

# 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 21.04 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 0.715	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> PHEQPIF	

## Performance Return (July 31, 2025)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.61%	15.17%	10.92%	-6.41%	-4.34%	-10.93%
Annualized	n.a.	n.a.	10.92%	-2.19%	-0.88%	-1.77%

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.

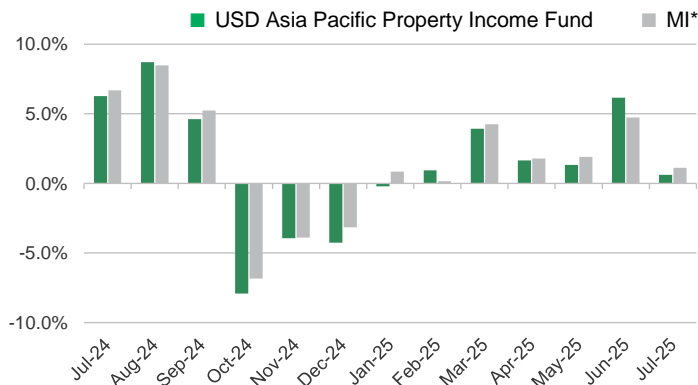
## Monthly Net Asset Value per Unit



## Top Five Holdings

Link Real Estate Investment Trust	9.85%
CapitaLand Ascendas REIT	9.11%
CapitaLand Integrated Commercial Trust	8.52%
Keppel DC REIT	6.85%
Mapletree Pan Asia Commercial Trust	5.26%

## Monthly Performance

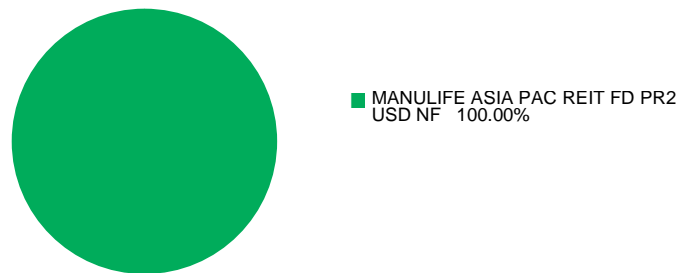


\*Market Indicator = Manulife Investment Asia REIT ex-Japan Index

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)



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## Market Review

Asia ex Japan real estate investment trust (REIT) markets rose in July, continuing their positive momentum alongside broader Asian equities. Investor sentiment remained resilient despite geopolitical tensions, supported by easing inflationary pressures and expectations over monetary policy easing. The US Federal Reserve (Fed) kept policy rates unchanged in July and was non-committal over its next policy meeting decision in September 2025. The market continued to price in another two rate cuts by the end of 2025. Lower financing costs and improving macro indicators across the region underpinned REIT performance.

Australian REITs posted a solid rebound in July. Australian consumer price index (CPI) inflation for Q2 2025 came in below expectations and moderated to +2.1% year-on-year (YoY), which was down from +2.4% YoY for Q1 2025. Along with a slight uptick in unemployment rate, market expectations were lifted over an impending rate cut in August's policy meeting. Office REITs led the gains, buoyed by a major US fund manager's acquisition of a 20% stake in a mid-cap office REIT, which led to speculation over further mergers and acquisitions possibility. Retail and industrial REITs also posted gains.

Hong Kong REITs notably performed. This is supported by sustainably low short-term financing rates and improving investor confidence. Retail sales data unveiled for June 2025 showed the second consecutive month of improvement. Hong Kong retail sales rose +0.7% YoY in June 2025 (May 2025: +2.4% YoY). The strong +7% YoY growth for luxury goods sales, such as jewelry, watches, and valuable gifts, was a notable improvement following 16 months of decline. Staples retail sales expanded for the fourth consecutive month at +2% YoY. Sentiments for office REITs were lifted by a pickup in initial public offering (IPO) activities and constructive comments by a major Hong Kong office landlord.

Singapore REITs posted gains overall in July. Data points during the reporting season revealed mixed trends across different subsectors. Office REITs performed well due to solid rental reversions and a better outlook for borrowing costs. A large-cap data center REIT with Singapore-focused business delivered stronger-than-expected rental reversions in 1H 2025. Retail REITs lagged despite relatively healthy rental reversions in Singapore. Hospitality REITs corrected post-results following announcements of DPU and RevPAR declines but held onto gains in the month.

## Outlook

US President Trump's chaotic tariff policies remain in focus. Investors are also watching out for any escalation in geopolitical conflicts that could hurt the current risk-on sentiment. Notwithstanding that, Asia's real estate values have already been corrected in the past few years and the recent pick-up in investment activities on a more palatable rates environment signaled a likely bottom for the commercial real estate sector. We believe healthier real estate fundamentals and balance sheet, coupled with lower financing rates and potential rate cuts are likely to cushion downside for Asian REITs.

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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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