

# 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 730.24 million	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 2.879	<b>Management Fee</b> 1.50% per annum	<b>Bloomberg Ticker</b> MPPHBND	

## Performance Return (March 31, 2022)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.31%	-1.27%	-2.07%	8.48%	10.86%	187.90%
Annualized	n.a.	n.a.	-2.07%	2.75%	2.08%	6.05%

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

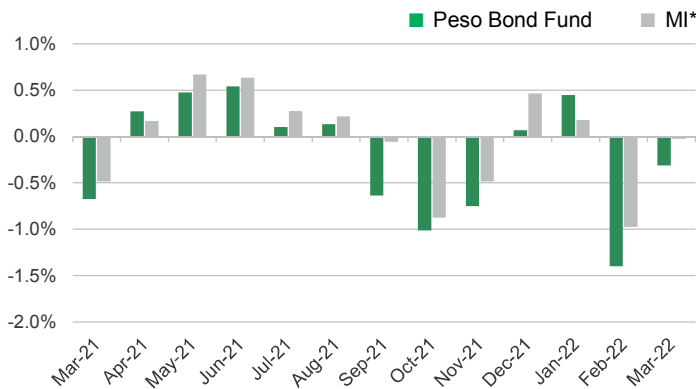


## Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 08/12/25	15.23%	Manulife Stable Income Fund Class I	37.88%
FXTN 03/09/24	14.91%	FXTN 03/09/24	9.15%
FXTN 09/09/25	7.89%	FXTN 02/11/23	5.50%
FXTN 04/08/26	7.40%	FXTN 07/04/22	5.23%
FXTN 03/12/24	7.08%	FXTN 08/03/22	5.17%

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

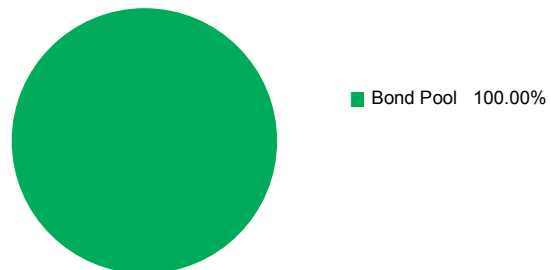
## Monthly Performance



\*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

Local bond yields continued its uptrend in March as the Russia-Ukraine conflict brings about significant broad based supply shock implications, leading to elevated local oil and food prices and higher inflation expectations. March inflation printed at 4%, exceeding market expectation of 3.7% and February's 3%. 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 of 15bps uptick in yields for the month of March.

## 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 conflict. Against this backdrop, we will keep a neutral duration positioning for the local fixed income portfolios and opportunistically increase our position on select securities.

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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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