

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 7.04 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 2.148	Management Fee 1.75% per annum	Bloomberg Ticker MPUSBND	

Performance Return (June 30, 2023)

USD Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.14%	1.99%	0.89%	-13.07%	2.73%	114.80%
Annualized	n.a.	n.a.	0.89%	-4.56%	0.54%	4.19%

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

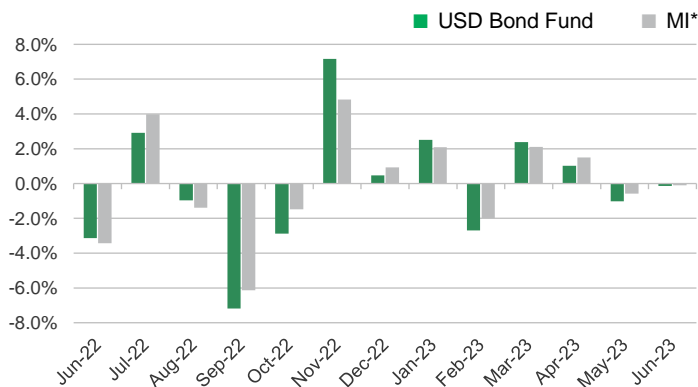


Top Five Holdings

ROP 06/10/31	11.68%
ROP 01/20/40	10.88%
ROP 02/02/30	7.84%
ROP 01/14/31	7.45%
ROP 10/23/34	6.60%

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

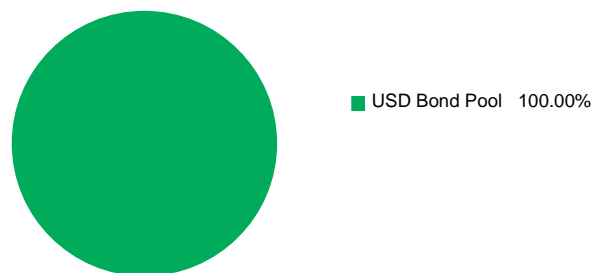
Monthly Performance



*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 amid hawkish comments by Federal Reserve Chairman Powell after the US central bank paused on rates, as well as sticky inflation and strong economic data. US CPI in May fell to 4.0% (year-on-year) but core inflation remained elevated, while first quarter GDP was revised significantly higher by 0.7 percentage point to 2.0% (quarter-on-quarter, annualized, third estimate). Over the month, the 10-year US Treasury yield trended higher from 3.64% to 3.84%, whilst the Philippine dollar-denominated (ROP) bond yields followed the US Treasury yields higher.

Asian investment grade (IG) credits posted negative performance for the month largely driven by higher US Treasury yield movement, but partially offset by tighter credit spreads. Credit spreads on the J.P. Morgan Investment Grade Corporate Bond Index tightened by 13bps; the J.P. Morgan Asian Investment Grade Corporate Bond Index decreased by 0.10%. China credit generally performed well amid building market expectations of further policy support from the Chinese government for the property sector after People's Bank of China slashed policy rates such as the 7-day reverse repo and medium-term lending facility rate. Frontier markets saw near-term uncertainties were mitigated with debt restructuring plan announced for Sri Lanka was less harsh than expected and Pakistan getting an initial IMF approval for a US\$3bn loan program. A handful of high-quality South Korea corporate issuers tapped primary markets over the month and was generally well received by market participants.

Outlook

Despite the hawkish comments from the Fed, markets are pricing in Fed fund rates to peak in 2023. In Asia ex-China region, we believe most Asian central banks, such as Indonesia and India, are close to the end of its monetary tightening cycle amid benign inflation environment; the increased foreign investment will likely drive sustained economic growth in this region. In China, we believe the path to recovery to be an uneven one as suggested by recent lukewarm economic data. While monetary stimulus started in June is supportive, the magnitude and effect of a broader demand side stimulus remains to be seen in the coming months. Furthermore, we believe China government will likely reinforce the supportive measures for the real estate sector rolled out in 4Q2022 to stabilize new home sales and moderate developers' stretched liquidity situation. While we are seeing early signs of stabilization in new home sales data, we are closely monitoring the pace of recovery and how the policy response can benefit the broader sector and respective developers.

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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