

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 27.55 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 0.875	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPIF	

Performance Return (July 31, 2022)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	4.30%	-6.89%	-9.50%	-9.71%	n.a.	-4.83%
Annualized	n.a.	n.a.	-9.50%	-3.35%	n.a.	-1.41%

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.

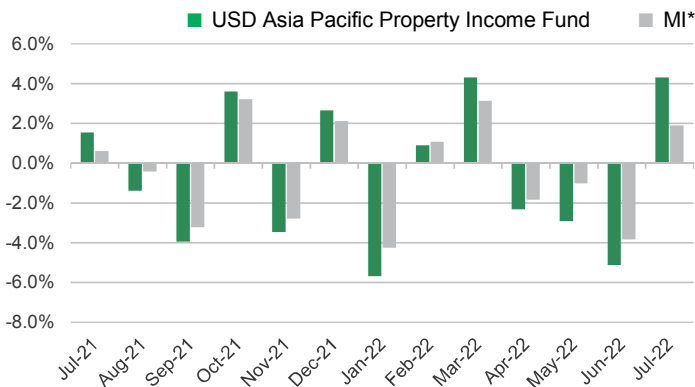
Monthly Net Asset Value per Unit



Top Five Holdings

Link Real Estate Investment Trust	9.21%
CapitaLand Integrated Commercial Trust	9.06%
Ascendas Real Estate Investment Trust	8.35%
Mapletree Logistics Trust	5.80%
Frasers Logistics & Commercial Trust	5.43%

Monthly Performance

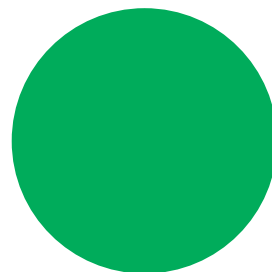


*Market Indicator = Manulife Investment Asia REIT ex-Japan Index

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

The global REITs markets recovered in July as government bond yields retreated from the June highs. Inflation and interest rate expectations have shifted lower on the back of recent correction in commodities prices and increasing signs of the global economy slowing due to tighter monetary conditions. The drumbeat of recession grew louder after the US economy shrank for a second straight quarter in the second quarter of 2022. As widely expected, the US Federal Reserve Board (Fed) raised rates by 75 basis points (bps) in July and guided that the sizes of the future rate moves will be data dependent.

Australia's REITs market started the new financial year with a strong rebound after the steep selloff seen in the last two months. Buying interest has returned to the sector after the Australian 10-year bond yield declined almost 100 bps from the recent high to close July at 3.06%. Australia's second-quarter inflation rate came in a little under expectations, providing a glimmer of hope that consumer prices might be starting to peak.

Hong Kong's REITs market underperformed the region as broad sentiment on the China/HK real estate space was dampened by news that buyers of over 300 residential projects across Chinese cities have collectively refused to make mortgage payments unless construction of their homes resume. However, gains in retail REITs reversed most of the losses. There are continued signs of an active physical market as one of the leading Hong Kong retail REITs was reported to be among bidders vying for a four billion Singapore dollar portfolio of suburban shopping malls in Singapore.

Singapore's REITs market rose in July as the first half of 2022 reporting season started on a healthy note. During the month, the Monetary Authority of Singapore delivered a market surprise with an off cycle tightening to slow the momentum of inflation. Some landlords, with the exception of retail REITs, are looking to raise service charges to help offset higher utilities costs to protect net property income margins. Despite reporting a healthy take-up rate and strong rental reversions, office-centric REITs underperformed the broader market on concerns that the global slowdown could hurt demand for space further down the road.

Outlook

The Asia REITs markets rebounded in recent weeks as investor concerns have shifted to recession fears. Market volatility is likely to remain high as investors are caught in a tug of war between inflationary threats and slowing growth concerns. The performance of Asian REITs will continue to swing based on interest rate expectations and investors who are focusing on stock fundamentals when bond yields stabilise, while the market has clearer visibility of a forward inflation trajectory. As growth concerns and recession fears grow in the near-term, Asia REITs could provide some shelter given the visible income streams underpinned by the post-Covid recovery. With the rising cost of capital, we would expect a further bifurcation of real estate valuations in the physical market and would focus on REITs owning quality assets in their portfolio.

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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