

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

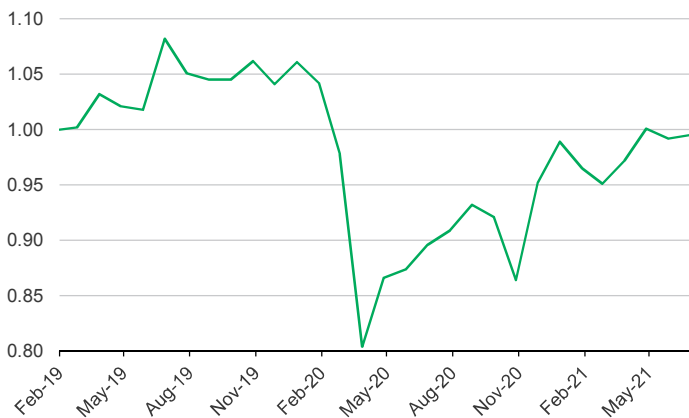
Inception Date February 2019	Fund Size USD 26.47 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 0.995	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPIF	

Performance Return (June 30, 2021)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.30%	2.24%	14.02%	n.a.	n.a.	3.57%
Annualized	n.a.	n.a.	14.02%	n.a.	n.a.	1.47%

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.

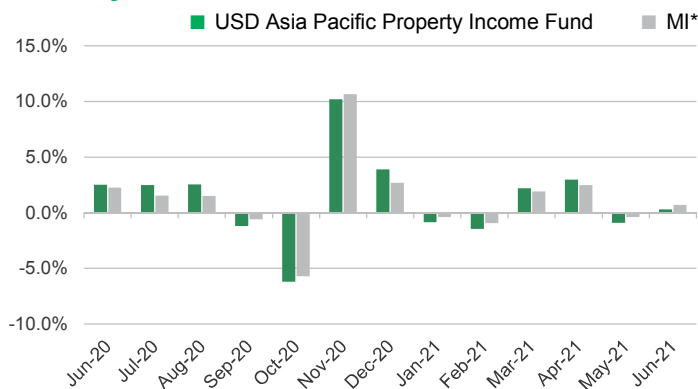
Monthly Net Asset Value per Unit



Top Five Holdings

Link Real Estate Investment Trust	7.88%
CapitaLand Integrated Commercial Trust	7.62%
Ascendas Real Estate Investment Trust	6.72%
Mapletree Logistics Trust	5.10%
Mapletree Commercial Trust	4.64%

Monthly Performance

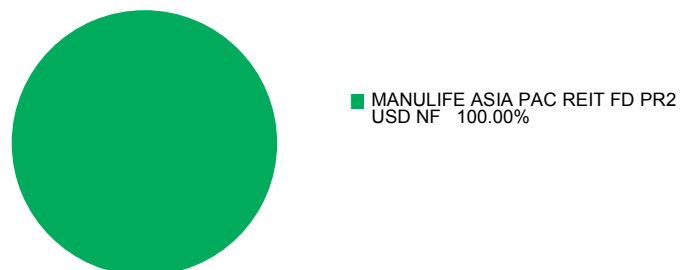


*Market Indicator = Manulife Investment Asia REIT ex-Japan Index

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)



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Market Review

Major Asia ex Japan REITs markets managed to close the month in positive territory in June despite more hawkish statements from the latest US Federal Reserve Board (Fed) meeting. Buying sentiment was underpinned by a retreat in global bond yields. On the global Covid-19 front, we saw more countries being affected by rising cases due to the Delta variant, but investors appeared to look past that and focused on the strengthening of the US and global economy.

Australia's REITs market continued its strong performance as the Australian 10-year bond tightened 18 basis points (bps) across the month in the sharpest monthly compression since September 2020, providing a tailwind for the yield-sensitive sector. Gains were broad-based with fund managers, Charter Hall Group and Goodman Group were among the top performers. A majority of AREITs have announced Jun 2021 revaluations, with assets revalued 5% higher for the six months to Jun 2021 and cap rates tightening 25 bps on average. Industrial, unsurprisingly, led the way up a very strong 12% following exceptional transaction activity.

Hong Kong's REITs market lagged the region with relatively flat returns for June. Heavyweight Link REIT reported full year results that were in line with expectations and guided for a more optimistic outlook. The REIT shared that Hong Kong retail rental reversions recovered to positive levels in the fourth quarter of fiscal year 2021 as tenant sales are recovering with the relaxation of social distancing measures. On the other hand, office REIT, Champion REIT, underperformed as central office rental recovery is expected to lag behind retail in Hong Kong. Chinese developers underperformed on concerns over margin compression due to higher land premiums in the first batch of a centralised land auction.

Singapore's REITs market recovered in June as the country accelerated the vaccination programme from Saturday (26 June) and administered up to 80,000 vaccine doses daily. Reopening plays saw buying interest returning as social distancing restrictions were gradually relaxed from the middle of June with dining-in resuming from 21 June. More than half of Singapore's population is targeted to be fully vaccinated by the end of July and the government has guided that it will move to treating Covid-19 as an endemic disease by the end of the year.

Outlook

Heading into the second half of this year, we do expect the market to see more volatility as investors weigh inflation risks and a hawkish Fed versus good news on the vaccination front as well as global economic strength. We believe the defensive capabilities built over the past year and high vaccination rates will allow countries like Singapore to enjoy more normality in their daily lives soon. The higher earnings growth for Asian REITs could help compensate for potential shifts in 10-year government bond yields. We continue to favour the Singapore REITs market on relative valuations and the re-opening recovery theme.

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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