

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

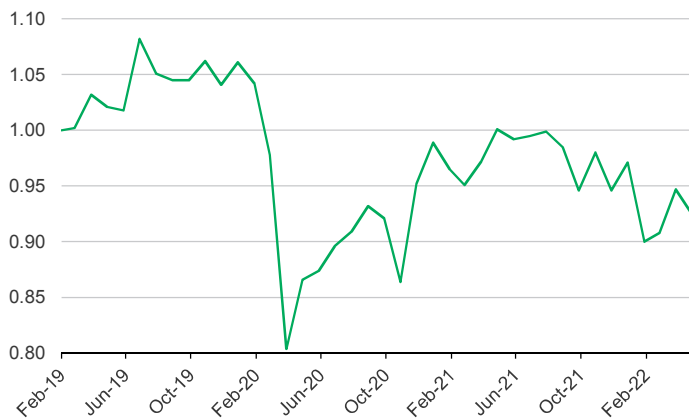
Inception Date February 2019	Fund Size USD 28.87 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 0.925	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPIF	

Performance Return (April 30, 2022)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-2.32%	-3.08%	-4.92%	-2.97%	n.a.	-0.93%
Annualized	n.a.	n.a.	-4.92%	-1.00%	n.a.	-0.29%

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.

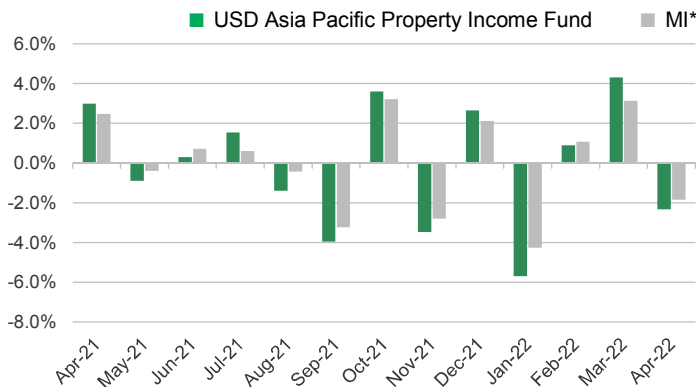
Monthly Net Asset Value per Unit



Top Five Holdings

CapitaLand Integrated Commercial Trust	9.16%
Link Real Estate Investment Trust	8.45%
Ascendas Real Estate Investment Trust	7.44%
Mapletree Logistics Trust	5.08%
Frasers Logistics & Commercial Trust	5.06%

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

Asia REITs markets retreated in April but managed to outperform the broader global equity indices. Escalating inflationary pressures worldwide, intensified by the Russia-Ukraine conflict, led to rising concerns over more aggressive global rate hikes that could lead to downgrades in economic growth and corporate earnings. Investors were kept busy monitoring developments on multiple fronts from the escalating tensions between Russia and Ukraine, commodity linked inflation data to results of the French election and China's escalating Covid case numbers. News out of China further weighed down risk appetite as recent near-term activity data showed a meaningful slowdown in the economy amid Covid-19 restrictions.

Australian REITs closed marginally higher month-on-month in local currency terms but underperformed the region in US dollar terms. Inflation data surprised on the upside which intensified pressure on the Reserve Bank of Australia to initiate a rate liftoff ahead of the 21 May election. Industrial-centric REITs saw better relative performance in April on a positive earnings read-through from their global logistics peers. The most notable transaction during the month was Dexus Group acquisition of Collimate Capital (from AMP) for 250 million Australian dollars plus an earn out of up to 300 million Australian dollars subject to retention of the current roughly 31 billion Australian dollars of assets under management.

The Hong Kong REITs market outperformed regional peers as the country loosened its social mobility measures on the back of falling infection cases. Sentiment was weak for the China-centric REITs and Chinese real estate plays as investors watched the developments of Covid outbreaks in Shanghai and Beijing. Link REIT stood out as the best performer given its defensive income and visible growth coming from its recent accretive acquisitions. Hong Kong is expected to further relax social distancing measures from the second half of May.

Singapore's REITs market saw mixed performances with gains continuing to be led by reopening beneficiaries in the local retail, office and hospitality sectors. The country's reopening strategy took another leap forward with the government downgrading its Disease Outbreak Response System Condition (Dorscon) framework from orange to yellow on 26 April, paving the way for a return to life before the pandemic outbreak in 2019. The underperformers in April were industrial REITs with data centres on worries over potential tenant defaults and earnings drag due to higher utilities charges. Local developers outperformed the SREITs given their meaningful exposure to hospitality assets across the region.

Outlook

The US Federal Reserve Board is widely expected to front-load the rate hikes after the US March consumer price index spiked to 8.5% year-on-year, the highest in 40 years. Investors risk-on sentiment is likely to be kept in check as the Fed is facing an arduous task of securing a soft landing and keeping inflation in check. While stagflation worries will likely persist, there is optimism that the pent-up consumer spending following two years of the pandemic will help support a recovery in corporate cashflows and earnings. The certainty and visibility of income from REITs continues to appeal to investors especially in times of heightened volatility across both bonds and equity markets.

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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