

# 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

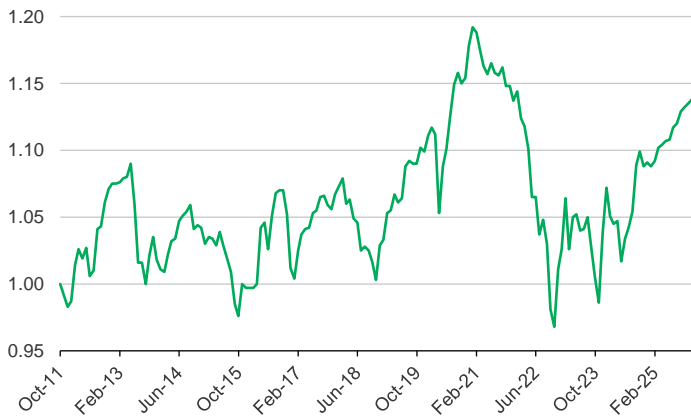
<b>Inception Date</b> October 2011	<b>Fund Size</b> USD 8.67 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 1.138	<b>Management Fee</b> 2.00% per annum	<b>Bloomberg Ticker</b> MPUSAPB	

## Performance Return (November 30, 2025)

USD Asia Pacific Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.26%	4.60%	4.31%	12.56%	-3.40%	13.80%
Annualized	n.a.	n.a.	4.31%	4.02%	-0.69%	0.92%

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.

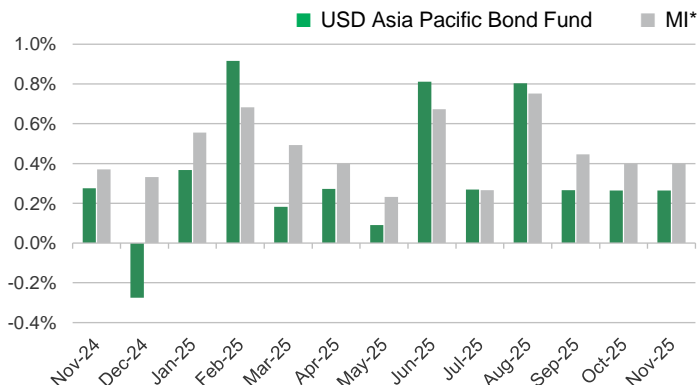
## Monthly Net Asset Value per Unit



## Top Five Holdings

SK hynix Inc 5.5% 01/16/2029	1.73%
Rizal Commercial Banking Corp 5.5% 01/18/2029	1.72%
Hyundai Card Co Ltd 5.75% 04/24/2029	1.71%
Metropolitan Bank & Trust Co 5.375% 03/06/2029	1.71%
Motherson Global Investments BV 5.625% 07/11/2029	1.71%

## Monthly Performance

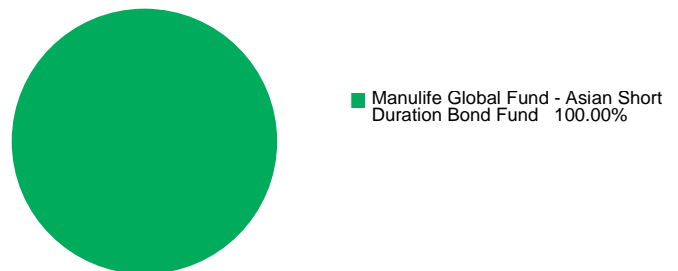


\*Market Indicator = JACI Investment Grade 1-3 Years Index

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, Treasury yields fell across most tenors as markets responded to comments by New York Fed President John Williams during a conference at the Central Bank of Chile, where he saw room for interest rates to fall further, without putting the US Federal Reserve's (Fed) goals at risk, due to labor market softening and the eventual easing of price pressures, as a result of tariffs. The US government reopened after its longest-ever shutdown of 43 days, allowing the release of important federal economic data used by policymakers to make decisions, but the quality of the data remained in question given the potential gaps and noises from the delay. Regarding the Fed's dual mandate, September nonfarm payrolls came in stronger-than-expected at 119k (vs. 52k estimate), while the release of inflation data, using the Fed's preferred metric of core personal consumption expenditures (PCE), remained delayed until early December 2025. Over the month, the 10-year US Treasury yield fell from 4.08% to 4.01%.

In China, data showed decelerating economic momentum in key economic areas. The RatingDog China Manufacturing PMI fell in October (50.6) from September (51.2) as the pace of new orders and activity decelerated, but remaining in expansion territory (reading above '50'). October exports recorded a negative growth for the first time since March last year (-1.1% year-on-year), driven by the sharp decline in shipments to the US and high base effect from last year. On the trade front, the US and China reached a trade and economic agreement, following the summit in South Korea, that delivered positive outcomes for both sides; this included a one-year suspension of certain non-tariff measures, including export controls and entity restrictions, and a reduction of higher tariffs on goods from both parties, while maintaining the existing 10% tariff in place. China local government bond yields trended higher over the period. In India, inflation showed a further easing and moved lower to 0.25% in November compared to 1.44% in October. The 3Q GDP grew at 8.2% year-on-year, above estimates, driven by a pickup in manufacturing, construction activity and domestic consumption. Indian government bond yields trended lower over the period. In Indonesia, Bank Indonesia (BI) held its key interest rate unchanged at 4.75% to support currency stability and maintain foreign capital inflows but remain open to further easing. Inflation moved higher to 2.86% year-on-year in October but still within BI's inflation target. The 3Q GDP grew at 5.04% year-on-year, slightly below prior quarter but above market estimates; the growth was supported by exports of goods and services. Indonesia government bond yields trended higher over the period.

Asian credit markets posted positive returns for the month on the back of stable carry and lower US Treasury yields, although there was some offset from aggregate credit spread widening. The J.P. Morgan JACI Investment Grade Corporate Bond index rose by 43bps and aggregate Asian IG corporate credit spreads widened by 14 bps. On the investment grade front, Chinese mainland credits outperformed as sentiment stabilized on further de-escalation between US and China following a trade agreement and fourth plenum's vow to support longer-term growth. Limited supply of new bonds from China, as issuers switched to CNH market, also support the trading technical of Chinese mainland credits. South Korea outperformed as it has agreed to invest \$350 billion in the US, and the US would lower tariffs on automobiles and auto-parts from 25% to 15%. South Korea's export growth had also exceeded expectations driven by auto-related sectors, following the trade deal, and record semiconductor chip sales, due to strong technology demand. Indonesia and Philippines underperformed as global investors derisk towards year-end. The Asian dollar primary market was active during the month, with well-oversubscribed issuances from the Chinese mainland government, a large bond sale by Meituan, and sizeable issuances from Japanese and Australian financial institutions.

Asian currencies had mixed performance against the US dollar in November. The Malaysia ringgit outperformed amid solid macroeconomic data and stable policy. On the other hand, South Korean won continued to underperform amid AI tech sell-off and foreign outflows from the South Korean equity market over the month.

## 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 and South Korea have provided some comfort to the markets, notable uncertainties remain. 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 selective markets have room to continue easing 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.

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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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