USD Global Health Fund

July 31, 2022

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 120.38 thousand	**Fund Currency** US dollar	**Dealing/Valuation** Daily
Price (NAV/unit) USD 1.005	**Management Fee** 2.25% per annum	**Bloomberg Ticker** PHEQUUH	

Performance Return (July 31, 2022)

USD Global Health Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	2.66%	n.a.	n.a.	n.a.	n.a.	0.50%
Annualized	n.a.	n.a.	n.a.	n.a.	n.a.	0.50%

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

Information will be provided once available

Top Five Holdings

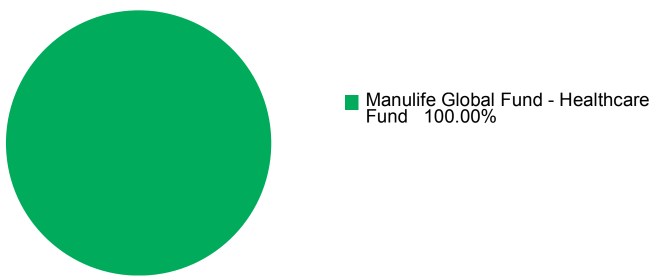
UnitedHealth Group Incorporated	7.80%
Eli Lilly and Company	7.58%
Pfizer Inc.	6.49%
Johnson & Johnson	5.66%
Thermo Fisher Scientific Inc.	5.57%

Monthly Performance

Information will be provided once available

Portfolio Breakdown

Asset Allocation (at Market Value)



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Market Review

After an initial downdraft early in the month, global equities recovered to close July with a solid gain. Investor sentiment improved as signs of slowing economic growth raised hopes that the US Federal Reserve Board (Fed) and other central banks would pivot to more dovish monetary policies by the end of the year. Investors therefore began to look past the current tightening cycle—including the Fed's decision to raise interest rates by three-quarters of a percentage point on 28 July—to the possibility of rate cuts in early 2023. The markets were also boosted by better-than-expected earnings from US mega-cap technology companies, which helped the United States deliver one of the strongest returns among the major developed markets. On the other hand, the emerging markets lagged considerably. China gave back its gains of the previous month amid renewed concerns about the nation's property sector, weighing on the broader category. Despite the positive showing in July, global equities remain firmly in negative territory on a year-to-date basis.

The healthcare sector delivered solid positive returns during the period although it underperformed global markets, as measured by the MSCI World Index. The momentum trade roared back during the month as the higher growth segments of the market outperformed with the healthcare technology and life science tools & services sub-sectors outperforming relative to the overall sector. The pharmaceuticals and biotechnology sub-sectors underperformed.

Outlook

We believe select companies within the healthcare 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-19 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-19 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 ongoing congressional legislative initiatives. These pricing actions may appear more likely given recent developments in Washington and warrant our continued scrutiny and analysis.

Fundamentals within specific pockets of both the healthcare equipment & supplies and life science tools & services industries remain attractive, although valuations remain somewhat stretched. Specifically, select established leaders in the Covid-19 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 Covid-19 pandemic and have reduced our exposures accordingly.

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 increased 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 activity in the healthcare 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 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.
