

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

Inception Date April 2004	Fund Size PHP 787.97 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.849	Management Fee 1.50% per annum	Bloomberg Ticker MPPHBND	

Performance Return (February 29, 2020)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	1.06%	0.18%	10.55%	7.63%	6.11%	184.90%
Annualized	n.a.	n.a.	10.55%	2.48%	1.19%	6.80%

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

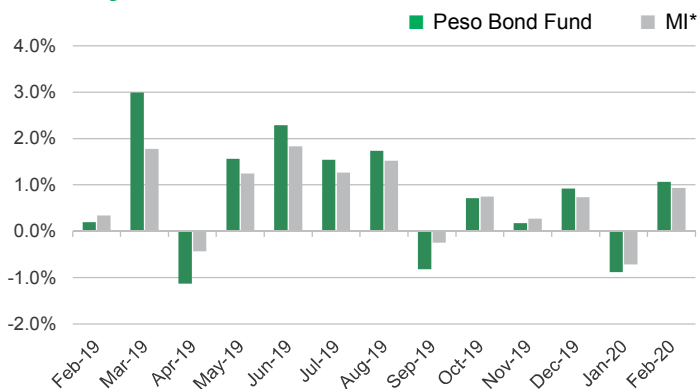


Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 03/12/24	15.51%	Manulife Stable Income	
RTB 12/04/22	15.35%	Fund Class I	32.86%
Manulife Income Builder		RTB 12/04/22	11.50%
Fund Class I	5.42%	FXTN 02/11/23	10.74%
RTB 06/13/21	5.06%	FXTN 07/04/22	9.75%
FXTN 03/08/23	4.68%	RTB 06/13/21	9.62%

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

The escalation of the COVID 19 outbreak on global growth and sentiment is worse than anticipated. The market is pricing in a 25bps-cut as early as April from the US Federal Reserve, as the ten-year US Treasury bond hit an all-time low of 1.03%. Against this backdrop, local bond yields have rallied an average of 17bps for the month of February as investors increase their exposure to peso bonds in anticipation of another rate cut within the first half of 2020.

Outlook

The Philippine economy is expected to be more resilient relative to our Asian peers as government expenditure continues to provide a boost to spending. In light of this, the Bangko Sentral ng Pilipinas (BSP) has noted a possibility of more than a 25bps cut in the next few months.

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.

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