

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 25.01 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 0.699	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPIF	

Performance Return (September 30, 2023)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-4.38%	-9.32%	-2.53%	-15.94%	n.a.	-20.70%
Annualized	n.a.	n.a.	-2.53%	-5.62%	n.a.	-4.86%

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.

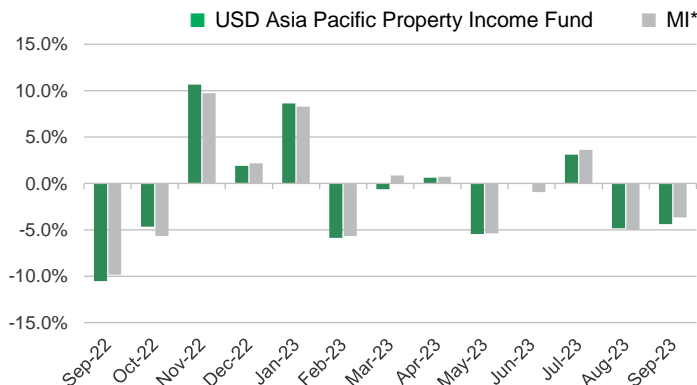
Monthly Net Asset Value per Unit



Top Five Holdings

CapitaLand Ascendas REIT	9.73%
CapitaLand Integrated Commercial Trust	9.13%
Link Real Estate Investment Trust	8.72%
Mapletree Logistics Trust	6.57%
Frasers Logistics & Commercial Trust	5.82%

Monthly Performance

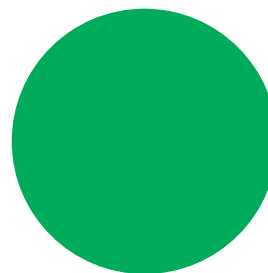


*Market Indicator = Manulife Investment Asia REIT ex-Japan Index

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

Asia ex Japan real estate investment trust (REIT) markets retreated further in September, in tandem with broad weakness in global equity markets. Investors turned risk off, pricing in higher rates for longer and scaling back expectations of US rate cuts in 2024. The US Federal Reserve Board (Fed) kept rates unchanged as expected in September, whilst reinforced forecasts for one more hike this year and projected less easing in 2024. Surging oil prices continued to fan fears of the re-acceleration of inflation, prompting a spike in bond yields and sending the US Treasury yields to 16-year highs.

Australia's REIT market lost its lead in September and lagged in both Hong Kong and Singaporean markets. The Australian 10-year bond yield moved 46bps higher to 4.49%, the highest level since 2011, fuelled by hawkish commentary from central banks which triggered a shift to a "higher for longer" rate outlook. August retail sales data revealed weakening consumer spending, as households faced ongoing budget pressures from inflation.

Hong Kong's REIT market continued to languish in the red as higher short-term rates remained an overhang on the sector. Investors are on the side lines waiting to assess the sustainability of the ongoing economic recovery in Hong Kong/China, following the spur of property relaxation measures introduced in China.

Singapore's REIT market performed well the region, with the big-cap industrial REITs staying fairly resilient given their defensive cash flows. Hospitality REITs also performed on press reports that potential hotel takings may exceed 2022 with around 10% increase in room rates for the F1 event this year.

Outlook

A further US rate hike this year remains an option, and the US Fed's message of "higher for longer" was hammered home with the dot plot showing fewer-than-expected rate cuts (two vs three previously) in 2024. The US Fed's guidance of tighter monetary conditions for longer could restrict Asian REITs' near-term re-rating potential, but we don't expect material impact on distribution yields, barring severe deterioration in economic environment. Market volatility looks set to continue in the coming months until a clearer picture emerges on the outlook for the US economy and underlying inflationary pressures. The certainty of peak in rates generally bodes well for Asian REITs, as investors have higher degree of confidence over real estate value and visibility in dividends projections. The US Fund focuses on REITs with stronger operating metrics and balance sheet to ride through this uncertainty.

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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