

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

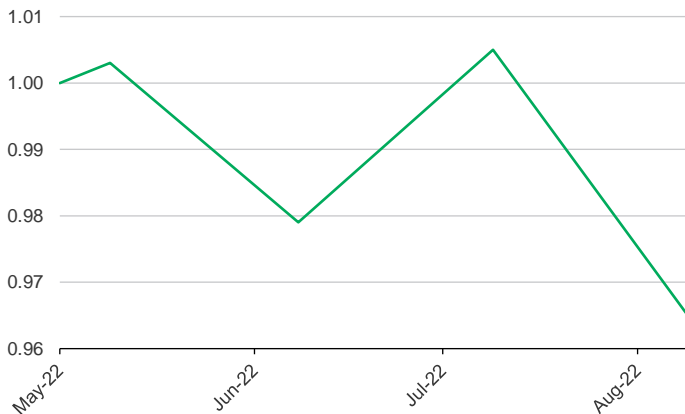
Inception Date May 2022	Fund Size USD 162.60 thousand	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 0.965	Management Fee 2.25% per annum	Bloomberg Ticker PHEQUUH	

Performance Return (August 31, 2022)

USD Global Health Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-3.98%	n.a.	n.a.	n.a.	n.a.	-3.50%
Annualized	n.a.	n.a.	n.a.	n.a.	n.a.	-3.50%

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.

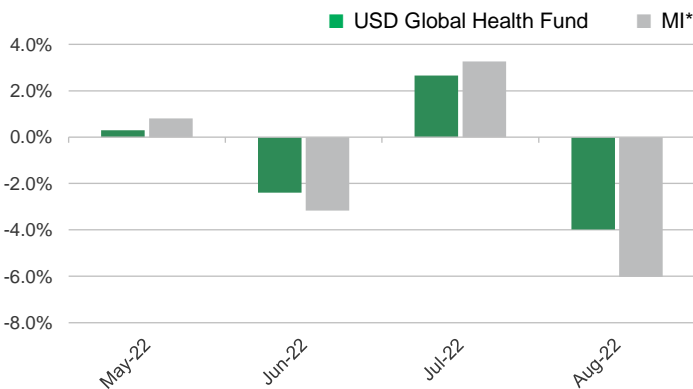
Monthly Net Asset Value per Unit



Top Five Holdings

UnitedHealth Group Incorporated	7.84%
Eli Lilly and Company	7.28%
Pfizer Inc.	6.10%
Johnson & Johnson	5.52%
Thermo Fisher Scientific Inc.	5.33%

Monthly Performance

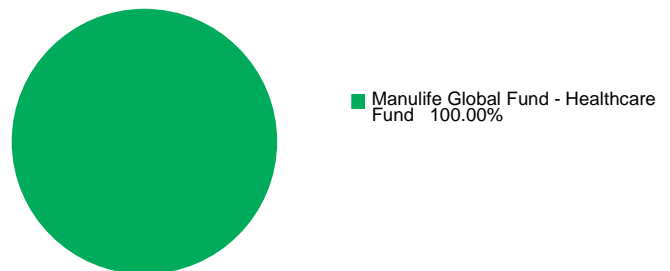


*100% MSCI World/Healthcare NR USD index

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)



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Market Review

World equity markets lost ground in August, adding to their downturn in the first seven months of the year. The investment backdrop was actually quite positive for most of the month, with investors viewing the combination of slowing economic growth and comments by US Federal Reserve Board (Fed) Chairman Jerome Powell as a sign that the central bank would “pivot” to a more accommodative policy before year-end. However, these hopes were dashed late in the month when Powell’s speech at the annual Jackson Hole Economic Symposium made it clear that no such shift was in the offing. This development, together with concerns about a growing energy crisis in Europe, ultimately caused stocks to finish August in negative territory. European equities were notable laggards due to mounting worries that limited energy supplies could lead to a significant economic downturn in the winter. On the other hand, the United States, Canada, and the emerging markets—whilst closing in the red—outperformed in relative terms.

The health care sector was affected by the downturn in global markets during the month. The healthcare providers and services and biotechnology sub-sectors held up best and provided relative safety in a tough environment, whilst the healthcare technology and life science tools and services sub-sectors detracted.

Outlook

We believe select companies within the health care sector offer the potential for strong long-term outperformance. We continue to deploy our bottom-up fundamental investment process informed by assessment of emerging scientific and medical trends coupled with our intrinsic valuation analysis. This process should continue to ensure that our allocation of capital to companies tackling important unmet medical needs drives portfolio construction with deference to appropriate valuation discipline.

We continue to monitor the covid pandemic globally and have positioned the portfolio consistent with our conclusions. As such, within the biopharmaceuticals sub-sector, we are focused on companies with best-in-class product portfolios serving patients in disease states with inelastic demand (cancer, diabetes, etc.). In addition, we have selectively rounded up positions with direct exposure to covid therapeutics and vaccines, consistent with our continued thesis that the pandemic/endemic will persist for several more quarters if not years. We also continue to monitor potential volatility given possible US drug pricing actions corresponding with recent congressional legislative initiatives. Drug pricing and access provisions of the recently passed Inflation Reduction Act appear relatively neutral in our view but warrant continued scrutiny and analysis.

Fundamentals within specific pockets of both the health care equipment & supplies and life science tools & services industries remain attractive, although valuations remain somewhat stretched. Specifically, select established leaders in the covid diagnostics space offer a unique investment opportunity as we believe the durability of these businesses is currently being underappreciated by the market. In addition, we expect certain companies to experience disproportionate disruptions as a result of the ongoing pandemic and have reduced our exposures accordingly.

Within the health care 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 increased our positioning in select healthcare insurers commensurate with improved profit profiles associated with the covid induced reduction in office visits and surgeries in the medicare population.

Mergers and acquisitions activity in the health care sector appears to be increasing as we have entered the later stages of a multi-year capital markets financing window, and we expect the historic run of initial public offerings and secondary offerings to continue to wane over time. We believe the Fund is well positioned in this regard.

Notwithstanding the aforementioned headline risks, we believe that the defensive characteristics of the sector coupled with strong 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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