

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 743.95 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 0.838	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPPF	

Performance Return (December 31, 2022)

PHP Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.48%	-6.55%	-6.55%	-9.79%	n.a.	-8.70%
Annualized	n.a.	n.a.	-6.55%	-3.37%	n.a.	-2.51%

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.

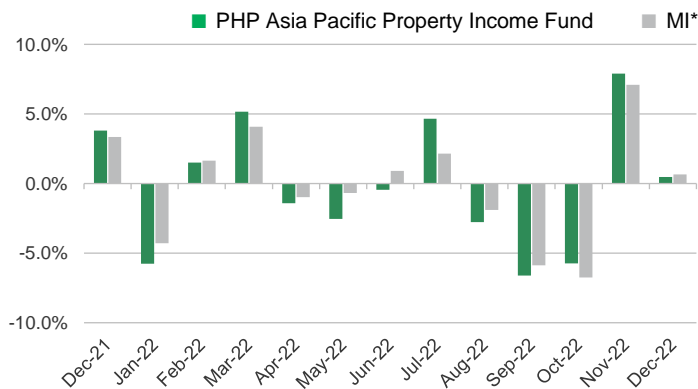
Monthly Net Asset Value per Unit



Top Five Holdings

CapitaLand Integrated Commercial Trust	9.45%
Link Real Estate Investment Trust	9.36%
CapitaLand Ascendas REIT	9.25%
Mapletree Logistics Trust	5.74%
Frasers Logistics & Commercial Trust	5.40%

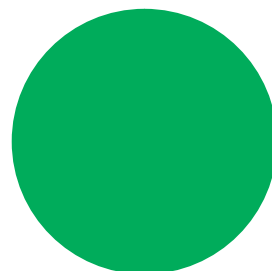
Monthly Performance



*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

Asian REIT markets closed mixed in December to wrap up an eventful 2022 in the red. Most Asian REIT markets, except for Hong Kong, fell in the last month as concerns over interest rate hikes resurfaced after the Bank of Japan (BOJ) stunned market participants with an unexpected yield curve control policy change. Global bond yields rose as traders read the adjustment to the longstanding yield curve control measures as potentially marking a “pivot” by the BOJ, the last of the world’s leading central banks to stick to an ultra-loose regime.

The Australian REIT market saw broad-based losses as the Australian bond yield rose above 4% from the recent low of 3.3%. Fund managers lagged on weaker sentiment after global peer, Blackstone, was reported to have limited withdrawals, but in line with its redemption policy from its unlisted real estate income trust, after a surge in redemption requests. A handful of AREITs reported minor asset devaluation for December 2022 valuations. Markets are pricing in more pressure on values (especially offices) in 2023 but high rental assumptions should help partially offset the cap rate expansion.

The Hong Kong REITs market saw another month of strong performance after China surprised the market with an earlier than expected reopening of the Chinese borders with no quarantine requirements. Cross -borders travel between Hong Kong and China is also expected to progressively resume from January 8th, 2023, lifting buying sentiment in Hong Kong listed REITs. Most covid measures, expect for mask mandates, have been removed in Hong Kong from December 29th. Towards the end of 2022, Link REIT reported that it has bought 2 suburban retail assets in Singapore for Singapore dollars 2.16 billion from Mercatus.

The Singapore REITs market saw mixed performance with gains led by hospitality REITs on hopes that Chinese tourists would be back to global leisure travelling in 2023. Fraser Centrepoint Trust gained on relief that there would not be an equity funding exercise as the REIT is out of the running for the tender of the retail assets from Mercatus. The biggest laggards were SREITs with meaningful exposure to US commercial real estate given concerns over pressure on asset values with a rising risk of a US recession in 2023.

Outlook

After a difficult 2022, investors in AP REITs should look at the asset class’s robust underlying fundamentals in the new year, which we consider as core earnings and cashflow strength, strong capital management, and quality real estate which generally provides greater resilience to rental rates during times of economic uncertainty – all factors which provide support to sustainable dividend pay outs. Our Fund stays focused on Asian REITs with strong real estate fundamentals and balance sheets to ride through this period.

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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