

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

Inception Date May 2021	Fund Size USD 3.93 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 0.823	Management Fee 2.25% per annum	Bloomberg Ticker PHBAUGP	

Performance Return (September 30, 2024)

USD Global Preferred Securities Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	2.36%	9.82%	15.32%	-2.74%	n.a.	-1.72%
Annualized	n.a.	n.a.	15.32%	-0.92%	n.a.	-0.51%

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.

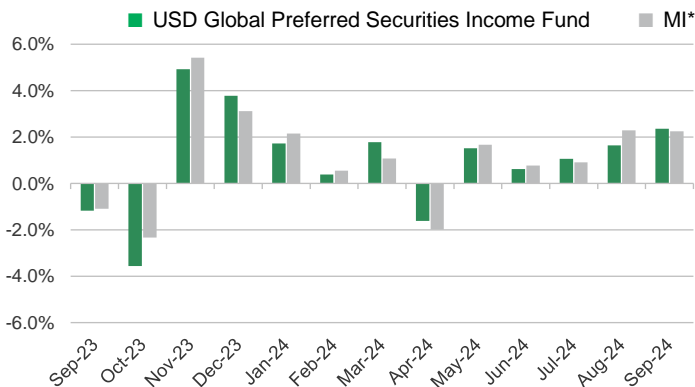
Monthly Net Asset Value per Unit



Top Five Holdings

ALTAGAS LTD 7.2% 10/15/2024	1.43%
CITIGROUP CAPITAL XIII 11.887% 10/30/2040	1.41%
COREBRIDGE FINANCIAL INC 6.375% 09/15/2054	1.36%
COREBRIDGE FINANCIAL INC 6.875% 12/15/2052	1.36%
CENTERPOINT ENERGY INC 6.85% 02/15/2055	1.33%

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 rallied for the fifth consecutive month in September. Continued weakness in the labor market and the lowest year-over-year inflation rate since February 2021 led to expectations not only for the US Federal Reserve Board (Fed) to lower interest rates, but also for multiple US Fed rate cuts over the remainder of the year. At its September policy meeting, the US Fed delivered a larger-than-anticipated interest rate cut of 50 basis points, lowering the federal funds rate to 5%. The US Fed also indicated that further rate cuts were possible in the coming months, though those decisions would depend on how the economy performs.

Although the bond market had already priced in a US Fed rate cut, US bond yields continued to decline across the board in September. Short-term bond yields fell the most, while longer-term bond yields were slightly lower. High-yield and investment-grade corporate bonds generated the best returns on a sector basis, while asset-backed securities and US Treasury securities lagged for the month.

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 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.

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