

# 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 4.50 billion	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 1.653	<b>Management Fee</b> 1.75% per annum	<b>Bloomberg Ticker</b> MPPHSEC	

## Performance Return (March 31, 2020)

Peso Secure Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-1.78%	-1.67%	5.15%	6.92%	3.90%	65.13%
Annualized	n.a.	n.a.	5.15%	2.26%	0.77%	4.68%

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

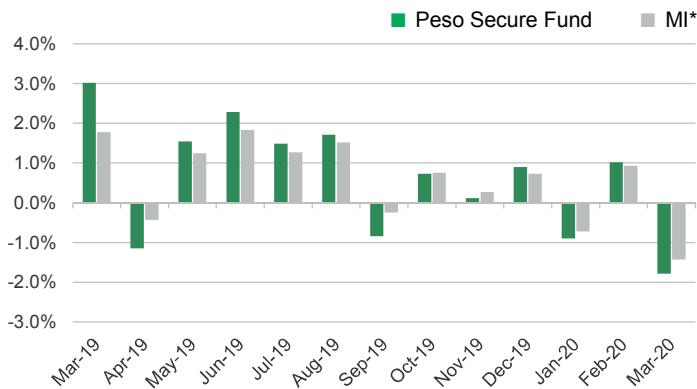


## Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 03/12/24	14.42%	Manulife Stable Income Fund Class I	33.03%
RTB 12/04/22	14.00%	FXTN 02/11/23	16.36%
FXTN 02/11/23	13.63%	RTB 12/04/22	15.16%
Manulife Income Builder Fund Class I	5.43%	RTB 06/13/21	9.00%
RTB 06/13/21	5.11%	FXTN 07/04/22	7.67%

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

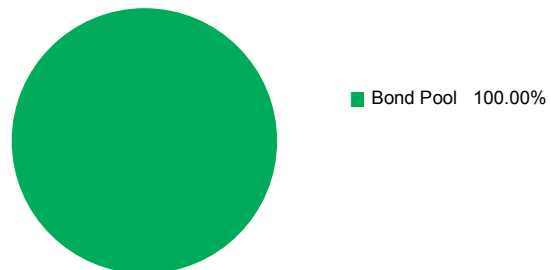
## Monthly Performance



\*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

As the number of positive COVID-19 cases and deaths in the Philippines rise, the government announced a month-long "enhanced quarantine" of Luzon on March 17, which restricts both local and international travels, suspended public transport and only allowed "essential workers" to leave their homes and travel to their offices. With this set-up, the Philippine bond market closed for one day and reduced trading hours as market participants and regulators operate with a skeletal force. Bond yields quickly rose by as much as 50-60bps as select investors liquidate their bond holdings in an uncertain environment.

## Outlook

With such extreme movements, the BSP surprised the market with several measures to calm the financial markets and facilitate liquidity in the banking system. The BSP cut policy rates by 50bps and the reserve requirement ratio by 200bps. In addition, the BSP started purchasing bonds daily from banks in the secondary market and made available a Php 300B short-term lending facility with the Bureau of Treasury (BTr). The latter takes the form of a government bond repurchase agreement with a max tenor of 6 months. This will reduce the pressure of BTr to borrow at current high levels from the market. As the pandemic works its way across the globe and each country implements their own measures to combat it, we expect volatility in the bond markets to continue. In light of this, we remain cautious in this extremely uncertain market environment and maintain our neutral duration positioning against the benchmark.

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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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