

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 496.17 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 0.686	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPPF	

Performance Return (January 31, 2025)

PHP Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.65%	0.65%	-4.52%	-8.29%	-16.38%	-15.55%
Annualized	n.a.	n.a.	-4.52%	-2.84%	-3.51%	-2.94%

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.

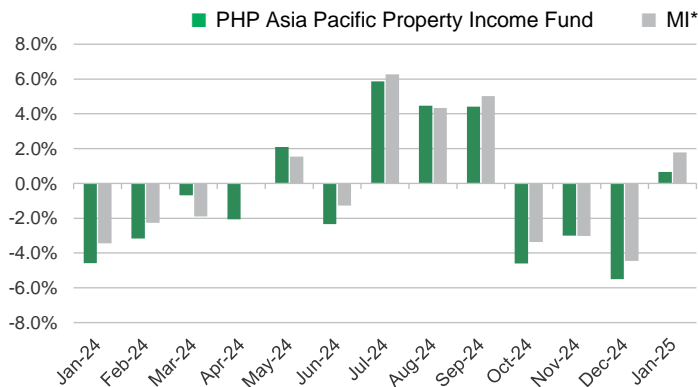
Monthly Net Asset Value per Unit



Top Five Holdings

CapitaLand Integrated Commercial Trust	9.90%
CapitaLand Ascendas REIT	9.62%
Link Real Estate Investment Trust	9.12%
Keppel DC REIT	5.80%
Mapletree Industrial Trust	4.99%

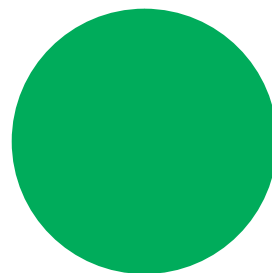
Monthly Performance



*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 trusts (REITs) moved marginally higher in January. REITs in Australia and Singapore delivered positive returns, while those in Hong Kong traded lower. The US Federal Reserve (Fed) kept the US Fed Funds Rate unchanged at 4.25-4.50% at the January policy meeting. While Chairman Jerome Powell's comment that the committee is not in a hurry to cut rates further was seen as hawkish, it is broadly in line with prevailing market expectations for a shallower rate cut trajectory. With the US 10-year bond yields and US Fed Funds Rate expectations largely unchanged in the month, market focus shifted to stock fundamentals. Implications of technological progress by a newly announced Chinese artificial intelligence (AI) model on the AI thematic, new policies rolled out after Donald Trump's inauguration and data points from the reporting season dominated headlines.

Australia REITs performed well. Australia's Q4 2024 consumer price index (CPI) inflation came in below market expectations and the Reserve Bank of Australia (RBA)'s preferred measure of inflation was at the lowest level since June 2021. The cooling inflation data might potentially set the stage for RBA to start easing its policy rates in February. Broad-based gains have been observed across major REIT sectors, despite the detractor of a small-cap healthcare REIT amid an ongoing dispute between insurers and the hospital operators.

Hong Kong REITs traded lower. While the 75-basis points (bps) month-on-month decline in the 1-month HIBOR should provide some cost relief, the market remained focused on the muted economic outlook. The punitive tariff policies of the US on China continued to weigh on sentiments for Hong Kong REITs. Despite a 4% year-on-year pickup during the Chinese New Year, Chinese visitations remain muted at 80% of pre-COVID levels. Departures of Hong Kong residents continued to outpace inbound visitation in January, which has weighed on Hong Kong's retail scene. A China-focused commercial REIT lagged amidst a broad-based weakness for the sector, while a suburban-focused retail REIT held up better for its relative resilience.

Singapore REITs traded marginally higher, with a mixed performance. On the back of a return-to-office mandate for US Fed employees, Singapore REITs with US-focused office assets performed well on improved business sentiments. Stocks with significant exposure to the US data center markets lagged amidst broad-based weakness for stocks linked to the AI thematic. The announcement of a new, highly cost-effective AI model developed by a Chinese AI start-up raised concerns over the outlook for the data center market.

Outlook

2024 has been a roller-coaster year for Asia Pacific REITs, as early optimism fueled by global rate cuts was doused with concerns over a shallower rate cut trajectory in 2025 under the incoming Donald 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 Asian 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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