

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 23.11 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 0.713	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPIF	

Performance Return (October 31, 2022)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-4.68%	-24.13%	-24.83%	-27.19%	n.a.	-22.45%
Annualized	n.a.	n.a.	-24.83%	-10.04%	n.a.	-6.58%

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.

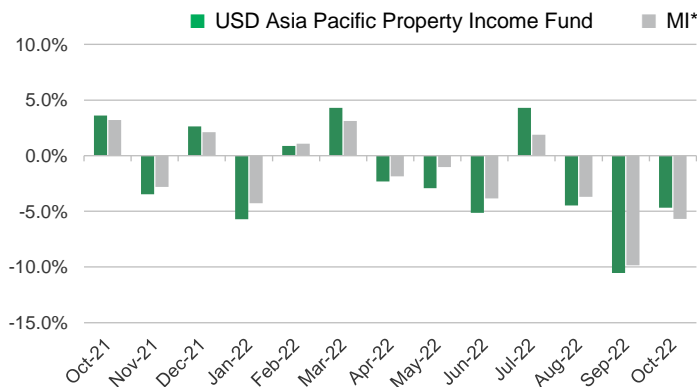
Monthly Net Asset Value per Unit



Top Five Holdings

CapitaLand Ascendas REIT	9.85%
CapitaLand Integrated Commercial Trust	9.79%
Link Real Estate Investment Trust	8.40%
Mapletree Logistics Trust	6.31%
Frasers Logistics & Commercial Trust	5.35%

Monthly Performance

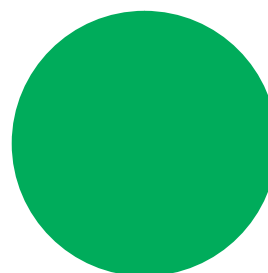


*Market Indicator = Manulife Investment Asia REIT ex-Japan Index

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 REIT markets delivered mixed performances for October. Developed markets such as the US, Europe, Japan and Australia rose as panicked sentiment last month receded on hopes of a Fed pivot. During the month, a few central banks (Reserve Bank of Australia, Bank of Canada and European Central Bank) signaled a step-down in outsized rate hikes in their latest policy meeting, raising hopes that the US Federal Reserve Board (Fed) would decelerate its rate hikes from December. On the other hand, Asia ex Japan region was the worst performing region, as performance was weighed down by China/Hong Kong following the conclusion of the 20th Party Congress.

Australian REITs outperformed the region with broad-based gains after the Reserve Bank of Australia surprised the market with a smaller than expected rate hike (25 bps) in early October. This supported bargain hunting in the funds which were sold down the most on higher bond yields concerns. Major Australian REITs came out with first quarter operating results and largely reaffirmed their earlier full year 2023 earnings guidance despite the recent spike in the cash rate. Retail REITs outperformed on continued strength in consumption and retail sales data.

The Hong Kong REIT market continued to underperform in the absence on positive news about reopening and property support in President Xi's speech after the 20th Party Congress. Market participants were disappointed that the central government continued to reaffirm its strict zero-pandemic policy despite the heavy economic costs and growing discontent. Hong Kong posted a much weaker than expected advanced third quarter GDP number, which was the third consecutive quarter of contraction. The HK listed REITs were weighed down by fund outflows amidst weak macro-economic environment, in the absence of major corporate news.

The Singapore REIT market, which had held up relatively well in previous months, was sold off on concerns of potential new measures on the back of a new wave of infections driven by the XBB variant. Investors also turned nervous ahead of the third quarter reporting season. Capitaland-related REITs outperformed peers after the sponsor ruled out its REITs undertaking dilutive equity fund raising given current valuations. Against the sell-off, hospitality REITs stayed resilient in October on the back of strong third quarter operational results and guidance for continued strength in bookings for the fourth quarter. Suntec REIT, despite positive office rental reversions, was the worst performer on concerns over its weak interest coverage ratio.

Outlook

The performance of Asia REITs continues to be driven by the move in long term bond yields. Markets have started to trade on hopes of a Fed pivot in recent weeks but this narrative has been doused by Fed Chairman with hawkish messaging in the November policy meeting. Markets are caught between conflicting tightening, pivoting and easing narratives and this continue to influence sentiment and heighten market volatility. As we enter 2023 with a potential global recession looming, we focus on the resilience in the yields and income of our REITs. Our Fund stays focused on Asian REITs with strong real estate fundamentals and capital management to ride through this period.

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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