

USD Bond Fund

An investment fund option for **Affluence**, **Affluence Gold** and **Affluence Builder** 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 10.13 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 2.336	Management Fee 1.75% per annum	Bloomberg Ticker MPUSBND	

Performance Return (July 31, 2019)

USD Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.52%	9.11%	10.40%	1.21%	16.10%	133.60%
Annualized	n.a.	n.a.	10.40%	0.40%	3.03%	5.94%

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

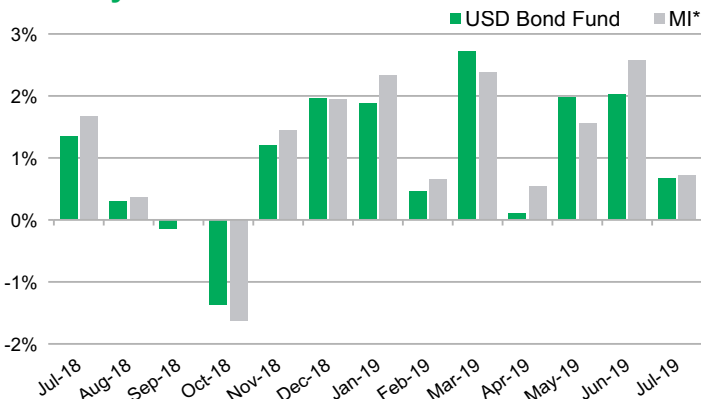


Top Five Holdings

BANK OF PHILIPPINE ISLAN SER EMTN (REG) (REG S) 4.25% 04SEP2023% 09/04/23	7.4%
ROP 02/02/30	7.3%
ROP 01/14/31	6.5%
BDO UNIBANK INC SER MTN (REG S) 2.95% 06MAR2023% 03/06/23	5.8%
ROP 10/23/34	5.8%

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

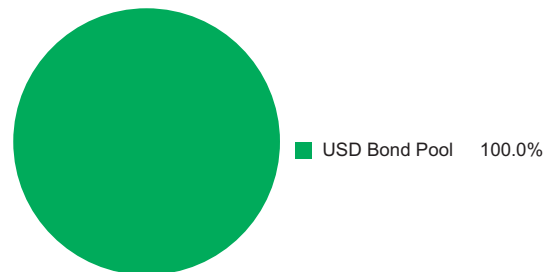
Monthly Performance



*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 US, the 10-year US Treasury yields were range trading around the 2% region amid building expectations of an interest rate cut by the Fed. The Federal Reserve cut its key interest rate by 25bps at its late July meeting, which was widely expected by investors. Post meeting comments indicated the cut was a mid-cycle adjustment to help the US economy amid global uncertainty. Philippine dollar-denominated (ROP) bond yields fell over the period, generally tracking the US Treasury yield movement.

Elsewhere, the tone from European Central Bank (ECB) was accommodative, but markets was somewhat disappointed by the absence of current action. The ECB held interest rates steady with the deposit rate at -0.40%, although the market was pricing in a 40% chance of a 0.10% interest rate cut. The forward guidance on interest rates was shifted to include a bias toward a reduction in interest rates; post meeting statements indicated interest rates will “remain at their present or lower levels”.

Outlook

Developments of the Sino-US trade tensions are likely to take the limelight of financial markets. Asian economies face external headwinds arising from softer global demand and potential for a widening trade war. High quality Asian bonds are likely to be well supported during periods of uncertainty, whilst we also favor Asia bond markets with supportive economic fundamentals and attractive yields. We believe the potential negative economic repercussion from the trade tariffs on the US economy and lower US yield environment reduces the scope for broad US dollar strength. From a regional perspective, Asian central banks including Bangko Sentral ng Pilipinas are likely to adopt accommodative monetary policies to offset impact from trade tensions and amid lower domestic inflation conditions, which is a supportive backdrop for Asian and ROP bond markets.

The investment fund option for The Manufacturers Life Insurance Company's variable life insurance product is managed by Manulife Asset 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.

The information and/or analysis contained in this material have been compiled or arrived at from sources believed to be reliable but The Manufacturers Life Insurance Co. (Phils.), Inc. (“Manulife Philippines”) does not make any representation as to their accuracy, correctness, usefulness or completeness and does not accept liability for any loss arising from the use hereof or the information and/or analysis contained herein. 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. Neither Manulife Philippines or its affiliates, nor any of their directors, officers or employees shall assume any liability or responsibility for any direct or indirect loss or damage or any other consequence of any person acting or not acting in reliance on the information contained herein.

The information in this material may contain projections or other forward-looking statements regarding future events, targets, management discipline or other expectations, and is only as current as of the date indicated. There is no assurance that such events will occur, and may be significantly different than that shown here. The information in this material including statements concerning financial market trends, are based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons. This material was prepared solely for informational purposes and does not constitute a recommendation, professional advice, an offer, solicitation or an invitation by or on behalf of Manulife Philippines to any person to buy or sell any security. This material should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any investment products or to adopt any investment strategy. Nothing in this material constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. Past performance is not an indication of future results.

Manulife and the block design are registered service marks and trademarks of The Manufacturers Life Insurance Company and used by it and its affiliates including Manulife Financial Corporation.