

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 8.72 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 1.135	Management Fee 2.00% per annum	Bloomberg Ticker MPUSAPB	

Performance Return (October 31, 2025)

USD Asia Pacific Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.27%	4.32%	4.32%	17.25%	-1.65%	13.50%
Annualized	n.a.	n.a.	4.32%	5.45%	-0.33%	0.91%

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.

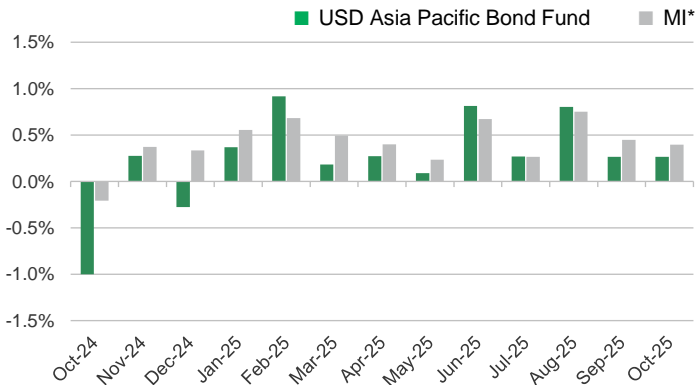
Monthly Net Asset Value per Unit



Top Five Holdings

Security Bank Corp 5.5% 05/14/2029	1.73%
China Cinda 2020 I Management Ltd 5.75% 05/28/2029	1.73%
SK hynix Inc 5.5% 01/16/2029	1.71%
POSCO Holdings Inc 5.125% 05/07/2030	1.71%
Rizal Commercial Banking Corp 5.5% 01/18/2029	1.70%

Monthly Performance

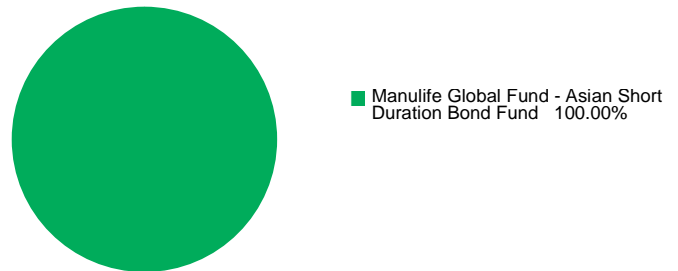


*Market Indicator = JACI Investment Grade 1-3 Years Index

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 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%.

In China, the RatingDog China Manufacturing PMI rose in September (51.2) from August (50.5), hitting a six-month high on the back of rising new orders. The Q3 GDP print came in at 4.8% year-on-year, slightly above consensus. During the 4th Party Plenum of the 20th CPC Central Committee, the policymakers approved the 15th Five-Year Plan with the focus on technology, industry self-sufficiency and national security. Over the month, the PBOC left the 1-year and 5-year loan prime rate unchanged at 3.00% and 3.50% respectively; however, it announced it will restart the large-scale purchases of long-term government bonds in the open market as part of further easing. On the other side, the US and China have reached a framework agreement on trade deals following the October APEC summit. China local government bond yields trended lower over the period. In India, refiners are reportedly poised to significantly reduce oil imports from Russian to comply with new US sanctions, a move that could potentially remove a major hurdle to a trade deal with the US. On the economic side, inflation moved lower to 1.54% in September compared to prior month. Indian government bond yields trended lower over the period. In Indonesia, Bank Indonesia (BI) disappointed market expectations for a 25bps rate cut; however, it maintained a dovish stance, citing slow monetary policy transmission and stronger-than-expected growth as reasons for their decision, and remains committed to providing liquidity to the market. On the economic side, inflation moved higher to 2.65% year-on-year in September but still within BI's inflation target. 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, 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.

Asian currencies had mixed performance against the US dollar in October. The Malaysia ringgit outperformed amid robust Q3 GDP growth, better-than-expected September trade figures and positive development on reaching a reciprocal trade agreement between the US and Malaysia. On the other hand, South Korean won underperformed as South Korea has committed to a \$350 billion investment in the US with cash instalment over 10 years.

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 be 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.

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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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