixed Treasury Notes or Peso-denominated debts of the Philippine Government  
RTB - Retail Treasury Bonds of the Philippine Government

## Monthly Performance



## 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.

\* Market Indicator = 95.0% BBG Philippine Sov Bond Agg Net Tax Formula + 5.0% Philippines 91 Day T-Bill Auction Avg Yield 20% WHT

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## Market Review

Stronger-than-expected economic data in the U.S. triggered a massive sell-off in the bond market. Higher-than-expected U.S. payrolls and inflation figures in the U.S. led to a sudden repricing of Federal Reserve rate cuts in April from three to just one cut for the year, sending U.S. 10-year yields almost 50bps higher. Negative sentiment in bond markets spilled over to local markets, with local yields rising by 50-80bps across the curve for the month. Furthermore, domestic inflation has been accelerating for three consecutive months, with the latest print at 3.8% in April. While GDP growth still accelerated to 5.7% YoY in 1Q from the previous quarter, elevated inflation has evidently dampened consumer sentiment, resulting in a slower growth in private consumption.

## Outlook

Looking ahead, with the effects of extreme weather conditions on agricultural production, inflation may temporarily breach the Bangko Sentral ng Pilipinas' (BSP) target in the coming months. Given upside inflation risks, the BSP has raised the possibility of delaying rate cuts to next year. Nevertheless, while heightened volatility will likely continue, current yield levels seem to have largely priced in these risks and provide a good opportunity for long-term investors.

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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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