

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

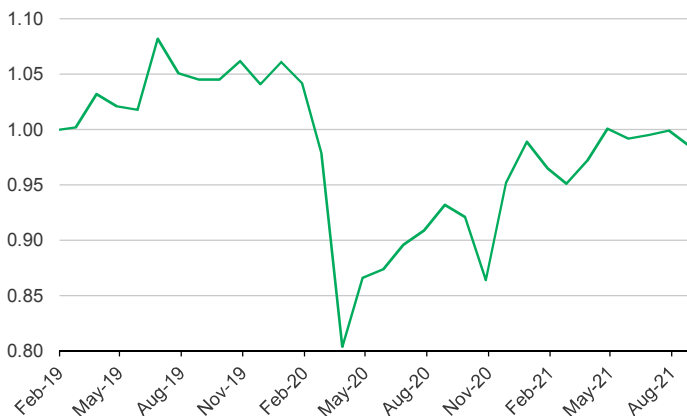
Inception Date February 2019	Fund Size USD 28.90 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 0.985	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPIF	

Performance Return (August 31, 2021)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-1.40%	1.22%	7.41%	n.a.	n.a.	2.53%
Annualized	n.a.	n.a.	7.41%	n.a.	n.a.	0.98%

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.

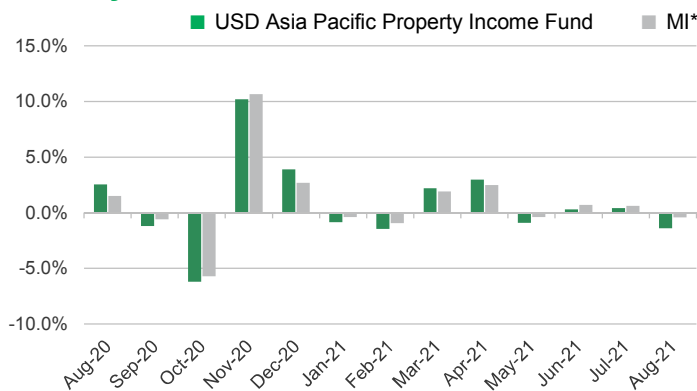
Monthly Net Asset Value per Unit



Top Five Holdings

CapitaLand Integrated Commercial Trust	7.71%
Ascendas Real Estate Investment Trust	7.67%
Link Real Estate Investment Trust	7.57%
Mapletree Logistics Trust	4.73%
Frasers Logistics & Commercial Trust	4.65%

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 delivered a mixed performance in August with bullish sentiment kept in check by rising global Delta variant infection cases and potential earlier than expected quantitative easing tapering by the US Federal Reserve Board (Fed). At the closely watched Jackson Hole symposium, Fed chairman Jerome Powell was dovish and indicated that even though the Fed taper will come by the end of 2021, interest rate hikes are not imminent.

The Australian REITs market built on strong gains, with buying sentiment lifted by the recent earnings reporting season. Most AREITs reported results in line with earlier guidance and most guided for further growth in distributions per unit in the next financial year. Fund manager, Charter Hall Group, was a stand-out with a strong earnings report and the group guided for robust earnings for fiscal year 2022. Despite the recent extended lockdowns, Australian retail REITs performed well in August after they reported less negative leasing spreads in the first half of calendar year 2021.

The Hong Kong REITs market closed marginally lower in the absence of major corporate news flows. Sentiment was dampened by the tightening of the country's quarantine requirements for international arrivals. There were also local media reports that the border reopening between Hong Kong and mainland China may be delayed to 22 March. Index heavyweight Link REIT announced an operational update for the first quarter of fiscal year 2022 where tenant sales rose 4.8% year-on-year and occupancy costs dipped to a reasonable 13.5% in the first quarter of fiscal year 2022 versus 15.9% in the first quarter of fiscal year 2021. The REIT also guided for China and overseas exposure to grow to 30-40% of assets (25-30% prior target) in the medium-term. The Chinese property management sector underperformed Hong Kong REITs despite strong earnings reports with most players reiterating their bullish growth guidance.

The Singapore REITs market underperformed the region with broad-based selling. Retail REITs were among the worst performers as the persistently high number of local infection cases curtailed a rebound in local retail sales and consumer traffic despite a relaxation of social distancing measures. Weakness in the Singapore market was also caused by rebalancing by funds as SEA Limited's (listed in US) weight in MSCI Singapore was raised from 5% to 25% with effect from 1 September 2021.

Outlook

We have seen further progress in the vaccination rate in Asia with Singapore reaching the 80% mark by the end of August. The country is on track to reopen further and is shifting focus to generating new growth, jobs and prosperity for the future. 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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