

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 508.87 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 0.704	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPPF	

Performance Return (December 31, 2024)

PHP Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-5.50%	-9.48%	-9.48%	-14.12%	-17.10%	-16.10%
Annualized	n.a.	n.a.	-9.48%	-4.95%	-3.68%	-3.09%

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.

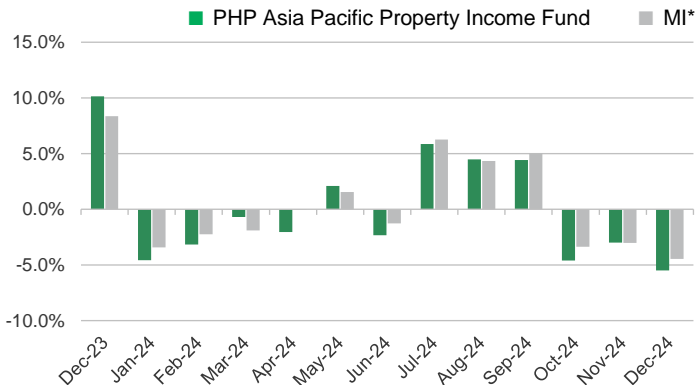
Monthly Net Asset Value per Unit



Top Five Holdings

CapitaLand Integrated Commercial Trust	9.66%
CapitaLand Ascendas REIT	9.52%
Link Real Estate Investment Trust	9.44%
Keppel DC REIT	5.38%
Mapletree Pan Asia Commercial Trust	5.25%

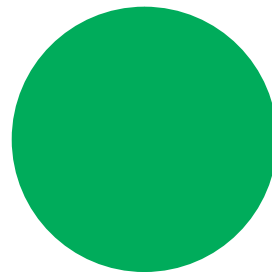
Monthly Performance



*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 real estate investment trust (REIT) markets broadly retreated further in December on expectations of slower and shallower rate cuts post US election. The US 10-year bond yields moved 40 bps higher month-on-month on strong macroeconomic data, while improvements in inflation appeared to have stalled. The US Federal Reserve Board (Fed) delivered a widely expected “hawkish 25-bps cut” in December, signaling intention to pause and watch how inflation unfolds after the president-elect is sworn in.

Australian REITs lagged, exacerbated by the weak AUD against the USD. Some of the AREITs reaffirmed their fiscal year (FY) 2025 earnings guidance in the month. Marginal year-end revaluation gains were reported for selected retail and industrial assets while office assets saw further markdowns over the last six months. During the month, a much-hyped AUD2-billion data center REIT IPO made a dismal debut, down 11% from the offer price. A previously announced bid for a listed AREIT inched closer to success as the fund manager consortium’s stake in the REIT rose from 27% to 58%.

Hong Kong REITs lagged and traded marginally lower. The latest Hong Kong retail sales data continued to show the staples segment holding up better than the discretionary retail segment. A year-end meeting of the 24-member Chinese politburo concluded with pledges for a moderately loose monetary policy and adoption of more proactive fiscal measures to boost domestic consumption in 2025. However, the depreciation in the RMB against the HKD poses a challenge for Hong Kong discretionary retailers on consumption leakage to Shenzhen and weaker spending in Hong Kong by mainland tourists.

Singapore REITs traded lower across the board. Despite the hawkish Federal Open Market Committee (FOMC) meeting in December, reaction to Singapore’s 10-year bond yields were more muted at close to +12 bps. Singapore’s economy ended on a strong footing in 2024 with GDP (gross domestic product) recording a stronger-than-expected 4.3% year-on-year growth in Q4 2024.

Outlook

Year 2024 has been a roller-coaster year for Asia Pacific REITs as early optimism fueled by global rate cuts was doused with concerns about a slowdown in rate cuts in 2025 under the incoming Trump administration. Heightened volatility is expected to extend into 2025 as investors wait for Trump to fulfil his campaign promises and for China to roll out stimulus measures to offset the impact of tariffs. Fundamentally, the lower cash rates environment has helped in a gradual pick-up in real estate transactions (both acquisitions and divestments by Asia REITs) and higher confidence in commercial real asset values. 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. Against that backdrop, we remain optimistic for core dividends recovery for Asian REITs in 2025-2026.

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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