

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 7.33 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 2.159	Management Fee 1.75% per annum	Bloomberg Ticker MPUSBND	

Performance Return (January 31, 2023)

USD Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	2.52%	2.52%	-9.78%	-11.19%	-0.51%	115.90%
Annualized	n.a.	n.a.	-9.78%	-3.88%	-0.10%	4.32%

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

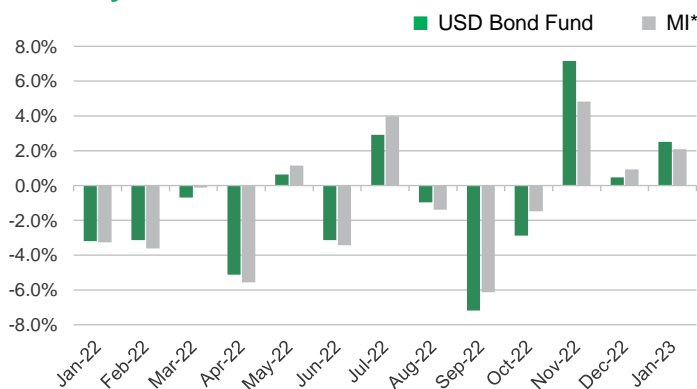


Top Five Holdings

ROP 06/10/31	11.18%
ROP 01/20/40	10.50%
ROP 02/02/30	7.61%
ROP 01/14/31	7.23%
ROP 10/23/34	6.41%

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

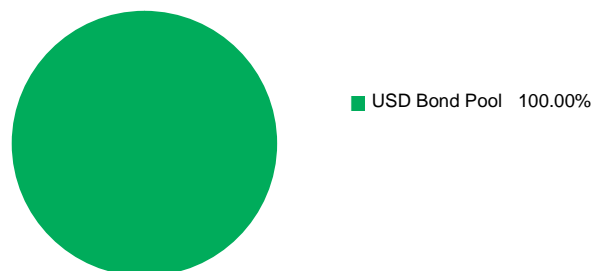
Monthly Performance



*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, the Federal Reserve (Fed) hiked interest rate by 25 bps in the January FOMC meeting, a smaller magnitude than prior meetings and was in line with market expectations. US Treasury yields trended lower on the back of expectations that the Fed may ease its pace of hike rates amid softening inflation data. Consumer price inflation decelerated to 6.5% (year-on-year) in December, compared to 7.1% in November. US fourth-quarter GDP grew by 2.9% (quarter-on-quarter, annualized, first estimate), beating market expectations. Over the month, the 10-year Treasury yield trended lower from 3.87% to 3.51%, whilst belly of the Philippine dollar-denominated (ROP) bond yield ended lower and long end of the yield curve was higher.

Asian investment grade (IG) credits posted positive performance for the month. Credit spreads on the JP Morgan Investment Grade Corporate Bond Index tightened by 2bps; the J.P. Morgan Asian Investment Grade Corporate Bond Index increased by 2.36%. China credit continued to outperform amid strong investor sentiment on China's reopening. Chinese regulators continued implementing supportive measures on the property sector, e.g. easing of Three Red Lines and balance sheet support, which kept sentiment afloat. Indian credits generally underperformed amid a short seller report on an Indian conglomerate impacting sentiment. Primary market activity was active and well received by market participants, with new issuance from China, India, South East Asia and South Korea issuers ahead of the Lunar New Year holidays.

Outlook

While the Fed is slowing down its aggressive policy tightening to reassess the impact of its previous rate hikes, other developed market central banks such as BOJ and ECB could be more aggressive on its monetary policy tightening if inflation persists. In contrast, we expect Asia ex-China region is closer to the end of its monetary policy tightening cycle. We believe China's shift away from its zero-Covid policy would help boost its growth trajectory. We also expect a positive spillover effect to other Asian economies in a varying degree and see pockets of opportunities across Asia. Economies such as Indonesia and Thailand are expected to benefit from China's reopening via increased trade and tourism. Furthermore, we believe the supportive measures for the real estate sector announced by the Chinese government is positive for easing onshore debt refinancing risk of Chinese developers. To see a sustained recovery of the Chinese real estate sector, we would monitor the effective implementation of the announced measures and physical market sales recovery.

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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