

# USD Asia Pacific Property Income Fund

An investment fund option for **Affluence Gold**, **Affluence Max Gold** and **Affluence Max Elite** 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 45.47 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 0.965	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> PHEQPIF	

## Performance Return (January 31, 2021)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.84%	-0.84%	-4.91%	n.a.	n.a.	0.45%
Annualized	n.a.	n.a.	-4.91%	n.a.	n.a.	0.23%

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.

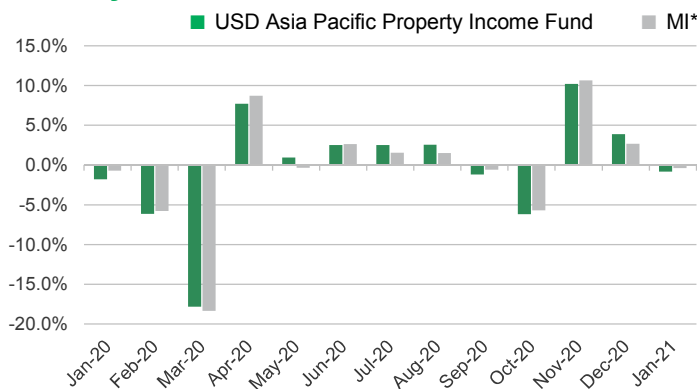
## Monthly Net Asset Value per Unit



## Top Five Holdings

Ascendas Real Estate Investment Trust	8.20%
CapitaLand Integrated Commercial Trust	7.45%
Link Real Estate Investment Trust	6.93%
Mapletree Logistics Trust	5.94%
Mapletree Commercial Trust	4.84%

## 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 started 2021 on a weaker note in January, as profit-taking set in after recent months of gains. Broad sentiment was kept in check with concerns over the effectiveness of the approved vaccines against the latest mutations in the virus. Performance for income instruments like Asian REITs was further curtailed by the recent move higher in both US and respective government long-term bond yields.

Australia's REITs market extended its decline in January, as the Australian 10-year bond yield crept up above 1%. Stockland, a diversified REIT with residential exposure, was the best performer on the back of record home sales in December reported by the Housing Industry Association. Many economists are now forecasting price rises across the capital cities against earlier expectations of price declines.

Hong Kong REITs gave up some gains in the absence of major corporate developments or news flows. For the first time since the pandemic, the city was forced to introduce small scale lockdowns on areas in Kowloon to control the spread of the virus. The Hong Kong government has further extended the current social distancing measures to 17 February.

Singapore's REITs market continued its outperformance versus the region in January, as the country entered into phase three of reopening in late 2020. Singapore-centric office REITs i.e. Suntec REIT and Keppel REIT did well as their managers guided for continued positive office rental reversions in 2021 on the back of expiring leases being lower than spot market rental rates. The recent reporting season showed that suburban malls continued to recover well with tenant sales back around pre-Covid levels in December 2020. Despite healthy residential sales, Singapore listed developers fell on concerns over potential tightening measures by the authorities.

## Outlook

The earnings season is currently in full swing and we expect most Asian REITs to guide for stabilisation in occupancy rates and rental collection in 2021. While there could be near-term volatility in markets due to potential disappointments in the inoculation rollout and a slower than expected pace of vaccine delivery by manufacturers, we believe the cashflow recovery thesis for the asset class remains intact for 2021. The focus remains on investing in quality real estate/REITs which can hold their capital values and cashflows in a world of continued low rates and search for yield.

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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.

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