

USD Asia Pacific Property Income Fund

An investment fund option for **Affluence Gold**, **Affluence Max Gold** and **Affluence Max Elite** 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

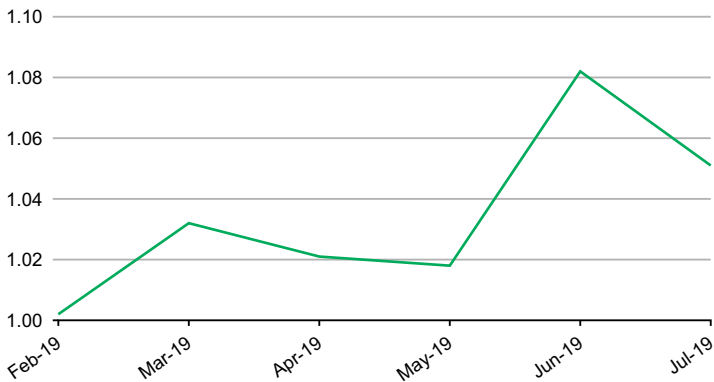
Inception Date February 2019	Fund Size USD 7.13 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 1.051	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPIF	

Performance Return (July 31, 2019)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-2.87%	n.a.	n.a.	n.a.	n.a.	5.10%
Annualized	n.a.	n.a.	n.a.	n.a.	n.a.	5.10%

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.

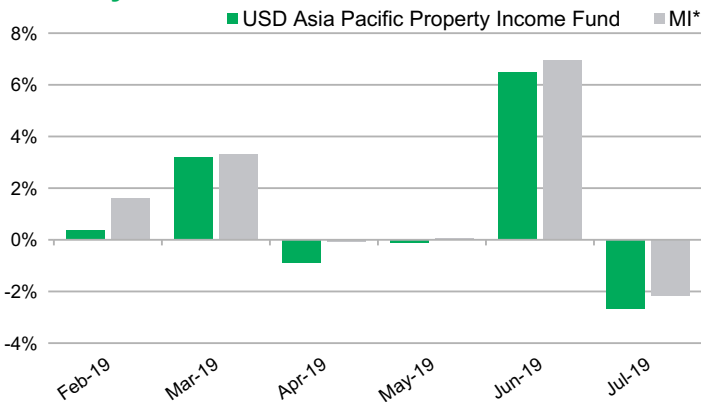
Monthly Net Asset Value per Unit



Top Five Holdings

Link Real Estate Investment Trust	9.0%
CapitaLand Mall Trust	7.3%
CapitaLand Commercial Trust	5.7%
Mapletree Commercial Trust	3.8%
Mapletree Logistics Trust	3.6%

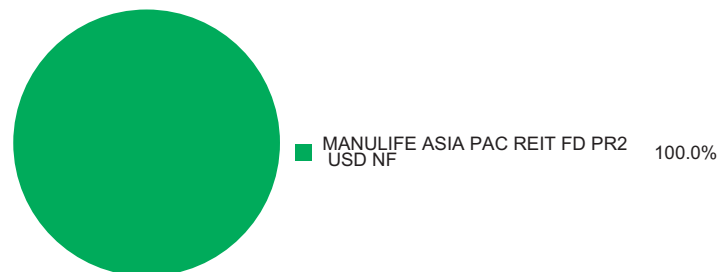
Monthly Performance



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

Portfolio Breakdown

Asset Allocation (at Market Value)



USD Asia Pacific Property Income Fund

Market Review

Asia's REIT markets delivered a mixed performance for the month of July. Profit-taking was seen across most markets except Australia which was fueled by a second rate cut. Investors were generally on the sidelines ahead of the US Federal Reserve Board meeting at the end July where a rate cut of 25 basis points (bps) is widely anticipated. Market sentiment for equities remained cautious on weak corporate earnings and investors expect protracted negotiations on trade issues between the US and China.

The Australian market managed to defy broad market weakness to end in positive territory for July. The Reserve Bank of Australia (RBA) cut the cash rate by another 25 bps to a fresh record low of 1%, the first consecutive monthly reduction since 2012. Recent easing in interest rates and regulatory policies had begun to encourage buyers back into the residential market with Sydney property prices rising for the first time in almost two years. This led to outperformance of Australia REITs with exposure to the residential sector. The RBA is still expected to cut the cash rate further, providing ongoing support for AREIT valuations.

Share prices of Hong Kong REITs and developers buckled under the pressure of heightened street protests. Unsurprisingly, the Hong Kong market was the worst performer in Asia for the month. Landlords with exposure to central office and luxury shopping malls bore the brunt of selling. Big cap office REIT, Champion REIT, fell over 10% on concerns of slowing Chinese demand for prime central office space despite a very tight vacancy rate. REITs with Chinese assets held up better in the current environment.

Singapore REITs (SREITs) enjoyed a brief rally when the Monetary Authority of Singapore announced in early July that it is seeking views on raising the 45% gearing limits on SREITs. The gains soon evaporated on weaker than expected advance gross domestic product estimates for the second quarter of 2019. SREITs are in the midst of reporting their quarterly results, and most reported rental reversions that were positive and rising. Office rent reversions have accelerated from the first quarter of 2019 and are averaging double-digit levels. The performance of retail malls remains fairly resilient and is expected to continue as new supply in the market has been largely taken-up. Developer Capitaland managed to outperform as it announced a further divestment of assets.

Outlook

As we enter the second half of 2019, the global economic and market outlook has become increasingly sombre, as the impact of the trade war between the US and China continues to weigh on sentiment. Despite the risk of a further trade escalation and hard Brexit, consumption growth remains healthy in the major economies, with demand likely to be supported by "insurance" monetary easing by the world's major central banks. Employment data remains fairly stable in the key Asia REITs markets which should provide further support for private consumption. The Fund has trimmed exposure to stocks with a higher exposure to non-discretionary spending and continues to prefer retail REITs with Singapore-centric necessity malls.

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.

The information and/or analysis contained in this material have been compiled or arrived at from sources believed to be reliable but The Manufacturers Life Insurance Co. (Phils.), Inc. ("Manulife Philippines") does not make any representation as to their accuracy, correctness, usefulness or completeness and does not accept liability for any loss arising from the use hereof or the information and/or analysis contained herein. 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. Neither Manulife Philippines or its affiliates, nor any of their directors, officers or employees shall assume any liability or responsibility for any direct or indirect loss or damage or any other consequence of any person acting or not acting in reliance on the information contained herein.

The information in this material may contain projections or other forward-looking statements regarding future events, targets, management discipline or other expectations, and is only as current as of the date indicated. There is no assurance that such events will occur, and may be significantly different than that shown here. The information in this material including statements concerning financial market trends, are based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons. This material was prepared solely for informational purposes and does not constitute a recommendation, professional advice, an offer, solicitation or an invitation by or on behalf of Manulife Philippines to any person to buy or sell any security. This material should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any investment products or to adopt any investment strategy. Nothing in this material constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. Past performance is not an indication of future results.

Manulife and the block design are registered service marks and trademarks of The Manufacturers Life Insurance Company and used by it and its affiliates including Manulife Financial Corporation.