

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

## Performance Return (February 28, 2023)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-5.85%	2.24%	-8.06%	-9.82%	n.a.	-10.59%
Annualized	n.a.	n.a.	-8.06%	-3.39%	n.a.	-2.72%

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.

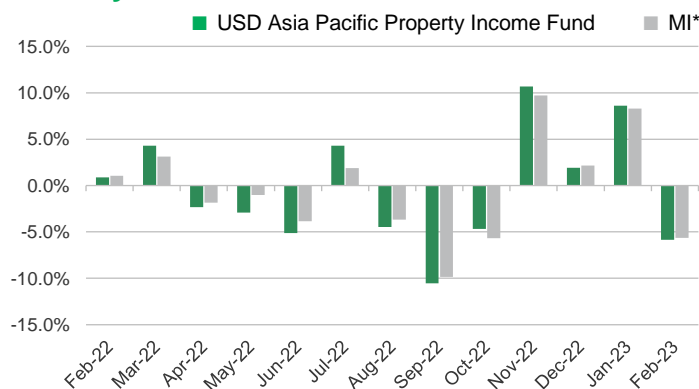
## Monthly Net Asset Value per Unit



## Top Five Holdings

CapitaLand Ascendas REIT	9.44%
CapitaLand Integrated Commercial Trust	9.08%
Link Real Estate Investment Trust	8.01%
Mapletree Logistics Trust	6.13%
Frasers Logistics & Commercial Trust	5.95%

## Monthly Performance

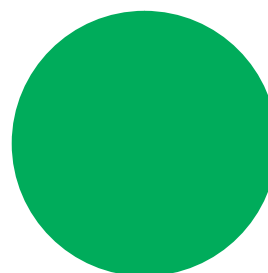


\*Market Indicator = Manulife Investment Asia REIT ex-Japan Index

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

Asian REIT markets gave up most of their January gains in February, as yield curve repriced on a spat of stronger-than-expected economic readings from the US. The resilience of the US economy led investors to come to terms that the policy of the US Federal Reserve Board (Fed) could remain restrictive for longer than earlier expected. Buying sentiment was also curtailed with the heightened US-China tensions, and investors are concerned that equity fundraising activities will pick up in Asian REITs after Link REIT announced a massive rights issue.

During the month, Australian REITs saw diverse performances that were heavily influenced by the H1 FY2023 earnings reporting season. Industrial REITs saw the largest amount of cap rate expansion but with very negligible impact on asset values due to strong rental growth.

Hong Kong's REITs did not perform well in the region. Despite the full border reopening, sentiment across Hong Kong real estate stocks was cautious on concerns of more equity fundraising exercises to pay off debt. In the latest budget, the Hong Kong government announced giving out more consumption vouchers to Hong Kong permanent residents and cut the stamp duty for first-time homebuyers (for properties valued at HKD9 million or below), as it looks to lift the economy out of the pandemic slump.

Singapore's REITs were broadly weaker on high-bond yields and most of the SREITs closed lower after going ex-dividends. Big cap industrial REITs perform well, particularly on healthy rental reversions and resilient capital values. Hospitality REITs fell on profit-taking, having been the best performing sector over the previous three months.

## Outlook

Markets initial optimism of a Fed pivot in H2 FY2023 has faded, given persistent strong employment data and sticky inflation readings in February. Equity prices would continue to gyrate on the shifts in narratives on the interest rate outlook. On the REIT fundamentals, we believe most of the higher base interest rate/cost have been well-guided and factored in by analysts, and the sector has marginally improved their interest fixed rate hedging at the end of December. Considering a big economic deterioration in Asia that could lead to a decline in occupancy and rental rates, we expect dividend income for Asian REITs to remain resilient. Our Fund stays focus on Asian REITs with strong real estate fundamentals and balance sheet to ride through this period.

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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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