

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 19.37 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 1.472	Management Fee 2.00% per annum	Bloomberg Ticker MPUSSEC	

Performance Return (August 31, 2023)

USD Secure Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-1.80%	0.00%	-3.03%	-16.79%	-1.67%	47.20%
Annualized	n.a.	n.a.	-3.03%	-5.94%	-0.34%	2.73%

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

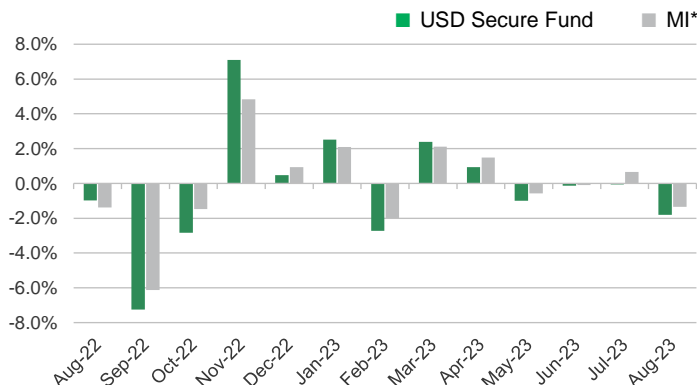


Top Five Holdings

ROP 06/10/31	11.99%
ROP 01/20/40	10.91%
ROP 02/02/30	7.99%
ROP 01/14/31	7.62%
ROP 10/23/34	6.70%

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

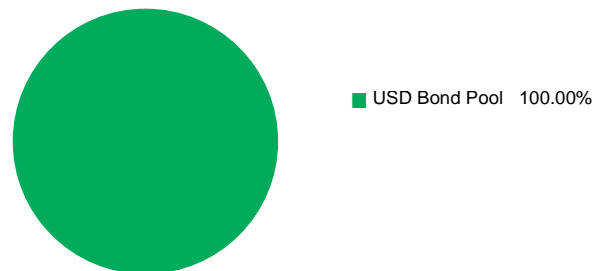
Monthly Performance



*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, US Treasury yields trended higher amid stronger than expected economic data and sticky inflation. During the annual Jackson Hole Economic Symposium, Chairman Powell called for more vigilance in the fight against inflation and warned that additional interest rate increase could be yet to come. He also reiterated the FOMC will base its decision on data and the evolving outlook. Markets have been pricing in little chance of another hike in the September FOMC meeting with many indicating one final hike in November. US CPI in July rose to 3.2% (year-on-year), slightly above market expectations. Over the month, the 10-year US Treasury yield trended higher from 3.96% to 4.11%, whilst the Philippine dollar-denominated (ROP) bond yield curve followed the US Treasury yields higher.

Asian investment grade (IG) credits posted negative performance for the month amid wider credit spreads and higher US Treasury yields. Credit spreads on the J.P. Morgan Investment Grade Corporate Bond Index widened by 14bps; the J.P. Morgan Asian Investment Grade Corporate Bond Index decreased by 0.44%. China high yield credit had a volatile month as Country Garden missed its coupon payments, liquidity stress faced by Zhongzhi Group and weak July economic data release further weighed on sentiment. However, China TMT companies generally managed to report better than expected earnings on proactive cost cutting and service recovery, which improved performance. On the other hand, issuers in Adani complex and Macau gaming reported robust earnings, supporting overall sentiment outside of China. Furthermore, the political impasse in Thailand ended with a newly elected prime minister, Thailand credit issuers generally traded on a firmer tone. New market issuance remained muted besides from an Indian HY renewable company returning to primary market, however South Korean issuers are preparing roadshow to return to primary market in September.

Outlook

Despite the hawkish comments from the Fed, markets are pricing in Fed fund rates to peak in 2023. In Asia ex-China region, we believe most Asian central banks, such as Indonesia and India, are close to the end of its monetary tightening cycle amid downward inflation trend environment; the increased foreign investment will likely drive sustained economic growth in this region. In China, the weaker-than-expected economic recovery, sluggish housing data and lingering liquidity challenge faced by home builders continued to weigh on market confidence. While the government has gradually rolled out support for private enterprises and the housing market, we are closely monitoring how these measures could stabilize the housing market and restore confidence.

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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