

PHP Global Preferred Securities Income Fund

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

Investment Objective

The Fund aims to maximize total return by investing substantially all of its assets in one or more collective investment schemes which aims to provide income generation with potential long-term capital appreciation by investing primarily in preferred securities listed or traded on any regulated market in the world.

Fund Information

Inception Date May 2021	Fund Size PHP 279.93 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 0.932	Management Fee 2.25% per annum	Bloomberg Ticker PHBAPGP	

Performance Return (December 31, 2023)

PHP Global Preferred Securities Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	3.56%	5.25%	5.25%	n.a.	n.a.	3.89%
Annualized	n.a.	n.a.	5.25%	n.a.	n.a.	1.46%

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.

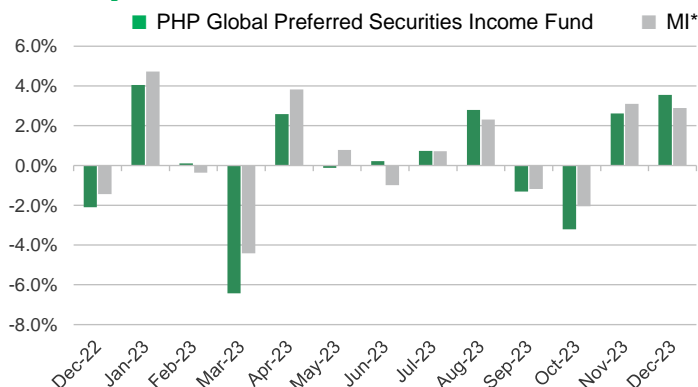
Monthly Net Asset Value per Unit



Top Five Holdings

CITIGROUP CAPITAL XIII 12.022% 10/30/2040	2.34%
COREBRIDGE FINANCIAL INC 6.875% 12/15/2052	2.24%
ASSURANT INC 7% 03/27/2048	2.16%
ENBRIDGE INC 6.25% 03/01/2078	1.94%
PNC FINANCIAL SERVICES 6.25% Perpetual	1.74%

Monthly Performance



*Market Indicator = 50% BoFA Merrill Lynch Fixed Rate Preferred Securities Index and 50% BoFA Merrill Lynch US Capital Securities Index

This is not a deposit product. Earnings are not assured and principal amount invested is exposed to risk of loss. This product cannot be sold to you unless its benefits and risks have been thoroughly explained. If you do not fully understand this product, do not purchase or invest in it.

Portfolio Breakdown

Asset Allocation (at Market Value)



Manulife Global Preferred Income Feeder Fund and/or Manulife Global Fund Preferred Securities Income Fund 100.00%

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Market Review

On the heels of a sharp advance in November, the US bond market closed out the year with another solid monthly gain, resulting in the bond market's best two-month period of performance in more than three decades. The catalysts for the bond rally included lower inflation, which fell to 3% on a year-over-year basis, and softer economic data, most notably in the labor market. These developments boosted investor expectations that the US Federal Reserve Board (Fed) was done raising short-term interest rates. This view was confirmed when the US Fed held interest rates steady for the third consecutive policy meeting in December. As a result, investors began pricing in the US Fed rate cuts for some time in 2024.

For the month, bond yields declined sharply across all maturities, with longer-term bond yields falling slightly more than shorter-term yields. Sector performance was uniformly positive, with investment-grade corporate bonds and residential mortgage-backed securities delivering very strong returns. Sectors with shorter maturities, such as asset-backed securities and commercial mortgage-backed securities, lagged for the month.

Outlook

2024 will be a more challenging year for growth globally compared to 2023. That economic hardship won't be felt equally across income groups or geographical regions, with the US more likely to withstand the tightening in the system, as its domestic focus, strong employment profile, and relative consumer health should all provide support. As economies slow at a faster pace than inflation normalizes, the pressure to ease current monetary policy stances will intensify. If the last leg down in inflation back toward traditional targets proves difficult to achieve, a growing chorus of voices could potentially call for lowering the bar to cuts by raising the inflation target. Historically, companies with positive fundamentals—those with high return-on-equity ratios, low leverage, and consistent posted earnings growth—have performed well going into and during recessions. Conversely, companies in weaker financial positions have faced challenges from elevated refinancing costs when financial conditions tightened.

Against this backdrop, the importance of security selection and differentiation among spread sector allocations and capital structures is at a premium, as is preserving capital and limiting permanent capital losses due to defaults. Despite these challenges, we maintain a balanced view of performance for global credit asset classes. We see opportunities to invest lower in capital structures of high-quality businesses to achieve competitive income generation. The preferred asset class is well positioned for more restrictive financial conditions. Having the ability to select securities from a broad credit universe and the flexibility to allocate across fixed income sectors and up and down the credit spectrum should also help with navigating a potentially softer economic landscape. Our view is that within credit, and spread sectors more broadly, there remain attractive opportunities to generate income with the added potential for upside spread compression and limited risk of permanent capital impairment.

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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