

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 6.37 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 2.365	Management Fee 1.75% per annum	Bloomberg Ticker MPUSBND	

Performance Return (October 31, 2025)

USD Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.51%	8.64%	6.34%	20.91%	-5.85%	136.50%
Annualized	n.a.	n.a.	6.34%	6.53%	-1.20%	4.19%

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

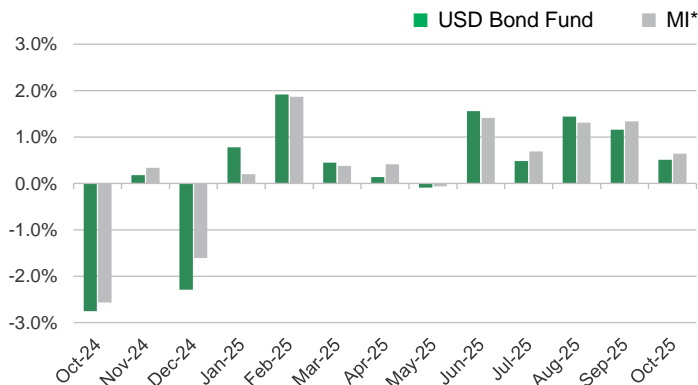


Top Five Holdings

ROP 01/20/40	13.99%
ROP 06/10/31	13.15%
ROP 01/14/31	9.15%
ROP 02/02/30	7.04%
ROP 03/01/41	5.45%

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

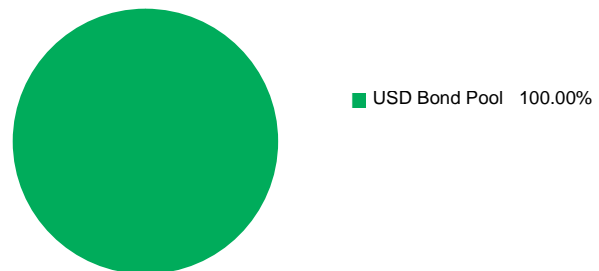
Monthly Performance



*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, Treasury yields fell across most tenors as markets responded to the US Federal Reserve's (Fed) decision to lower the federal funds rate by 25 bps to a target range of 3.75–4.00%, while announcing an end to balance sheet runoff in December 2025. The Fed's policy stance remained modestly restrictive, with Chair Powell emphasizing that further easing was not on a preset course and highlighting that there were "strongly different views" within the FOMC regarding a December rate cut. Most official economic data releases remained suspended on the back of the government shutdown, forcing policymakers to rely on alternative indicators. Regarding the Fed's dual mandate, September inflation rose slightly below market expectations at 3.0% (vs. 3.1% estimate), using the Consumer Price Index (CPI) as reference, while ADP employment came in weaker-than-expected at -32k (vs. 51k estimate). Towards the end of the month, the US and China announced a one-year trade truce during the APEC summit in South Korea which included the resumption of soybean purchases and suspension of rare earth export curbs by China, and a 10% reduction in tariffs by the US. Simultaneously, the US and South Korea also concluded a trade agreement where South Korea would invest \$350 billion in the US, and the US would lower tariffs on automobiles and auto-parts from 25% to 15%. Over the month, the 10-year US Treasury yield fell from 4.15% to 4.08%, whilst the Philippine dollar-denominated (ROP) bond yield trended lower in the short- and long-end, but higher in the belly part of the curve.

Asian dollar investment grade (IG) credits posted positive returns for the month on the back of stable carry, lower US Treasury yields, and aggregate credit spread tightening. The J.P. Morgan JACI Investment Grade Corporate Bond index rose by 59bps and aggregate Asian IG corporate credit spreads tightened by 3 bps. On the investment grade front, Indonesian credits outperformed, benefiting from a steady macro backdrop anchored by policy consistency. Bank Indonesia (BI) held its policy rate steady at 4.75% during its October meeting amid slowing global growth, to support the currency and to control inflation. Fitch Ratings also reaffirmed a BBB rating for Indonesia's foreign bond issuances across multiple currencies (including USD, EUR, and CNH) during the month. Chinese credits also outperformed as policymakers reiterated their commitment to macroeconomic stability during the fourth plenum, emphasizing on areas including innovation, domestic resilience, and sustainable growth. Furthermore, the one-year trade truce reached with the US towards the end of the month further bolstered market sentiment. The Asian dollar primary market was active during the month, with sizeable issuances from Japanese and Australian financials, from the Indonesian government, and from various TMT issuers around the region.

Outlook

Asian credit markets have continued to deliver attractive performance on the back of favourable fundamentals and supportive technicals despite facing various macroeconomic challenges such as tariffs, geopolitical tensions, and global growth slowdown. Although recent trade headlines between the US and major partners such as China, South Korea, Malaysia, and Cambodia have provided some comfort to the markets, notable uncertainties remain in other areas such as Canada, where the US plans to increase tariffs by 10% following the release of an anti-tariff ad by the government of Ontario. We believe global growth slowdown and policy uncertainty risks – including the possibility of renewed tariffs and supply chain disruptions – will persist and will likely trigger further market volatility in 2026; hence, active management and prudent security selection will remain key. In Asia, economic growth has generally remained resilient and certain central banks from around the region have continued to show signs of support. We believe that markets such as the Philippines and Thailand still have room to ease their monetary policies amid benign inflation. In China, we anticipate more targeted support, focused on areas such as boosting consumption, advancing high-tech manufacturing, and stabilizing the property sector. These measures are intended to mitigate the impact of external headwinds while supporting domestic growth in response to sluggish economic data.

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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