

USD Bond 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 long-term capital appreciation by investing in USD denominated sovereign and corporate debt securities and/or pooled fund/s that invest in these securities and other liquid instruments.

Fund Information

Inception Date November 2004	Fund Size USD 6.45 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 2.249	Management Fee 1.75% per annum	Bloomberg Ticker MPUSBND	

Performance Return (April 30, 2025)

USD Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.13%	3.31%	7.25%	2.98%	-6.80%	124.90%
Annualized	n.a.	n.a.	7.25%	0.98%	-1.40%	4.04%

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

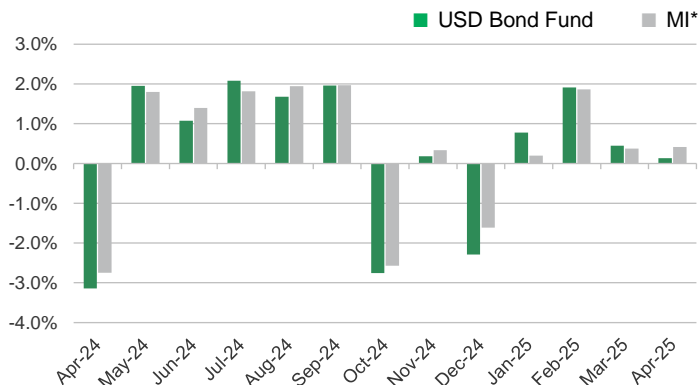


Top Five Holdings

ROP 06/10/31	14.07%
ROP 01/20/40	13.07%
ROP 02/02/30	9.25%
ROP 01/14/31	8.99%
ROP 03/01/41	5.06%

Notes:
ROP - Republic of the Philippines dollar-denominated bonds

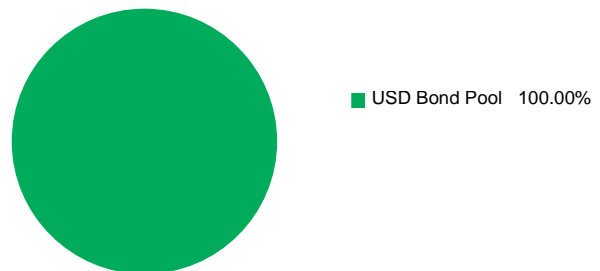
Monthly Performance



*Market Indicator = 100% Markit iBoxx ADBI Philippines Index

Portfolio Breakdown

Asset Allocation (at Market Value)



As per the fund's Investment Policy Statement, initial subscriptions are invested in fixed 100% USD Bond Pool. The investments of the USD Bond Pool consist of US\$ denominated bonds of the Republic of the Philippines, corporates and term deposits.

USD Bond Fund

Market Review

In the United States, the US Treasury yield curve continued to steepen, as short-term rates fell and long-term rates rose, on the back of potential downside risks to US economic growth and higher inflation expectations from tariffs. US consumer confidence continued to weaken, with the Conference Board Consumer Confidence Index declining for the fifth straight consecutive month and the University of Michigan Sentiment Index posting its third lowest reading in the survey's history. With regard to the US Federal Reserve's (Fed) dual mandate, inflation for the month of March came in in-line with market expectations at 2.6% -- although falling from previous month's reading of 3.0% -- using the Fed's preferred metric of core personal consumption expenditure (PCE), while change in nonfarm payrolls came in stronger than expected at 228k (vs. expectations of 140k). Fed Chair Jerome Powell reiterated that the FOMC was in no hurry to adjust its policy stance, although he noted that increasing uncertainties have started to weigh on business and household surveys, contributing to greater risks of both higher unemployment and inflation going forward. In the beginning of the month, US President Donald Trump announced a 10% baseline tariff to imports and additional country-specific tariffs proportional to the US bilateral trade deficit divided by US imports for countries excluding Canada and Mexico; however, he later announced a 90-day pause to the additional country-specific tariffs, leaving in place the 10% baseline tariffs and all prior tariffs. Over the period, the 10-year US Treasury yield fell slightly from 4.21% to 4.16%, whilst the Philippine dollar-denominated (ROP) bond yield curve trended lower in the short end but higher in the long end.

Asian dollar investment grade (IG) credits posted slightly positive returns for the month on the back of stable carry and lower short-term US Treasury yields, which were partly offset by aggregate credit spread widening amid market uncertainties. The J.P. Morgan JACI Investment Grade Corporate Bond index rose by 9bps although aggregate IG corporate credit spreads were volatile following the US' announcement on tariffs and later recovered to 17bps wider for the month. South Korean corporate bonds outperformed due to a temporary relief from US tariffs on the imports of certain tech products and the possibility of a bilateral trade deal, which could reduce the potential negative impact on growth. On the other hand, Thai credits underperformed on downside risks to growth that prompted Moody's to revise its rating outlook to negative. The Bank of Thailand cut its policy rate by 25bps to 1.75% at the end of the month and kept the door open for further easing. The Asian dollar IG primary market was active during the month, with sizeable issuances from Malaysia's Petronas, Korea and Japan financials, and Hong Kong's MTR Corp.

Outlook

Asian credit had a relatively strong start to the year amid market uncertainties and rising trade tensions, while displaying resiliency on the back of favourable fundamentals and supportive technicals. The attractive carry and all-in yields of Asian credit relative to global peers provides investors with a decent buffer against market uncertainties, while the asset class continues to offer diversification benefits. The hawkish policies and higher tariffs imposed by the US administration on its key trading partners have led to rising concerns on weaker global growth and higher inflation -- we believe such policy uncertainties will persist, likely triggering further market volatility; hence, active management will be key to navigating the persistently uncertain market environment in the upcoming months. In Asia ex-China, we believe that certain central banks, including India, Indonesia, South Korea and Philippines, have room to continue their rate cut cycles in 2025 amid benign inflation, which should provide a supportive macro backdrop for the region. In China, policymakers have demonstrated a pro-growth stance in the 2025 National People's Congress (NPC) meeting by raising the official on-budget fiscal deficit target to around 4% of GDP in 2025, which is roughly equivalent to a RMB 7.5 trillion government general bond issuance quota, and by providing broad policy directions for boosting consumption and stabilizing the property sector. The People's Bank of China (PBOC) also reiterated its commitment to further monetary easing at the latest Monetary Policy Committee (MPC) meeting, with potential RRR and rate cuts later this year. We expect to see more concrete measures by the government in the upcoming months to stabilize the property market, address local government debt pressures and boost consumption, in response to sluggish economic data and volatility from the uncertainties around the US' tariff plans.

The investment fund option for The Manufacturers Life Insurance Company's variable life insurance product is managed by Manulife Investment 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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