

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 20.21 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 0.663	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPIF	

Performance Return (March 31, 2025)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	3.92%	4.68%	0.35%	-20.18%	-0.68%	-19.04%
Annualized	n.a.	n.a.	0.35%	-7.24%	-0.14%	-3.38%

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.

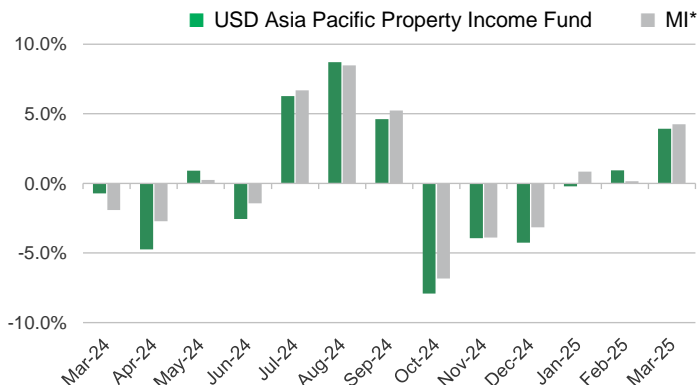
Monthly Net Asset Value per Unit



Top Five Holdings

Link Real Estate Investment Trust	9.67%
CapitaLand Ascendas REIT	9.59%
CapitaLand Integrated Commercial Trust	9.59%
Keppel DC REIT	6.02%
Mapletree Logistics Trust	4.96%

Monthly Performance

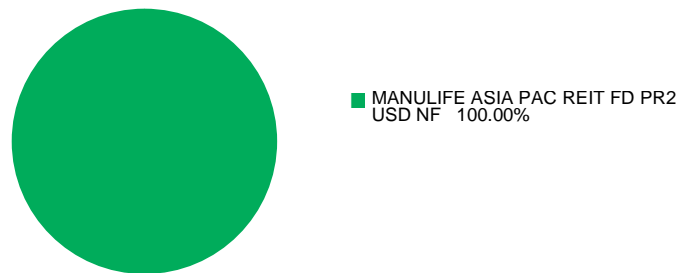


*Market Indicator = Manulife Investment Asia REIT ex-Japan Index

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 trusts (REITs) delivered a mixed performance in the month. Singapore and Hong Kong REITs were up, while Australian REITs were down. The US Federal Reserve (Fed) kept its policy rate unchanged at the March 2025 meeting and reiterated guidance for two more cuts ahead. US Fed Chairman Jerome Powell cautioned that uncertainty about the economic outlook has increased due to policy changes under the new US administration. Its 2025 GDP (gross domestic product) projection was lowered to 1.7% from 2.1%.

Australian REITs traded lower in March. The federal government unveiled budget plans, which included several measures to ease pressure on Australian households. These include measures, such as lower tax rates, reduction in student debt, and extension of energy rebate, which should support the retail sector. Efforts to improve housing affordability and supply could also benefit residential developers.

Hong Kong REITs posted gains in the month. Government data showed an 8% year-on-year (YoY) decline in retail sales for two months in 2025. Discretionary retail categories were weak and declined by double-digit levels. Consumer staples held up better with stable sales, which rose and fell by low single-digit levels. Grade A office rents in Hong Kong's central area fell by 1% quarter-on-quarter (QoQ). A major retail REIT held a pre-blackout investor call and flagged negative rental reversions for nine months in fiscal year (FY) 2025, as previously guided and expected.

Singapore REITs traded higher in March. On the transaction activities front, a suburban-focused retail REIT executed a well-subscribed equity placement to fund its acquisition of a SGD1.1-billion shopping center. Despite a relatively tight asset yield, its REIT manager managed to deliver a distribution per unit (DPU) accretive deal by taking on debt with lower interest rates. Another small-cap data center REIT announced a fully debt-funded, DPU accretive acquisition in Japan.

Outlook

2024 was a roller coaster year for Asia Pacific REITs as early optimism fueled by global rate cuts was doused with concerns over a shallower rate cut trajectory in 2025 under the new US administration. Heightened volatility is expected to extend into 2025 on the back of potential inflationary impact and volatility in US interest rate expectation brought by US tariffs. While we understand concerns over potential impact from weaker economic environment, we see more resilience in the earnings and dividends among Asian REITs, given the tailwinds from lower cash financing rates. Fundamentally, the lower cash rates environment has helped in a gradual pick-up in real estate transactions (both acquisitions and divestments by Asian REITs) and higher confidence in commercial real asset values. We see an increasing number of REITs with marginal cost of debt trading below prevailing debt cost on their books, which is a harbinger of lower interest costs. Against that backdrop, we remain optimistic for core dividends recovery for Asian REITs in 2025-2026.

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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