

USD Global Health 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 which aims to provide medium to long term capital growth by investing mainly in equity and equity-related securities in health care and related industries globally, which are listed on any stock exchange. The Target Fund may invest in companies which derive a significant portion of their earnings from medical and pharmaceutical products and services. The remaining assets may include bonds and deposits.

Fund Information

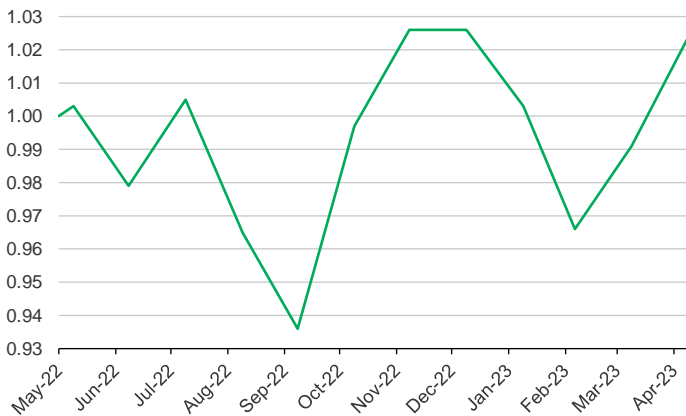
Inception Date May 2022	Fund Size USD 221.41 thousand	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 1.023	Management Fee 2.25% per annum	Bloomberg Ticker PHEQUUH	

Performance Return (April 30, 2023)

USD Global Health Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	3.23%	-0.29%	n.a.	n.a.	n.a.	2.30%
Annualized	n.a.	n.a.	n.a.	n.a.	n.a.	2.30%

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.

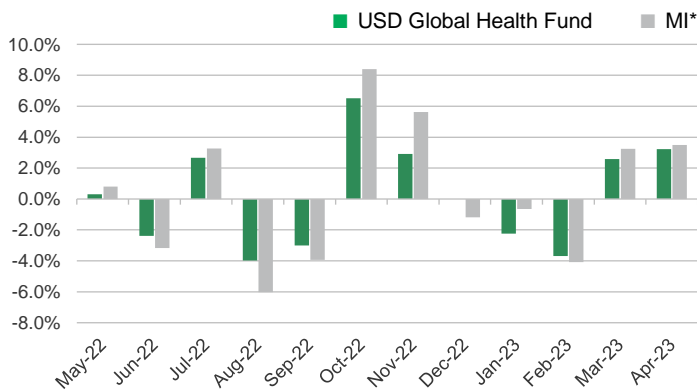
Monthly Net Asset Value per Unit



Top Five Holdings

Eli Lilly and Company	7.48%
UnitedHealth Group Incorporated	6.76%
Novo Nordisk A/S Class B	5.86%
AstraZeneca PLC	5.30%
Merck & Co., Inc.	5.19%

Monthly Performance



*100% MSCI World/Healthcare NR USD 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 - Healthcare Fund 100.00%

USD Global Health Fund

Market Review

The world equity markets generated broad-based gains in April, building on the rally that began in late March. Investors displayed confidence that the bank failures that made headlines in the first quarter had been largely contained and would not prove to be a source of systemic risk. In addition, the markets remained supported by hopes that the US Federal Reserve Board and other central banks would be finished raising rates by mid-2023. The futures markets also indicated mounting expectations that the Fed may begin cutting rates before year-end. The major indices were further boosted by better-than-expected corporate earnings, especially for mega-cap US technology-related stocks. While profits were being measured against a lowered bar, this development nonetheless helped alleviate long-standing concerns that rising rates would fuel an earnings recession.

The European markets performed exceptionally in April, continuing the trend that characterised the first quarter. On the other hand, renewed weakness in China resulted in underperformance for the emerging markets. Global mid- and small-cap stocks also lagged due to concerns about the potential effects of slowing economic growth.

The Healthcare sector provided a positive return and outperformed global markets, as measured by the MSCI World Index. The healthcare equipment & supplies and pharmaceuticals sub-sectors performed best, while life science tools & services and healthcare technology companies underperformed.

Outlook

We believe exposure to the Healthcare sector offers the potential for strong long-term outperformance. In particular, we believe the COVID-19 pandemic has invariably created structural changes in the healthcare industry, providing enhanced investment opportunities across select segments of the sector. We continue to deploy our bottom-up fundamental investment process informed by assessments of emerging scientific and medical trends coupled with our intrinsic valuation analysis. This approach should ensure that our allocation of capital is focused on companies tackling important unmet medical needs, pursuing underappreciated market opportunities and/or demonstrating an ability to bend the healthcare cost curve.

Within the biopharmaceuticals sub-sector, we are focused on companies with best-in-class product portfolios serving patients in disease states with inelastic demand. Our aforementioned findings related to structural changes in the healthcare industry support the urgency to effectively manage other pre-existing disease states (cancer, metabolic syndrome, asthma and other immunologic disorders), which our research suggests pre-dispose these comorbid patients to higher morbidity and mortality from COVID. Accordingly, this has led us to establish/increase positions in biopharmaceutical companies over-indexed to cardiovascular disease, Alzheimer's disease and diabetes. We have also maintained select positions in certain companies with direct exposure to COVID-19 therapeutics and vaccines, consistent with our thesis that the endemic state of COVID will persist.

Fundamentals within specific pockets of both the healthcare equipment & supplies and life science tools & services industries remain attractive. Specifically, we believe select companies will continue to reap the benefits of the excess cashflows generated from COVID testing, consistent with the emerging endemic state of COVID. We believe several of these companies will generate above-market returns as the incremental research, capex and pipeline investments they have implemented reach fruition in the coming quarters and years.

Within the healthcare providers & services industry, we see value in select supply chain companies, specifically pharmaceutical wholesalers. We expect these companies to see improving margins from accelerating drug inflation and continued recovery in prescription volumes. We have also maintained our positioning in select healthcare insurers, commensurate with improved profit profiles associated with the COVID-19-induced reduction in office visits and surgeries in the Medicare population.

Mergers and acquisitions in the Healthcare sector remain abundant as we have entered the later stages of a multi-year capital markets financing window, and the historic run of initial public offerings and secondary offerings has waned. We believe the Fund is well positioned in this regard, as demonstrated by the recent completion of an acquisition of one of our Healthcare IT companies.

Notwithstanding the aforementioned headline risks, we believe the defensive characteristics of the sector, coupled with solid organic growth in select companies, should provide strong outperformance over a full market cycle.

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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