

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 6.83 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 2.150	Management Fee 1.75% per annum	Bloomberg Ticker MPUSBND	

Performance Return (February 29, 2024)

USD Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-1.24%	-2.41%	2.33%	-12.71%	-1.60%	115.00%
Annualized	n.a.	n.a.	2.33%	-4.43%	-0.32%	4.05%

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

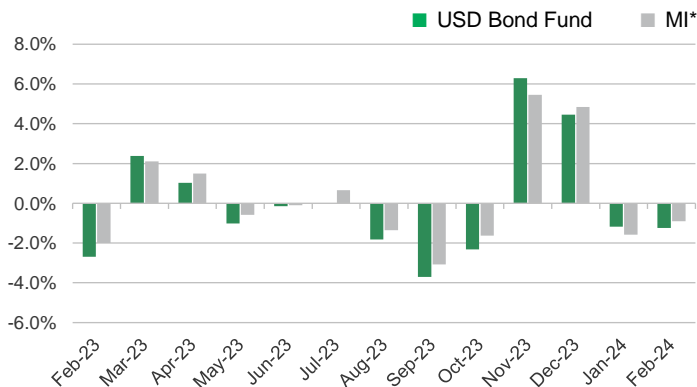


Top Five Holdings

ROP 06/10/31	12.74%
ROP 01/20/40	11.72%
ROP 02/02/30	8.34%
ROP 01/14/31	7.95%
ROP 10/23/34	7.07%

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

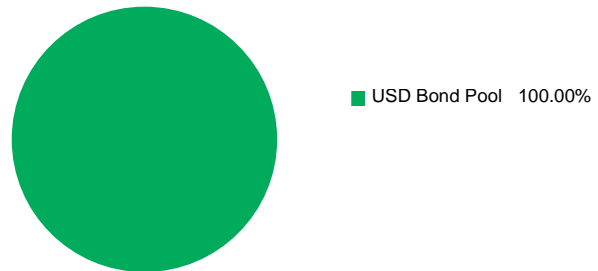
Monthly Performance



*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.

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Market Review

In the United States, US Treasury yields trended higher as the market pared back rate cut expectations amid persistent inflation data and robust economic data. Fed chairman Powell commented the central bank will proceed carefully with rate cuts this year and will likely move at a considerably slower pace than market expects. US CPI rose 3.1% in January (year-on-year), above market estimates. Over the month, the 10-year US Treasury yield rose from 3.91% to 4.25%, whilst the Philippine dollar-denominated (ROP) bond yield curve followed the US Treasury yields higher.

Asian investment grade (IG) credits posted negative performance for the month. Credit spreads on the J.P. Morgan Investment Grade Corporate Bond Index tightened by 20bps over the month offsetting higher US Treasury yields; the J.P. Morgan Asian Investment Grade Corporate Bond Index decreased by 0.01%. Over the month, high-beta names performed amid relatively attractive spread pickup over US Treasury yields and resilient credit fundamental as company earnings were generally better-than-expected. Elsewhere, frontier markets continued to move higher supported by generally better EM sovereign flows and more progress on debt restructuring in Sri Lanka, despite uncertainty from the Pakistan election. New market insurance was generally subdued; notably, a two-tranche new issue from a Philippine bank was well received by the market.

Outlook

We believe the Fed and other global central banks transitioning to end their rate hike cycles in 2024, would help underpin global and Asian bond markets. In Asia ex-China region, we believe Asian central banks, such as Indonesia, India and South Korea, have room to cut rates in 2024 amid benign inflationary environment. In China, we have seen signals of the central government's commitment to contain systematic risk, particularly related to the Local Government Financing Vehicle (LGFV). While we are not expecting the policymaker to roll out a massive stimulus by leveraging the nation's balance sheet, we expect more similar measures to contain systematic risk and provide ongoing support to other important economic drivers such as consumption and infrastructure to stabilize growth. With the property sector, we believe the measures will likely to be piecemeal and require time to gradually resolve the structural issues, such as oversupply of residential housing and weak funding access by non-state-owned developers. We expect policies to continue to center in stimulating demand by lowering the borrowing cost and rebuilding homebuyer's confidence, which in turn stabilizes primary home sales gradually.

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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