

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

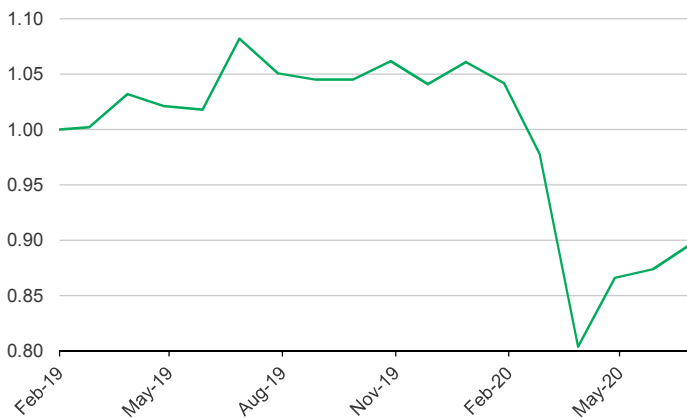
Inception Date February 2019	Fund Size USD 29.75 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 0.896	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPIF	

Performance Return (June 30, 2020)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	2.52%	-14.56%	-16.22%	n.a.	n.a.	-9.35%
Annualized	n.a.	n.a.	-16.22%	n.a.	n.a.	-6.77%

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.

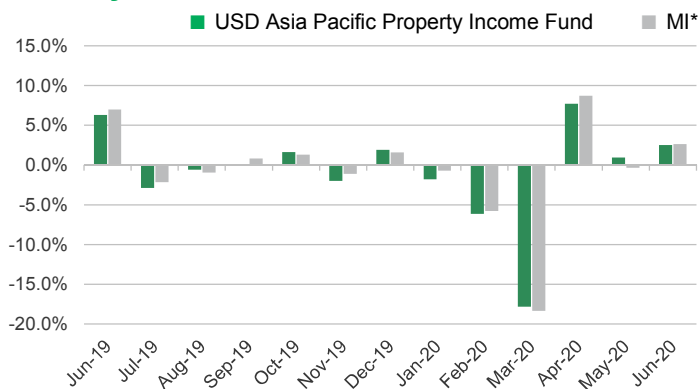
Monthly Net Asset Value per Unit



Top Five Holdings

Ascendas Real Estate Investment Trust	7.03%
Link Real Estate Investment Trust	6.86%
CapitaLand Mall Trust	5.49%
Mapletree Logistics Trust	5.46%
Frasers Logistics & Commercial Trust	4.14%

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 REITs closed mixed for June. Markets pared early gains as recent optimism over economic recovery was reined in by news of a resurgence of US infection cases in some states. The coronavirus pandemic has continued to escalate globally, with a second wave of Covid-19 infections leading investors to reassess the sharp equity rally since the March lows. The World Health Organisation has warned that the worst of the pandemic is still to come with the lack of global solidarity.

It was the semi-annual dividend paying season for Australian REITs in the month of June. Most AREITs declared lower dividend payout ratios for the first half of 2020 distributions due to the disparity between reported earnings and underlying Covid-19 impacted cashflows. Eight REITs have reported June 2020 revaluations with a clear distinction in the move between retail and the rest. Retail valuations are marked down close to 10%, office down about 1-3%, whilst industrial and long weighted average lease expiry asset valuations are flat to slightly up on those announced so far. Parts of Melbourne, Australia went back into lockdown to contain a spike in coronavirus infections.

The Hong Kong real estate market recovered some lost ground in June, with the market outperforming the region. Hong Kong REITs and developers rebounded on relief that there were no violent street protests as previously feared after the new security law was introduced in May and ultimately passed on 30 June. The country has resumed almost all its normal activities with encouraging recovery in traffic seen for regional shopping malls that cater to locals.

Singapore's REITs market saw profit-taking as the country moved into phase two of its reopening, with most retail tenants back in operation. Attention was on industrial REITs which are expected to restart their acquisition growth engines given the recovery in their share prices. Mapletree Industrial REIT saw strong demand for its equity fundraising exercise to buy the remaining 60% stake in a portfolio of freehold US data centres. As widely expected, Singapore dissolved the Parliament in June with the country going to the polls on 10 July. From past election results, there is likely to be little, if no impact, on the economy and the market.

Outlook

The coronavirus situation has been more contained in most Asian economies and lives are slowly returning to normal. In the medium-term, financial markets are likely to remain choppy as any resurgence of Covid-19 infection cases is likely to keep optimism over the global economic recovery in check. 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 cashflows, in the absence of government support.

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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