

# 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

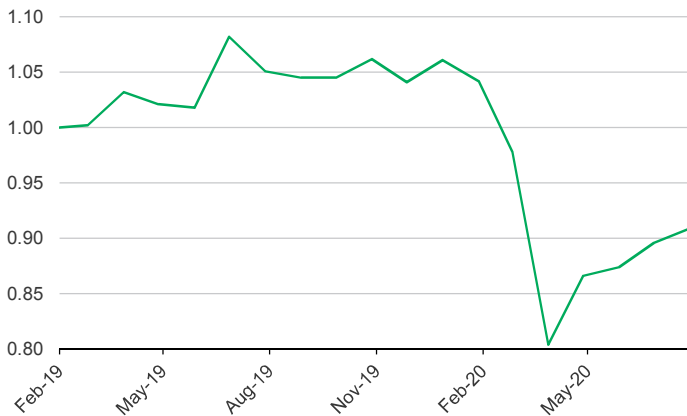
<b>Inception Date</b> February 2019	<b>Fund Size</b> USD 31.24 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 0.909	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> PHEQPIF	

## Performance Return (July 31, 2020)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	1.45%	-13.32%	-12.50%	n.a.	n.a.	-8.04%
Annualized	n.a.	n.a.	-12.50%	n.a.	n.a.	-5.48%

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.

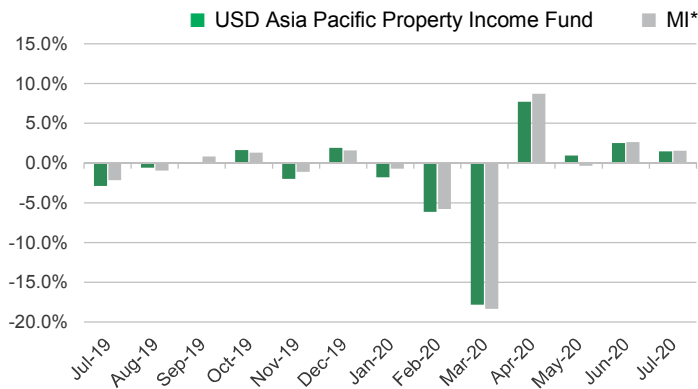
## Monthly Net Asset Value per Unit



## Top Five Holdings

Ascendas Real Estate Investment Trust	8.14%
Link Real Estate Investment Trust	6.25%
Mapletree Logistics Trust	5.85%
CapitaLand Mall Trust	5.17%
Frasers Logistics & Commercial Trust	4.58%

## Monthly Performance

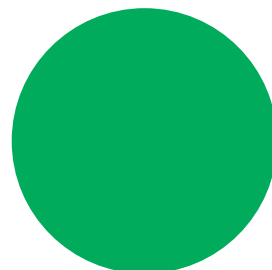


\*Market Indicator = Manulife Investment Asia REIT ex-Japan Index

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

Major Asian REITs markets closed higher in July, underpinned by increasing optimism over a new US spending bill and positive surprises in the development of Covid-19 vaccines. Market gains were, however, kept in check by news of a resurgence of Covid-19 cases and rising US-China tensions.

The Australian REITs market managed to eke out some gains in July despite news of Victoria state going back into lockdown mode. Victoria state is estimated to make up close to one quarter of Australia's economy. To support the economy, the Australian government announced it will extend the JobKeeper payments for another six months, but eligibility has been significantly tightened. The Goodman Group industrial REIT was the best performing AREIT on expectations of positive earnings guidance to be announced for the August results season.

Hong Kong REITs and developers ended the month broadly in the red as the government was forced to implement its strictest suite of social distancing measures after a new outbreak surpassed previous waves in severity. Hong Kong Chief Executive Carrie Lam has invoked emergency powers to postpone the September Legislative Council polls by a year to 2021. Fortune REIT unexpectedly lowered its interim distribution payout ratio to 90% (versus 100%) despite a strong balance sheet position. Management will evaluate the full year payout ratio pending the impact of the current outbreak on its second half 2020 income. Listed Chinese developers continued to see healthy recovery in pre-sales for July.

The 2020 Singapore General Election concluded with the People's Action Party returning to power, winning 83 of 93 seats contested. Industrial REITs continued to lead gains in the Singapore REITs market given their high rental collection rate and stable dividends. Retail REITs reported a gradual recovery in foot traffic to 40-60% of pre-Covid-19 levels. Most SREITs managers guided that they have retained sufficient income to cater for the mandated rent holidays announced so far.

## Outlook

The market is likely to remain choppy as the tug of war between the resurgence of Covid-19 infection cases and the positive development of vaccines continues. Politics could also be an increasing driver for financial markets with the rising US-China tensions and the approaching US Presidential Election in November. We believe any second infection wave is likely to be better managed in developed Asian economies with localised/targeted tightening measures given earlier policy learnings. As most Asia-Pacific countries exit lockdowns, fiscal support schemes like cash handouts, rental relief and wage subsidies are likely to end over the second half of 2020. Going forward, the relative performance of Asian REITs should be driven by the resilience of their tenant base and cash flows, in the absence of government support.

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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.

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