

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

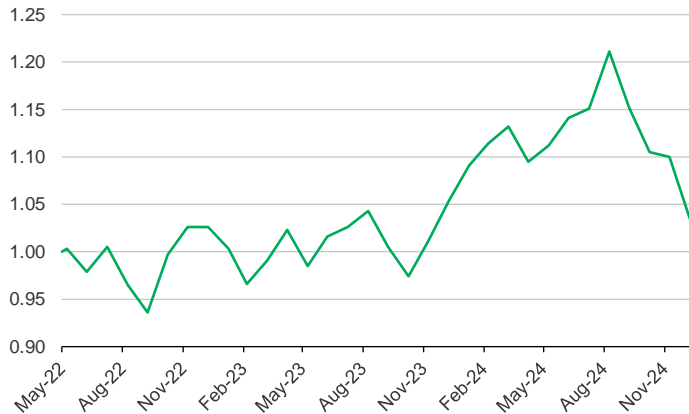
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|--------------------------------------|--|------------------------------------|-----------------------------------|
| Inception Date May 2022 | Fund Size USD 613.55 thousand | Fund Currency US dollar | Dealing/Valuation Daily |
| Price (NAV/unit) USD 1.035 | Management Fee 2.25% per annum | Bloomberg Ticker PHEQUUH | |

Performance Return (December 31, 2024)

| USD Global Health Fund (net of management fee) | 1 Month | YTD | 1 Year | 3 Years | 5 Years | Since Inception |
|---|---------|--------|--------|---------|---------|-----------------|
| Absolute | -5.91% | -1.71% | -1.71% | n.a. | n.a. | 3.50% |
| Annualized | n.a. | n.a. | -1.71% | n.a. | n.a. | 1.33% |

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.

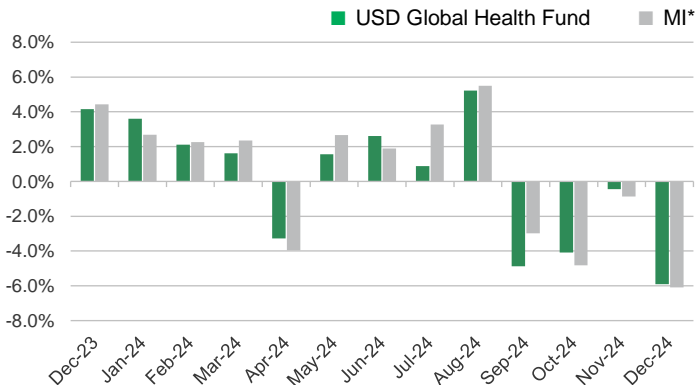
Monthly Net Asset Value per Unit



Top Five Holdings

| | |
|---------------------------------|-------|
| Eli Lilly and Company | 9.74% |
| Merck & Co., Inc. | 5.75% |
| UnitedHealth Group Incorporated | 5.59% |
| Novo Nordisk A/S Class B | 5.27% |
| AstraZeneca PLC | 5.24% |

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

Global equity markets closed out a positive year with negative returns in December (when measured in US dollar terms). This was driven by concerns of sluggish economic growth outside the US and the possibility that the US Federal Reserve Board (Fed) will maintain a somewhat restrictive policy in 2025. On the other hand, continued rate cuts by the US Fed and European Central Bank, as well as the central banks in Canada and Switzerland, helped mitigate losses. The US finished the year as a notably performing developed market but fell in December along with other economies. Canada, Japan and the major continental European regions also declined for the month. Meanwhile, emerging markets outpaced their developed peers, led by China, Taiwan, and oil-producing regions in Africa and the Middle East.

The healthcare sector declined and lagged during the period, as measured by the MSCI World Index. The life sciences tools and services, health care equipment and supplies, biotechnology, and pharmaceuticals sub-sectors performed well, while the healthcare providers and services sub-sectors lagged.

Outlook

We believe that the defensive characteristics of the sector coupled with solid organic growth in select companies should provide strong performance over a full market cycle. In particular, the COVID-19 pandemic has created structural changes within healthcare that has facilitated enhanced investment opportunities across select segments of the sector. We expect mergers and acquisitions to remain abundant as healthcare companies with strong balance sheets utilize excess capital to expand pipeline and product offerings.

Recent volatility in the healthcare sector following the US presidential election has been noteworthy. In particular, concerns over president-elect Trump's nominees for important healthcare administrative roles (including nominations for Secretary of Health and Human Services (HHS), Commissioner of the FDA, and Administrator of CMS) have led to concerns over longstanding U.S. policies regarding vaccine administration, FDA regulatory approval pathways, and CMS's Medicare/Medicaid reimbursement frameworks. While we cannot predict the likelihood of success for any of these nominees, we remain comfortable that practical changes to longstanding policies in these agencies will be incremental at best. We expect that legislative oversight from the US Congress, along with meaningful input from corporations governed by such policies and the broader scientific community, can and should curtail any dramatic changes in this regard.

From a portfolio perspective, we believe that we are very well positioned to avoid undue exposure to any of these potential headwinds, including the possible appointment of the current nominee to the role of HHS Secretary. We anticipate that this nominee's primary focus will likely be on issues of food safety and the vaccination policy. Fortunately, our portfolio has been and remains under indexed to these prospective issues.

Within biopharmaceuticals, we are focused on companies with best-in-class product portfolios serving patients in disease states with inelastic demand. Our previous 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 post-COVID. Accordingly, this has led us to favor biopharmaceutical companies over-indexed to cardiovascular disease, neurological disease, and diabetes.

Fundamentals within select areas of both the health care equipment and supplies and life science tools and 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 ongoing 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 continue to reach fruition in the coming quarters and years.

Within the healthcare providers and services industry, we see value in select supply chain companies, specifically pharmaceutical wholesalers. We expect these companies to see improving margins from favorable modifications to patient co-pay obligations driving elevated prescription volumes. We have also modified our positioning in select healthcare insurers given elevated drug utilization and higher patient morbidity in the Medicare population.

Overall, we continue to emphasize a bottom-up fundamental research process informed by our assessment of emerging scientific and medical trends, coupled with a thorough 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.

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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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