

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

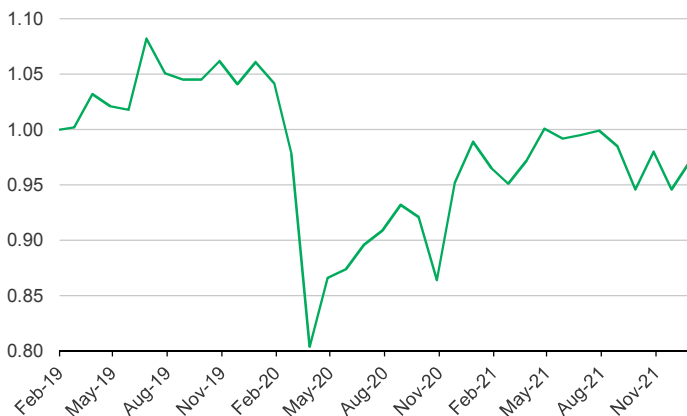
Inception Date February 2019	Fund Size USD 30.07 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 0.971	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPIF	

Performance Return (December 31, 2021)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	2.64%	0.91%	0.91%	n.a.	n.a.	2.22%
Annualized	n.a.	n.a.	0.91%	n.a.	n.a.	0.76%

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.

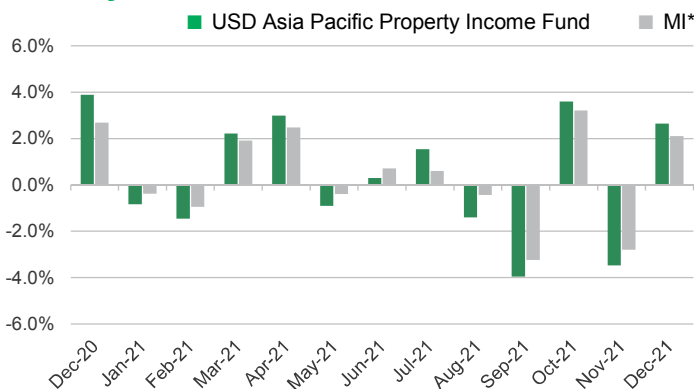
Monthly Net Asset Value per Unit



Top Five Holdings

CapitaLand Integrated Commercial Trust	8.26%
Link Real Estate Investment Trust	8.01%
Ascendas Real Estate Investment Trust	7.53%
Frasers Logistics & Commercial Trust	5.20%
Mapletree Logistics Trust	5.19%

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 for December to end a turbulent 2021. Buying sentiment recovered from the Omicron-led sell-off in late November as more data revealed that the new variant causes less severe symptoms and vaccine boosters provide adequate protection against hospitalisations. During the month, the US Federal Reserve Board (Fed) signaled a more aggressive unwinding of its monthly bond buying, as expected by the market, and brought forward multiple rate hikes in 2022.

Australia's REITs market maintained its lead performance over Singapore and Hong Kong markets, wrapping up 2021 with the index close to the year's high. Sentiment for the market was bullish with healthy broad-based December revaluation gains reported. Industrial assets enjoyed the strongest revaluation gains with further cap rates compression as demand for the asset class remains buoyant. During the month, fund manager Charter Hall Group lifted earnings guidance (again) on the back of robust funds under management growth driven by asset revaluations and recent acquisitions.

Hong Kong's REITs market fell in December and closed the year in red territory. Sentiment across Hong Kong and Chinese equity markets was cautious on the back of heightened regulatory scrutiny by the People's Republic of China government across several industries including real estate. The planned limited December reopening with mainland China was delayed on the back of new outbreaks in China and global spread of the highly transmissible Omicron. Chinese property management companies continued to underperform on fears that they could be funding sources for parents/developers under liquidity stress.

Singapore's REITs market recovered in December to close 2021 almost flat year-on-year. In December, SREITs remained very active on the merger and acquisitions front. Notable deals include Capitaland Integrated Commercial Trust making maiden inroads into the Australian market with three assets purchased in North Sydney. The market saw the listing of a specialised data centre REIT, Digital Core REIT which was heavily subscribed and performed well on expectations of strong inorganic growth backed by sponsor, Digital Realty. For 2021, developer Capitaland Investment outperformed the SREITs as investors favour its asset-light model and the group is not exposed to policy risks in either China or Singapore's residential markets.

Outlook

While Asian economies made strides towards recovery and borders re-opening, the performance of Asian REITs was interrupted by new virus outbreaks and scares. The outbreak of the Omicron variant towards the end of the year has further complicated forward growth and inflation projections. That said, we continue to believe that a synchronised global re-opening is intact with broad population immunity and new therapeutics expected to be broadly available in 2022. While the Fed hikes in 2022 could be potential headwinds for Asia REITs in general, we remain focused on REITs which are dividend growers with core cashflow resilience, strong capital management, and quality real estate to command better rental rates in times of economic recovery.

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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