

# 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

<b>Inception Date</b> April 2009	<b>Fund Size</b> USD 18.55 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 1.417	<b>Management Fee</b> 2.00% per annum	<b>Bloomberg Ticker</b> MPUSSEC	

## Performance Return (September 30, 2023)

USD Secure Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-3.74%	-3.74%	0.64%	-19.76%	-5.03%	41.70%
Annualized	n.a.	n.a.	0.64%	-7.08%	-1.03%	2.44%

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

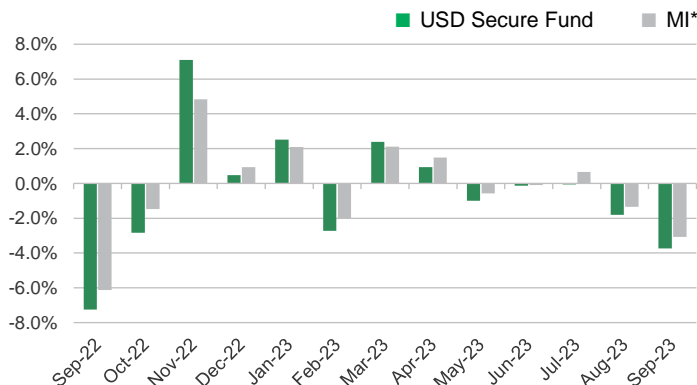


## Top Five Holdings

ROP 06/10/31	12.07%
ROP 01/20/40	10.73%
ROP 02/02/30	8.13%
ROP 01/14/31	7.71%
ROP 10/23/34	6.73%

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

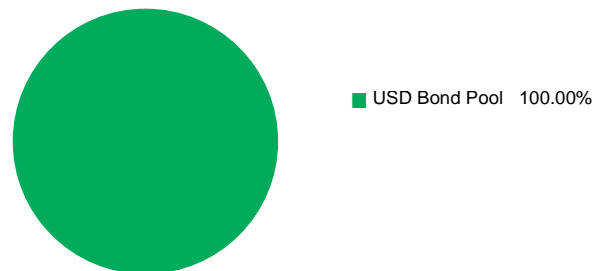
## Monthly Performance



\*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 the “higher for longer” message from the Federal Reserve due to economic strength and elevated prices. During the September FOMC meeting the Federal Reserve held interest rate steady; dot plots indicate the possibility of one more hike before the end of the year and fewer cuts than previously indicated next year. US CPI in August rose to 3.7% (year-on-year), slightly above market expectations. Over the month, the 10-year US Treasury yield trended higher from 4.11% to 4.57%, 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 due to US Treasury sell-off, while credit spread holding up firmly. Credit spreads on the J.P. Morgan Investment Grade Corporate Bond Index tightened by 5bps; the J.P. Morgan Asian Investment Grade Corporate Bond Index decreased by 0.75%. Overall, Asia credit spread continued to be supported by favourable market technical with light new issuances in September. Several quality issuers have repurchased its USD bonds in open market in the month, to take advantage of the cheaper onshore funding cost and lower dollar price by Treasury yield movement. Sentiment in Chinese credits was driven by mixed headlines, including relaxation of housing measures in key cities and rating agency’s negative rating actions on the property sector and other quality developers in response to prolonged sector downturn. Outside of China, India took the spotlight with J.P. Morgan to include India in the GBI-EM index starting in 2024. Other positive idiosyncratic headlines included Adani Group securing fresh investment for its French JV partner in its renewable arm.

## Outlook

We believe the path of Fed policy will be increasingly data dependent going forward and view that US Treasury yields offer increasingly attractive valuations. 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.

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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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