

# Peso Secure 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 2009	<b>Fund Size</b> PHP 5.15 billion	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 1.754	<b>Management Fee</b> 1.75% per annum	<b>Bloomberg Ticker</b> MPPHSEC	

## Performance Return (June 30, 2021)

Peso Secure Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.52%	-0.79%	-0.79%	15.70%	6.37%	75.22%
Annualized	n.a.	n.a.	-0.79%	4.98%	1.24%	4.70%

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

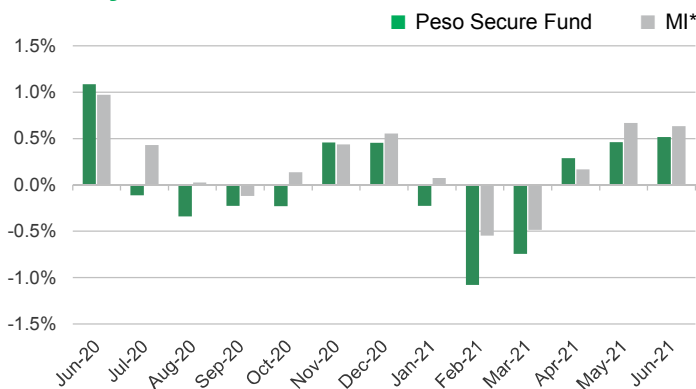


## Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 08/12/25	13.93%	Manulife Stable Income	
FXTN 03/09/24	9.50%	Fund Class I	36.14%
FXTN 02/11/23	8.57%	FXTN 02/11/23	7.97%
FXTN 09/09/25	8.06%	FXTN 04/21/23	7.00%
FXTN 03/12/24	6.33%	FXTN 03/09/24	6.94%
		FXTN 08/11/21	5.66%

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

June had a large bond maturity of about PHP130Bn which was mostly redeployed into the local bond market, bringing bond yields lower by 20-30bps for the month. However, the strength of any bond rallies for the quarter may be limited as there are no upcoming bond maturities for 3Q. Bond supply is the still-dominant risk in the market as the Bureau of Treasury released its auction schedule for July, again showing weekly FXTN auctions for 7, 10, 11 and 20 year tenors. On the policy rates, the BSP kept this steady at its June 24 Monetary Board meeting. Given the challenge to transmit the liquidity unleashed by the 2020 policy rate cuts to the broader economy, we do not expect the BSP to cut policy rates for the remainder of 2021.

## Outlook

Vaccine supplies for the Philippines have significantly increased and daily cases have plateaued at 5-6k, significantly lower than the double-digit numbers during March and April. With this development, the government has loosened lockdown restrictions as the economy slowly opens up. Against this backdrop, we will continue to be opportunistic in adding position on the belly of the curve to take advantage of the yield premium. We will however be watchful for any deterioration in investor sentiment, particularly with a possible Retail Treasury Bond issuance later this year.

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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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