

# 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 657.74 million	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 2.951	<b>Management Fee</b> 1.50% per annum	<b>Bloomberg Ticker</b> MPPHBND	

## Performance Return (March 31, 2024)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.41%	0.17%	3.43%	0.37%	11.19%	195.10%
Annualized	n.a.	n.a.	3.43%	0.12%	2.14%	5.56%

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

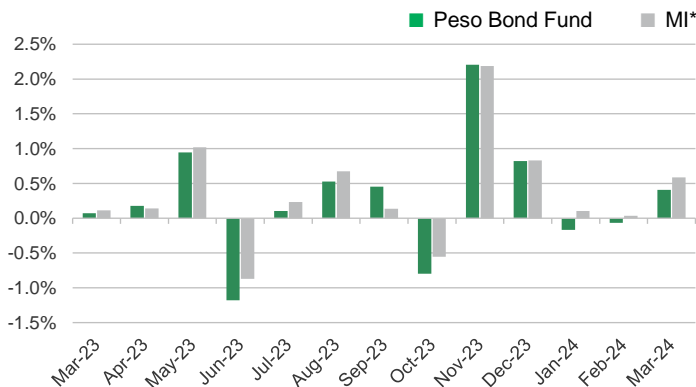


## Top Five Holdings

Bond Pool	Percentage	Short-Term Bond Pool	Percentage
FXTN 03/04/27	10.16%	Manulife Stable Income Fund Class I	40.91%
FXTN 08/12/25	8.99%	Manulife Money Market Fund Class I	15.72%
FXTN 09/09/25	6.17%	FXTN 04/08/26	9.16%
Manulife Income Builder Fund Class I	5.79%	FXTN 08/12/25	8.78%
FXTN 08/22/28	5.41%	FXTN 09/09/25	8.63%

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

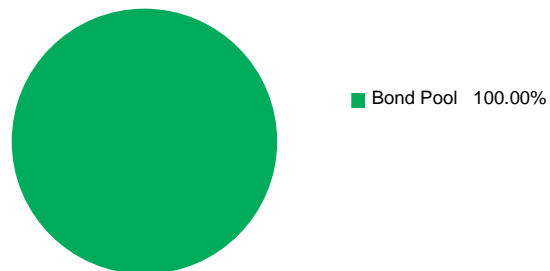
## Monthly Performance



\*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

Yields slightly fell in March as the market remained hopeful that the Federal Reserve would deliver at least three rate cuts for the year. U.S. economic data continue to be in focus as indicators on economic activity, jobs, and inflation data set expectations on the direction of monetary policy.

However, the past weeks saw painful readjustments in rate cut expectations in the U.S. as inflation remains stubbornly high and as the latest data point to an economy more resilient than previously thought. The escalation of geopolitical tensions in the Middle East, most recently with the retaliation of Iran on Israel, adds to inflation risk through its effect on oil prices. Domestically, the trend of inflation has also disappointed bond bulls with higher prints in February and March. Local inflation rose by 3.7% year-on-year in March, with rice inflation soaring further to a fresh 15-year high of over 24%. This urged the hawkish Bangko Sentral ng Pilipinas (BSP) Governor Remolona to signal delaying rate cuts to next year and warn a possible breach in the inflation target for a third straight year.

## Outlook

We acknowledge that recent developments have significantly dampened the outlook for bonds. The wild swings in the market bring back memories of the massive sell-off in September and October last year. Indeed, there is room for yields to move higher, but current yield levels can present as attractive opportunities 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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