

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

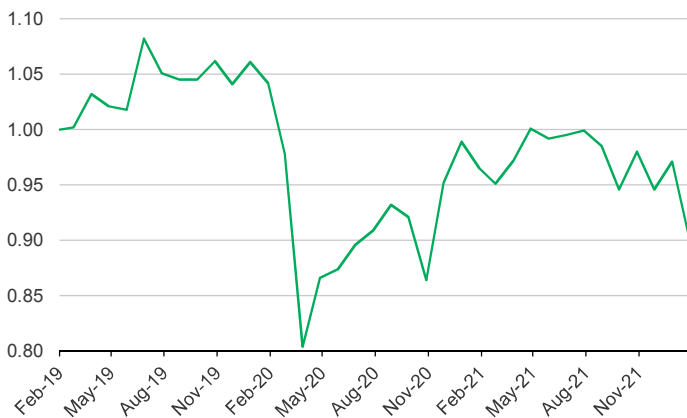
Inception Date February 2019	Fund Size USD 27.95 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 0.900	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPIF	

Performance Return (January 31, 2022)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-5.70%	-5.70%	-4.04%	n.a.	n.a.	-3.61%
Annualized	n.a.	n.a.	-4.04%	n.a.	n.a.	-1.22%

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.

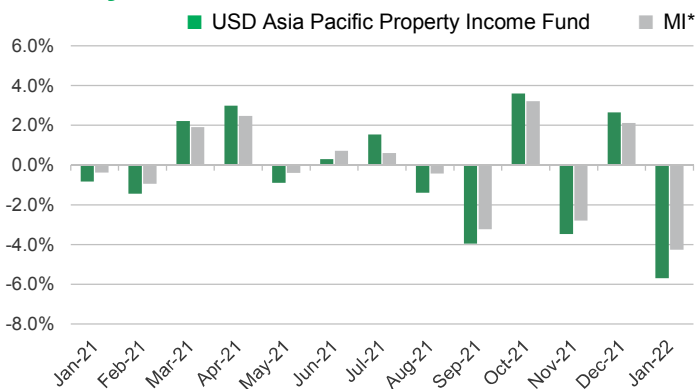
Monthly Net Asset Value per Unit



Top Five Holdings

CapitaLand Integrated Commercial Trust	8.31%
Link Real Estate Investment Trust	8.27%
Ascendas Real Estate Investment Trust	7.45%
Frasers Logistics & Commercial Trust	4.96%
Mapletree Logistics Trust	4.88%

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

Global equity markets, including Asia REITs started 2022 with broad-based selling as global government bond yields moved higher. The interest-rate sensitive sector was a funding source for rotations into value plays and the financials sector as market participants priced in prospects of central banks lifting cash rates in 2022. Central banks globally have in recent months, signaled to rein in looser, accommodative policies that helped their economies weather the pandemic, as inflation data surprised on the upside.

Australia's REITs market had a rocky start in January after a strong performance in 2021. The pain was most acutely felt by fund managers, Charter Hall Group and Goodman Group, which are seen as high growth REITs with low yields. The office and retail REITs fared better in the month. A surprise jump in both headline and underlying inflation has economists convinced the Reserve Bank of Australia will be forced to lift interest rates well ahead of its official outlook and as early as May.

Hong Kong REITs outperformed Australian and Singaporean REITs despite the country introducing some mobility restrictions in 2022 to contain a fresh outbreak of Covid infection cases. Within the market, REITs with China-centric assets outperformed. Diverging from the US Federal Reserve Board's hawkish stance, the People's Bank of China has eased monetary conditions and is stepping up support for an economy under strain from a property market crackdown. Chinese property management companies rebounded in January on relief of signs of policy easing to help relieve liquidity stress on the real estate sector.

Singapore's REITs market were sold-off and hit a new 52-week low. In response to risks to its inflation forecasts, the Monetary Authority of Singapore surprised the market with an unscheduled tightening of monetary policy in January. SREITs with exposure to Singapore office assets fared better in anticipation of further improvements in prime office rental rates in 2022. Mapletree Commercial REIT was sold-off on news of its proposed merger with Mapletree North Asia Commercial as investors did not like that its 100% Singapore market exposure will be diluted to 51% with the enlarged asset base. Singaporean developers outperformed SREITs with investors seeking safety away from yields into value stocks.

Outlook

While fears over Omicron-led restrictions receded in January, concerns have shifted back to global monetary tightening as inflation data has continued to surprise on the upside. Despite the macro-level headwinds, we believe real estate fundamentals remain supportive and this sector has provided a good inflation hedge in the past. 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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