

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 6.47 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 2.282	Management Fee 1.75% per annum	Bloomberg Ticker MPUSBND	

Performance Return (June 30, 2025)

USD Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	1.56%	4.82%	5.60%	7.19%	-7.65%	128.20%
Annualized	n.a.	n.a.	5.60%	2.34%	-1.58%	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

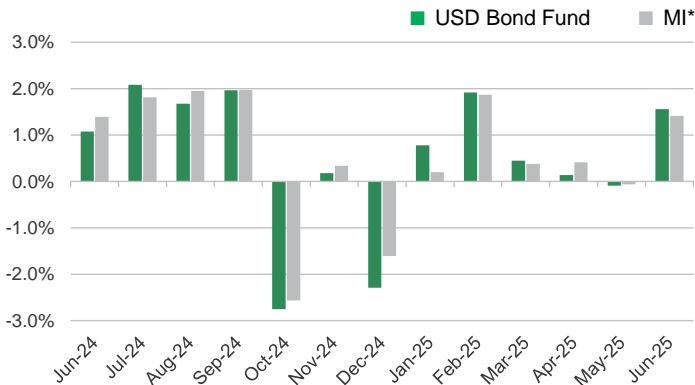


Top Five Holdings

ROP 06/10/31	13.43%
ROP 01/20/40	13.31%
ROP 01/14/31	9.02%
ROP 02/02/30	7.06%
ROP 03/01/41	5.14%

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

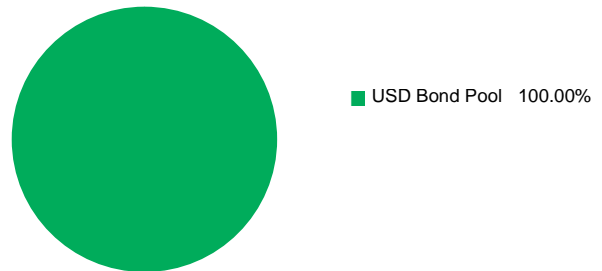
Monthly Performance



*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 fell across most tenors on the back of de-escalating geopolitical tensions in the Middle East and potential trade agreements between the US and key trading partners. Oil prices retreated sharply after the US announced a ceasefire agreement between Israel and Iran, alleviating market concerns of higher inflation. Additionally, the US and China signed a trade agreement which involved the loosening of rare earth exports from China to the US and the relaxing of US technology restrictions on China, following two days of high-level discussions in Geneva back in May. Towards the end of the month, Canada also withdrew its digital services tax on US technology companies -- the two countries aimed to finalize an agreement by the end of July 2025. With regard to the US Federal Reserve's (Fed) dual mandate, May inflation slightly exceeded expectations at 2.7% (vs. 2.6% anticipated), using the Fed's preferred metric of core personal consumption expenditure (PCE); change in nonfarm payrolls also exceeded expectations at 139k (vs. 126k anticipated). During the June Federal Open Market Committee (FOMC) meeting, the Fed kept its benchmark rate unchanged at 4.25-4.50%. Fed Chair Jerome Powell believed that monetary policy was in a good place and expected to see further impact from tariffs on consumer prices over the summer. Overall, FOMC participants raised their inflation forecasts while lowering GDP growth projections; the median 2025 dot remained unchanged while the median 2026 and 2027 dots increased by 25 bps. Over the period, the 10-year US Treasury yield declined from 4.40% to 4.23%, whilst the Philippine dollar-denominated (ROP) bond yield curve followed US yield to trend lower.

Asian dollar investment grade (IG) credits posted positive returns for the month on the back of stable carry and lower US Treasury yields, while aggregate credit spread widened slightly. The J.P. Morgan JACI Investment Grade Corporate Bond index rose by 1.1% and aggregate Asian IG corporate credit spreads widened by 3bps. Chinese credits contributed most to aggregate returns, as an agreement between the US and China has been reached to de-escalate trade tensions. In addition, the People's Bank of China (PBOC) maintained an easing bias in the Q2 monetary policy report while emphasizing on the implementation of existing policies such as relending programs to support technology innovation and consumption. Indonesian credits also outperformed as inflation remained benign on the back of weaker food prices in recent months which, together with a stable currency and foreign reserves, leaves the door open for Bank Indonesia (BI) to further ease its monetary policy in the coming months. On the other hand, Thai credits underperformed amid political uncertainties following reports of a leaked telephone conversation, which has led to increasing pressures for Prime Minister Paetongtarn Shinawatra to resign. With the Bhumjaithai party withdrawing from the coalition, the potential for the need to elect a new government increases the risk that fiscal spending will be delayed. The Asian dollar primary market was active during the month, with sizeable issuances from Australian financial institutions, as well as from the Hong Kong Government and Hong Kong's MTR Corp.

Outlook

Asian credit has remained resilient since the start of the year on the back of favourable fundamentals and supportive technicals, amid market uncertainties and trade tensions. The attractive carry and all-in yields of Asian credit relative to global peers provides investors with a decent buffer against market uncertainties, while the asset class continues to offer diversification benefits. Although recent headlines have suggested that positive progress has been made on trade and tariffs, the ongoing policy uncertainties from the current US administration have led to rising concerns on weaker global growth and higher inflation -- we believe such uncertainties will persist, likely triggering further market volatility; hence, active management will be key to navigating the persistently uncertain market environment in the upcoming months. In Asia ex-China, we believe that certain central banks, including Indonesia, South Korea and Philippines, have room to continue their rate cut cycles in 2025 amid benign inflation. In China, the pro-growth stance from policymakers and the People's Bank of China's (PBOC) easing bias, reinforced in the Q2 monetary policy report, adds to the supportive macro backdrop in the region. We expect to see more concrete measures by the government in the upcoming months to stabilize the property market, address local government debt pressures and boost consumption, in response to sluggish economic data and volatility from the uncertainties around the US' tariff plans.

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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