

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 6.54 million | Fund Currency US dollar | Dealing/Valuation Daily |
| Price (NAV/unit) USD 2.246 | Management Fee 1.75% per annum | Bloomberg Ticker MPUSBND | |

Performance Return (March 31, 2025)

| USD Bond Fund (net of management fee) | 1 Month | YTD | 1 Year | 3 Years | 5 Years | Since Inception |
|--|---------|-------|--------|---------|---------|-----------------|
| Absolute | 0.45% | 3.17% | 3.74% | -2.43% | -3.85% | 124.60% |
| Annualized | n.a. | n.a. | 3.74% | -0.82% | -0.78% | 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

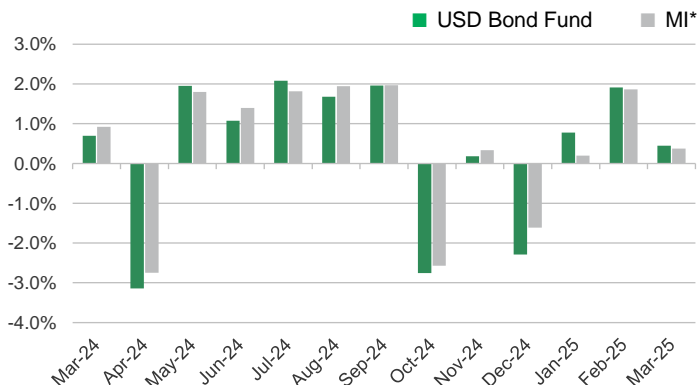


Top Five Holdings

| | |
|--------------|--------|
| ROP 06/10/31 | 14.96% |
| ROP 01/20/40 | 13.06% |
| ROP 02/02/30 | 9.19% |
| ROP 01/14/31 | 8.89% |
| ROP 10/23/34 | 7.40% |

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

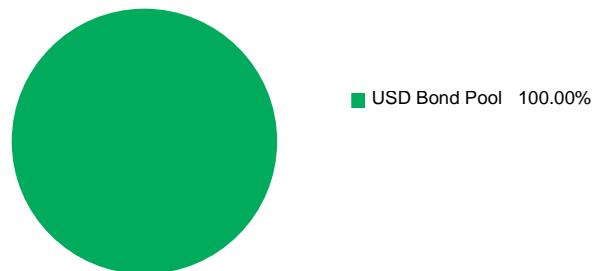
Monthly Performance



*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 US Treasury yield curve bull steepened, as short-term rates fell and long-term rates rose, on the back of downside risks to US economic growth and higher inflation expectations from tariff-related headlines. US consumer confidence weakened for the third consecutive month, with the Conference Board Consumer Confidence and University of Michigan Sentiment indicators reaching their lowest levels since January 2021 and November 2022, respectively. With regard to the US Federal Reserve's (Fed) dual mandate, inflation for the month of February came in slightly higher than market expectations at 2.8% (vs. expectations of 2.7%), using the Fed's preferred metric of core personal consumption expenditure (PCE), while change in nonfarm payrolls came in weaker than expected at 151k (vs. expectations of 160k). During the March Federal Open Market Committee (FOMC) meeting, Fed Chair Jerome Powell reiterated that the FOMC was in no hurry to adjust its policy stance, although the average dot plot edged higher on the back of policy uncertainty and potentially higher inflation from upcoming tariffs. Over the period, the 10-year US Treasury yield remained roughly unchanged at around 4.21%, whilst the Philippine dollar-denominated (ROP) bond yield curve trended lower in the short end but higher in the long end.

Asian dollar investment grade (IG) credits posted positive returns for the month on the back of stable carry and lower short-term US Treasury yields, which was partly offset by aggregate credit spread widening amid market uncertainties. The J.P. Morgan JACI Investment Grade Corporate Bond index rose by 0.19% although aggregate IG corporate credit spreads widened by 18bps. Chinese credits contributed most to index-level returns for the month as Premier Li Qiang delivered the Government Work Report during the 2025 National People's Congress and announced key economic and fiscal targets for the year. The government raised the official on-budget fiscal deficit target to around 4% of GDP in 2025, which is roughly equivalent to a RMB 7.5 trillion government general bond issuance quota. Elsewhere, South Korean credits also contributed, with the country's exports showing signs of recovery in early March for the first time since December 2024, led by handsets and ships. On the other hand, Indonesian credits detracted the most from index-level returns due to higher potential fiscal deficits from the new initiatives announced by the Prabowo administration, including budget reallocation, sovereign wealth fund creation ("Danantara"), housing scheme expansion for low-income families, and revisions to exporter repatriation and retention rules. Bank Indonesia also kept the policy rate unchanged at 5.75%, despite persisting global uncertainties. The dollar IG primary market was active during the month, with sizeable issuance from Japanese and Australian financial institutions, as well as from Baidu and Rio Tinto.

Outlook

Asian credit had a relatively strong start to the year, delivering three consecutive months of positive returns amid market uncertainties and rising trade tensions, while displaying resiliency on the back of favourable fundamentals and supportive technicals. The attractive carry and all-in yields of Asian credit relative to global peers provides investors with a decent buffer against market uncertainties, while the asset class continues to offer diversification benefits. The hawkish policies and higher tariffs imposed by the US administration on its key trading partners have led to rising concerns on weaker global growth and higher inflation -- we believe such policy uncertainties will persist, likely triggering 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 demonstrated a pro-growth stance in the 2025 National People's Congress (NPC) meeting by raising the official on-budget fiscal deficit target to around 4% of GDP in 2025, which is roughly equivalent to a RMB 7.5 trillion government general bond issuance quota, and by providing broad policy directions for boosting consumption and stabilizing the property sector. The People's Bank of China (PBOC) also reiterated its commitment to further monetary easing at the latest Monetary Policy Committee (MPC) meeting, with potential RRR and rate cuts later this year. We expect to see more concrete measures by the government in the upcoming months 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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