

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 16.03 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 1.526	Management Fee 2.00% per annum	Bloomberg Ticker MPUSSEC	

Performance Return (January 31, 2025)

USD Secure Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.79%	0.79%	0.59%	-9.00%	-10.81%	52.60%
Annualized	n.a.	n.a.	0.59%	-3.10%	-2.26%	2.71%

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

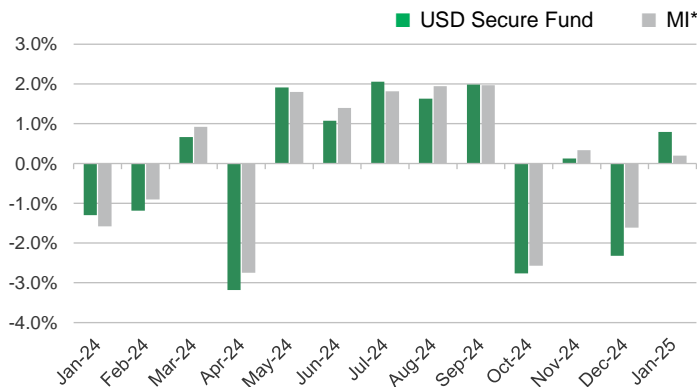


Top Five Holdings

ROP 06/10/31	14.47%
ROP 01/20/40	12.53%
ROP 02/02/30	9.00%
ROP 01/14/31	8.67%
ROP 10/23/34	7.16%

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

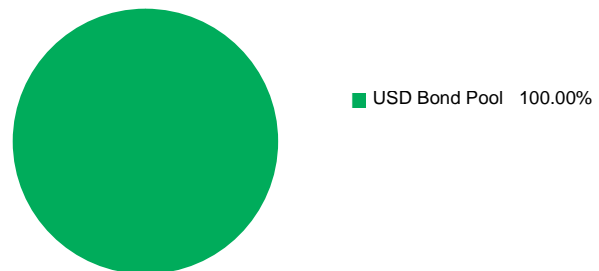
Monthly Performance



*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 remained little changed across the curve for the month of January, as the US Federal Reserve (Fed) kept the target range for the fed funds rate unchanged at 4.25-4.5%. Fed Chair Jerome Powell highlighted in the latest Federal Open Market Committee (FOMC) meeting that there was no urgency for further fed funds rate adjustments at this point in time given the potential policy changes from the new US administration, but believed that the rate remained “meaningfully restrictive,” which suggested that the Fed could resume with its rate cuts once there was more clarity on policy changes and when inflation shows further signs of moderation towards the longer-term target of 2%. On the labour market front, December nonfarm payrolls rose by 256k -- well above consensus expectations of 165k – and the unemployment rate fell to 4.1%, which alleviated some of the market’s concerns on the softening of the US labor markets. Towards the end of the month, following Inauguration Day, the new administration indicated that 25% tariffs would be imposed on its neighboring countries Canada and Mexico starting from February 2025, citing a number of reasons including immigration and trade deficits. Over the period, the 10-year US Treasury yield declined marginally from 4.57% to 4.54%, whilst the Philippine dollar-denominated (ROP) bond yield curve followed the US Treasury yields lower in the short end but trended marginally higher in the long end.

Asian dollar investment grade (IG) credits posted positive returns for the month driven mainly by stable income and carry, as US Treasury yields and aggregate IG credit spreads remained little changed. Credit spreads on the J.P. Morgan Investment Grade Corporate Bond Index tightened by 2bps over the month; the J.P. Morgan Asian Investment Grade Corporate Bond Index increased by 0.58%. Chinese credits contributed most to index-level returns as the positive momentum from the tailwinds of the government’s supportive policies and pro-growth stance, which was re-iterated towards the end of 2024, continued into the start of 2025. Furthermore, Indian investment grade corporates, particularly names related to the Adani complex, was another area that outperformed as the bonds’ prices continued their recoveries following the slump in late 2024 on negative headlines related to charges on bribery and fraud. The dollar IG primary market was active in the first month of 2025, with sizable issuances particularly in the financials sector across the Japanese, Australian, and South Korean markets.

Outlook

A new phase of the monetary cycle has begun following the Fed’s long-awaited rate cut back in September 2024, and we believe Asian Fixed Income will play a greater role in investment portfolios this year as it provides attractive carry and all-in yields relative to global peers to protect against market uncertainties, as well as diversification benefits. Shortly after Inauguration Day, the new US administration has indicated plans to impose tariffs on its neighboring countries, with additional plans for tariffs on China and the EU in the coming months. We believe such policy uncertainties will likely trigger further market volatility and hence, active management will be key in 2025 to navigating the persistently uncertain market environment. In Asia ex-China, we believe that certain central banks, including India, Indonesia, South Korea and Philippines, have room to continue their rate cut cycles in 2025 amid benign inflation, which should provide a supportive macro backdrop for the region. In China, policymakers have proactively rolled out series of supportive measures in late 2024 and have further strengthened their pro-growth stance with pledges of further fiscal and monetary support. Chinese authorities are also expected to provide more indications on both economic growth targets and fiscal budget forecasts for 2025 during the March National People’s Congress (NPC) meeting. We expect the government to step up stimulus measures to stabilize the property market, address local government debt pressures and boost consumption, in response to sluggish economic data and volatility from the uncertainties around the US’ tariff plans.

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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