

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

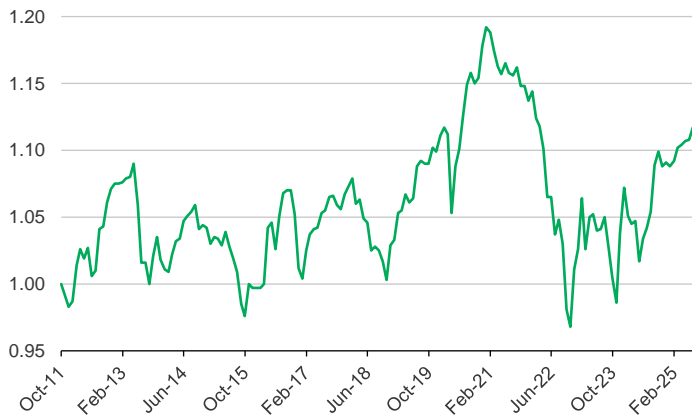
Inception Date October 2011	Fund Size USD 9.69 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 1.117	Management Fee 2.00% per annum	Bloomberg Ticker MPUSAPB	

Performance Return (June 30, 2025)

USD Asia Pacific Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.81%	2.67%	7.20%	7.71%	-0.80%	11.70%
Annualized	n.a.	n.a.	7.20%	2.51%	-0.16%	0.81%

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.

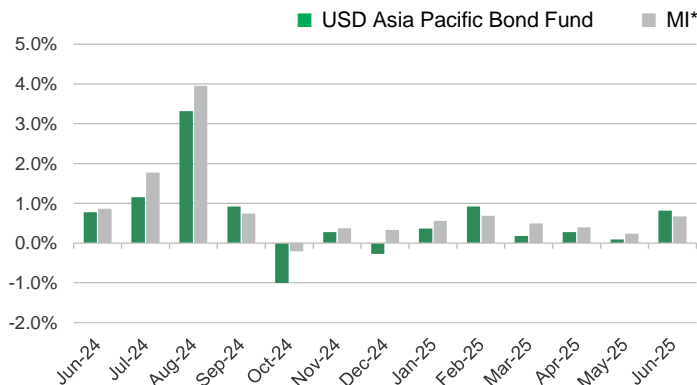
Monthly Net Asset Value per Unit



Top Five Holdings

SK Hynix Inc 5.5% 01/16/2029	1.69%
Rizal Commercial Banking Corp 5.5% 01/18/2029	1.68%
Metropolitan Bank & Trust Co 5.375% 03/06/2029	1.67%
Hyundai Card Co Ltd 5.75% 04/24/2029	1.67%
Motherson Global Investments BV 5.625% 07/11/2029	1.67%

Monthly Performance

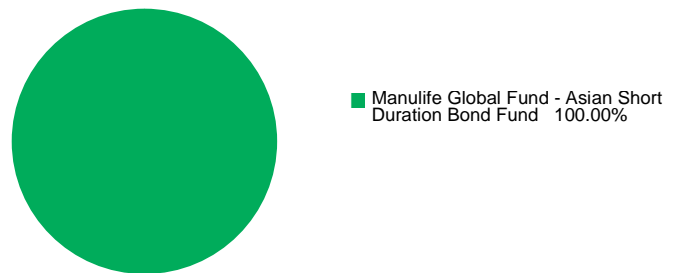


*Market Indicator = JACI Investment Grade 1-3 Years Index

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 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 month, the 10-year US Treasury yield declined from 4.40% to 4.23%.

In China, some economic data showed the initial negative impact of higher US tariffs before the framework bilateral trade agreement reached in Geneva in mid-May. Caixin Manufacturing Purchasing Managers Index (PMI) decreased to 48.3 in May from 50.4 in April, significantly below expectations and moving into contraction territory (reading less than '50'), as export orders and manufacturing output declined. Over the month, Chinese government agencies -- including the People's Bank of China (PBOC) and the Ministry of Finance -- announced new measures to boost and to expand consumption which include a re-lending program with a quota of CNY 500 billion for loans in key consumption areas. China local government bond yields trended lower over the period. In India, the Reserve Bank of India (RBI) cut its key interest rate by a larger-than-expected 50bps to 5.50%, while changed its stance from "accommodative" to "neutral," with the key message that this 50bps cut was intended to front-load the easing to support the Indian economy. Inflation continued to soften compared to the prior month and came at 2.82% year-on-year in May. Indian government bond yields trended higher over the period. In Indonesia, Bank Indonesia (BI) kept its key interest rate unchanged at 5.50% as market expected. Inflation softened and came at 1.60% year-on-year in May. Indonesia government bond yields trended lower over the period.

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.

Most Asian currencies strengthened against the US dollar in June. South Korean won outperformed on the back of trade optimism as the US showed flexibility on the deadline for the 90-day tariff pause, and the election of a new president in South Korea which removed concerns over political instability. In contrast, Philippine peso underperformed amid concerns over impacts on Philippine economy caused by higher oil prices.

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.

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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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