

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 6.32 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 1.984	Management Fee 1.75% per annum	Bloomberg Ticker MPUSBND	

Performance Return (October 31, 2023)

USD Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-2.31%	-5.79%	1.43%	-21.02%	-4.66%	98.40%
Annualized	n.a.	n.a.	1.43%	-7.56%	-0.95%	3.68%

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

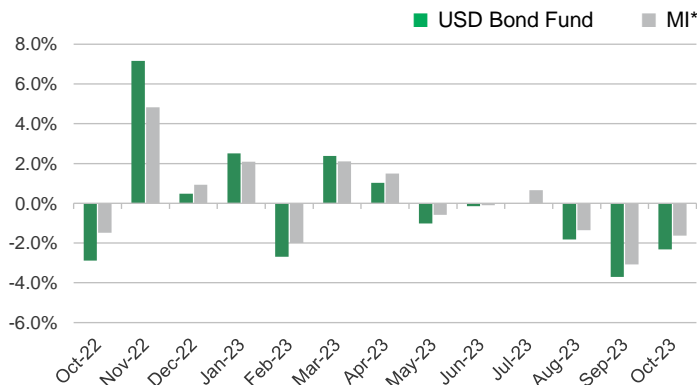


Top Five Holdings

ROP 06/10/31	12.36%
ROP 01/20/40	10.74%
ROP 02/02/30	8.33%
ROP 01/14/31	7.90%
ROP 10/23/34	6.82%

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

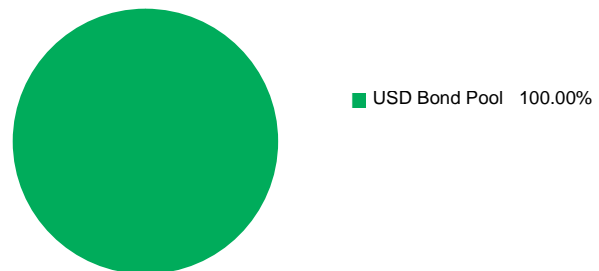
Monthly Performance



*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 remained elevated on the back of robust economic data and sticky inflation data. Chairman Powell reiterated that inflation is still high and may take a few months of positive data to build confidence that inflation is moving down during his speech at the Economic Club of New York. Markets widely expect the Federal Reserve to hold off on additional rate hikes, though there are dispersions over when officials might begin cutting rates. US third-quarter GDP grew by 4.9% (quarter-on-quarter, annualised, first estimate), beating market estimates while US CPI in September rose by 3.7% (year-on-year), slightly above market expectations. Over the month, the 10-year US Treasury yield trended higher from 4.57% to 4.93%, whilst the Philippine dollar-denominated (ROP) bond yield curve fell in the short end but followed the US Treasury yields higher in the long end.

Asian investment grade (IG) credits posted negative performance for the month amid higher US Treasury yields and weak market sentiment. Credit spreads on the J.P. Morgan Investment Grade Corporate Bond Index was largely unchanged over the month; the J.P. Morgan Asian Investment Grade Corporate Bond Index decreased by 0.56%. Credit spreads of higher beta Asian issuers widened amid weaker-than-expected Q3 earnings, particularly with disappointing margins and demand outlook. China investment grade property developers underperformed due to some idiosyncratic credit headlines on ongoing credit events and slower than expected recovery in new home sales data. In Hong Kong, policy address by the Chief Executive did not offer a quick fix on the challenges faced by issuers in the property space, including housing price decline and oversupply of office space. Elsewhere in Asia, an Indian natural resource company was downgraded by a local rating agency for the uncertainty in refinancing despite its demerger plan. On the other hand, frontier sovereigns traded on firmer tone led by Sri Lanka, as debt restructuring talks progressed. Over the period, new market issuance was generally subdued and mostly came from South Korean issuers.

Outlook

We believe the path of Fed policy will be increasingly data dependent going forward and view that US Treasury yields offer increasingly attractive valuations. In Asia ex-China region, we believe most Asian central banks, such as Indonesia and India, are close to the end of its monetary tightening cycle amid downward inflation trend environment; the increased foreign investment will likely drive sustained economic growth in this region. In China, we have seen signals of the central government's commitment to contain systematic risk, particularly related to the Local Government Financing Vehicle (LGFV). While we are not expecting the policymaker to roll out a massive stimulus by leveraging the nation's balance sheet, we expect more similar measures to contain systematic risk and provide ongoing support to other important economic drivers such as consumption and infrastructure to stabilize growth. With the property sector, we believe the measures will likely to be piecemeal and require time to gradually resolve the structural issues, such as oversupply of residential housing and weak funding access by non-state-owned developers. We expect policies to continue to center in stimulating demand by lowering the borrowing cost and rebuilding homebuyer's confidence, which in turn stabilizes primary home sales gradually.

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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