

# 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 26.96 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 0.768	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> PHEQPIF	

## Performance Return (July 31, 2023)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	3.09%	-0.37%	-8.45%	-6.42%	n.a.	-12.87%
Annualized	n.a.	n.a.	-8.45%	-2.19%	n.a.	-3.03%

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.

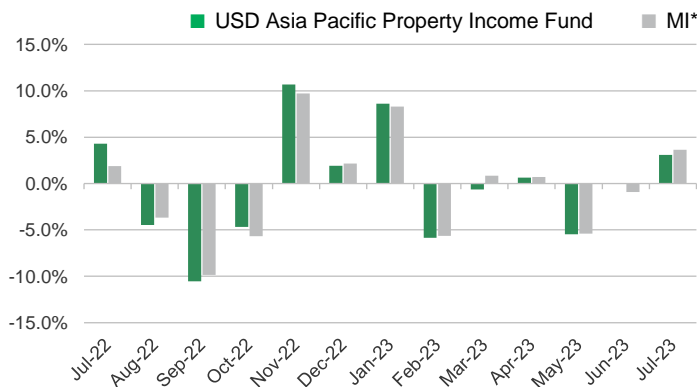
## Monthly Net Asset Value per Unit



## Top Five Holdings

CapitaLand Ascendas REIT	9.78%
CapitaLand Integrated Commercial Trust	9.41%
Link Real Estate Investment Trust	8.58%
Mapletree Logistics Trust	5.94%
Frasers Logistics & Commercial Trust	5.88%

## Monthly Performance

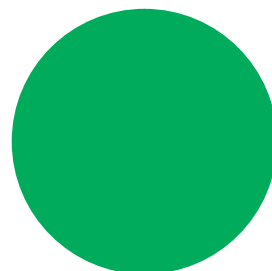


\*Market Indicator = Manulife Investment Asia REIT ex-Japan Index

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

Regional real estate investment trusts (REITs) in Asia saw a rebound in July on the back of hopes over a potential end of rate hike cycle among global central banks. The US Federal Reserve Board (Fed) raised rates by a widely expected 25 bps amid softer-than-expected inflation. Buying sentiment was further lifted as the US reported a robust Q2 2023 GDP growth, suggesting a recession is avoidable even in the face of the aggressive rate hikes.

Australia's REITs market enjoyed a good rebound in July, thanks to lower-than-expected Q2 2023 inflation and a pause in interest rate hikes by the Reserve Bank of Australia (RBA). Retail sales came in below expectations in June, reflecting slower consumer spending especially for discretionary goods. The latest economic data has lowered market expectations to one last rate hike from the RBA for this cycle.

Hong Kong's REITs market lagged on the back of concerns over China's economy. Buying sentiment was further impacted by rising short-term funding costs (1-month HIBOR reaching new high at over 5%) and recent RMB weakness, which might hurt HKD-based profits. As such, Hong Kong-centric REITs performed well.

Singapore's REITs market rose in July, led by a few big cap Singapore-REITs. The local economy averted a technical recession in Q2 2023, mainly due to stronger momentum in the services and construction sectors, and a smaller contraction in the manufacturing sector. Most S-REITs reported resilient operating metrics for Q2 2023, despite a lower distribution per unit due to higher interest expenses.

## Outlook

Both the US and European central banks lifted their policy rates by a widely expected 25 bps in July and have shifted to being more open-minded on September's rate decision depending on the latest economic print. We are very likely to be closer to the end of the rate hike cycle than we have been over the past year. That said, rates are expected to stay high for longer, as the labour market remains resilient, and we are still a distance away from inflation targets. The certainty of peak in rates generally bodes well for Asian REITs, as investors have higher degree of confidence over real estate value and visibility in dividends projections. The fund focuses on REITs with lower leases renewal risks and strong balance sheet to ride through this uncertainty.

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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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