

# 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 680.87 million	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 2.781	<b>Management Fee</b> 1.50% per annum	<b>Bloomberg Ticker</b> MPPHBND	

## Performance Return (November 30, 2022)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.43%	-4.63%	-4.56%	-1.31%	7.42%	178.10%
Annualized	n.a.	n.a.	-4.56%	-0.44%	1.44%	5.63%

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

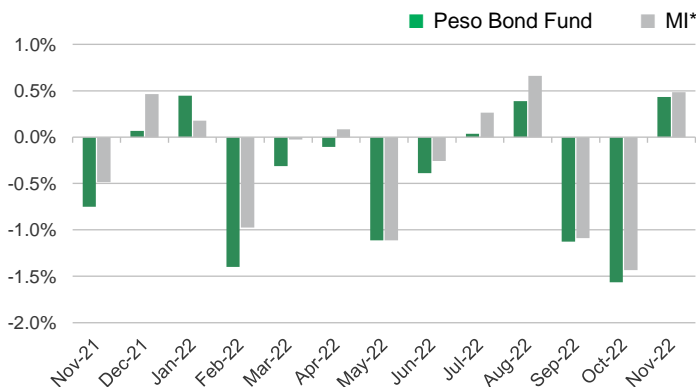


## Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 03/04/27	15.12%	Manulife Stable Income	
FXTN 08/12/25	13.57%	Fund Class I	35.30%
FXTN 04/08/26	7.62%	FXTN 03/09/24	7.60%
FXTN 09/09/25	7.53%	FXTN 08/12/25	7.48%
FXTN 03/09/24	7.16%	FXTN 03/12/24	5.01%
		FXTN 10/17/24	2.61%

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

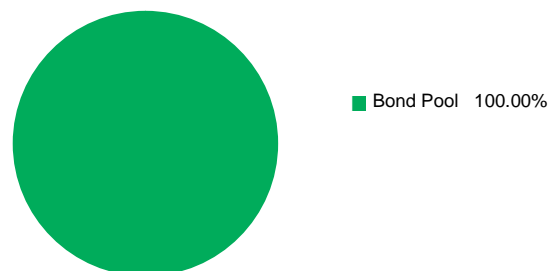
## Monthly Performance



\*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

Bonds bucked the trend in November as the recent slowdown in U.S. inflation fueled expectations of smaller rate hikes from both the Federal Reserve (Fed) and the Bangko Sentral ng Pilipinas (BSP). Prices in the U.S. rose by 7.7% year-on-year in October, the lowest inflation print since January this year. This led to Fed officials stating that while rates may peak at a higher level than previously expected, it would soon moderate the pace of rate hikes to mitigate risks of overtightening, as revealed in the minutes of their latest policy meeting. After their 75bps hike last month, we expect the Fed and the BSP to deliver a 50bps hike before we end the year.

## Outlook

Unfortunately, while the BSP has been following the Fed's rate hikes as of late, domestic inflation is not mirroring the trend of U.S. inflation. With the latest inflation print of 8% in November and possible price pressures induced by holiday spending, it may take a few more months before domestic inflation peaks. Nevertheless, as the Philippine Peso finally took a U-turn and is now settling at 56-levels, we are seeing an improvement in risk appetite as impatient investors look to deploy excess cash. We maintain our view that current yield levels are attractive for investors with a longer investment horizon.

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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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