

# Peso Target Income Fund

An investment fund option for variable life insurance products of **The Manufacturers Life Insurance Co., (Phils), Inc.**

## Investment Objective

The Fund aims to provide periodic payouts of up to 3% per annum\* while providing the potential for capital appreciation and limiting the risk of capital erosion by investing in a diversified portfolio of fixed income and equity investments based on an active asset allocation strategy.

## Fund Information

<b>Inception Date</b> April 2014	<b>Fund Size</b> PHP 183.92 million	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 0.847	<b>Management Fee</b> 2.00% per annum (of which 0.20% will go to the Investment advisor, Manulife Investment Management (HK) Limited.)	<b>Bloomberg Ticker</b> MPPHINC	

\* The 3% per annum payout rate is not guaranteed.

## Performance Return (June 30, 2021)

Peso Target Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	1.69%	-1.63%	2.56%	6.29%	-0.59%	5.04%
Annualized	n.a.	n.a.	2.56%	2.05%	-0.12%	0.68%

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

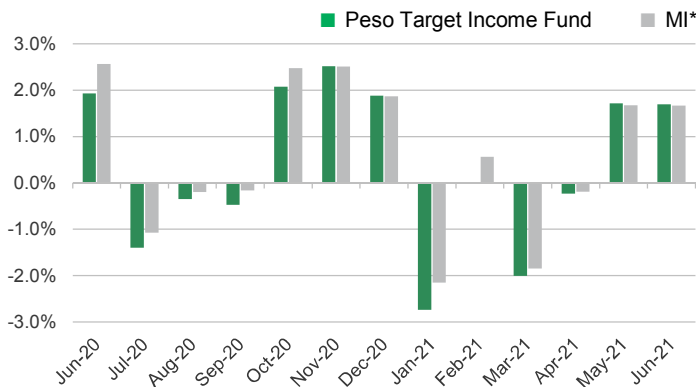


## Top Five Holdings

Bond Pool		Short-Term Bond Pool	
FXTN 08/12/25	13.93%	Manulife Stable Income Fund Class I	36.14%
FXTN 03/09/24	9.50%	FXTN 02/11/23	7.97%
FXTN 02/11/23	8.57%	FXTN 04/21/23	7.00%
FXTN 09/09/25	8.06%	FXTN 03/09/24	6.94%
FXTN 03/12/24	6.33%	FXTN 08/11/21	5.66%
Equity Pool			
SM INVESTMENTS CORPORATION			14.09%
Manulife Equity Wealth Fund Class I			10.31%
SM PRIME HOLDINGS INC			9.74%
AYALA LAND INC			9.09%
AYALA CORPORATION			8.42%

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

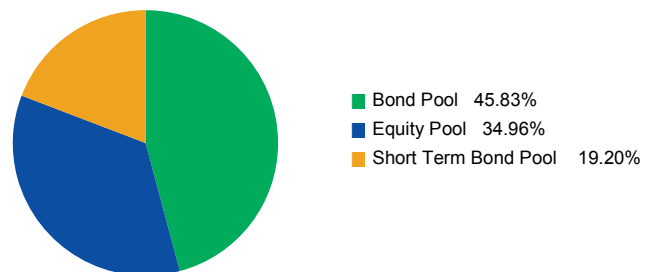
## Monthly Performance



\*Market Indicator = 30.0% PSEi + 4.9% Markit Iboxx ALBI Philippines Liquid + 44.3% Markit Iboxx ALBI Philippines 1-5 + 20.8% Markit Iboxx ALBI Philippines 1-3

## Portfolio Breakdown

### Asset Allocation (at Market Value)



As per the fund's Investment Policy Statement, initial subscriptions are invested in fixed 49.2% Bond Pool, 20.8% Short-Term Bond Pool and 30% Equity Pool. The investments of these pools consist of:

- 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.
- Equity Pool: Various stocks listed on the PSE and term deposits

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## Market Review

The PSEi rose by another 4% in June to close at 6,901 points, driven by sustained improvements in the vaccination front while the daily average new cases of COVID-19 steadily declined from the peak in April. As of June, we received a total of 17.5m doses of COVID-19 vaccines. Note that as of June, the Philippines has now vaccinated 2.5m people. The government expects COVID-19 vaccine deliveries to ramp up in 2H21.

The macroeconomic backdrop for the Philippines continues to improve as the reopening continues. June inflation slowed to 4.1% from 4.5% in May as the increase in transportation costs decelerated. In addition, the latest unemployment figure (May 2021) dipped to 7.7% from 8.7% the prior month as lockdown eases. The Bangko Sentral ng Pilipinas kept policy rates at 2% to support the recovery of the economy.

On the corporate front, ICTSI's Enrique Razon has finally taken over Manila Water Company, opening the possibility to further expand the latter's presence to other regions as well. MWC's ASEAN footprint pales in comparison to ICTSI's global presence. The REIT space is also getting busier with more property companies expressing interest to raise capital via REITs. Filinvest, Robinsons and Megaworld combine to raise around P69bn via REITs.

## Outlook

We remain optimistic in the long term as we continue to reopen the economy on the back of the improvement in vaccination. We continue to prefer cyclical industries such as Financials and Real Estate. However, we remain cognizant of the global headwinds such as rising oil prices, a weaker currency and the prospect of higher interest rates. We also remain watchful on COVID-19 as we see our neighboring countries being negatively affected by the recent surge in cases brought around by the Delta variant.

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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.

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