

# USD Secure Fund

An investment fund option for **Affluence Max, Affluence Max Gold, Affluence Builder Series, Horizons** and **FlexiSure** 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 30.59 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 1.711	<b>Management Fee</b> 2.00% per annum	<b>Bloomberg Ticker</b> MPUSSEC	

## Performance Return (January 31, 2020)

USD Secure Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	2.52%	2.52%	11.32%	13.01%	10.89%	71.10%
Annualized	n.a.	n.a.	11.32%	4.16%	2.09%	5.10%

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

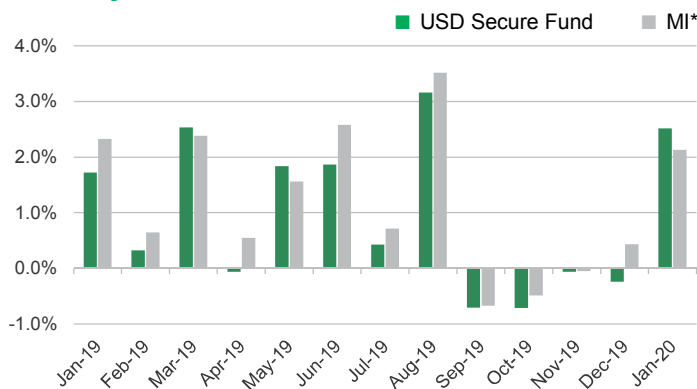


## Top Five Holdings

US TREASURY N/B 2.25% 15AUG2049 08/15/49	7.52%
ROP 02/02/30	7.14%
BANK OF PHILIPPINE ISLAN SER EMTN (REG) (REG S) 4.25% 04SEP2023 09/04/23	6.61%
ROP 01/14/31	6.37%
ROP 10/23/34	5.74%

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

At the start of the year, Iran's political situation induced volatility into global financial markets, but proved to be short lived. US Treasury yields moved significantly lower over the period, as the outbreak of the coronavirus in China raised concerns over global growth prospects despite the US's fourth-quarter GDP print beating market expectations. The 10-year US Treasury yield fell from 1.92% to 1.51% over the period. The Philippine dollar-denominated (ROP) bond yields ranged traded over the period. Asian credit markets posted positive returns for the month due to significantly lower US Treasury yields and positive carry. Credit spreads on the JP Morgan Asian Investment Grade Corporate Bond Index widened by 7bps. The JP Morgan Asian Investment Grade Corporate Bond Index increased by 1.48% in US dollar terms. Market activity was generally active at the start of the year, but declined towards the end of the month amid the Lunar New Year holiday (which was subsequently extended by the Chinese government) and weaker global investor's sentiment due to the virus outbreak.

## Outlook

The coronavirus outbreak is expected to temporarily dent global economic activity. Nevertheless, Asia is one of the few regions that still boast the capacity for both monetary and fiscal stimuli, providing Asian economies with sufficient policy ammunition for counter-cyclical measures. We expect more Asian central banks to ease its monetary policies as means to support their economies going forward, which is likely to provide a positive backdrop for high quality Asian fixed income segment. Despite the virus outbreak, we do not expect significant refinancing issues for the Asian credit holdings in the portfolio. We continue to monitor the situation and remain cautiously optimistic in the medium-term, as this environment may present price dislocation opportunities with proper credit selection.

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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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