

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 7.22 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 2.096	Management Fee 1.75% per annum	Bloomberg Ticker MPUSBND	

Performance Return (November 30, 2022)

USD Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	7.16%	-15.21%	-14.38%	-11.78%	-4.55%	109.60%
Annualized	n.a.	n.a.	-14.38%	-4.09%	-0.93%	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

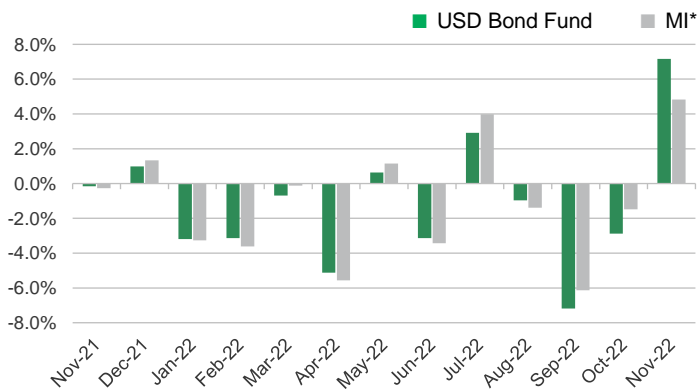


Top Five Holdings

ROP 06/10/31	11.29%
ROP 01/20/40	10.22%
ROP 02/02/30	7.53%
ROP 01/14/31	7.17%
ROP 10/23/34	6.26%

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

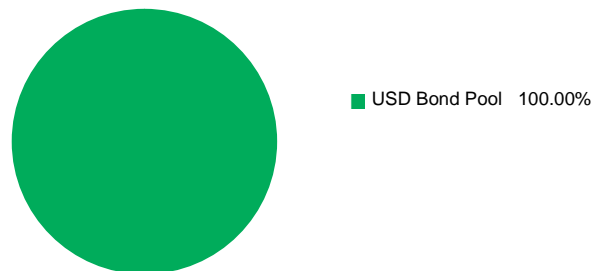
Monthly Performance



*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 was lower due to statements by Federal Reserve Chairman Powell that the potential pace of future rate hikes could be slower. Third quarter GDP grew by 2.9% (quarter-on quarter, annualized, actual), ending two consecutive quarters of contraction, consumer price inflation remained elevated at 7.7% in October (year on year), decreasing 0.5% month on month from September. Over the month, the 10-year Treasury yield ended lower from 4.05% to 3.60%, whilst Philippine dollar-denominated (ROP) bond yields followed US Treasury yield lower.

Asian investment grade (IG) credits posted positive return in November amid potential Chinese government pivot on its COVID policy and Powell's remark signaling a slower pace of rate hikes. Credit spreads on the JP Morgan Asian Investment Grade Corporate Bond Index tightened by 47bps; the J.P. Morgan Asian Investment Grade Corporate Bond Index increased by 4.00% in US dollar terms. November began with a weak start to the market due to more restrictive COVID measures being imposed to some cities in China, but subsequent news on major cities easing lockdown measures and Guangzhou relaxing isolation requirement fueled market sentiment. Rebounds were led in China property space in response to a series of policy announcements by Chinese government to resolve liquidity stress in the sector. These measures are viewed by the market as the most comprehensive and coordinated policy response since the start of this crisis. Macau gaming names surged following the license renewal decision to maintain status-quo which removed a major overhang for the sector. On the other hand, Southeast Asian credit also saw decent rally amid improved investors' sentiment.

Outlook

Federal Reserve remains focused on inflation as it continues to rapidly adjust its monetary policy settings to a restrictive setting. Aggressive developed market central bank monetary policy tightening will likely weigh on global growth outlook with risk of recession building. We believe the supportive measures for the real estate sector announced by the Chinese government is positive and eases onshore debt refinancing risk of Chinese developers. To see a sustained recovery of the Chinese real estate sector, we would monitor the effective implementation of the announced measures and physical market sales recovery. On the other hand, Asia ex-China region has generally adopted more flexible pandemic policies, which is expansionary for economic activity. Some Asian economies initiated various measures such as subsidies, tax cuts and trade restrictions to contain inflation. With relatively benign inflation environment and resilient supply-chain in Asia, we expect Asian central banks to tighten its monetary policy at a more gradual pace than developed markets.

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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