

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 27.66 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 0.804	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPIF	

Performance Return (April 30, 2023)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.63%	2.24%	-9.75%	1.84%	n.a.	-10.59%
Annualized	n.a.	n.a.	-9.75%	0.61%	n.a.	-2.61%

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.

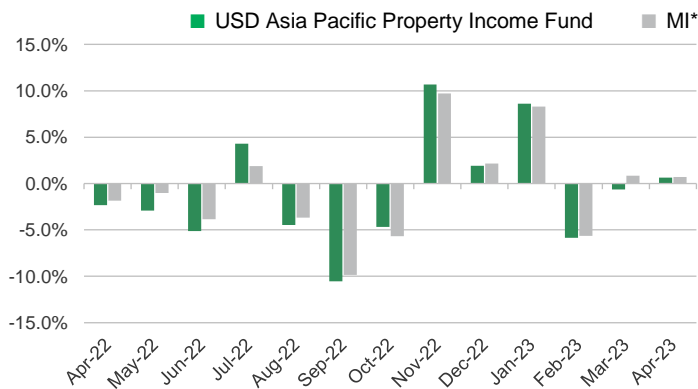
Monthly Net Asset Value per Unit



Top Five Holdings

CapitaLand Ascendas REIT	9.61%
CapitaLand Integrated Commercial Trust	9.20%
Link Real Estate Investment Trust	9.04%
Frasers Logistics & Commercial Trust	6.32%
Mapletree Logistics Trust	5.96%

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

Regional Asia REITs recovered in April as earlier fears over a potential US/Europe banking crisis receded. The US Federal Reserve Board's fund rate hike expectations have toned down since 23 March, with markets pricing in one last hike in the May FOMC meeting. However, the market rebound was kept in check with lingering doubts over the health of the US regional banks, rising recession odds and potential US debt default in June.

The Australia REIT market recovered some lost ground in April, with broad-based gains seen across the market. Performance was assisted by the RBA's decision to keep interest rates on hold, and the March quarter CPI data were softer than expected. During the month, AREITs with residential exposure outperformed as the sector enjoyed sentiment support from the net population growth (incl. higher immigration), tight rental market and RBA interest rate pause. Some of the AREITs have reported their 3Q 2023 operational metrics and affirmed their full-year FY23 guidance.

The Hong Kong REIT market saw mixed performance, with retail REITs outperforming. Retail sales continue to be healthy, with new consumption vouchers issued in April. Within the market, REITs with Hong Kong office exposure underperformed on concerns over the issue of high vacancy against the backdrop of a slower global economic growth outlook.

The Singapore market underperformed the region in April, with SREIT stock performance driven largely by the 1Q 2023 reporting season. Hospitality REITs outperformed, given their strong 1Q 2023 operational performance and positive guidance for 2023. Profit-taking in selected SREITs was seen (given their year-to-date gains and outperformance vs. the broader market) amid rising expectations of equity fund-raising exercises to fund inorganic growth post the result season. Industrial REITs stayed resilient as uncertain outlook increased appetite for defensive exposure.

Outlook

The US Federal Reserve Board has raised the Fed Fund Rate by a widely expected 25 bps in May and hinted that it may be the final move for this rate hike cycle as economic risks mount. While the tightening of the financial conditions in the US may mean that a further rate hike cycle is over, the bar to cut rates in the near term is also high, given the sticky inflation and strong job data. High interest rates, lingering concerns over the US regional banks and a potential US government default in June could result in heightened volatility in the near term. Barring a big deterioration in the economic environment in Asia, which could lead to a deterioration in occupancy and rental rates, we expect the dividend income for Asia REITs to remain resilient. Our Fund stays focused on Asia REITs, with strong real estate fundamentals and balance sheet to ride through this period.

The investment fund option for The Manufacturers Life Insurance Company's variable life insurance product is managed by Manulife Investment 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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