

# 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 6.22 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 0.803	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> PHBAUGP	

## Performance Return (December 31, 2025)

USD Global Preferred Securities Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.25%	3.88%	3.88%	19.41%	n.a.	0.72%
Annualized	n.a.	n.a.	3.88%	6.09%	n.a.	0.16%

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.

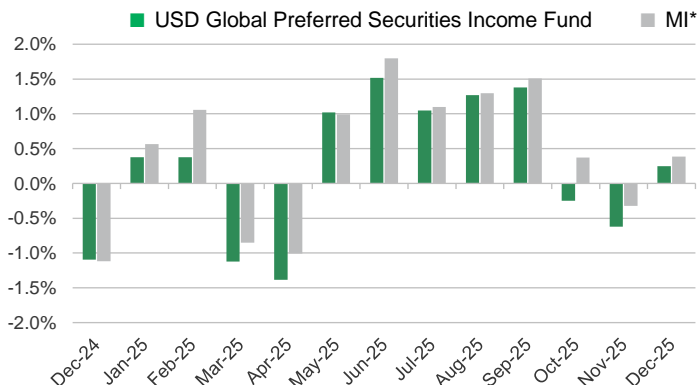
## Monthly Net Asset Value per Unit



## Top Five Holdings

ALTAGAS LTD 7.2% 10/15/2054	1.71%
ATHENE HOLDING LTD 6.625% 10/15/2054	1.54%
GLOBAL ATLANTIC FIN CO 7.95% 10/15/2054	1.52%
T-MOBILE USA INC 6.25% 09/01/2069	1.50%
CITIGROUP CAPITAL XIII 10.47% 10/30/2040	1.44%

## 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 mixed results in December but declined fractionally overall, ending a solid year for the bond market on a down note. The US Federal Reserve (Fed) lowered short-term interest rates for the third time in the past four months. A softening labor market and expectations for decelerating growth going forward were the catalysts for the US Fed rate cut, which put downward pressure on short-term bond yields. However, intermediate- and long-term bond yields rose in December amid a strong third-quarter economic growth report, which showed the fastest quarterly growth rate for the US economy in two years, and continued concerns about elevated inflation.

Performance varied widely by sector in December. US Treasury securities and investment-grade corporate bonds declined the most due to their greater interest-rate sensitivity. In contrast, shorter-term sectors such as asset- and mortgage-backed securities posted positive returns, along with high-yield corporate bonds, which generated the best returns for the month.

## Outlook

We expect the US Fed will continue to take a cautious and data-driven approach. At this stage we are maintaining our long-term outlook as it pertains to potential impact from the Trump administration tariff policy, as the situation remains highly fluid and subject to sudden shifts. Diversification across sectors like electric utilities, insurance, and telecom is key to managing the economic slowdown headwind.

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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