

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

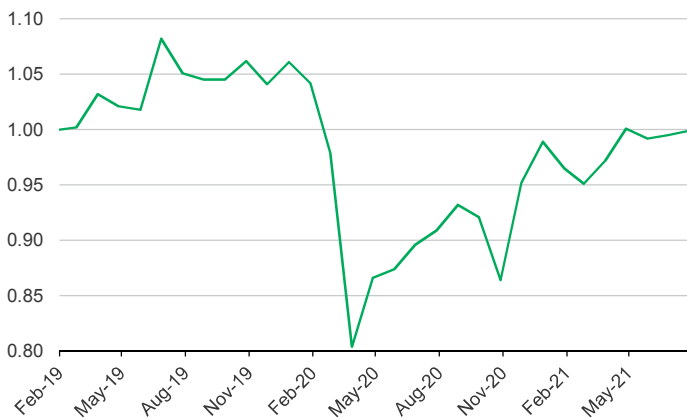
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|--|--|------------------------------------|-----------------------------------|
| Inception Date February 2019 | Fund Size USD 27.52 million | Fund Currency US dollar | Dealing/Valuation Daily |
| Price (NAV/unit) USD 0.999 | Management Fee 2.25% per annum | Bloomberg Ticker PHEQPIF | |

Performance Return (July 31, 2021)

| USD Asia Pacific Property Income Fund (net of management fee) | 1 Month | YTD | 1 Year | 3 Years | 5 Years | Since Inception |
|--|---------|-------|--------|---------|---------|-----------------|
| Absolute | 0.40% | 2.65% | 11.69% | n.a. | n.a. | 3.99% |
| Annualized | n.a. | n.a. | 11.69% | n.a. | n.a. | 1.59% |

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.

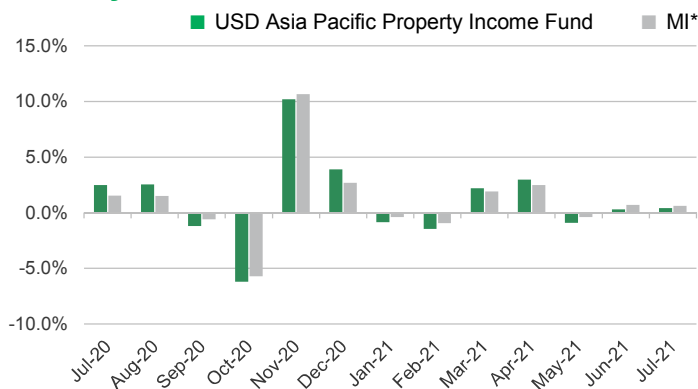
Monthly Net Asset Value per Unit



Top Five Holdings

| | |
|--|-------|
| Link Real Estate Investment Trust | 8.11% |
| CapitaLand Integrated Commercial Trust | 7.73% |
| Ascendas Real Estate Investment Trust | 7.64% |
| Mapletree Logistics Trust | 5.04% |
| Frasers Logistics & Commercial Trust | 4.83% |

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 more gains in July, underpinned by fund flows into the interest rate sensitive sector as global government bond yields retreated. The weakness in global bond yields was largely attributed to concerns that the recovery in global economic growth has peaked. Sentiment was cautious as the rate of vaccinations has slowed sharply in the US and UK while at the same time, these economies are seeing a sharp rise in Covid cases.

The Australian REITs market managed to close in the green territory in July even as almost half the country's population were asked to restrict movements due to the recent surge in Delta-variant infection cases. Fund managers continue to outperform on anticipation of strong earnings reports. Retail REITs are back under pressure as earnings uncertainty rose with the reinstatement of the Commercial Tenancy Relief Scheme in Victoria until January 2022. The recent Sydney lockdown will see some retail REITs hesitant to provide definitive forward guidance in the upcoming earnings season.

The Hong Kong REITs market also moved marginally higher in the absence of major corporate news flows. The country remains one of the few in Asia to remain relatively unscathed from the Delta variant. Some of the smaller-cap HK REITs saw buying interest on potential index inclusion in a well-followed property index with the next review due in September. Hong Kong's vaccination rate comes second after Singapore and its tourism/retail sector will get a boost if it can bring in mainland consumers sometime in the second half of 2021. Chinese developers and property management companies came under intense selling pressure on policy concerns following a spate of new regulatory controls targeting the high growth areas of technology and education.

Singapore's REITs market was the best performer despite the country going back to tighter social distancing measures and dining restrictions to contain the latest Covid-19 outbreak. Investors appeared to look past current start-stop measures and focused on the high vaccination rate that the country will achieve ahead of Asian peers by 21 October. Industrial REITs outperformed in July as this sector is the least impacted by the recent tightening measures. In the recent reporting season, SREITs managers expressed their hopes that leasing negotiations can improve in the fourth quarter of 2021 as Singapore reopens again.

Outlook

While the start-stop measures in Singapore in the past months have been disappointing on near-term sentiment, the country is committed to its roadmap of treating Covid-19 as endemic and reopening borders in the fourth quarter of 2021. We remain positive on Singapore REITs as the rapid progress of vaccinations puts the country on solid ground for reopening, ahead of regional peers. The continued progress on vaccinations and the reopening of borders continues to be key catalysts for further operational improvements in Asia REITs.

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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