

# 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

<b>Inception Date</b> February 2019	<b>Fund Size</b> USD 27.75 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 0.787	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> PHEQPIF	

## Performance Return (December 31, 2023)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	10.22%	2.09%	2.09%	-11.86%	n.a.	-10.72%
Annualized	n.a.	n.a.	2.09%	-4.12%	n.a.	-2.29%

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.

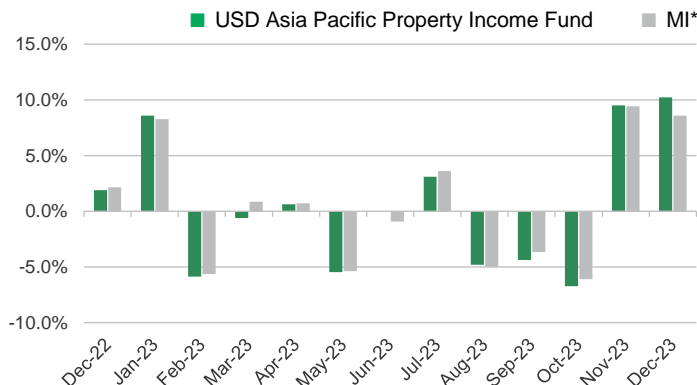
## Monthly Net Asset Value per Unit



## Top Five Holdings

Link Real Estate Investment Trust	9.74%
CapitaLand Ascendas REIT	9.55%
CapitaLand Integrated Commercial Trust	9.05%
Frasers Logistics & Commercial Trust	5.82%
Mapletree Logistics Trust	5.74%

## Monthly Performance

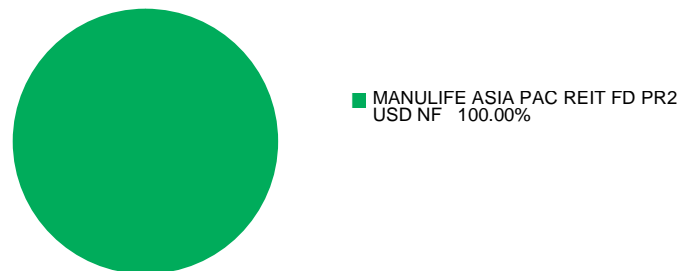


\*Market Indicator = Manulife Investment Asia REIT ex-Japan Index

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)



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## Market Review

Asia ex Japan real estate investment trusts (REITs) rallied further in December 2023. This was underpinned by dovish comments by the US Federal Reserve Board (Fed) and expectations for further interest rate falls in 2024, as indicated in the updated Federal Open Market Committee (FOMC) median dot plots. The US 10-year bond yield fell by 45bps (month-on-month) to 3.9% for the first time since July 2023.

Australian REITs delivered the strongest performance in the region. As expected, the Reserve Bank of Australia kept rates unchanged with third-quarter sequential GDP coming in lower than expected, which provided further support that the peak in rates is behind us. The stellar performance was broad-based across the sector, but most pronounced in the real estate fund managers, which typically thrive in a low interest rate environment due to higher transaction activities, supporting AUM growth.

Hong Kong REITs inched up in the month. This was led by the largest and most liquid retail REIT, as investors look to gain exposure via the sector bellwether. A smaller cap REIT with significant exposure to the Hong Kong office market performed well.

Singaporean REITs also performed well. Mirroring the strong rebound of their US-listed peers, small cap SREITs with exposure to the US office market performed well in the month, reversing part of the declines over the year. Among the mid-to-large cap names, retail and office SREITs with material exposure to the Hong Kong and Chinese market led the rebound. A large cap data center REIT was a sector laggard due to news of rental arrears by a key tenant in China.

## Outlook

With peak hawkishness likely behind us, a key pressure point weighing on Asian REITs looks set to reverse in the year ahead. While Asian REITs have rebounded off multi-year lows set in October 2023, the sector is still in the early stages of a rebound and should continue to see opportunities in 2024. Having said that, the uncertain macroeconomic environment and geopolitical risks warrant caution. We continue to focus on paying reasonable valuations for high-quality Asian REITs.

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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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