

# 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 683.61 million	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 2.885	<b>Management Fee</b> 1.50% per annum	<b>Bloomberg Ticker</b> MPPHBND	

## Performance Return (May 31, 2023)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.94%	2.93%	1.44%	-2.60%	12.26%	188.50%
Annualized	n.a.	n.a.	1.44%	-0.87%	2.34%	5.68%

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

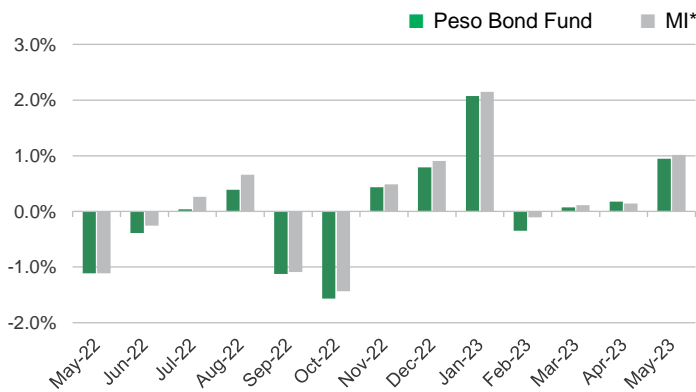


## Top Five Holdings

Bond Pool	Percentage	Short-Term Bond Pool	Percentage
FXTN 03/04/27	14.08%	Manulife Stable Income Fund Class I	36.66%
FXTN 08/12/25	11.44%	FXTN 08/12/25	13.55%
FXTN 09/09/25	6.95%	FXTN 02/14/26	8.45%
FXTN 04/08/26	6.92%	FXTN 09/09/25	8.11%
Manulife Income Builder Fund Class I	5.73%	FXTN 04/08/26	7.71%

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

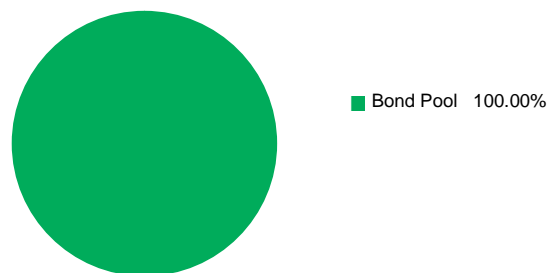
## Monthly Performance



\*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 inflation rate moderated to 6.1% in May from April's 6.6% print, resulting in a strong bond market performance in May and decent demand in the Bureau of Treasury's recent bond auctions. The softening inflation backdrop allowed the Bangko Sentral ng Pilipinas (BSP) to keep its policy rate steady at the Monetary Board meeting in May at 6.25%, with BSP Governor Medalla signaling an extended pause in policy rate adjustments and a potential end to its tightening cycle. The latest GDP print of 6.4% in 1Q is well within the market's expected range, albeit a marked slowdown from the previous quarter.

## Outlook

We expect local inflation to continue easing through the second half of 2023, with the inflation rate expected to fall within the BSP's target range of 2-4%. While volatility in U.S. interest rates has been spilling over to the local bond market, moderating inflation, along with the Philippines' improving macroeconomic fundamentals, remains supportive of a positive second half. Year to date, the local bond market has delivered solid returns and we can expect a continuation of this positive performance for the rest of 2023.

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The investment fund option for The Manufacturers Life Insurance Company's variable life insurance product is managed by Manulife Investment 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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