

# 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 20.08 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 0.747	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> PHEQPIF	

## Performance Return (December 31, 2025)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.67%	20.32%	20.32%	6.41%	-8.14%	-6.95%
Annualized	n.a.	n.a.	20.32%	2.09%	-1.68%	-1.04%

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.

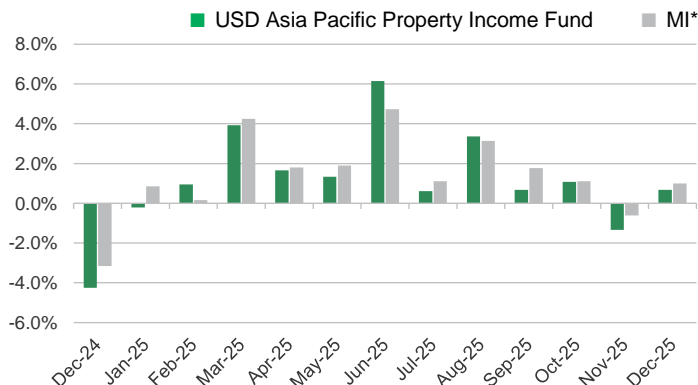
## Monthly Net Asset Value per Unit



## Top Five Holdings

Link Real Estate Investment Trust	8.51%
CapitaLand Ascendas REIT	8.46%
CapitaLand Integrated Commercial Trust	8.17%
Keppel DC REIT	5.45%
Mapletree Pan Asia Commercial Trust	5.35%

## Monthly Performance

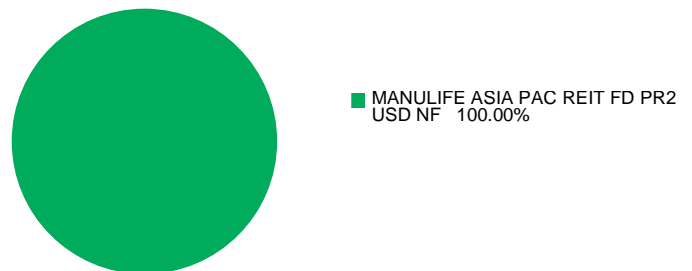


\*Market Indicator = Manulife Investment Asia REIT ex-Japan Index

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 REIT markets closed 2025 on a strong note, with added gains in December. Broad sentiment was positive with the US Federal Reserve (Fed) cutting rates by a widely expected 25 basis points (bps) at the last meeting of the year. The latest US consumer price index (CPI) print for November came in below expectations, and the labor market is showing signs of cooling.

Singapore REITs posted gains during the month. Singapore's gross domestic product (GDP) grew by 4.8% in 2025, stronger than market expectations. A diversified REIT saw gains after a change of ownership management, which raised hopes that the alignment of interests between the manager and one of its substantial shareholders could lead the REIT to review its portfolio and unlock value. A newly listed small-cap data center REIT rose on inflows from its inclusion into a real estate commercial benchmark.

Hong Kong REITs lagged the region in the absence of major corporate news flows. Hong Kong retail sales performance continued to improve, led by the luxury retail segment, while necessity trades declined. The performance of an office-centric REIT lifted on news of another major office transaction, with a leading Chinese e-commerce company buying a 50% stake in a prime Grade A office building in core Central. A university in Hong Kong also bought an office property in Kowloon from a Singapore-listed REIT.

Australia REITs gained, despite a 30-bps increase in 10-year bond yield. Narrative in the market has shifted towards a potential cash rate hike in 2026 on the back of inflationary pressures from strong consumer spending and robust wage data. Retail-centric REITs did well after reporting positive year end asset valuation uplifts, driven by both cap rate compression and rental income growth.

## Outlook

With global inflation cooling and further rate cuts on the horizon, real estate equities and REITs are likely to remain in favor. After posting a positive performance in 2025, Asia Pacific ex-Japan REITs are set for a pivotal transition from a period of rate-driven relief to a phase of growth revival. Lower benchmark interest rates should lead to interest cost savings and improve their relative appeal against other yield instruments. With progressive interest savings going into 2026, core distribution income growth should improve further for most Asia REITs. We believe healthy real estate fundamentals, relatively resilient balance sheets, and core dividends recovery are supportive factors for the asset class. From a global macro perspective, the Fed's independence will be closely watched with the change in Fed Chairman in 2026.

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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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