

# 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

<b>Inception Date</b> May 2019	<b>Fund Size</b> PHP 605.19 million	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 0.771	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> PHEQPPF	

## Performance Return (August 31, 2024)

PHP Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	4.47%	-0.87%	4.53%	-5.03%	-10.44%	-8.12%
Annualized	n.a.	n.a.	4.53%	-1.71%	-2.18%	-1.60%

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.

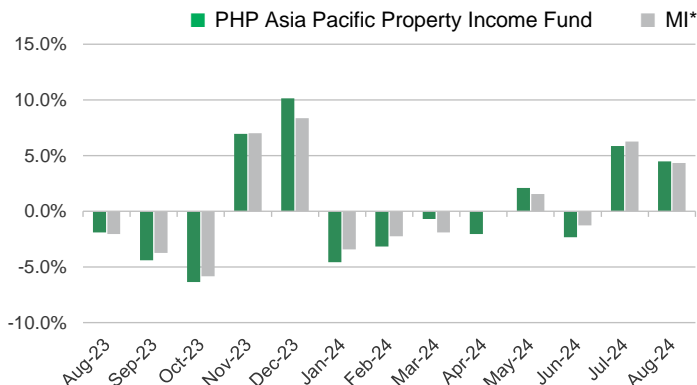
## Monthly Net Asset Value per Unit



## Top Five Holdings

Link Real Estate Investment Trust	9.55%
CapitaLand Ascendas REIT	9.31%
CapitaLand Integrated Commercial Trust	9.12%
Frasers Logistics & Commercial Trust	5.86%
Frasers Centrepoint Trust	5.54%

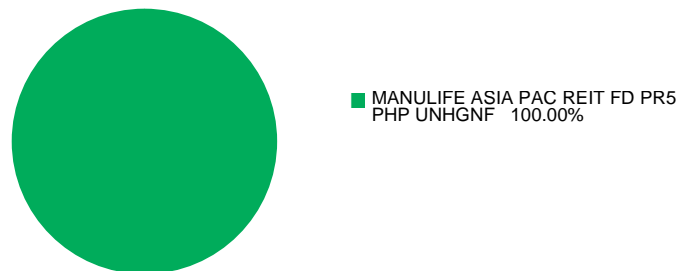
## Monthly Performance



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

## Portfolio Breakdown

### Asset Allocation (at Market Value)



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## Market Review

Asia ex Japan real estate investment trusts (REITs) continued to rally in August. This was underpinned by dovish comments from the US Federal Reserve Board (Fed) Chairman Jerome Powell at the Jackson Hole symposium. At the closely watched event, he commented that “the time has come for policy to adjust.” This effectively endorsed market expectations for a lowering of the US Fed funds rate at the upcoming meeting in September 2024. This would mark the first easing of monetary policy since rate hikes began in early 2022.

Australian REITs closed higher for the month but was a laggard in the region. REITs demonstrated diverging performance after mixed earnings results. A large cap fund manager REIT performed well on better-than-expected earnings guidance.

Hong Kong REITs traded higher in the month. Expectations of easing monetary policy in the US led to a sharp 60 bps decline in the 1M HIBOR, a key benchmark rate for borrowings by property companies. This should quickly lead to lower borrowing costs for floating rate debt, in which Hong Kong REITs have a higher percentage of floating rate debt relative to other major market REITs.

Singapore was a notably performing REIT market in the region. This was driven by a further 18 bps decline in the 10-year Singapore government bond yields and relative strength in the SGD. The sustained decline in risk-free rates has lowered hurdle rates for yield instruments, such as REITs. Industrial REITs performed well, while hotel REITs lagged on a lackluster 2H 2024 outlook.

## Outlook

With the potential peak in global interest rates, a key pressure point weighing on Asian REITs looks set to reverse in the year ahead. We see an increasing number of REITs with marginal cost of debt trading below prevailing debt cost on their books, which is a harbinger of lower interest costs. As such, we are incrementally more positive and see brighter prospects for the sector in the coming year as there is potential for year-on-year growth in distribution going into 2025. Having said that, we remain watchful of downside risks from geopolitical tensions, policy changes post-US elections and pockets of economic weakness. We continue to seek opportunities and focus on paying reasonable valuations for high-quality Asian REITs.

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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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