

# 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 25.21 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 0.714	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> PHEQPIF	

## Performance Return (November 30, 2023)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	9.51%	-7.38%	-5.61%	-16.93%	n.a.	-19.00%
Annualized	n.a.	n.a.	-5.61%	-6.00%	n.a.	-4.28%

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.

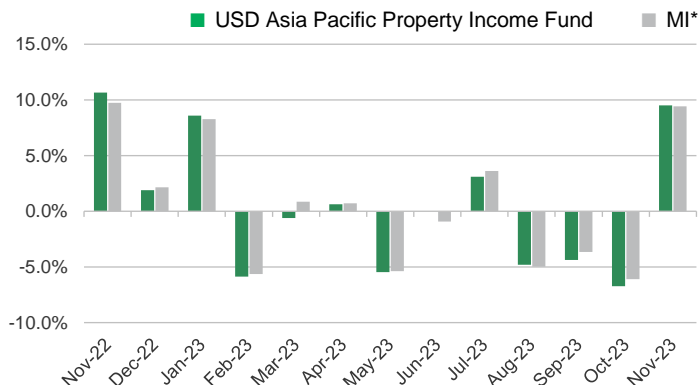
## Monthly Net Asset Value per Unit



## Top Five Holdings

CapitaLand Ascendas REIT	9.93%
Link Real Estate Investment Trust	9.17%
CapitaLand Integrated Commercial Trust	8.51%
Frasers Logistics & Commercial Trust	6.27%
Mapletree Logistics Trust	5.83%

## Monthly Performance

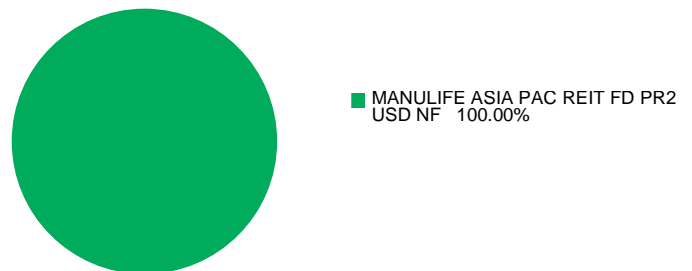


\*Market Indicator = Manulife Investment Asia REIT ex-Japan Index

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) markets rallied in November, with gains further magnified on a weaker USD. Buying sentiment was strong, as expectations grew that the US Federal Reserve Board (Fed) is potentially done with policy tightening and may even start cutting interest rates in 2024. The US 10-year bond yield retreated by over 70bps from the October high, after recent inflation data continues to slow and the US Fed officials strike a dovish tone. Global oil prices also retraced after an initial spike due to the Israel-Hamas conflict.

Australia's REITs staged the strongest rebound in November, ahead of its regional peers. During the month, the Reserve Bank of Australia raised the cash rate by 25 bps to 4.35%, which was in line with market expectations. Most of the AREITs reiterated their FY2024 earnings and dividends guidance with no major negative surprises.

Hong Kong's REITs saw mixed performances with the bigger cap retail REITs performing well in the broader market. One of the largest retail REITs rebounded in November after it reported interim results that were largely in line with previous guidance. Smaller cap REITs with comparatively lower fixed rate borrowings lagged, as the 1-month HIBOR made a new high above 5.6%.

Singapore's REITs saw broad-based gains with US-centric REITs performing well. Among the big caps, industrial and specialised REITs fared better than retail and office REITs. In November, a US-centric data centre performed well as a REIT after the group announced a resolution to the bankruptcy of its key tenant.

## Outlook

Whilst the Asian REITs market started the year on hopes of disinflation and global central banks' pivot, such momentum faded over the rest of 2H2023. That said, we are likely to have witnessed the peak in key central banks' hawkishness in this latest rate hike cycle. Markets have climbed the wall of worry over higher financing rates, but a global slowdown in 2024 would be inevitable as the cumulative interest rate hikes over the last 12 months bite into consumer spending, corporate earnings, and investments. Entering into 2024, Asian REITs should perform marginally better given the market's low expectations, discounted valuations, and low sector exposure by broad investors. The fund remains focused on bottom-up stock picking on quality REITs in the region.

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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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