

USD Secure Fund

An investment fund option for variable life insurance products of **The Manufacturers Life Insurance Co., (Phils), Inc.**

Investment Objective

The Fund seeks to achieve long-term capital appreciation by investing in USD denominated sovereign and corporate debt securities and/or pooled fund/s that invest in these securities and other liquid instruments.

Fund Information

Inception Date April 2009	Fund Size USD 27.54 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 1.719	Management Fee 2.00% per annum	Bloomberg Ticker MPUSSEC	

Performance Return (October 31, 2021)

USD Secure Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.06%	-4.07%	-2.61%	16.94%	8.80%	71.90%
Annualized	n.a.	n.a.	-2.61%	5.35%	1.70%	4.41%

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

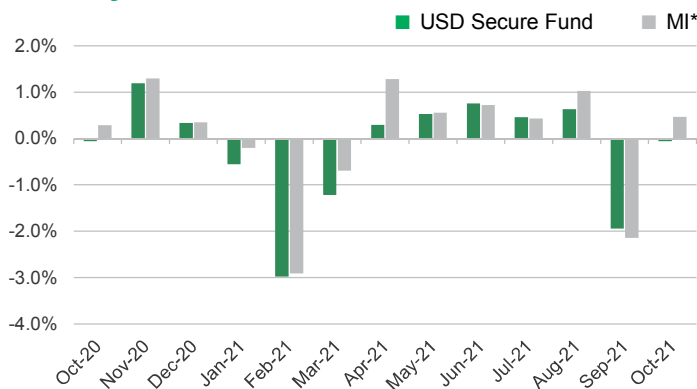


Top Five Holdings

ROP 06/10/31	10.53%
ROP 02/02/30	7.19%
ROP 01/14/31	6.77%
ROP 09/25/24	6.14%
ROP 10/23/34	6.06%

Notes:
ROP - Republic of the Philippines dollar-denominated bonds

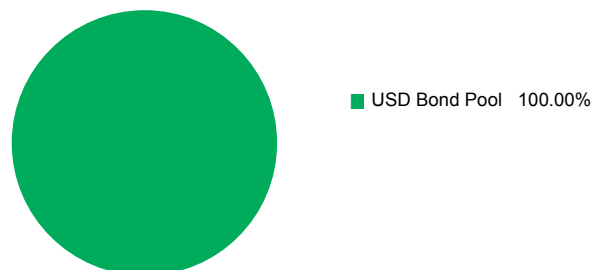
Monthly Performance



*Market Indicator = 100% Markit iBoxx ADBI Philippines Index

Portfolio Breakdown

Asset Allocation (at Market Value)



As per the fund's Investment Policy Statement, initial subscriptions are invested in fixed 100% USD Bond Pool. The investments of the USD Bond Pool consist of US\$ denominated bonds of the Republic of the Philippines, corporates and term deposits.

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Market Review

In the United States, Treasury yields rose and the yield curve flattened during October amid building expectations of the Federal Reserve imminent tapering process, with details expected to be announced at the upcoming FOMC meeting in early November. US third-quarter GDP rose by 2.0% (first estimate, annualised, quarter-on-quarter), below market expectations, while consumer price inflation in September came in at 5.4%, marginally above market consensus. Over the period, the 10-year Treasury yield moved higher from 1.49% to 1.55%. whilst Philippine dollar-denominated (ROP) bond yields range traded.

Asian investment grade (IG) credit markets posted negative returns over the month owing to higher US Treasury yields, but partially offset by tighter credit spreads and positive carry. Credit spreads on the JP Morgan Asian Investment Grade Corporate Bond Index tightened by 6bps; the JP Morgan Asian Investment Grade Corporate Bond Index decreased by -0.51% in US dollar terms. Investors' sentiment towards the Chinese property sector remained weak as a single-B Chinese property developer announced non-payment of its bond maturity, whilst we saw limited spill-over to the broader Asian credit market and investment grade credit remained supported. India credits generally outperformed on the back of Moody's outlook change from "negative" to "stable" and an Indian steel maker was upgraded to investment grade status by S&P credit rating agency. Primary market was active as issuers returned from the China Golden week holiday. Notably, China sovereign printed a mega-size bond deal; a Chinese asset management company (AMC) tapped the USD bond market, the first offshore issuance by the sector since the Huarong incident earlier this year as investors sentiment towards the sector improved after news on Huarong's recapitalization plan. Overall, we saw decent appetite for new issuances with attractive valuation.

Outlook

US gradual economic recovery and the Federal Reserve imminent tapering process would support a higher US yield curve environment. North Asian economies have generally fared better in terms of economic recovery compared to South Asian counterparts year-to-date. Increasingly more South Asian economies are adopting a coexisting approach with COVID-19, reopening borders with higher vaccination rates and could be positive for their growth trajectories. On the other hand, the combination of China's regulatory intervention, power disruption and property sector shock would contribute to downward trajectory on economic growth. The potential restructuring of Evergrande and other high-yield developers is likely to remain an overhang on the property sector, including selective investment-grade developers if the sector continues to see prolonged challenges in refinancing. Overall, we remain cognizant of both systemic and idiosyncratic risks while seeking out attractive opportunities and believe that bottom-up credit selection will be key in generating further returns going forward.

The investment fund option for The Manufacturers Life Insurance Company's variable life insurance product is managed by Manulife Asset 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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