

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

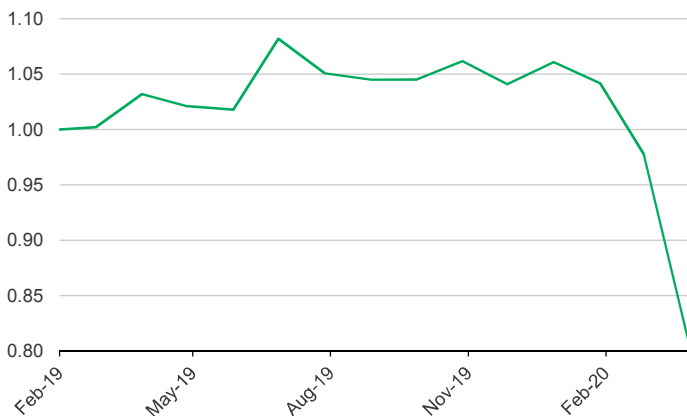
| | | | |
|--|--|------------------------------------|-----------------------------------|
| Inception Date February 2019 | Fund Size USD 25.08 million | Fund Currency US dollar | Dealing/Valuation Daily |
| Price (NAV/unit) USD 0.804 | Management Fee 2.25% per annum | Bloomberg Ticker PHEQPIF | |

Performance Return (March 31, 2020)

| USD Asia Pacific Property Income Fund (net of management fee) | 1 Month | YTD | 1 Year | 3 Years | 5 Years | Since Inception |
|--|---------|---------|---------|---------|---------|-----------------|
| Absolute | -17.79% | -23.34% | -21.18% | n.a. | n.a. | -18.66% |
| Annualized | n.a. | n.a. | -21.18% | n.a. | n.a. | -16.42% |

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.

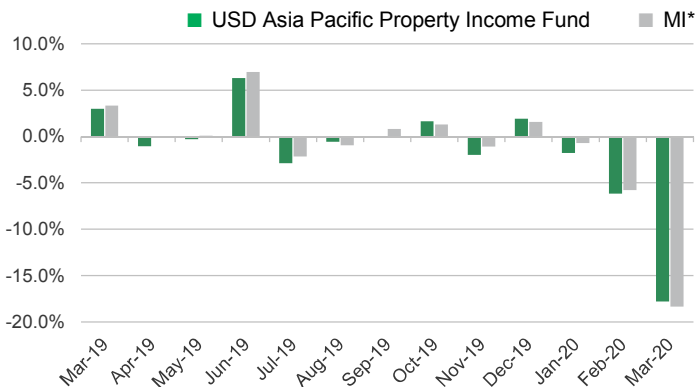
Monthly Net Asset Value per Unit



Top Five Holdings

| | |
|---------------------------------------|-------|
| Link Real Estate Investment Trust | 8.85% |
| Ascendas Real Estate Investment Trust | 6.53% |
| CapitaLand Mall Trust | 6.51% |
| Mapletree Logistics Trust | 5.11% |
| Frasers Centrepoint Trust | 3.68% |

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%

USD Asia Pacific Property Income Fund

Market Review

Asian REITs took a strong beating in March despite their defensive characteristics and the potential to benefit from concerted global central banks' monetary stimuli. Fearful investors sold across asset classes to hide in cash due to high uncertainty in pricing the impact from the global pandemic. The sudden collapse of the price of oil dented confidence further with spikes in credit spreads in the high-yield corporate bond space. Within Asia's real estate sector, attention turned to the sector's financial leverage, and mass lockdowns call into question the resilience of property resales, rental income and dividends.

The Australian REITs market was the worst hit in the region as Covid-19 infection cases led to a lockdown in the country. Most REITs withdrew their earlier positive profit guidance given uncertainty on the duration and impact of Covid-19. The REITs have yet to ascertain the loss of income due to rental relief that they would be giving for their tenants, especially for retail tenants. The government announced a massive JobsKeeper package which is estimated to cover half of the wage bill of industries worst affected by Covid-19 for six months.

Hong Kong REITs and developers held up relatively better versus the region as infection cases in China showed clear signs of slowing down and the country looks to lift the lockdown on Wuhan, ground zero of the global coronavirus pandemic in April. Compared to the rest of the region, Hong Kong REITs were less well-owned and have already corrected substantially pre-Covid-19 as a result of the months of street protests. Chinese developers also reported a gradual recovery in property pre-sales as more sales offices have been re-opened in March.

Singaporean REITs fell in tandem with broader market weakness. During the month, Singapore closed its borders to tourists and announced stricter social distancing measures to contain the number of daily infected cases which hit a new high with more imported cases. The government also announced the largest stimulus package (S\$48 billion) to protect jobs, support jobs, help businesses and strengthen social resilience. Retail landlords have committed to pass on government tax rebates, and provide further incentives of their own to support tenants through this pandemic (2-3 months of rental relief).

Outlook

The G20 group of economies has pledged to inject more than US\$5 trillion into the global economy to minimise the economic damage from the Covid-19 pandemic. Global governments are undertaking immediate and vigorous measures to support economies, protect workers, businesses and shield the vulnerable through adequate social protection. Notwithstanding that, investors may wait for clear signs that new confirmed Covid-19 cases are tapering off, and vaccines and treatments are being approved before regaining confidence in the markets. We believe Asian REITs are in much better financial shape (versus the global financial crisis) to weather the storm, barring a systemic shock. The ongoing feature and driver of global real estate remains the significant spread (or buffer) between property capitalisation rates and local government bond yields.

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.