

# 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 3.90 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 0.818	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> PHBAUGP	

## Performance Return (October 31, 2024)

USD Global Preferred Securities Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.61%	9.15%	18.86%	-3.34%	n.a.	-2.32%
Annualized	n.a.	n.a.	18.86%	-1.12%	n.a.	-0.67%

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.

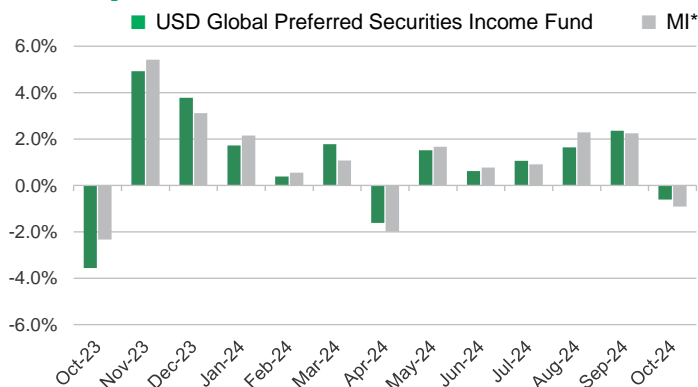
## Monthly Net Asset Value per Unit



## Top Five Holdings

ALTAGAS LTD 7.2% 10/15/2054	1.44%
SEMPRA 6.4% 10/01/2054	1.34%
APOLLO GLOBAL MANAGEMENT 6% 12/15/2054	1.33%
GLOBAL ATLANTIC FIN CO 7.95% 10/15/2054	1.31%
ATHENE HOLDING LTD 6.625% 10/15/2054	1.31%

## 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%

# USD Global Preferred Securities Income Fund

## Market Review

US bonds posted their first monthly decline in six months in October. The key factor behind the reversal in the bond market was stronger-than-expected economic data, including a robust increase in employment growth and inflation figures that were higher than anticipated. These signs of economic health led investors to recalibrate their expectations for more interest rate cuts by the US Federal Reserve Board (Fed), which led to a sharp bond market sell-off. Heightened market volatility related to the upcoming US presidential election also weighed on bonds during the month.

In this environment, US bond yields moved significantly higher. Intermediate-term bond yields increased the most in October, while short-term yields were muted by an expected US Fed rate cut in early November. On a sector basis, US government agency residential mortgage-backed securities and US Treasury securities—the most interest-rate-sensitive segments of the bond market—declined in October, while preferred securities and high-yield corporate bonds held up well.

## Outlook

Given the ongoing easing cycle by the US Federal Reserve Board, the market is currently assessing the extent and pace of rate cuts by the US Fed. Preferred securities have historically delivered strong returns during the 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 credit and spread sectors, with the potential for spread compression and limited risk of permanent capital impairment.

---

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.