

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 6.60 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 2.236	Management Fee 1.75% per annum	Bloomberg Ticker MPUSBND	

Performance Return (February 28, 2025)

USD Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	1.91%	2.71%	4.00%	-3.54%	-9.51%	123.60%
Annualized	n.a.	n.a.	4.00%	-1.19%	-1.98%	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

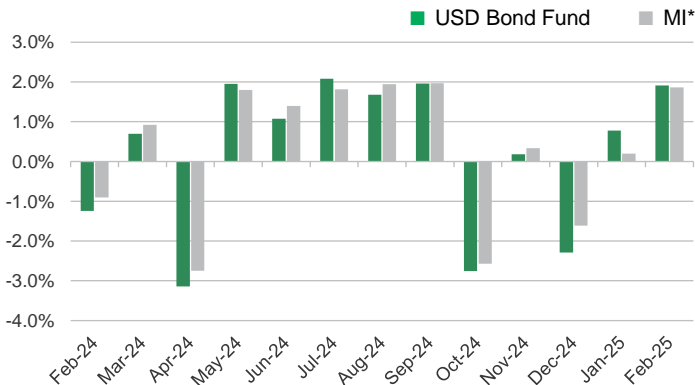


Top Five Holdings

ROP 06/10/31	14.60%
ROP 01/20/40	12.81%
ROP 02/02/30	8.98%
ROP 01/14/31	8.71%
ROP 10/23/34	7.22%

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

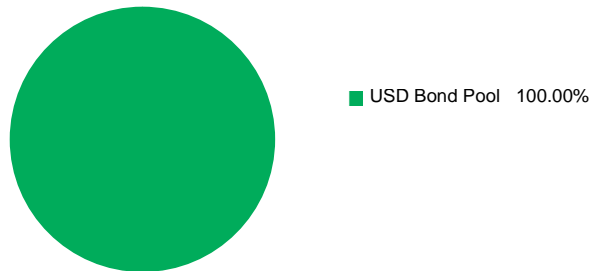
Monthly Performance



*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, US Treasury yields fell across most tenors for the month of February as more signs of a slowing US economy emerged, particularly in the services sector, and as tariff-related headlines resurfaced. The preliminary reading of the S&P Global US Services Purchasing Managers' Index (PMI) for February fell into contraction territory (at 49.7) for the first time in two years, raising concerns about the health of the US economy, and US consumer confidence -- as reflected in both the Conference Board Consumer Confidence and University of Michigan Sentiment indicators -- weakened for a second consecutive month. Towards the end of the month, US President Donald Trump indicated that the proposed 25% tariffs on the imports of its neighbouring countries Canada and Mexico would take effect on the first week of March and additionally imposed extra tariffs on imports from China. With regard to the Fed's dual mandate, inflation for the month of January came in-line with market expectations, using the Fed's preferred metric of core personal consumption expenditure (PCE), while change in nonfarm payrolls came in weaker than expected at 143k (vs. expectations of 175k). Fed Chair Jerome Powell reiterated that the Federal Open Market Committee (FOMC) was in no hurry to adjust its policy stance. Over the period, the 10-year US Treasury yield declined by 33bps, from 4.54% to 4.21%, whilst the Philippine dollar-denominated (ROP) bond yield curve trended higher.

Asian dollar investment grade (IG) credits posted positive returns for the month driven by lower US Treasury yields and stable carry. The J.P. Morgan JACI Investment Grade Corporate Bond index rose by 1.53% while aggregate IG corporate credit spreads remained little changed over the month. Chinese credits contributed most to index-level returns ahead of China's 2025 "Two Sessions" meeting on the first week of March, as positive momentum from the tailwinds of the government's pro-growth stance persisted. In addition, Chinese TMT credits rose on the back of DeepSeek's emergence as a credible competitor to global Artificial Intelligence (AI) peers, as well as President Xi's reiteration of the government's supportive stance towards the private sector in a meeting with business leaders including Jack Ma and Wenfeng Liang. Elsewhere, Indonesian credits were another key contributor to index-level returns; Indonesia's real GDP growth edged up to 5.0% year-on-year in Q4 and as Governor Perry Warjiyo said there was room for Bank Indonesia to cut interest rates further to support economic growth. The dollar IG primary market was active during the month, with sizeable issuances from Japan and New Zealand financial institutions, as well as from BHP Group.

Outlook

Asian Fixed Income currently provides investors with attractive carry and all-in yields relative to global peers, which can potentially serve as a buffer against market uncertainties while offering diversification benefits. Since Inauguration Day, the new US administration has signed a series of executive orders, many of which were targeted towards immigration; has begun reducing the size of the government, to increase efficiency; and has announced tariffs on its key trading partners, including China, Canada, and Mexico. We believe policy uncertainties will persist and will likely trigger 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 strengthened their pro-growth stance with pledges of further fiscal and monetary support. Chinese authorities are expected to provide more indications on both economic growth targets and fiscal budget forecasts for 2025 during the March National People's Congress (NPC) meeting. We expect the government to step up stimulus measures 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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