

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 6.96 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 2.287	Management Fee 1.75% per annum	Bloomberg Ticker MPUSBND	

Performance Return (September 30, 2024)

USD Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	1.96%	3.81%	12.60%	-6.77%	-4.39%	128.70%
Annualized	n.a.	n.a.	12.60%	-2.31%	-0.89%	4.25%

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

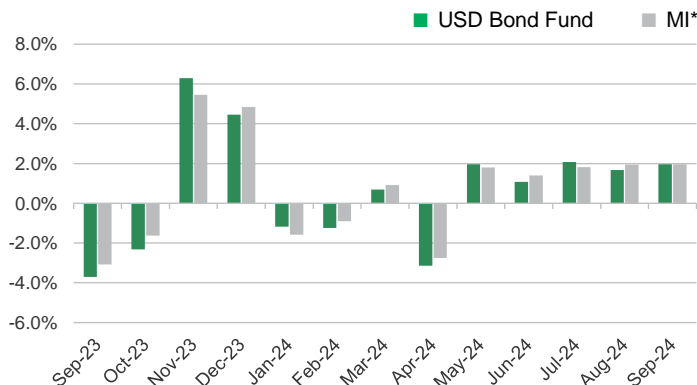


Top Five Holdings

ROP 06/10/31	13.92%
ROP 01/20/40	12.72%
ROP 02/02/30	8.69%
ROP 01/14/31	8.37%
ROP 10/23/34	7.52%

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

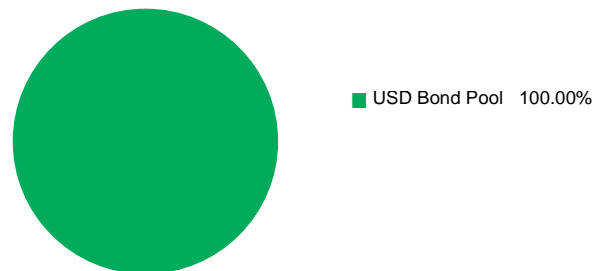
Monthly Performance



*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, US Treasury yields trended lower as the Federal Reserve (Fed) had its first rate cut since the covid pandemic by 50bps which was larger than market expected. Economic data pointed to a continued moderating inflation; the personal consumption expenditure price index, the Fed's preferred measure of inflation, rose 2.2% year-on-year in August, below estimates. The non-farm payrolls increased by 142,000 in the same month, below market estimates. Over the period, the 10-year US Treasury yield dropped from 3.90% to 3.78%, whilst the Philippine dollar-denominated (ROP) bond yield curve followed the US Treasury yields lower.

Asian investment grade (IG) credits posted positive performance for the month driven by lower US Treasury yields and tighter credit spreads. Credit spreads on the J.P. Morgan Investment Grade Corporate Bond Index tightened by 6bps over the month; the J.P. Morgan Asian Investment Grade Corporate Bond Index increased by 1.07%. On the investment grade side, China IG performed on the back of the stimulus measures, with strong price action seen in high beta space such as China TMT and AMCs. Over the month, there were several positive rating actions in China space; Meituan was upgraded by Fitch and Moody's, and JD was upgraded by Moody's following their robust earnings. In addition, major banks in Hong Kong lowering its prime lending rate also supported the sentiment for Hong Kong developers. New issue activities picked up amid lower rates and well digested by the market; primary activities were seen in China, Hong Kong, South Korea 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. In Asia ex-China region, we view Asian central banks, such as India, Indonesia, South Korea and Philippines, to have room to cut rates in 2024 amid benign inflationary environment. At National People's Congress, Chinese authorities kept its growth target of around 5% level, inflation target of around 3%, and fiscal deficit target at 3% for 2024. China also began the issuance of one trillion yuan of ultra-long special government bonds to support the budget. During the September Politburo meeting, PBOC also delivered a series of economic stimulus announcements, which includes cutting reserve requirement ratio (RRR) for major banks by 50bps and 7-day reserve repo rate by 20bps. To sustain the market momentum and stabilize the economy, we believe the Chinese authorities would need to implement additional fiscal policy support along with further positive economic data releases to drive the next market movement.

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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