

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 6.69 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 2.228	Management Fee 1.75% per annum	Bloomberg Ticker MPUSBND	

Performance Return (November 30, 2024)

USD Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.18%	1.13%	5.64%	-8.99%	-6.23%	122.80%
Annualized	n.a.	n.a.	5.64%	-3.09%	-1.28%	4.08%

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

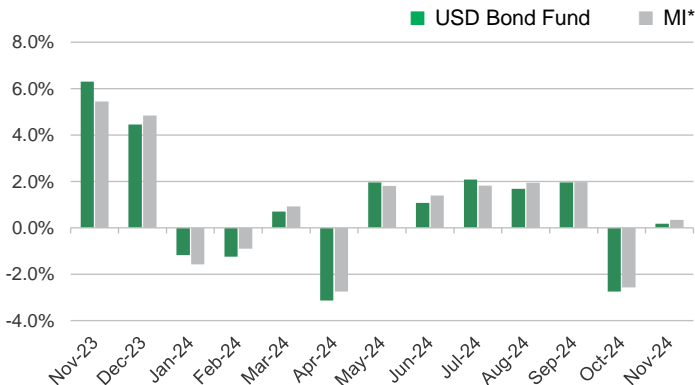


Top Five Holdings

ROP 06/10/31	14.19%
ROP 01/20/40	12.76%
ROP 02/02/30	8.87%
ROP 01/14/31	8.56%
ROP 10/23/34	7.65%

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

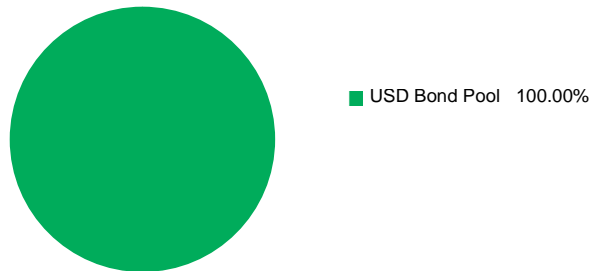
Monthly Performance



*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 during a volatile month. In the beginning of the month, yields continued their rise from October after the Republicans swept the presidency and both houses of Congress in US elections, despite the rate cut of 25bps during the November FOMC meeting; however, they trended lower later in the month, particularly after the nomination of Scott Bessent, a seasoned market participant, for US Treasury Secretary. Towards the end of the month, President-elect Trump vowed a proposed 25% tariffs on all goods from Canada and Mexico, and an additional 10% tariff on China. Economic data pointed to a continued moderating inflation; the personal consumption expenditure price index, the Fed's preferred measure of inflation, rose 2.3% year-on-year in October, in line with estimates. The non-farm payrolls increased by only 12,000 in the same month, below market estimates. Over the period, the 10-year US Treasury yield dropped from 4.28% to 4.17%, whilst the Philippine dollar-denominated (ROP) bond yield curve rose in the short end but followed the US Treasury yields lower in the long end.

Asian investment grade (IG) credits posted positive performance for the month amid lower US Treasury yields and tighter credit spreads. Credit spreads on the J.P. Morgan Investment Grade Corporate Bond Index tightened by 5bps over the month; the J.P. Morgan Asian Investment Grade Corporate Bond Index increased by 0.59%. Asian Investment grade (IG) credit spreads tightened on the back of limited supply. Fundamentals remained supportive underpinned by decent 3Q earnings release; for instance, China's tech giants, Tencent and JD.com, reported earnings which showed resilient top line and cost control. Moreover, S&P changed its outlook on Philippines' BBB+ rating to positive on continued institutional and policy improvement. New issue activities turned active later in the month, notably driven by Alibaba who printed a mega deal of USD 5 billion multi tranche/currency deal. Other primary activities were seen in China, Indonesia, India, and Australia.

Outlook

US Fed had its first rate cut since the covid pandemic in September and 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. Trump's second term in the office will likely trigger volatility from the uncertainty around his trade policy in the region; we believe active management will be crucial to navigate potential market turbulence. In Asia ex-China region, we view Asian central banks, such as India, Indonesia, South Korea and Philippines, to have room to continue its rate cutting in 2025 amid benign inflationary environment. In China, during the November NPC press conference, the policymakers rolled out a 10 trillion yuan debt swap program to ease local government refinancing pressure, and signalled sufficient room for additional fiscal stimulus. Chinese top authorities are expected to provide more indications on both economic growth target and fiscal budget forecast for 2025 during the upcoming conferences including the December Central Economic Work Conference and the March 2025 NPC meeting. We expect the government to step up stimulus measures in 2025 to stabilize the property market, address local government debt pressures and boost consumption, in response to sluggish economic data and volatility from the uncertainty around Trump's tariff plan.

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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