

# USD Global Preferred Securities 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 provide income generation with potential long-term capital appreciation by investing primarily in preferred securities listed or traded on any regulated market in the world.

## Fund Information

<b>Inception Date</b> May 2021	<b>Fund Size</b> USD 6.20 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 0.797	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> PHBAUGP	

## Performance Return (August 31, 2025)

USD Global Preferred Securities Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	1.27%	3.10%	4.13%	11.13%	n.a.	-0.03%
Annualized	n.a.	n.a.	4.13%	3.58%	n.a.	-0.01%

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.

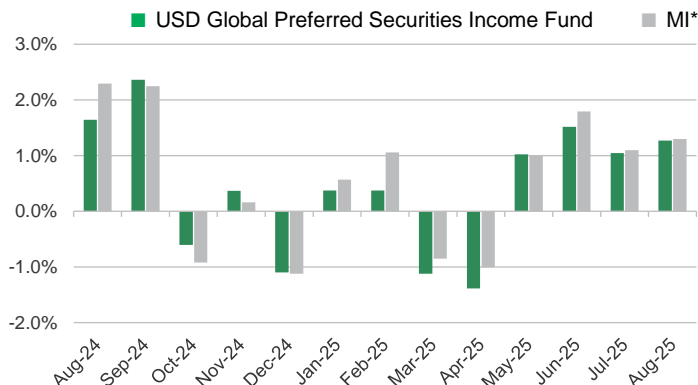
## Monthly Net Asset Value per Unit



## Top Five Holdings

ALTAGAS LTD 7.2% 10/15/2054	1.62%
VISTRA CORP 8.875% Perpetual	1.54%
GLOBAL ATLANTIC FIN CO 7.95% 10/15/2054	1.49%
ATHENE HOLDING LTD 6.625% 10/15/2054	1.49%
SEMPRA 6.4% 10/01/2054	1.47%

## Monthly Performance



\*Market Indicator = 50% BoFA Merrill Lynch Fixed Rate Preferred Securities Index and 50% BoFA Merrill Lynch US Capital Securities 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 Preferred Income Feeder Fund and/or Manulife Global Fund Preferred Securities Income Fund 100.00%

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## Market Review

US bonds posted positive returns in August as bond yields declined broadly. The key factor behind falling bond yields was a weaker-than-expected employment report, which included not only below-trend job growth in the current month, but also downward revisions to prior months. Weakness in the labor market increased investor expectations of an interest rate cut by the US Federal Reserve (Fed) at its next policy meeting in September. The Fed Chair confirmed the increased likelihood of a September rate cut during a speech at the Fed's annual economic symposium in late August.

For the month, short- and intermediate-term bond yields declined the most, reflecting the greater chance of a near-term Fed rate cut. However, long-term yields rose slightly amid continued concerns about the potential inflationary effects of US tariff policy. Sector performance was uniformly positive, with high-yield corporate bonds and mortgage-backed securities (both residential and commercial) leading the market's advance.

## Outlook

With the shift in market focus from the Fed and inflation to tariffs and their impact on growth, interest rate volatility has increased, and credit spreads have narrowed. The Federal Reserve is widely expected to cut interest rates by 0.25% at its mid-September meeting, which would mark a shift from the tightening cycle of recent years. This move is primarily driven by recent signs of a softening labor market, while inflation remains above the Fed's 2% target. Diversification across sectors like electric utilities, insurance, and telecom is essential for managing the economic slowdown headwinds.

We prefer defensive sectors, such as electric utilities, which have shown resilience during challenging periods and offered solid downside protection. This sector is mainly shielded from the current tariff war. Most of the preferred universe consists of financials, expected to experience little to no direct impact from tariffs, especially in the insurance sector. In conclusion, there are still attractive opportunities to generate income within credit and spread sectors, with potential for spread compression and limited risk of permanent capital loss.

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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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