

# 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 6.34 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 0.821	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> PHBAUGP	

## Performance Return (November 30, 2024)

USD Global Preferred Securities Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.37%	9.55%	13.69%	-1.50%	n.a.	-1.96%
Annualized	n.a.	n.a.	13.69%	-0.50%	n.a.	-0.56%

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.

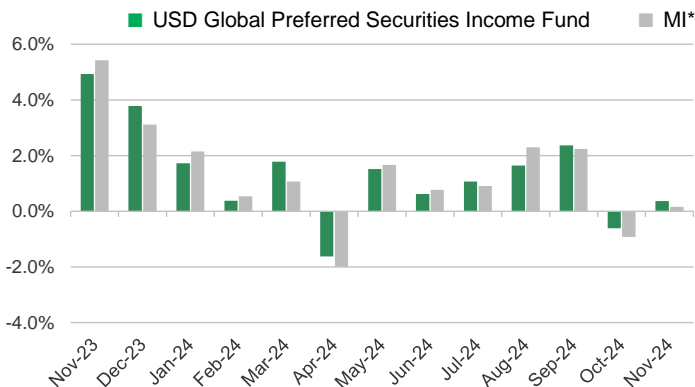
## Monthly Net Asset Value per Unit



## Top Five Holdings

ALTAGAS LTD 7.2% 10/15/2054	1.43%
VISTRA CORP 8.875% Perpetual	1.37%
APOLLO GLOBAL MANAGEMENT 6% 12/15/2054	1.32%
SEMPRA 6.4% 10/01/2054	1.31%
ATHENE HOLDING LTD 6.625% 10/15/2054	1.30%

## 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

After a notable decline in October, US bonds resumed their upward trajectory in November. U.S. economic data released during the month painted an uncertain picture, with weakness in manufacturing activity and the labor market offset by better-than-expected consumer spending and a modest increase in the year-over-year inflation rate. Although the US Federal Reserve Board (Fed) lowered short-term interest rates early in the month, as anticipated, the mixed economic news created less clarity on the potential for another US Fed rate cut at the central bank's December policy meeting.

Bond yields rose during the first half of the month as the outcome of the US presidential election led investors to price in expectations for rising inflation due to increased tariffs and economically supportive regulatory changes. However, yields fell back over the month's latter half and declined slightly overall in November. From a sector perspective, US government agency residential mortgage-backed securities led the market's advance, along with high-yield and investment-grade corporate bonds, while asset-backed securities and US Treasury securities lagged.

## Outlook

Given the ongoing easing cycle by the US Fed, the market is currently assessing the extent and pace of rate cuts by the US Fed. Preferred securities have historically delivered strong returns during US Fed easing periods, except during the Great Financial Crisis. As spreads are currently narrow across most fixed income, it is crucial to emphasize the importance of selecting appropriate securities within a capital structure to generate significant income and safeguard capital. We believe this can be accomplished by holding preferred securities, typically lower in a capital structure, and offering greater spread. They also minimize permanent losses from defaults as they are issued by high-quality companies capable of withstanding challenging financial conditions. Additionally, the flexibility of the preferred security universe allows for allocation across various fixed income sectors and credit levels, making it easier to navigate softer economic environments. We prefer defensive sectors like electric utilities, as they have shown resilience during times of stress and have provided solid downside protection. In summary, there are still appealing opportunities to generate income within the credit and spread sectors, with the potential for spread compression and limited risk of permanent capital impairment.

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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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