

# 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 636.67 million	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 3.067	<b>Management Fee</b> 1.50% per annum	<b>Bloomberg Ticker</b> MPPHBND	

## Performance Return (February 28, 2025)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.46%	0.85%	4.36%	6.20%	7.65%	206.70%
Annualized	n.a.	n.a.	4.36%	2.02%	1.49%	5.51%

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

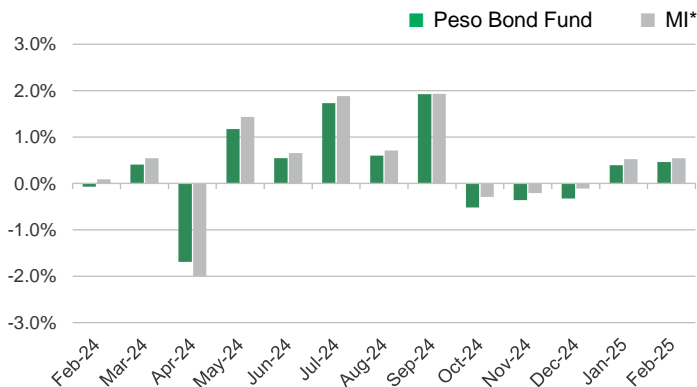


## Top Five Holdings

Bond Pool	Percentage	Short-Term Bond Pool	Percentage
FXTN 07/19/31	6.74%	Manulife Stable Income Fund Class I	41.23%
Manulife Income Builder Fund Class I	6.23%	Manulife Money Market Fund Class I	11.80%
FXTN 02/28/29	5.56%	FXTN 04/08/26	6.87%
FXTN 03/04/27	5.07%	FXTN 03/04/27	6.34%
FXTN 09/15/32	5.05%	FXTN 05/04/27	5.11%

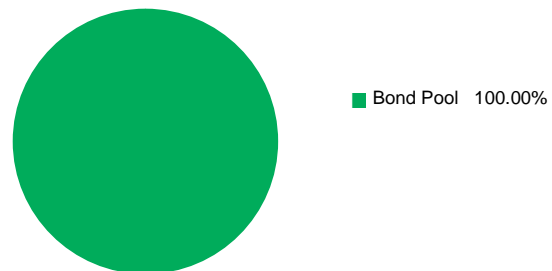
Notes:  
FXTN - Fixed Treasury Notes or Peso-denominated debts of the Philippine Government  
RTB - Retail Treasury Bonds of the Philippine Government

## Monthly Performance



## 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.

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## Market Review

The yield curve continued to steepen in February, reflecting some defensiveness in adding duration given uncertainties over U.S. President Trump's policies. Five- to 10-year yields ended lower in February as the absence of a Retail Treasury Bond (RTB) issuance in the first quarter of the year and the anticipation of a rate cut by the Bangko Sentral ng Pilipinas (BSP) in the first half of the year resulted in a preference for the belly part of the curve. The Bureau of Treasury (BTr) issued 5-year RTBs in the first quarter during the past three years.

Latest macro data continue to show benign inflation, with February inflation easing to 2.1% in February from 2.9% in January, largely due to declining rice prices. While the BSP surprised the market by withholding the widely anticipated rate cut in February, it signaled a 25bps cut in April and decided to cut the Reserve Requirement Ratio by 200bps to 5%, which releases around P300b liquidity into the financial system.

## Outlook

Globally, headlines on Trump's tariffs have sparked risk-off sentiments, pushing down U.S. yields and leading to wider credit spreads. While local bonds failed to track the rally, it may still be vulnerable to upward correction in U.S. yields. Nevertheless, we maintain a slight positive view over the medium-term as we expect inflation to remain benign and as we see some bonds trading at attractive yields following the recent sell-off.

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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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