

USD Asia Pacific Bond Fund

An investment fund option for variable life insurance products of **The Manufacturers Life Insurance Co., (Phils), Inc.**

Investment Objective

The Fund aims to maximize total return by investing substantially all of its assets in one or more collective investment schemes. The collective investment scheme aims to provide investors with income and/or long-term capital appreciation through investing primarily in a portfolio of debt securities issued or guaranteed by governments, agencies, supra-nationals and corporations in Asia (which shall include Australia and New Zealand).

Fund Information

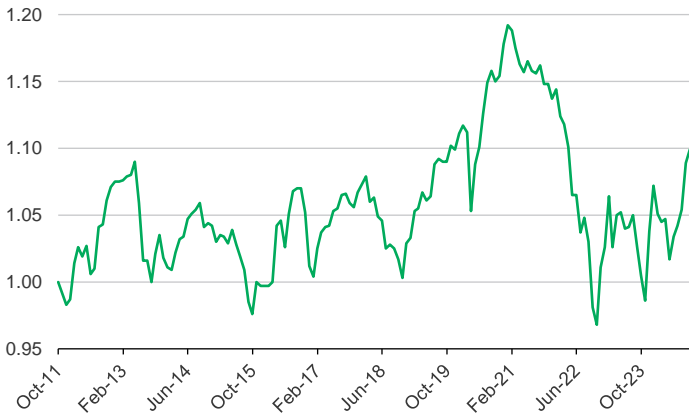
Inception Date October 2011	Fund Size USD 10.03 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 1.099	Management Fee 2.00% per annum	Bloomberg Ticker MPUSAPB	

Performance Return (September 30, 2024)

USD Asia Pacific Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.92%	2.52%	9.35%	-4.27%	0.83%	9.90%
Annualized	n.a.	n.a.	9.35%	-1.44%	0.16%	0.73%

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.

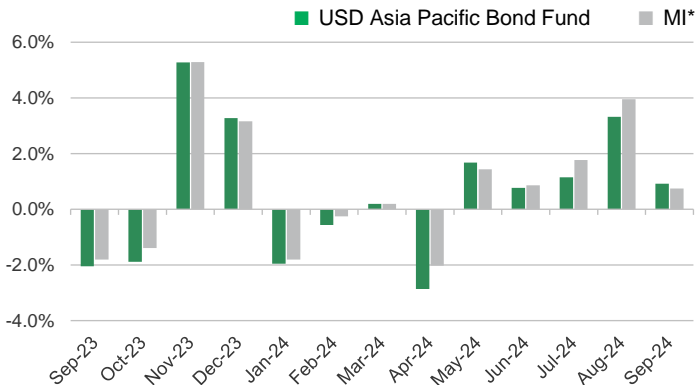
Monthly Net Asset Value per Unit



Top Five Holdings

Khazanah Global Sukuk Bhd 4.687% 06/01/2028	2.11%
Security Bank Corp 5.5% 05/14/2029	1.74%
China Cinda 2020 I Management Ltd 5.75% 05/28/2029	1.73%
Bank Negara Indonesia Persero Tbk PT 5.28% 04/05/2029	1.72%
Rizal Commercial Banking Corp 5.5% 01/18/2029	1.71%

Monthly Performance

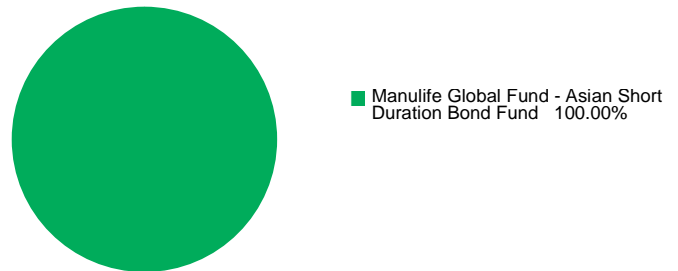


*Market Indicator = JACI Investment Grade 1-3 Years Index

This is not a deposit product. Earnings are not assured and principal amount invested is exposed to risk of loss. This product cannot be sold to you unless its benefits and risks have been thoroughly explained. If you do not fully understand this product, do not purchase or invest in it.

Portfolio Breakdown

Asset Allocation (at Market Value)



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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%.

In China, Caixin Manufacturing Purchasing Managers Index (PMI) rose to 50.4 in August from 49.8 in July, moving into expansion territory (reading above '50') on the back of increased manufacturing capacity and improved business confidence. Towards the end of the month, the PBOC rolled out a series of economic stimulus measures to support the economy, which includes cutting reserve requirement ratio (RRR) for major banks by 50bps to 9.50%, cutting 7-day reserve repo rate by 20bps to 1.50% and lowering minimum down payment ratio on second home purchase. China local government bond yields trended higher over the period. In India, the inflation came at 3.65% year-on-year in August which was higher than expected, but still within the RBI's inflation target. Indian government bond yields trended lower over the period. In Indonesia, Bank Indonesia (BI) surprised the market and had its first rate cut by 25bps since the covid pandemic, which was ahead of its earlier guidance for a start in Q4. Inflation continued to moderate in August (2.12% year-on-year). Indonesia government bond yields trended lower over the period.

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.

All major Asian currencies appreciated against the US dollar in September. Thai baht was a regional outperformer amid significant foreign buying of equities, broad US dollars weakness and record high gold price. In contrast, the Indian rupee underperformed against its Asia peer but still strengthened against the US dollars amid significant foreign capital inflows into the nation's equity and debt markets.

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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