

# 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

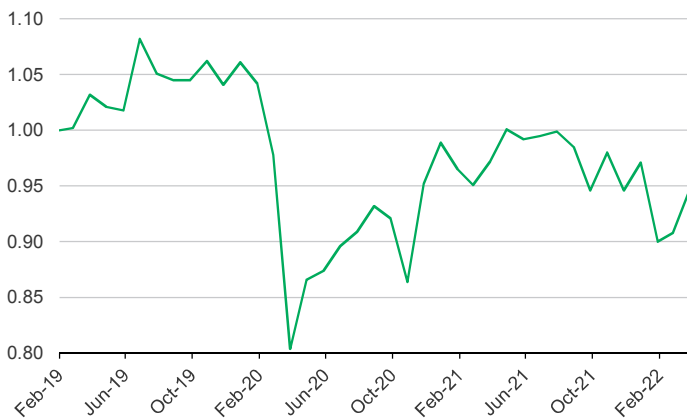
<b>Inception Date</b> February 2019	<b>Fund Size</b> USD 29.92 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 0.947	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> PHEQPIF	

## Performance Return (March 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%	-0.77%	0.25%	-1.72%	n.a.	1.43%
Annualized	n.a.	n.a.	0.25%	-0.58%	n.a.	0.45%

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.

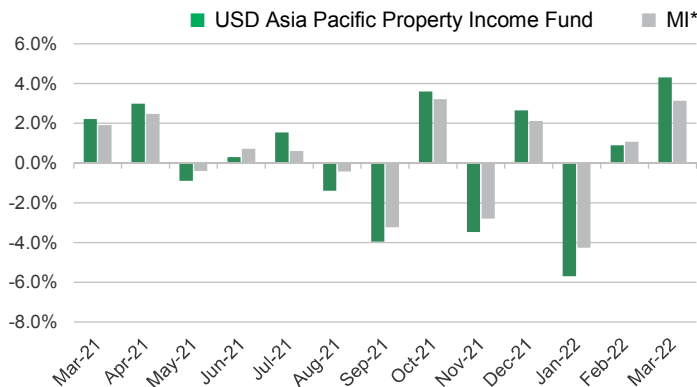
## Monthly Net Asset Value per Unit



## Top Five Holdings

CapitaLand Integrated Commercial Trust	9.31%
Link Real Estate Investment Trust	7.99%
Ascendas Real Estate Investment Trust	7.64%
Mapletree Logistics Trust	5.26%
Frasers Logistics & Commercial Trust	5.10%

## Monthly Performance

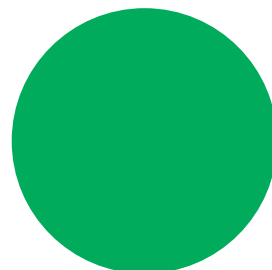


\*Market Indicator = Manulife Investment Asia REIT ex-Japan Index

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 recovered in March with major Asia ex Japan REITs markets closing in positive territory amidst bargain hunting and hopes for a timely Russia-Ukraine ceasefire. During the month, the US Federal Reserve Board (Fed) delivered on the well-telegraphed 25 basis point (bp) hike and Chairman Powell allayed concerns over the risk of a recession and declared the economy strong enough to withstand tighter monetary policy.

The Australian REITs market trailed regional peers and broader Australia equities in March. Performance was considered resilient in view of a significant 70 bps spike in the 10-year bond yield. Industrial REITs outperformed on news report of potential real estate transaction, i.e., BlackStone receiving an offer of more than 21 billion euros for its portfolio of Europe logistics warehouses from Prologis. The deal, if confirmed, is an endorsement of the continued interest in global logistics real estate even in the face of higher interest rates and global volatility.

Hong Kong REITs lagged the region in performance, with gains led by index heavyweight, Link REIT. The Hong Kong government aims to ease social distancing measures from 21 April and will further relax its tight border control. Retail landlord, Fortune REIT underperformed the market, as the market was surprised by the cut in their fiscal year 2021 dividend payout ratio to conserve cash. The Chinese real estate sector underperformed as the sector was weighed down by multiple factors including China's Covid lockdowns, weak home sales and fears of stock suspension due to delays in reporting audited fiscal year 2021 results.

The Singapore REITs market enjoyed a good run in March as the government took bold steps to reduce international and domestic Covid-19 related restrictions. Social mobility was relaxed further with group gatherings expanded to 10 from five and alcohol consumption at dining establishments allowed to extend beyond 10.30 pm. All vaccinated travelers will be able to enter Singapore quarantine free with daily quotas removed. The land borders between Malaysia and Singapore will also fully reopen allowing Malaysians to come into Singapore freely which could help to ease labour shortage issues. On the back of these developments, hospitality REITs were the biggest outperformers in the month while central business district landlords also fared well with more workers allowed back in office. Developer City Development rallied on news that it will reap significant gains from the sale of its stake in Tanglin Shopping Centre.

## Outlook

The protracted conflict in Ukraine complicates arguments for an aggressive US rate tightening campaign to tackle the fastest inflation in four decades even as risks to economic growth mount. Investors' risk on sentiment is likely to be kept in check as the Fed is facing an arduous task of securing a soft landing and keeping inflation in check. In Asia (excluding China and Hong Kong), the synchronised reopening theme is continuing to play out helping instill confidence for better rental rates and an improved occupancy outlook for Asia-centric REITs. The certainty and visibility of income from REITs continues to appeal to investors especially in times of heightened volatility across both bond and equity markets.

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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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