

PHP Asia Pacific Property Income Fund

An investment fund option for 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

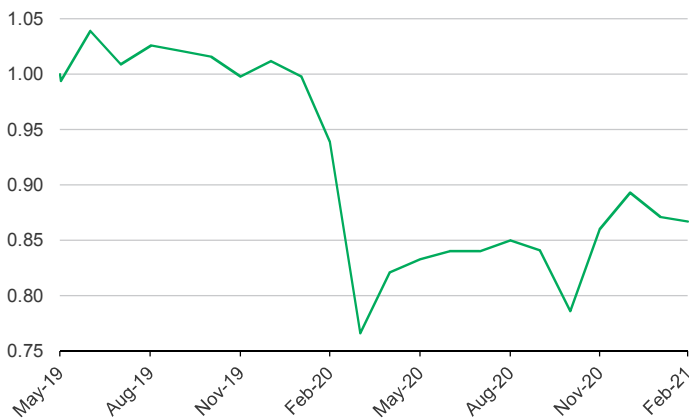
Inception Date May 2019	Fund Size PHP 2.19 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 0.867	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPPF	

Performance Return (February 28, 2021)

PHP Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.46%	-1.25%	-5.06%	n.a.	n.a.	-9.79%
Annualized	n.a.	n.a.	-5.06%	n.a.	n.a.	-5.71%

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.

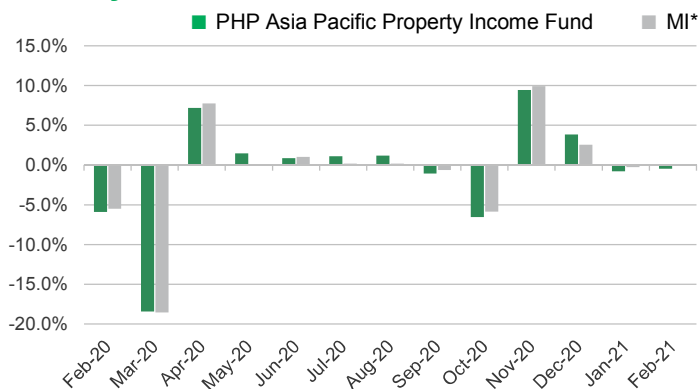
Monthly Net Asset Value per Unit



Top Five Holdings

Ascendas Real Estate Investment Trust	7.99%
Link Real Estate Investment Trust	7.68%
CapitaLand Integrated Commercial Trust	7.29%
Mapletree Logistics Trust	5.53%
Frasers Centrepoint Trust	4.85%

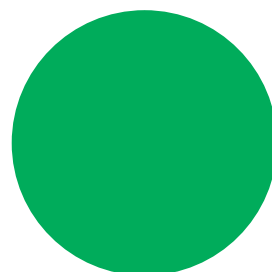
Monthly Performance



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

Portfolio Breakdown

Asset Allocation (at Market Value)



MANULIFE ASIA PAC REIT FD PR5
PHP UNHGNF 100.00%

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Market Review

Major Asia ex Japan REITs markets closed mixed in February with performance curtailed by the continued climb in 10-year bond yields. Vaccine rollouts have continued to gather pace with over 200 million doses administered globally currently, leading to increasing confidence of the recovery in global growth. US Federal Reserve Board Chairman Jerome Powell has pushed back on inflationary concerns and emphasised his view that the recovery has a long way to go and signs of prices arising won't necessarily lead to persistently high inflation.

The Australia REITs (AREITs) market fell for another straight month as talks of a commodities super-cycle led to increased expectations on an immediate return in inflation. Despite a relatively stable earnings season with earnings guidance upgrades by a few big cap AREITs, market performance was weighed down by the spike in Australian 10-year government bond yields which moved over 70 basis points (bps) higher to close at 1.91% at the end of February. Retail REITs outperformed the AREITs market as investors focused on the re-opening/recovery trades.

Hong Kong REITs delivered a strong rebound in the month of February, bucking the selling pressure seen across the regional REITs market. The city has relaxed its social distancing measures from 18 February and some of the retail REITs have guided for a more optimistic outlook for 2021. In the latest budget address, the Hong Kong government announced that it will issue electronic consumption vouchers in instalments with a total value of HK\$5,000 to each eligible HK permanent resident and new arrival aged 18 or above, so as to encourage and boost local consumption. The financial commitment of close to HK\$36 billion is estimated to be close to 11% of Hong Kong's total retail sales value in 2020.

The Singapore REITs (SREITs) market underperformed the region, as profit-taking set in after three consecutive months of gains. The weakest performing sector was the industrial/specialised REITs as generalist investors took profit on the defensive outperformers in 2020 to rotate into value sectors. As seen in the Australian market, retail REITs held up relatively better as recovery trades as Singapore continues to progress well with its vaccination rollouts. Two SREITs conducted equity fundraising exercises in February to finance recent acquisitions.

Outlook

Despite heightened market volatility, we believe we are not facing a repeat of 2013 taper tantrums and global central bankers would be patient unless the labour market reaches maximum employment with rising wages. The march higher in yields will likely lead to continued volatility in markets near-term as we move into the next phase of recovery. As global growth recovers, our preference remains in Asia REITs with better organic growth prospects and discipline financing structure. We are positive on selected retail REITs within the region despite threats from e-commerce and weaker tourist traffic. Our view is that retail players which have superior asset quality and positioning will continue to recover as vaccinations progress smoothly in the key markets that we invest in.

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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