

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 28.15 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 0.898	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPIF	

Performance Return (May 31, 2022)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-2.92%	-5.91%	-6.86%	-5.52%	n.a.	-3.82%
Annualized	n.a.	n.a.	-6.86%	-1.88%	n.a.	-1.17%

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.

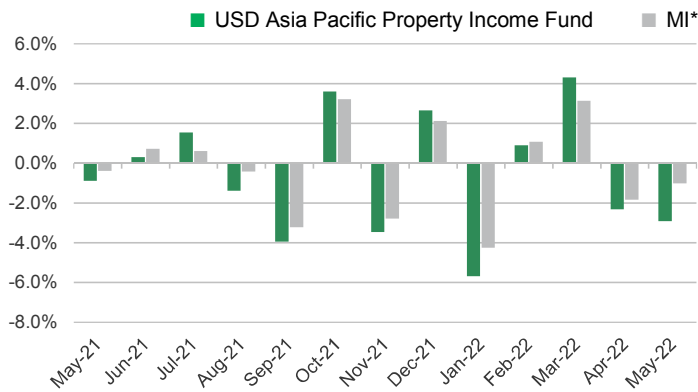
Monthly Net Asset Value per Unit



Top Five Holdings

Link Real Estate Investment Trust	9.31%
CapitaLand Integrated Commercial Trust	8.96%
Ascendas Real Estate Investment Trust	7.56%
Frasers Logistics & Commercial Trust	4.94%
Mapletree Logistics Trust	4.85%

Monthly Performance

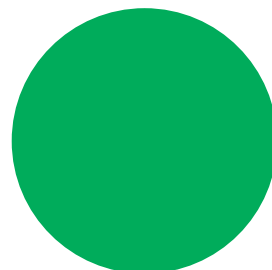


*Market Indicator = Manulife Investment Asia REIT ex-Japan Index

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

Asian REITs markets corrected in May on increasing concerns that the aggressive rate hikes by global central banks could destruct demand and induce recession in 2023. The US Federal Reserve Board (Fed) delivered the first 50 basis point (bp) rate hike in 22 years and guided that a similar hike would be necessary at the next several meetings. Weak sentiment was further compounded by fears that China's Covid-zero strategy could see the government locking down Beijing after Shanghai after positive cases were detected in the capital city. China's recent tough Covid measures have led to another round of downgrades in global growth estimates.

Australia REITs underperformed with broad-based selling as the Australia 10-year bond yield rallied to a high of 3.565% at the start of May. During the month, Australia saw a change in government with the Labor Party now leading the country after nine years under the Coalition party. Retail REITs outperformed the broader market as retail sales remain robust and leases have built in healthy rent escalators to fight inflation.

Hong Kong's REITs market outperformed regional peers for the second consecutive month as the country further relaxed its social mobility measures. HK retail centric REITs closed the month in positive territory on a healthy rebound in consumption aided by the reopening and distribution of consumption vouchers. The Chinese real estate sector was weak as monthly residential sales remained very weak in the midst of Covid-related restrictions and lockdowns in China.

Singapore's REITs market saw broad-based selling in May, with profit-taking seen in reopening beneficiaries which have done well year-to-date. Market performance was driven broadly by the risk-off environment and there were no major corporate news flows apart from shareholders' approval of the merger between Mapletree Commercial Trust and Mapletree North Asia Commercial Trust. Despite macroeconomic concerns over slowing economic growth, office leasing momentum continues to be healthy with news that one major upcoming office completion in core central business district is drawing strong leasing interest from new economy tenants like Amazon, ByteDance and Meta. Real estate investment manager, Capitaland Investment saw profit-taking after it guided deals to raise funds under management may take longer to execute given the lockdowns in China.

Outlook

In recent weeks, there had been downward pricing of US inflation expectations as investors shifted their focus to slowing growth with the US 10-year bond yield retracing from recent highs. The recent US core Personal Consumption Expenditure index, which was reported in line with market expectations, added to some optimism that we could be near the peak of inflation. However, stubbornly high oil prices and global food shortages indicate that central banks will continue to focus on price stability and controlling inflation in the near-term. Within Asia, we remain optimistic with the rebound in consumer spending following two years of mobility restrictions due to the pandemic. We focus on dividend growers with strong capital management which we believe are more defensive and will continue to appeal to investors in this highly volatile environment.

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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