

# Peso Secure Fund

An investment fund option for **Affluence Max, Affluence Max Gold, Affluence Builder Series, Horizons** and **FlexiSure** 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 4.88 billion	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 1.768	<b>Management Fee</b> 1.75% per annum	<b>Bloomberg Ticker</b> MPPHSEC	

## Performance Return (June 30, 2020)

Peso Secure Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	1.09%	5.18%	9.54%	14.36%	11.55%	76.62%
Annualized	n.a.	n.a.	9.54%	4.57%	2.21%	5.21%

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

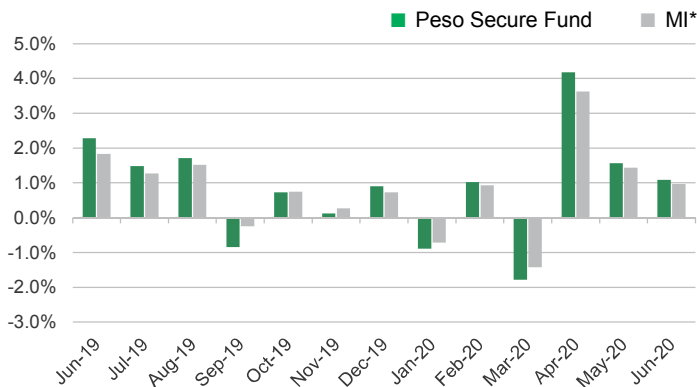


## Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 03/12/24	14.58%	Manulife Stable Income Fund Class I	33.73%
RTB 12/04/22	13.99%	FXTN 02/11/23	15.47%
FXTN 02/11/23	13.96%	RTB 12/04/22	15.43%
FXTN 04/21/23	5.61%	FXTN 04/21/23	7.51%
Manulife Income Builder Fund Class I	5.52%	FXTN 07/04/22	7.07%

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

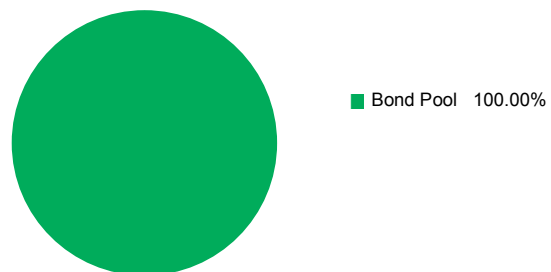
## Monthly Performance



\*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 Secure Fund

## Market Review

The first three weeks of June saw bond yields move higher as supply risks dominate the market amid news of a possible retail treasury bond (RTB) issuance. The Monetary Board meeting held June 25 brought a huge surprise as the Bangko Sentral ng Pilipinas (BSP) announced a 50bps rate cut. Governor Diokno noted that the reduction in policy rates was a preemptive move amid a weak global growth view. A strong rally ensued following the cut, erasing the uptick in local bond yields for the month.

## Outlook

Bond yields have trended lower an average of 30bps following BSP's move, but additional downside may be limited given recent rhetoric from the BSP. In addition, the longer dated bond issuances (7 and 10 years) scheduled for July and the potential RTB supply continue to dampen investor sentiment. Against a backdrop of increasing local Covid-19 cases and a possible lifting of the lock-down restrictions on Metro Manila, investors are cautious amid the numerous uncertainties in the market. The funds are positioned with a neutral duration relative to the benchmark to withstand possible volatility in the bond market.

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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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