

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

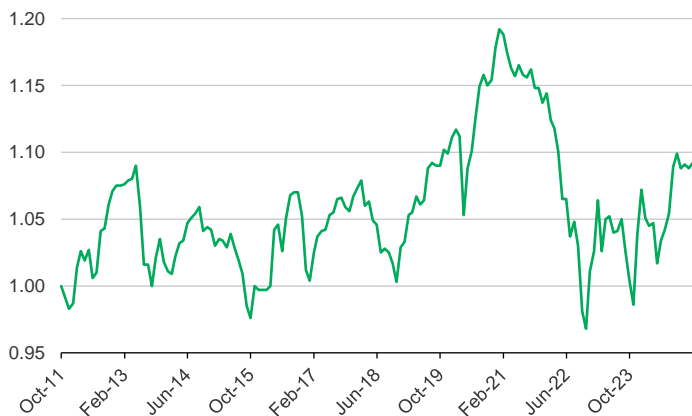
Inception Date October 2011	Fund Size USD 9.82 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 1.092	Management Fee 2.00% per annum	Bloomberg Ticker MPUSAPB	

Performance Return (January 31, 2025)

USD Asia Pacific Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.37%	0.37%	3.90%	-2.85%	-2.24%	9.20%
Annualized	n.a.	n.a.	3.90%	-0.96%	-0.45%	0.67%

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.

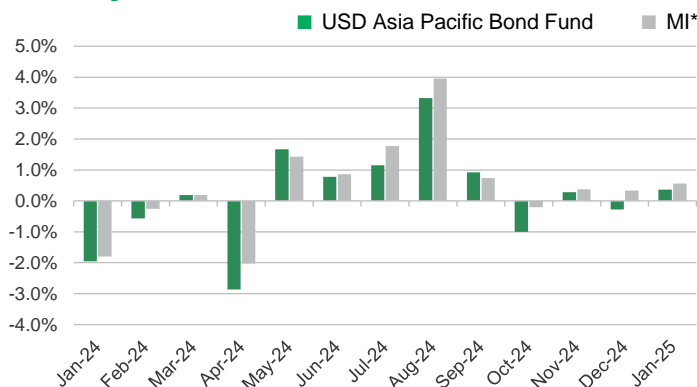
Monthly Net Asset Value per Unit



Top Five Holdings

Khazanah Global Sukuk Bhd 4.687% 06/01/2028	2.08%
Hyundai Card Co Ltd 5.75% 04/24/2029	1.72%
Metropolitan Bank & Trust Co 5.375% 03/06/2029	1.72%
Bangkok Bank PCL/Hong Kong 5.3% 09/21/2028	1.71%
China Cinda 2020 I Management Ltd 5.75% 05/28/2029	1.71%

Monthly Performance

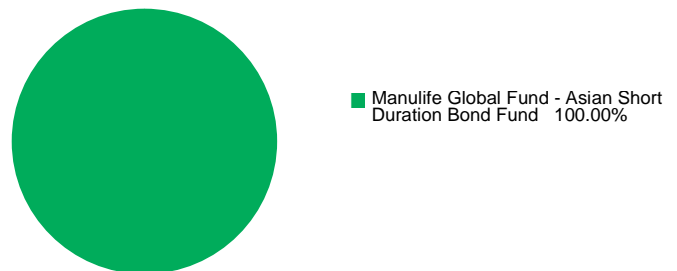


*Market Indicator = JACI Investment Grade 1-3 Years Index

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)



Manulife Global Fund - Asian Short Duration Bond Fund 100.00%

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Market Review

In the United States, US Treasury yields remained little changed across the curve for the month of January, as the US Federal Reserve (Fed) kept the target range for the fed funds rate unchanged at 4.25-4.5%. Fed Chair Jerome Powell highlighted in the latest Federal Open Market Committee (FOMC) meeting that there was no urgency for further fed funds rate adjustments at this point in time given the potential policy changes from the new US administration, but believed that the rate remained “meaningfully restrictive,” which suggested that the Fed could resume with its rate cuts once there was more clarity on policy changes and when inflation shows further signs of moderation towards the longer-term target of 2%. On the labour market front, December nonfarm payrolls rose by 256k -- well above consensus expectations of 165k – and the unemployment rate fell to 4.1%, which alleviated some of the market’s concerns on the softening of the US labor markets. Towards the end of the month, following Inauguration Day, the new administration indicated that 25% tariffs would be imposed on its neighboring countries Canada and Mexico starting from February 2025, citing a number of reasons including immigration and trade deficits. Over the period, the 10-year US Treasury yield declined marginally from 4.57% to 4.54%.

In China, Caixin Manufacturing Purchasing Managers Index (PMI) declined to 50.5 in December from 51.5 in November, remaining in expansionary territory (reading greater than ‘50’), primarily due to falling export orders and employment levels. Over the month, China reported a growth pick-up in the fourth quarter of 2024, which lifted its full-year GDP growth to the 5.0% target driven primarily by higher exports and consumer spending on durable goods. Furthermore, market focused on Trump’s tariff policy following his inauguration on January 20 and how Chinese policy will offset these potential impacts. China local government bond yields trended lower over the period. In India, the new RBI governor, Sanjay Malhotra, signaled a more flexible approach to the Indian rupee; the market interpreted this as an indication that the new regime will be less involved in defending the INR in a strong USD environment, compared to the previous RBI governor. On the economic side, inflation softened compared to the prior month and came at 5.22% year-on-year in December. Indian government bond yields trended lower over the period. In Indonesia, Bank Indonesia (BI) surprised the market and cut its key interest rate by 25bps to 5.75% despite depreciation pressure on the IDR; this dovish tilt and the downward revision on 2025 GDP growth forecast suggested that growth concern is a rising priority for the BI. Inflation has been moderated at 1.57% year-on-year in December. Indonesia government bond yields trended lower over the period.

Asian dollar investment grade (IG) credits posted positive returns for the month driven mainly by stable income and carry, as US Treasury yields and aggregate IG credit spreads remained little changed. Credit spreads on the J.P. Morgan Investment Grade Corporate Bond Index tightened by 2bps over the month; the J.P. Morgan Asian Investment Grade Corporate Bond Index increased by 0.58%. Chinese credits contributed most to index-level returns as the positive momentum from the tailwinds of the government’s supportive policies and pro-growth stance, which was re-iterated towards the end of 2024, continued into the start of 2025. Furthermore, Indian investment grade corporates, particularly names related to the Adani complex, was another area that outperformed as the bonds’ prices continued their recoveries following the slump in late 2024 on negative headlines related to charges on bribery and fraud. The dollar IG primary market was active in the first month of 2025, with sizable issuances particularly in the financials sector across the Japanese, Australian, and South Korean markets.

Asian currencies had mixed performance against the US dollar in January. Thai baht was a regional outperformer amid the rally in gold prices and risk on sentiment after an unanticipated delay on US tariffs post Trump’s inauguration. In contrast, Indonesian rupiah underperformed amid a dovish tilt by the country’s central bank.

Outlook

A new phase of the monetary cycle has begun following the Fed’s long-awaited rate cut back in September 2024, and we believe Asian Fixed Income will play a greater role in investment portfolios this year as it provides attractive carry and all-in yields relative to global peers to protect against market uncertainties, as well as diversification benefits. Shortly after Inauguration Day, the new US administration has indicated plans to impose tariffs on its neighboring countries, with additional plans for tariffs on China and the EU in the coming months. We believe such policy uncertainties will likely trigger further market volatility and hence, active management will be key in 2025 to navigating the persistently uncertain market environment. In Asia ex-China, we believe that certain central banks, including India, Indonesia, South Korea and Philippines, have room to continue their rate cut cycles in 2025 amid benign inflation, which should provide a supportive macro backdrop for the region. In China, policymakers have proactively rolled out series of supportive measures in late 2024 and have further strengthened their pro-growth stance with pledges of further fiscal and monetary support. Chinese authorities are also expected to provide more indications on both economic growth targets and fiscal budget forecasts for 2025 during the March National People’s Congress (NPC) meeting. We expect the government to step up stimulus measures 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.

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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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