

# 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

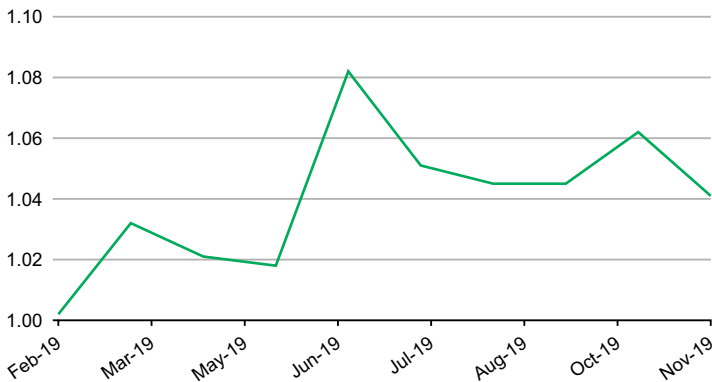
<b>Inception Date</b> February 2019	<b>Fund Size</b> USD 27.18 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 1.041	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> PHEQPIF	

## Performance Return (November 30, 2019)

USD Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-1.98%	n.a.	n.a.	n.a.	n.a.	4.10%
Annualized	n.a.	n.a.	n.a.	n.a.	n.a.	4.10%

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.

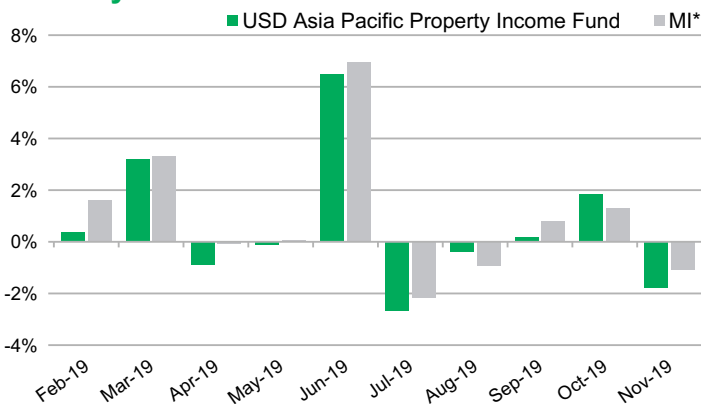
## Monthly Net Asset Value per Unit



## Top Five Holdings

Link Real Estate Investment Trust	9.0%
CapitaLand Mall Trust	6.9%
Mapletree Logistics Trust	4.6%
Ascendas Real Estate Investment Trust	3.9%
CapitaLand Commercial Trust	3.8%

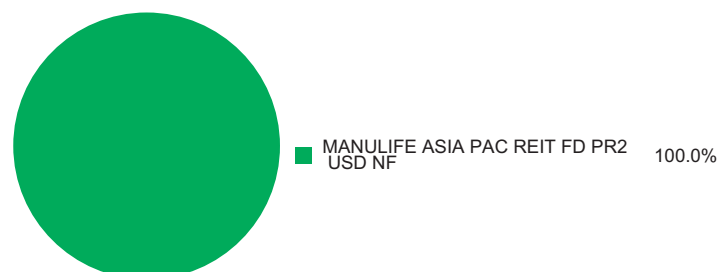
## Monthly Performance



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

## Portfolio Breakdown

### Asset Allocation (at Market Value)



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## Market Review

Asia REITs markets retreated lower for the month of November. It was a volatile month with markets taking direction from news on the progress of the US-China trade discussions. Government yields backed up at the start of the month on expectations that a phase 1 trade deal would be signed in mid-November, leading to profit-taking across the Asia REITs space. Sentiment turned cautious after the US Congress passed the Hong Kong Human Rights and Democracy Act, which potentially complicates relations between the US and China.

The Australian REITs market outperformed the rest with gains for the month of November. REITs saw annual general meetings where guidance was broadly reaffirmed. Despite policy stimulus, September 2019 retail sales disappointed, given tax and rate cuts appeared to have largely been used to repay debt. Reserve Bank of Australia Governor Lowe confirmed that the 'effective lower bound' for the cash rate is 0.25%, with quantitative easing then to follow (if required) before rates are cut further.

Weighed down by continued social unrest, the Hong Kong REITs market was the biggest underperformer in the Asia REITs space. In contrast, Chinese residential developers performed well on the back of strong primary pre-sales in recent months.

Singapore third quarter final gross domestic product (GDP) growth was upgraded as manufacturing fell at a slower pace than advance estimates. On a quarter-on-quarter basis, GDP rebounded by 2.1%, convincingly dodging a recession. The full-year GDP growth forecast was almost raised to 0.5-1% in 2019 from 0-1%. During the month, Ascendas REITs underperformed the Singapore market after it announced an unexpected rights issue to finance the acquisition of a portfolio of US business parks from sponsor Capitaland. Singapore developers continue to seek out opportunities to recycle assets and look to redeploy capital into urban renewal projects such as the Clark Quay Liang Court site.

## Outlook

As we approach the end of 2019, markets are likely to remain choppy given trade anxiety. The market's direction will continue to be dictated by news flows surrounding Sino-US trade tensions. Hopes for a trade resolution before the December 15 tariff deadline have faded with recent news turning incrementally negative. Contrary to signs of recovery/stabilisation in Chinese and European Purchasing Managers' Indexes, US Institute of Supply Management manufacturing dipped further into contraction in November. We believe Asia REITs will remain in favour as rates stay lower for longer given the soft global macro-economic data.

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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.

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