

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 7.23 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 2.151	Management Fee 1.75% per annum	Bloomberg Ticker MPUSBND	

Performance Return (March 31, 2023)

USD Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	2.38%	2.14%	-6.56%	-7.92%	0.61%	115.10%
Annualized	n.a.	n.a.	-6.56%	-2.71%	0.12%	4.26%

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

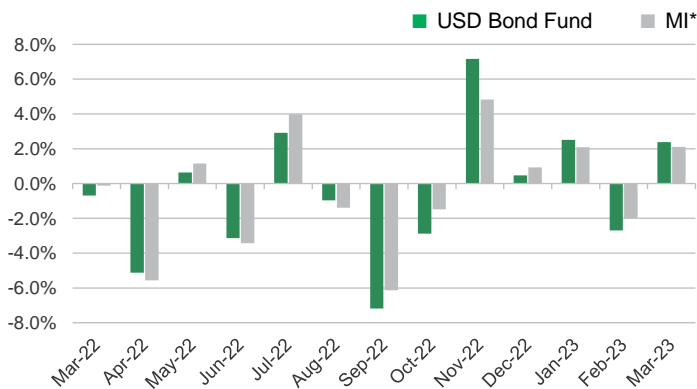


Top Five Holdings

ROP 06/10/31	11.43%
ROP 01/20/40	10.49%
ROP 02/02/30	7.62%
ROP 01/14/31	7.24%
ROP 10/23/34	6.43%

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

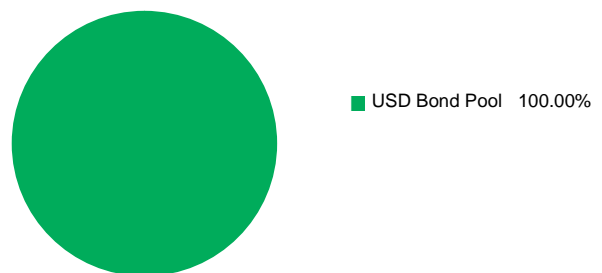
Monthly Performance



*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 March FOMC meeting amid persistent inflationary pressures. US Treasury yields trended lower due to heightened market volatility and risk-off investor sentiment led by the banking sector turmoil in the US and Europe. Consumer price inflation decelerated to 6.0% (year-on-year) in February, compared to 6.4% in January, while the core personal consumption expenditures price index, which is the Fed's preferred gauge, decelerated to 4.6% (year-on-year) in February from 4.7% in prior month. Over the month, the 10-year US Treasury yield trended lower from 3.92% to 3.47%, whilst Philippine dollar-denominated (ROP) bond yields followed US Treasury yield lower.

Asian investment grade (IG) credits posted positive performance for the month largely driven favorable treasury yield movement. Credit spreads on the JP Morgan Investment Grade Corporate Bond Index widened by 32bps; the J.P. Morgan Asian Investment Grade Corporate Bond Index increased by 1.21%. Asian credit had a mixed month in March amidst a week of market volatility ahead of the FOMC meeting as well as negative headlines surrounding banking sector incidents in US and Europe. Chinese credit generally outperformed on the back of Alibaba's restructuring plan and Moody's revised Meituan outlook from negative to stable, backed by its recent earnings result. Primary market activity continued with Asian financials and some South Korean state-owned issuers tapping the market.

Outlook

Market expectations of a Fed pivot have been building amid the banking crisis in US and Europe. In Asia ex-China region, we believe most central banks are close to the end of its monetary policy tightening cycle amid benign inflationary environment. We believe China's shift away from its zero-Covid policy would help boost its growth trajectory; whilst we 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. After 19 consecutive months of decline, the monthly sales of China's top 100 real-estate developers rose by 14.9% in February and surged by 29.2% in March (year-on-year).

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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