

# 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 654.45 million	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 3.078	<b>Management Fee</b> 1.50% per annum	<b>Bloomberg Ticker</b> MPPHBND	

## Performance Return (September 30, 2024)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	1.92%	4.48%	6.80%	3.78%	10.20%	207.80%
Annualized	n.a.	n.a.	6.80%	1.24%	1.96%	5.64%

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

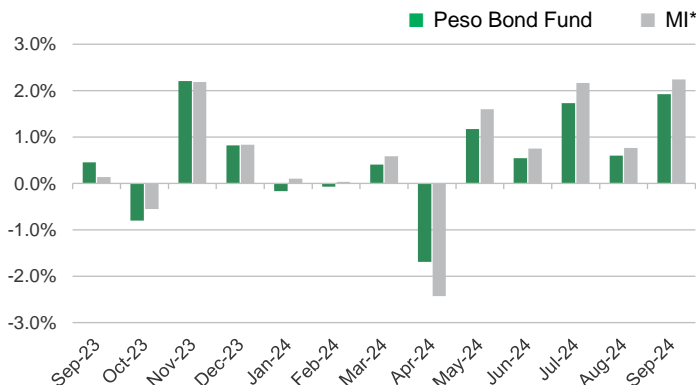


## Top Five Holdings

Bond Pool	Short-Term Bond Pool
FXTN 07/19/31	Manulife Stable Income Fund Class I
Manulife Income Builder Fund Class I	41.40%
FXTN 02/28/29	Manulife Money Market Fund Class I
FXTN 09/15/32	9.67%
FXTN 03/04/27	FXTN 04/08/26
	6.97%
	FXTN 03/04/27
	6.49%
	FXTN 02/28/29
	6.10%

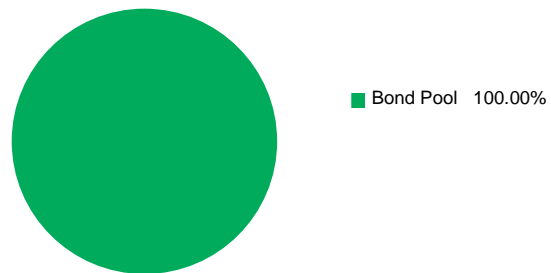
Notes:  
FXTN - Fixed Treasury Notes or Peso-denominated debts of the Philippine Government  
RTB - Retail Treasury Bonds of the Philippine Government

## Monthly Performance



## 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.

\* Market Indicator = 95.0% BBG Philippine Sov Bond Agg Net Tax Formula + 5.0% Philippines 91 Day T-Bill Auction Avg Yield 20% WHT

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## Market Review

Local bond yields rallied by 30-50bps in September, led by short- to intermediate-term bonds. The positive sentiment in the local bond market was driven by the Federal Reserve's (Fed) 50bps rate cut and the Bangko Sentral ng Pilipinas' (BSP) announcement of a reduction in the Reserve Requirement Ratio (RRR) for universal and commercial banks from 9.5% to 7% effective October 25. BSP's 250bps RRR cut will release over P300b in additional liquidity to the financial system. Furthermore, the government also reduced the weekly size of bond issuance in 4Q from P30b to P15b, bringing down the total scheduled quarterly bond and bill issuance from P630b in 3Q to P310b in 4Q.

## Outlook

Looking ahead, we maintain a positive view on the local bond market over the medium term as inflation continues to moderate. September inflation eased to 1.9% due to smaller gains in food prices, with rice inflation easing to 5.7%, the lowest since July last year. Nevertheless, short-term risks on the local market have increased as persistent weakness in U.S. Treasuries ahead of U.S. elections next month spills over to the local market. Moreover, a potential jumbo Retail Treasury Bond issuance in November may also put upward pressure on yields in the near term.

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