

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 755.16 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.929	Management Fee 1.50% per annum	Bloomberg Ticker MPPHBND	

Performance Return (January 31, 2022)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.45%	0.45%	-2.14%	13.88%	10.32%	192.90%
Annualized	n.a.	n.a.	-2.14%	4.43%	1.98%	6.21%

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

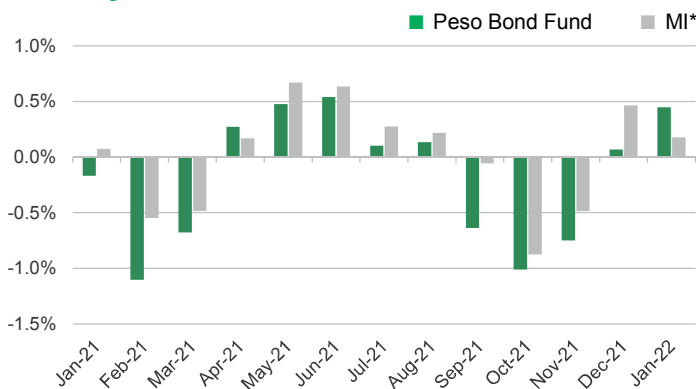


Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 08/12/25	14.38%	Manulife Stable Income	
FXTN 03/09/24	13.62%	Fund Class I	37.51%
FXTN 09/09/25	7.94%	FXTN 03/09/24	7.88%
FXTN 02/11/23	7.68%	FXTN 02/11/23	5.47%
FXTN 03/12/24	6.90%	RTB 12/04/22	5.32%
		FXTN 07/04/22	5.19%

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

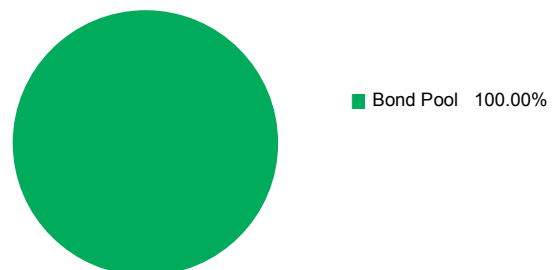
Monthly Performance



*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.

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Market Review

The whole yield curve shifted lower by an average of 14bps as the two bond maturities in January amounting to about PHP150Bn flooded the local market. The extra boost of liquidity amid an improvement in inflation expectations triggered the demand for the government bonds. The weaker Philippine Peso also provided an opportunity for foreign investors to reinvest back into the local bond market, contributing to the lower bond yields.

Outlook

However, rumors of a possible Retail Treasury Bond (RTB) issuance sometime in March has tempered the positive sentiment and investors have turned cautious amidst this noise. Historically, the Bureau of Treasury has issued an RTB in 1Q for the past 3 years and we expect 2022 to be the same. Against this backdrop, we will continue to keep a neutral duration position vis-a-vis the benchmark as we wait for further developments on the RTB.

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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