

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 7.11 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 (May 31, 2023)

USD Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-1.01%	2.14%	-2.14%	-12.24%	2.38%	115.10%
Annualized	n.a.	n.a.	-2.14%	-4.26%	0.47%	4.22%

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

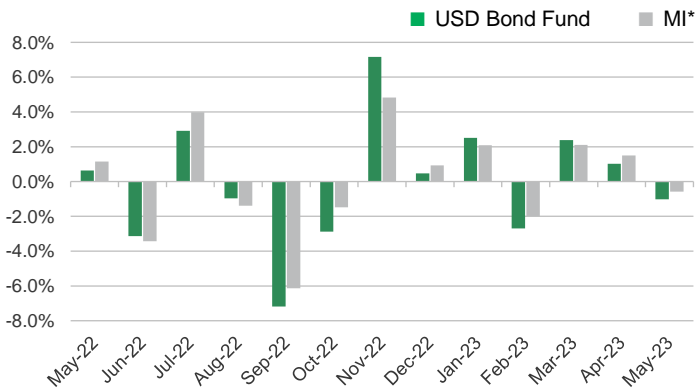


Top Five Holdings

ROP 06/10/31	11.57%
ROP 01/20/40	10.64%
ROP 02/02/30	7.74%
ROP 01/14/31	7.36%
ROP 10/23/34	6.52%

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

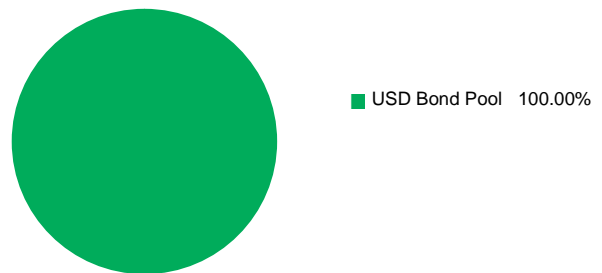
Monthly Performance



*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.

USD Bond Fund

Market Review

In the United States, the Federal Reserve (Fed) hiked interest rate by 25 bps in the May FOMC meeting; over the month, Fed Chair Powell reiterated that the Fed's future decisions would be data-dependent and their preference is to examine the economic data and the evolving outlook to make a careful assessment. US Consumer price index decelerated to 4.9% (year-on-year) in April, compared to 5.0% in March, while the core personal consumption expenditures price index, which is the Fed's preferred gauge on inflation, accelerated to 4.7% (year-on-year) in April from 4.6% in prior month. US Treasury yields generally trended higher amid concerns over the extension of US debt ceiling and a potential default. Over the month, the 10-year US Treasury yield trended higher from 3.42% to 3.64, 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. Credit spreads on the J.P. Morgan Investment Grade Corporate Bond Index tightened by 2bps; the J.P. Morgan Asian Investment Grade Corporate Bond Index decreased by 0.32%. China investment grade (IG) credit generally underperformed as economic data released points to an uneven recovery. Moody's upgraded the China property sector outlook from negative to stable on the back of better sales and funding conditions due to economic recovery and favorable government policies. Elsewhere in Asia, an Indian conglomerate posted positive earning headlines helped its bonds to trade higher. Primary market activity picked up with high quality issuances from Singapore, South Korea, and China, which generally performed in line with 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 path to recovery to be an uneven one; 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 should drive a gradual recovery in 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 it 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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