

# 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><br>February 2019 | <b>Fund Size</b><br>USD 20.33 million    | <b>Fund Currency</b><br>US dollar  | <b>Dealing/Valuation</b><br>Daily |
| <b>Price (NAV/unit)</b><br>USD 0.683   | <b>Management Fee</b><br>2.25% per annum | <b>Bloomberg Ticker</b><br>PHEQPIF |                                   |

## Performance Return (May 31, 2025)

| USD Asia Pacific Property Income Fund<br>(net of management fee) | 1 Month | YTD   | 1 Year | 3 Years | 5 Years | Since Inception |
|--|---------|-------|--------|---------|---------|-----------------|
| Absolute   | 1.34%   | 7.84% | 7.56%  | -13.29% | -5.88%  | -16.60%         |
| Annualized   | n.a.    | n.a.  | 7.56%  | -4.64%  | -1.20%  | -2.83%          |

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.

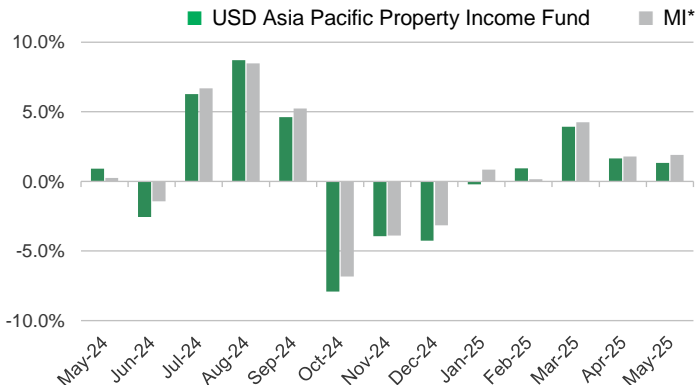
## Monthly Net Asset Value per Unit



## Top Five Holdings

|  |       |
|--|-------|
| Link Real Estate Investment Trust      | 9.90% |
| CapitaLand Ascendas REIT               | 9.49% |
| CapitaLand Integrated Commercial Trust | 8.88% |
| Keppel DC REIT                         | 6.42% |
| Frasers Centrepoint Trust              | 5.00% |

## Monthly Performance

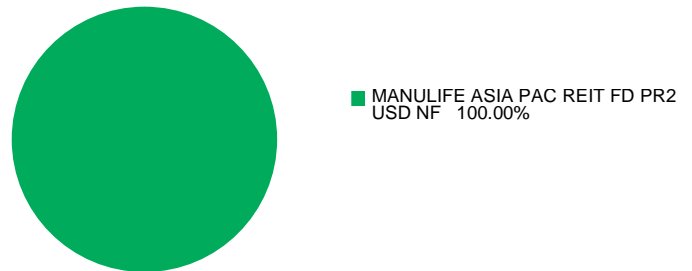


\*Market Indicator = Manulife Investment Asia REIT ex-Japan Index

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 delivered mixed performance across markets in May. Swift changes in tariff policies between the US and its trading partners have kept risks and volatility elevated. During the month, the temporary suspension of tariff between the US and China was a positive surprise that eased concerns over a material economic slowdown from higher tariff rates. The US Federal Reserve (Fed) kept policy rates unchanged in its latest policy meeting, but reiterated uncertainties around trade and immigration policies. Moody's, a credit rating agency, downgraded the US government debt rating on concerns over rising government debt. The 10-year US government bond yield rose 25 basis points (bps) month-on-month (MoM).

Australia was the best performing REIT market in the month. The Reserve Bank of Australia (RBA) lowered cash rates by 25 bps in its latest policy meeting. This was widely expected by the market. Its commentary on the outlook suggests that the RBA has shifted its focus from inflationary pressures to downside risks to growth, which indicates scope for further easing in interest rates. A mid-cap data center REIT notably performed on easing concerns over the global data center outlook and its reiteration of an imminent data center certification.

Hong Kong REITs posted marginal losses. The sharp 3.6 percentage points MoM decline in the 1-month HIBOR rate to 0.6% was a key highlight of the month. Reflecting an environment of ample liquidity and Hong Kong Monetary Authority's efforts to maintain HKD's peg with the USD, this sharp interest rate fall is positive for rate sensitive sectors, like real estate. The potential for lower mortgage cost could also reduce mortgage burden on consumers and possibly lift consumption.

Singapore REITs posted slight losses on profit-taking. Transaction market activities remained buoyant. A large cap industrial REIT announced an equity placement to fund the purchase of a business park and another data center in Singapore. Another large cap industrial REIT divested three properties to a US-based fund manager, which was reported to be interested in more deals in Singapore. A large cap commercial REIT divested the serviced apartment component to a partnership between a US-based fund manager and Malaysia-based company. Several thinly traded small cap REITs traded higher in the month. A privatization offer was launched by its sponsor for a small cap hospitality REIT following a strategic review. Another small cap hospitality REIT with US-based assets announced that it is evaluating various strategic options, which could involve a transaction of the units with its sponsor.

## Outlook

Rapid changes in trade policies have kept market volatility elevated. Even though President Trump has switched to a more conciliatory tone by pausing most of the proposed tariffs for 90 days, the elevated geopolitical tensions and uncertainty have undermined both business and consumer sentiments, leading to downgrades in US and global GDP (gross domestic product) growth estimates. While Asia ex Japan REITs do not see a direct impact from the trade disputes, the secondary effects from prolonged stalemate on tariff negotiations could translate into lower rents and sales or higher vacancy rate in the medium term. Notwithstanding that, 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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