

USD Global Multi-Asset Income 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 achieve income generation by investing primarily in a diversified portfolio of equity, equity-related, fixed income and fixed income-related securities of companies and/or governments globally (including the emerging markets).

Fund Information

Inception Date May 2022	Fund Size USD 5.78 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 1.069	Management Fee 2.25% per annum	Bloomberg Ticker PHEQUUM	

Performance Return (September 30, 2024)

USD Global Multi-Asset Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	1.16%	10.52%	18.24%	n.a.	n.a.	19.23%
Annualized	n.a.	n.a.	18.24%	n.a.	n.a.	7.75%

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.

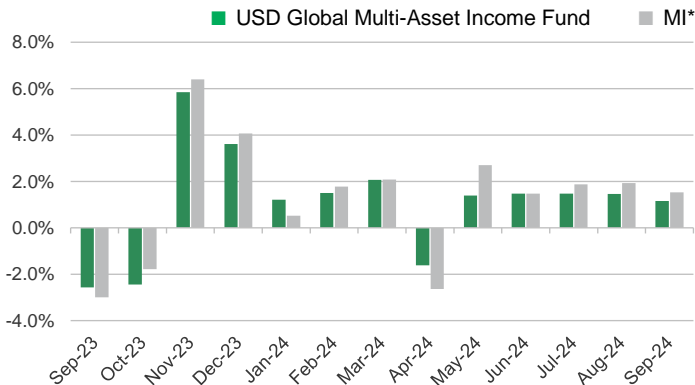
Monthly Net Asset Value per Unit



Top Five Holdings

FEDERAL AGRICULTURAL MORTGAGE CORP DISCOUNT NOTES 0% 01/10/2024	3.46%
MICROSOFT CORPORATION	1.16%
APPLE INC.	1.15%
NVIDIA CORPORATION	1.15%
ALPHABET INC.	0.90%

Monthly Performance

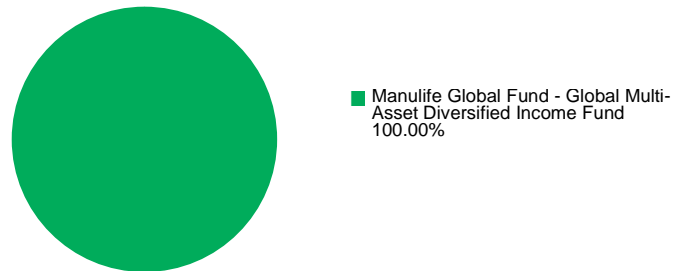


*50% MSCI World GR (USD) Index + 50% Bloomberg Barclays Global Aggregate Bond (USD Hedged) Index

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)



USD Global Multi-Asset Income Fund

Market Review

September was a solid month for most major asset classes as markets rebounded when major central banks continued with easier monetary policies, with the US Federal Reserve Board (Fed) delivering the first rate cut since 2020, despite a difficult start to the month. Equities moved higher towards the end of the month, driven by China as the Chinese government unveiled a series of monetary and fiscal support measures. Fixed income markets were buoyed by lower rates as bond yields declined. There was also widespread strength in commodities, with gold reaching a new high, while crude oil continued to weaken.

The US labor market data were mixed with the unemployment rate, edging lower to 4.2%, but the job gains were below expected. The US economic data across industrial production and retail sales remained upbeat. Regarding inflation data in August, inflation continued to moderate with the headline and core inflation rate, edging lower to +2.5% year-on-year (YoY) and +3.2% YoY, respectively. The US Fed reduced the policy rates by 50 bps, which was more than expected, and signaled that further easing is on the way. US Fed officials emphasized a shift in focus towards the labor market, reaffirming the US Fed's commitment to supporting strong employment as inflation risks have moderated.

European equities were muted in September, despite the European Central Bank (ECB) cutting their policy rates by 25 bps to 3.5%. Economic data in the eurozone was subdued with the composite Purchasing Managers' Index (PMI) contracting more than expected to the lowest 48.9 since the start of the year. The eurozone headline and core inflation rate fell to 1.8% YoY and 2.7% YoY, respectively. The UK's activity momentum continued and remained robust with both manufacturing and service PMI remaining above expansionary levels for several consecutive months, while inflation data was stronger with headline inflation remaining unchanged at 2.2% YoY and core inflation rising to 3.6% YoY.

Within Asia, the Chinese market surged sharply by almost 25% as the Chinese government announced more substantial measures to support the economy. The stimuli include lowering borrowing costs, easing mortgage down payment requirements and strengthening funding support by the central bank. In Japan, despite a less hawkish tone from the Bank of Japan (BoJ), which helped mitigate some of the losses, Japanese equities still finished the month with a decline.

Equities gained in September with the MSCI ACWI up +2.36% and MSCI World up +1.87%. Asia Pacific ex Japan stood out at the forefront of the rankings, gaining +7.90% led by China, which gained +21.7% over the month. Emerging markets also performed well, delivering +6.72% returns, while the US (S&P 500) added +2.14%. Japan was the laggard, falling -0.44%.

Within MSCI World, utilities drove the gains adding +5.46%, followed by consumer discretionary with +5.27%. Healthcare and energy lagged, detracting -2.95% and -3.21%, respectively.

Fixed income markets broadly gained over the month as bond yields fell on the US Fed rate cut. The US 10-year Treasury yield ended at 3.79% at the end of the month. The FTSE World Government Bond Index performed well, gaining +1.64%. Global investment-grade credits and global high yields were positive, adding +1.83% and +1.95%, respectively.

In foreign exchange, major currencies strengthened against the US dollar, including the JPY (+2.75%), GBP (+1.98%) and EUR (+0.82%).

Outlook

Looking ahead, our medium- to long-term outlook suggests that ultimately lower interest rates would be accommodative for economic growth with inflation coming down and continuing resilience in corporate earnings growth. However, volatility persists amid a complex macroeconomic landscape where geopolitical risks and the potential for a global economic slowdown are potential headwinds going into Q4 2024. Recent developments in respect to the US elections are likely to result in further uncertainty, given policy impact to varying market sectors.

We believe the global easing cycle has begun with signs of disinflation across most regions, albeit there are concerns around a weakening job market. All major central banks have indicated that the next moves are cuts, provided inflation continues to moderate, except for the BoJ, which finally moved out of its negative interest rate policy. The global easing cycle will un-pause. Uncertainty around the US Fed's path had created a stalemate among other global central bank monetary policy decisions. With the US Fed now looking more certain, other central banks that had slowed or paused their own easing cycles should now be set to resume. We could expect a more synchronous easing cycle across most central banks, given a clearer US Fed policy path and a potentially weaker US dollar. The question now turns to how far and how fast the Federal Open Market Committee (FOMC) will cut rates. The labor market remains the primary focus, with key data releases becoming market moving events as investors navigate the pace of easing, which we expect will be more aggressive than the 150 bps that the US Fed currently projects in through the end of 2025, especially given the US Fed's benign unemployment rate and GDP (gross domestic product) forecasts. We currently expect the US Fed funds rate to be 4.25% at the end of 2024 and 3% by the end of 2025. The size and shape of this easing cycle depends on whether we see downside surprises to the labor market and consumer data.

We continue to expect that the US economy cools, albeit slowly. With the exception of household consumption, most sectors of the US economy have slowed (housing, business investment, and international trade). We also see limited upside potential for consumption. With labor demand slowing, we believe a moderate hit to income and consumer confidence, which would ultimately weigh on households' ability to spend. We expect volatility around disappointing macro data as markets adjust the odds of a weak growth environment. While the discussion around whether or not the US can stick the landing is alive and well, we would note that other parts of the world have in fact experienced weaker growth. Several parts of Europe, the UK, Japan, Canada, and China have all experienced underwhelming growth at various points over the last six quarters. The US slowdown dynamic would imply a slowdown in the global trade and manufacturing cycles. A pronounced deceleration would become a clear headwind for risk assets globally, especially for markets that are reliant on exports of commodities and manufactured goods. Any regional-level assessment should include careful consideration of its exposure to the global trade impulse.

USD Global Multi-Asset Income Fund

In Asia, negative sentiment has been dominated by a faltering structural trend in aggregate growth in China, with particularly persistent tail risks to the property sector. While the coordinated announcements by the politburo and People's Bank of China (PBoC) signal a clear shift in the stance of policymakers and willingness to explore new channels to revive economic activity, significant uncertainty remains as we still lack important details on the fiscal policies that would actually matter to foster a sustainable turnaround in the economy. Having said that, equity valuations in Asian markets tip toward the favorable side of the equation.

Elsewhere in Japan, the BoJ hiking cycle is an outlier against global easing cycle. Policy normalization has begun in Japan. Stabilization in economic activity and the expectation that inflation expectations reach 2% suggest the BoJ is normalizing its policy rate over the next two years. We now see a potential terminal rate for 2024 at 1.0% and expect at least two more hikes in 2025, which could cause significant volatility in the Japanese yen and the subsequent impact of the carry trade on global risk assets. The yen should strengthen due to favorable interest rate differentials with the rest of the world, and the yield curve should slowly flatten as the BoJ raises rates towards neutral.

The potential end of the global rate-hike cycle is supportive of our view of equities, but an uncertain macroeconomic landscape is a potential headwind for equities. Corporate earnings have generally remained strong, and consumers have remained resilient for the most part, albeit more recently that could be coming into question. Given the uncertainty surrounding several factors—among them monetary policy, geopolitical tensions, and recessionary risks, we are focusing on quality across equity assets. At the same time, we appreciate the excitement surrounding artificial intelligence (AI) and the magnitude of its potential impacts on revenue monetization, productivity, and cost-cutting, and seek pockets of related growth opportunities. The second half of 2024 should see a more favorable environment for equities with corporate earnings strength broadening beyond large-cap technology names, while market support into the November US election should also help keep markets broadly buoyant.

Overall, we expect the market to experience some volatility to the end of 2024, particularly as investors reprice interest rate and potentially inflation expectations. We maintain that there are downside risks to the economy, given tighter credit conditions, but are hopeful these will be alleviated into the year-end. Tactical positioning will be more prevalent again as we continue into the rest of 2024, to nimbly add and de-risk portfolios, as well as add to yield opportunities as they arise.

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.

The information and/or analysis contained in this material have been compiled or arrived at from sources believed to be reliable but The Manufacturers Life Insurance Company ("Manulife Philippines") does not make any representation as to their accuracy, correctness, usefulness or completeness and does not accept liability for any loss arising from the use hereof or the information and/or analysis contained herein. 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. Neither Manulife Philippines or its affiliates, nor any of their directors, officers or employees shall assume any liability or responsibility for any direct or indirect loss or damage or any other consequence of any person acting or not acting in reliance on the information contained herein.

The information in this material may contain projections or other forward-looking statements regarding future events, targets, management discipline or other expectations, and is only as current as of the date indicated. There is no assurance that such events will occur, and may be significantly different than that shown here. The information in this material including statements concerning financial market trends, are based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons. This material was prepared solely for informational purposes and does not constitute a recommendation, professional advice, an offer, solicitation or an invitation by or on behalf of Manulife Philippines to any person to buy or sell any security. This material should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any investment products or to adopt any investment strategy. Nothing in this material constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. Past performance is not an indication of future results.

Manulife and the block design are registered service marks and trademarks of The Manufacturers Life Insurance Company and used by it and its affiliates including Manulife Financial Corporation.