

# 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> April 2004	<b>Fund Size</b> PHP 809.75 million	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 2.971	<b>Management Fee</b> 1.50% per annum	<b>Bloomberg Ticker</b> MPPHBND	

## Performance Return (October 31, 2020)

Peso Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.20%	4.47%	5.62%	14.18%	12.20%	197.10%
Annualized	n.a.	n.a.	5.62%	4.52%	2.33%	6.79%

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

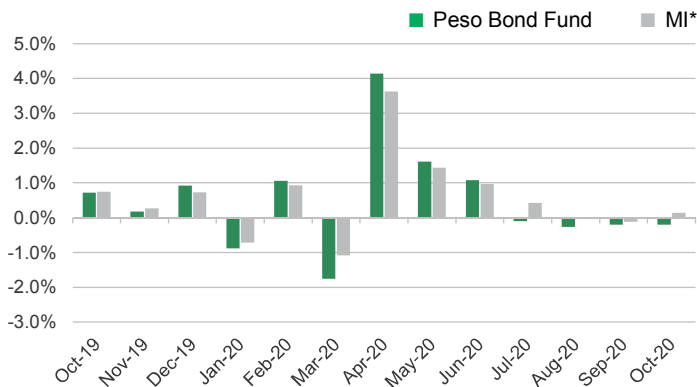


## Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 08/12/25	16.72%	Manulife Stable Income	
FXTN 02/11/23	11.41%	Fund Class I	35.28%
FXTN 03/12/24	9.54%	FXTN 02/11/23	13.50%
FXTN 09/09/25	8.99%	RTB 12/04/22	12.29%
RTB 12/04/22	8.68%	FXTN 04/21/23	7.86%
		FXTN 08/15/23	5.98%

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

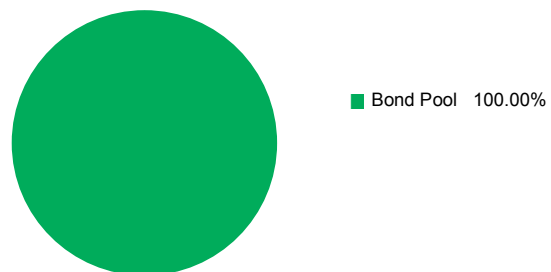
## Monthly Performance



\*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 shrugged off the noise related to the US elections as it continued to focus on local events. Expectations of a temporary uptick in 4Q inflation owing to supply side pressures due to typhoons, Christmas season spending and low base effects has materialized as October inflation printed at 2.5%, slightly higher than September's 2.3%. While BSP Governor Diokno has mentioned the Monetary Board will consider both inflation and the upcoming 3Q GDP at its November 19 meeting, we believe that the BSP will continue its pause in monetary easing until first quarter of next year.

## Outlook

The Bureau of Treasury released the November auction schedule which mimics the same bond issuances as October (3 and 5 years), reflecting the investor's preference for shorter dated securities. Against this background, we expect local bonds yields to be well anchored amid the current low inflation and ample liquidity environment in the Philippines.

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