

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 6.68 million | Fund Currency US dollar | Dealing/Valuation Daily |
| Price (NAV/unit) USD 2.161 | Management Fee 1.75% per annum | Bloomberg Ticker MPUSBND | |

Performance Return (June 30, 2024)

| USD Bond Fund (net of management fee) | 1 Month | YTD | 1 Year | 3 Years | 5 Years | Since Inception |
|--|---------|--------|--------|---------|---------|-----------------|
| Absolute | 1.08% | -1.91% | 0.61% | -12.58% | -7.01% | 116.10% |
| Annualized | n.a. | n.a. | 0.61% | -4.38% | -1.44% | 4.01% |

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

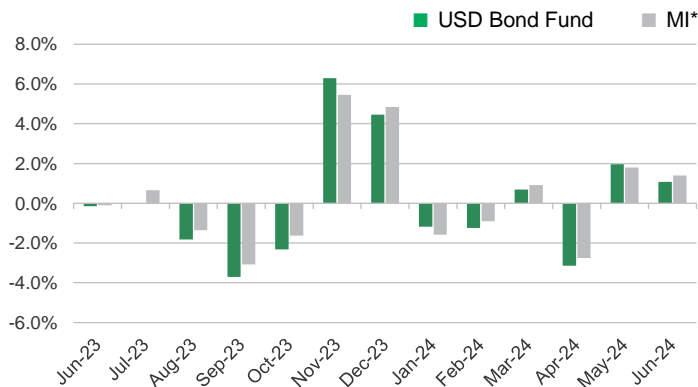


Top Five Holdings

| | |
|--------------|--------|
| ROP 06/10/31 | 13.48% |
| ROP 01/20/40 | 12.26% |
| ROP 02/02/30 | 8.65% |
| ROP 01/14/31 | 8.32% |
| ROP 10/23/34 | 7.46% |

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

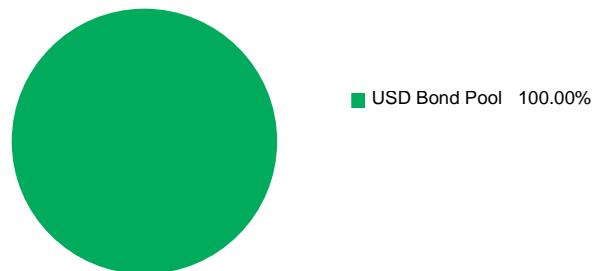
Monthly Performance



*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 lower as economic data pointed to moderating inflation. During the June FOMC meeting, the Federal Reserve (Fed) held interest rate steady; dot plots indicate the possibility of one cut by the end of 2024. The personal consumption expenditure price index, the Fed's preferred measure of inflation, rose 2.6% year-on-year in May, in line with estimates, while non-farm payrolls increased by 272,000 in the same month, above market estimates. Over the period, the 10-year US Treasury yield dropped from 4.50% to 4.40%, whilst the Philippine dollar-denominated (ROP) bond yield curve followed the US Treasury yields lower.

Asian investment grade (IG) credits posted positive performance for the month amid lower US Treasury yields more than offsetting wider credit spreads. Credit spreads on the J.P. Morgan Investment Grade Corporate Bond Index widened by 12bps over the month due to notable increase in new bond supply; the J.P. Morgan Asian Investment Grade Corporate Bond Index increased by 1.08%. Indonesia IG credit spreads widened following market concerns around headlines on President-elect Prabowo's expansionary fiscal policy plan. On the other hand, Fitch took a series of rating actions on the Big Four China AMCs which should remove near-term overhang for the space. New issuance market picked up amid lower US rates; primary activities were seen in China, Hong Kong and Thailand. Notably, new issues of a Hong Kong insurance company and a Hong Kong bank were multiple times oversubscribed.

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 view Asian central banks, such as India, South Korea and Philippines, have room to cut rates in 2024 amid benign inflationary environment. At National People's Congress, Chinese authorities kept its growth target of around 5% level, inflation target of around 3%, and fiscal deficit target at 3% for 2024. China also began the issuance of one trillion yuan of ultra-long special government bonds to support the budget. We expect additional monetary policy easing and more targeted measures from authorities to support its economy. Furthermore, to see a sustained recovery of the Chinese property sector, we would monitor the effective implementation of the announced measures and 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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