

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

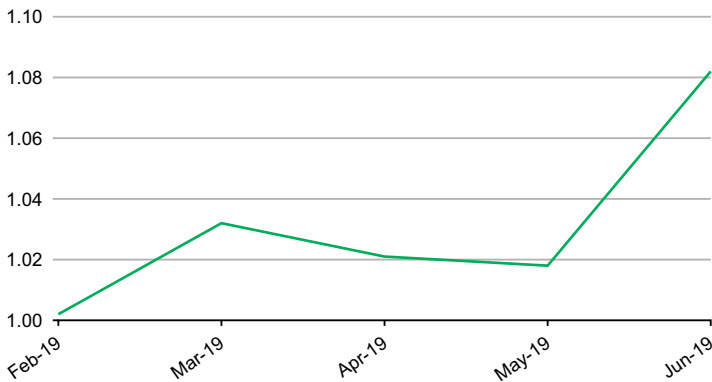
Inception Date February 2019	Fund Size USD 4.91 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 1.082	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPIF	

Performance Return (June 30, 2019)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	6.29%	n.a.	n.a.	n.a.	n.a.	8.20%
Annualized	n.a.	n.a.	n.a.	n.a.	n.a.	8.20%

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.

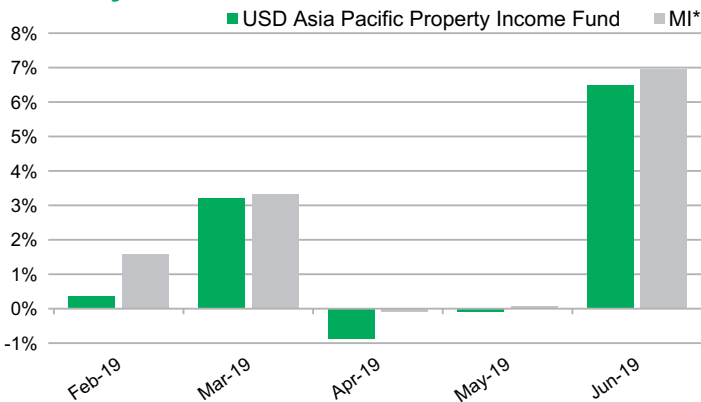
Monthly Net Asset Value per Unit



Top Five Holdings

Link Real Estate Investment Trust	9.2%
CapitaLand Mall Trust	7.1%
CapitaLand Commercial Trust	6.3%
Mapletree North Asia Commercial Trust	3.8%
Frasers Centrepoint Trust	3.5%

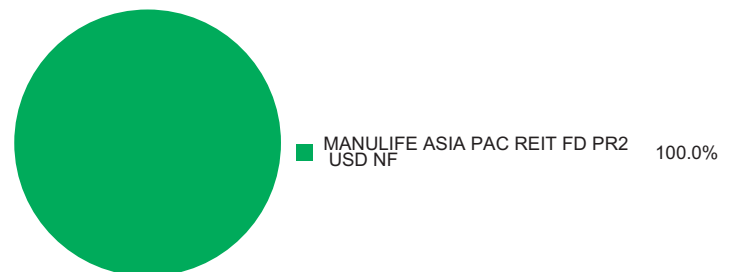
Monthly Performance



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

Portfolio Breakdown

Asset Allocation (at Market Value)



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Market Review

Asian real estate investment trusts (REITs) resumed their upward climb in June, boosted by dovish messages from major central banks. The protracted trade tensions between the US and China have shifted the attention of central bankers from inflation to maintaining growth stability. The president of the European Central Bank, Mario Draghi's call for more immediate stimulus and rate cuts led to a re-rate of yields with the 10-year Bunds at an all-time low yield of -32 basis points (bps) while US 10-year yields slid below 2% for the first time since November 2016.

As widely expected, the Reserve Bank of Australia cut their policy rate by 25 bps in June, its first adjustment in almost three years. The Board also revealed a preference to lower the cash rate further in the months ahead. Industrial and diversified REITs continued to outperform the retail REITs. The month saw active equity fund raising activities within the Australia REITs space as the REIT managers took advantage of the strong share price performances to raise capital for acquisitions and to beef up balance sheets. All the private placements were well-subscribed.

Hong Kong REITs managed to close the month higher despite the anti-extradition bill protests on the streets. Index heavyweight, Link REIT reported fiscal year 2019 results that were in-line with expectations and management shared that they have not seen any slowdown in leasing momentum and tenant sales at its necessity malls. They also guided that the recently acquired China malls are performing well and are on track to deliver strong rental reversions on tenant remixing. Despite macro uncertainties, Hong Kong residential developers also performed well as property fundamentals remain solid with limited land supply and the likelihood of an interest rate cut.

The Singapore REITs market was the best performing market in June with continued buying interest in selected office and retail REITs. The local market also saw equity placements by a few REITs given favourable valuations. Office REIT, Fraser Commercial Trust, gained over 10% in the month on news that it has secured Google Asia-Pacific as a core tenant for five years at Alexandra Technopark. Developer City Developments also enjoyed re-rating following news that it was making another attempt to privatise Millennium & Copthorne Hotels.

Outlook

The long-awaited Trump-Xi meeting at the G20 summit in Osaka ended on a positive note as both leaders agreed on a tariff ceasefire and to restart trade talks. Notwithstanding the temporary truce, volatility will still prevail in the third quarter of 2019, pending clarity on the US-China trade war issue. Central banks remain in an accommodative mode to address the rising threat of a sharp economic slowdown and we believe this will help cushion downside risks to equity markets. We continue to seek investment opportunities in Asian residential developers and landlords where corporate actions/activities could potentially unlock the steep discounts that they are trading at relative to their asset values.

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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