

# Peso Bond Fund

An investment fund option for **Affluence**, **Affluence Gold** and **Affluence Builder** 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><br>April 2004  | <b>Fund Size</b><br>PHP 804.93 million   | <b>Fund Currency</b><br>Philippine peso | <b>Dealing/Valuation</b><br>Daily |
| <b>Price (NAV/unit)</b><br>PHP 2.915 | <b>Management Fee</b><br>1.50% per annum | <b>Bloomberg Ticker</b><br>MPPHBND      |                                   |

## Performance Return (April 30, 2020)

| Peso Bond Fund<br>(net of management fee) | 1 Month | YTD   | 1 Year | 3 Years | 5 Years | Since Inception |
|---|---------|-------|--------|---------|---------|-----------------|
| Absolute                                  | 4.14%   | 2.50% | 11.09% | 12.55%  | 10.42%  | 191.50%         |
| Annualized                                | n.a.    | n.a.  | 11.09% | 4.02%   | 2.00%   | 6.88%           |

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

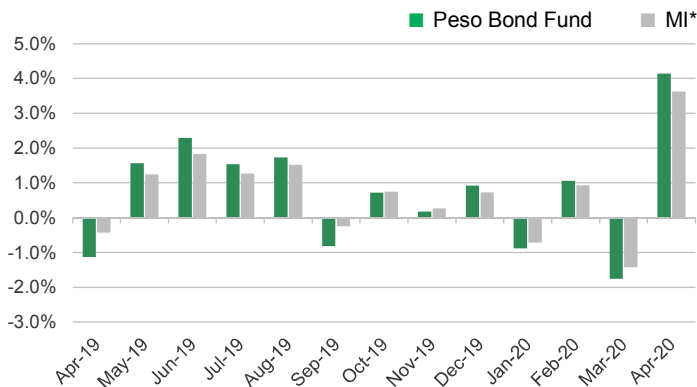


## Top Five Holdings

| Bond Pool               |        | Short-Term Bond Pool   |        |
|-------------------------|--------|------------------------|--------|
| FXTN 03/12/24           | 15.13% | Manulife Stable Income |        |
| FXTN 02/11/23           | 14.75% | Fund Class I           | 32.83% |
| RTB 12/04/22            | 14.14% | FXTN 02/11/23          | 16.67% |
| Manulife Income Builder |        | RTB 12/04/22           | 13.75% |
| Fund Class I            | 5.52%  | RTB 06/13/21           | 8.80%  |
| FXTN 08/20/24           | 5.34%  | FXTN 07/04/22          | 7.61%  |

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

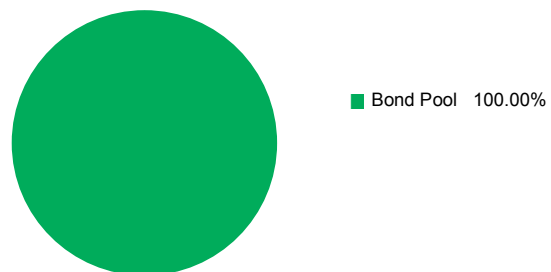
## Monthly Performance



\*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.

# Peso Bond Fund

## Market Review

The Philippine local bond market experienced a strong rally in April as the Bangko Sentral ng Pilipinas (BSP) flexed its muscles and instigated measures to help the economy and calm the financial markets. An off cycle 50bps cut in policy rates on April 16 contributed to the total 125bps policy cut from the BSP since the start of 2020. The aggressive moves by the BSP coupled with the local equivalent of Quantitative Easing (BSP's daily purchases of government bonds from banks in the secondary market) signaled its solid support to the Philippine economy and brought bond yields to 2020 lows.

## Outlook

Slowing inflation with April printing at 2.2% provides a supportive environment for more policy cuts from the BSP. However, BSP has announced that it will monitor impacts of their recent moves before implementing additional actions. The extension of the Enhanced Community Quarantine for select areas in the Philippines will continue to push May inflation lower as the restrictive environment hamper economic activity. As the May 15 deadline of the latest extension draws near, numerous uncertainties dominate and provide uncertainty for local bond yield direction. In light of this, we continue to maintain a neutral duration positioning while continuing to hold overweight positions on select securities.

---

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.

The information and/or analysis contained in this material have been compiled or arrived at from sources believed to be reliable but The Manufacturers Life Insurance Co. (Phils.), Inc. ("Manulife Philippines") does not make any representation as to their accuracy, correctness, usefulness or completeness and does not accept liability for any loss arising from the use hereof or the information and/or analysis contained herein. 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. Neither Manulife Philippines or its affiliates, nor any of their directors, officers or employees shall assume any liability or responsibility for any direct or indirect loss or damage or any other consequence of any person acting or not acting in reliance on the information contained herein.

The information in this material may contain projections or other forward-looking statements regarding future events, targets, management discipline or other expectations, and is only as current as of the date indicated. There is no assurance that such events will occur, and may be significantly different than that shown here. The information in this material including statements concerning financial market trends, are based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons. This material was prepared solely for informational purposes and does not constitute a recommendation, professional advice, an offer, solicitation or an invitation by or on behalf of Manulife Philippines to any person to buy or sell any security. This material should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any investment products or to adopt any investment strategy. Nothing in this material constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. Past performance is not an indication of future results.

Manulife and the block design are registered service marks and trademarks of The Manufacturers Life Insurance Company and used by it and its affiliates including Manulife Financial Corporation.