

# 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 5.12 billion	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 1.745	<b>Management Fee</b> 1.75% per annum	<b>Bloomberg Ticker</b> MPPHSEC	

## Performance Return (September 30, 2021)

Peso Secure Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.68%	-1.30%	-0.63%	18.47%	6.53%	74.33%
Annualized	n.a.	n.a.	-0.63%	5.81%	1.27%	4.56%

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

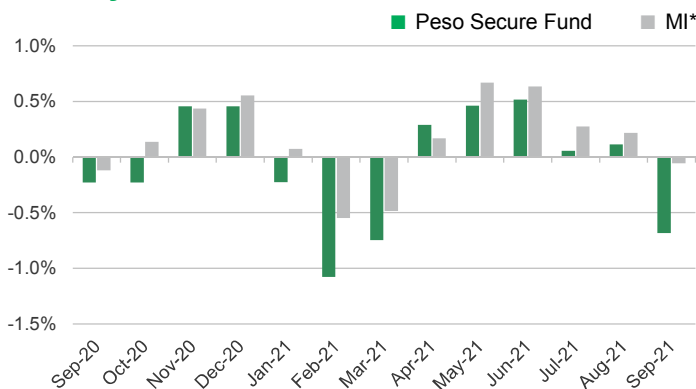


## Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 08/12/25	14.59%	Manulife Stable Income Fund Class I	36.52%
FXTN 03/09/24	14.28%	FXTN 03/09/24	10.26%
FXTN 02/11/23	8.62%	FXTN 02/11/23	5.39%
FXTN 09/09/25	8.14%	RTB 12/04/22	5.24%
Manulife Income Builder Fund Class I	5.87%	FXTN 07/04/22	5.12%

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

Local bond yields continued to rise in September as concerns over inflation resurfaced with September inflation printing at 4.8%, staying above the Bangko Sentral ng Pilipinas's (BSP) 2-4% target range. Inflation rate will likely stay elevated with the holidays just around the corner. In fact, the BSP revised its inflation forecast from 4.1% to 4.4% this year. Nevertheless, the BSP views the inflation uptick as supply-driven and continues to reiterate its commitment to an accommodative monetary policy until we see hard evidence of full recovery.

Supply concerns also weighed on bond market sentiment, particularly the belly of the curve, as the Bureau of Treasury's October auction schedule focuses on 5 to 7-year bonds. The market is not discounting the possibility of a Peso Retail Treasury Bond (RTB) sale even after the BTr had its maiden retail dollar bond sale.

## Outlook

The external environment has also been quite challenging for bond yields as Treasury yields are finally pricing in the Federal Reserve's possible tapering of bond purchases this year. Moreover, elevated US inflation and discussions around the increase in US debt ceiling reinforced the sell-off. Against this backdrop, we will keep the neutral duration positioning vis-à-vis the benchmark as we continue to monitor the local and global developments.

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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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