

# USD Asia Pacific Property Income Fund

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

## Investment Objective

The Fund is Feeder Fund that invests in the Asia Pacific REIT Fund of Fund of Manulife Asset Management and Trust Corporation. The target fund is a unit-paying fund of funds that seeks to achieve long-term capital appreciation and to generate income by investing primarily in a diversified portfolio of exchange-listed real estate investment trusts (REITs) in the Asia Pacific region and other allowable investments.

## Fund Information

<b>Inception Date</b> February 2019	<b>Fund Size</b> USD 55.62 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 1.001	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> PHEQPIF	

## Performance Return (April 30, 2021)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	2.98%	2.86%	18.68%	n.a.	n.a.	4.20%
Annualized	n.a.	n.a.	18.68%	n.a.	n.a.	1.86%

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.

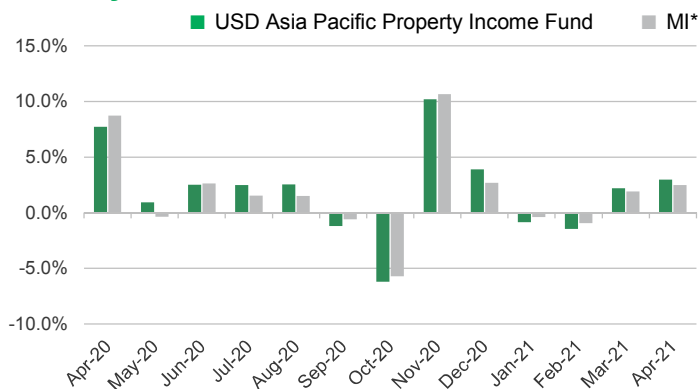
## Monthly Net Asset Value per Unit



## Top Five Holdings

CapitaLand Integrated Commercial Trust	7.93%
Ascendas Real Estate Investment Trust	7.88%
Link Real Estate Investment Trust	7.64%
Mapletree Logistics Trust	5.41%
Mapletree Commercial Trust	4.64%

## Monthly Performance



\*Market Indicator = Manulife Investment Asia REIT ex-Japan 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 ASIA PAC REIT FD PR2 USD NF 100.00%

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## Market Review

Major Asia ex Japan REITs markets built on further gains in April as global 10-year bond yields stabilised despite strong US macro-data. Investors appeared to look beyond near-term resurgence in Covid-19 infections (led by India) and focused on the healthy pace of global inoculations. The US Federal Reserve Board left interest rates unchanged in its latest policy decision and hinted that it would keep easy monetary policy where it is for some time despite a strengthening economy and rising inflation (largely reflecting transitory factors). US central bankers also repeated that it was not yet time to discuss tapering until there was further substantial progress on employment and inflation goals.

Australia's REITs market outperformed the region, led by gains in diversified and office REITs. With more workers returning to work in offices and the pick-up in leasing enquiries, buying sentiment for office-exposed REITs improved. Industrial REITs fared well on news on the tight transactional cap rate done on the Blackstone 3.8 billion Australian dollar milestone logistics portfolio which is likely to lead to broader revaluation gains on the asset class.

Gains in Hong Kong REITs were led by retail REITs with neighbourhood mall exposure. Index heavyweight, Link REIT rose after it guided at its recent investor's day that it is working to achieve positive rental reversions for fiscal year 2022. The Hong Kong government has announced the relaxation of restriction measures in food and beverage outlets from 29 April for staff and customers who are vaccinated. Hong Kong and Singapore are also moving to implement a quarantine-free travel bubble on 26 May, as new Covid-19 cases are relatively contained and inoculations have made considerable progress.

Singapore REITs market built on further gains with continued outperformance in industrial REITs. The first quarter of calendar year 2021 reporting season has started with the industrial REITs reporting stable operating performances with distribution per unit growth augmented by recent acquisitions. Retail malls are still reeling from the Covid-19 pandemic with weak rental reversions likely to persist for a few more quarters. Office REITs, which own prime office spaces, are seeing a flight to quality with a pick-up in enquiries in the first quarter of 2021 after a dull 2020.

## Outlook

In the near-term, an uncontrolled spread of the rogue Covid variants, even in highly vaccinated countries, could present the clearest tail risk and heightened volatility in the Asia REITs markets. We take comfort that key markets like Hong Kong, Singapore and Australia have tightened their borders and remain in good control despite the recent blip (in Singapore) and slow vaccination progress in neighbouring Asian countries. Operationally, Asia ex Japan REITs are making progress on cashflow recovery (increasingly lower rental rebates/reliefs) and continued progress on vaccinations and the reopening of borders would be key catalysts for further improvements.

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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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