

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 27.81 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 0.854	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPIF	

Performance Return (January 31, 2023)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	8.60%	8.60%	-1.47%	-10.10%	n.a.	-5.03%
Annualized	n.a.	n.a.	-1.47%	-3.49%	n.a.	-1.28%

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.

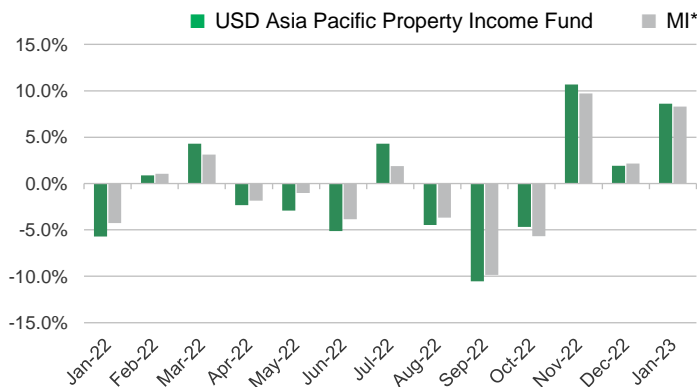
Monthly Net Asset Value per Unit



Top Five Holdings

Link Real Estate Investment Trust	9.49%
CapitaLand Integrated Commercial Trust	9.31%
CapitaLand Ascendas REIT	9.13%
Mapletree Logistics Trust	5.73%
Frasers Logistics & Commercial Trust	5.62%

Monthly Performance

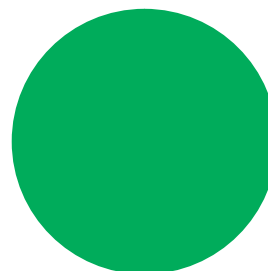


*Market Indicator = Manulife Investment Asia REIT ex-Japan Index

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

After a bruising 2022, Asia REITs markets got off to a strong start in January 2023 as softer inflation related readings drove up expectations for an end to the hiking cycle by the global central banks. Recent economic indicators and corporate earnings suggest a soft landing in the US economy as against a recession as feared by market participants. Global bond yields receded further in January, lifting buying sentiment across equity markets.

Australian REITs market saw broad-based gains and performed ahead of the broader Australian equity market. The Australian government bond yield retraced close to 50 bps from the recent high of 4.045%. Fund managers rallied strongly whilst laggards were smaller cap REITs which had performed well the prior month. Retail REITs are also lagging in the rebound on signs of slowing consumer consumption and retail sales.

Hong Kong REITs continued to perform ahead of regional peers, underpinned by the Hong Kong-China borders reopening theme. Buying interest in real estate stocks was further buoyed by short term Hong Kong interbank rates (HIBOR) rates coming off by close to 200 bps from the high in December 2022. On the corporate news front, Sunlight REIT announced acquisition of a shopping arcade in West Kowloon for Hong Kong dollar (HKD) 748m.

The Singapore REITs market has been a laggard as investors focused on more beaten down REITs in the region. The 2022 full year corporate earnings season got off to a good start with better than anticipated December asset revaluations despite the steep interest rate hikes in 2022. Better cashflows and rental recovery more than offset cap rate expansion for Singapore-centric assets. Industrial and data centres REITs performed well on stable DPU growth profiles whilst Singapore-centric office REITs continued to lag on concerns over weakening demand. During the month, Frasers Centrepoint Trust cemented its position as a leader of suburban malls operator with the purchase of a stake in Nex mall together with the sponsor.

Outlook

After a difficult 2022, investors in AP REITs should look at the robust underlying fundamentals of the asset class in the new year, which we consider as core earnings and cashflow strength, strong capital management, and quality real estate which generally provides greater resilience to rental rates during times of economic uncertainty – all factors which provide support to sustainable dividend pay outs. Our Fund stays focused on Asian REITs with strong real estate fundamentals and balance sheet to ride through this period.

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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