

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 742.39 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.888	Management Fee 1.50% per annum	Bloomberg Ticker MPPHBND	

Performance Return (February 28, 2022)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-1.40%	-0.96%	-2.43%	12.07%	9.10%	188.80%
Annualized	n.a.	n.a.	-2.43%	3.87%	1.76%	6.10%

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

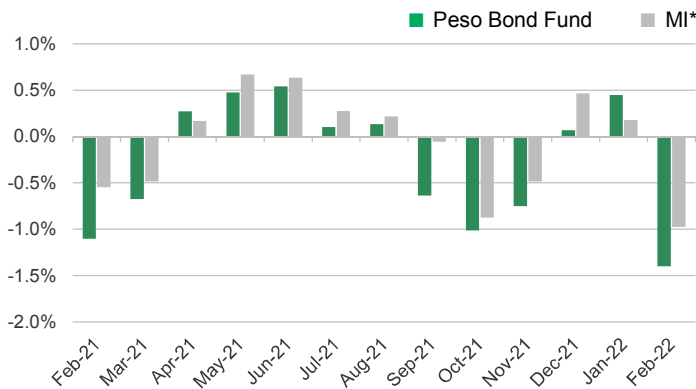


Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 03/09/24	15.59%	Manulife Stable Income Fund Class I	37.72%
FXTN 08/12/25	14.49%	FXTN 03/09/24	7.86%
FXTN 09/09/25	7.87%	FXTN 02/11/23	5.49%
FXTN 03/12/24	7.07%	RTB 12/04/22	5.35%
Manulife Income Builder Fund Class I	5.87%	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

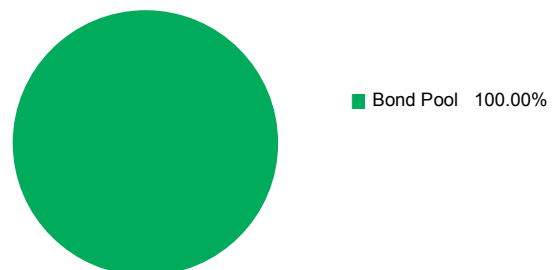
Monthly Performance



*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

While local inflation continued to moderate in February at 3% from January's 3.2%, inflation expectations moving forward will most likely be elevated due to higher global oil prices because of the Russia – Ukraine conflict. In addition to the global geo-political concerns, the local bond market reacted to the large supply stemming from the newly issued 5 year Retail Treasury Bond (RTB), causing an average 60bps uptick in bond yields for the month of February. Investors are currently digesting the additional supply of PHP457.8Bn of the new RTB and should keep investor sentiment cautious in the coming weeks.

Outlook

Notwithstanding the current elevated inflation environment, we expect the Bangko Sentral ng Pilipinas (BSP) to keep an accommodative policy stance for the first half of 2022 to support the Philippine's economic recovery. We expect the Philippine economic engine to ramp up this year, with GDP averaging at least 7% as the country's vaccine inoculation continue to improve. We will continue to monitor local developments on the supply risk and inflation in addition to the developments on the Russia and Ukraine war. Against this backdrop, we will keep a neutral duration positioning for the local fixed income portfolios and opportunistically increase our position on select securities.

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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