

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 667.54 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 0.772	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPPF	

Performance Return (August 31, 2023)

PHP Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-1.91%	-3.71%	-8.10%	1.10%	n.a.	-12.09%
Annualized	n.a.	n.a.	-8.10%	0.36%	n.a.	-2.98%

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.

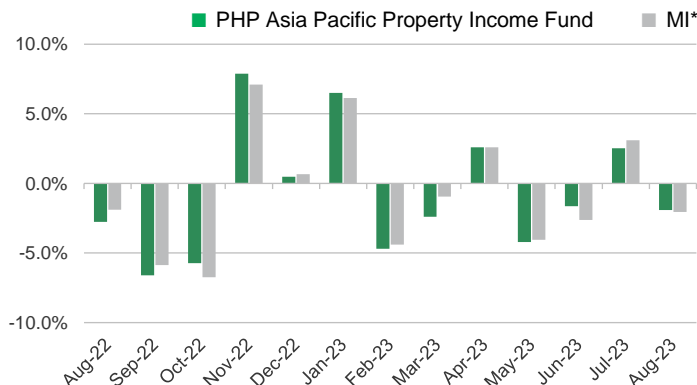
Monthly Net Asset Value per Unit



Top Five Holdings

CapitaLand Ascendas REIT	9.93%
CapitaLand Integrated Commercial Trust	9.24%
Link Real Estate Investment Trust	8.29%
Mapletree Logistics Trust	6.33%
Frasers Logistics & Commercial Trust	6.19%

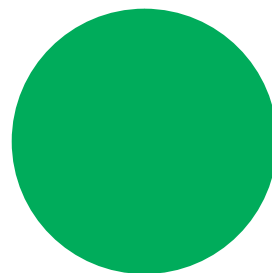
Monthly Performance



*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

Asia ex Japan's real estate investment trust (REIT) markets ended August lower in a volatile trading session. The decline was in tandem with a sell-off in global stocks amid concerns over China's economy and risks of further US interest rate hikes. Market sentiment was affected by the spike in the US 10-year bond yield to a year high of above 4.3%, as investors priced in potentially higher rates on the back of resilient economic print. The renewed strength in crude oil price in recent months has also ignited fears of an inflation rebound towards the end of the year.

Australia's REITs performed well in the region. That said, AREITs saw higher-than-normal volatility in share prices with FY23 earnings reporting season in full swing, in which REITs with high gearing and low current cost of debt (implying further earnings headwinds) generally lagged. Most of the AREITs have guided for lower-than-expected FFO/DPU for FY24 on the back of higher interest costs.

Hong Kong's REITs continued to struggle with weak sentiment, despite the fall in HIBOR rates from the recent highs. With the expected V-shaped recovery post, China/Hong Kong's re-opening had been fading. Accompanied by weaker-than-expected macro data points and a depreciating RMB, domestic and global investors were eagerly seeking signs of further policy stimulus to revive confidence in the sector.

Singapore's REITs saw mixed performances. Industrial and data centre REITs performed well on higher clarity to the bankruptcy concerns associated with a major US tenant. On the other hand, hospitality REITs lagged, despite record high REVPAR achieved by Singapore hotels in July.

Outlook

Both the US and European central banks lifted policy rates by a widely expected 25 bps in July and have shifted to being more open-minded on the September rate hike/pause depending on the latest economic print. We are very likely to be closer to the end of the rate hike cycle than we have been over the past year. That said, rates are expected to stay high for longer as the labour market remains resilient. We are still a distance away from inflation targets. The certainty of peak in rates generally bodes well for Asian REITs as investors have higher degree of confidence over real estate value and visibility in dividends projections. The fund focuses on REITs with lower leases renewal risks and strong balance sheet to ride through this uncertainty.

The investment fund option for The Manufacturers Life Insurance Company's variable life insurance product is managed by Manulife Investment 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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