

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 581.94 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 0.738	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPPF	

Performance Return (July 31, 2024)

PHP Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	5.87%	-5.11%	-1.85%	-10.75%	-12.83%	-12.05%
Annualized	n.a.	n.a.	-1.85%	-3.72%	-2.71%	-2.45%

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.

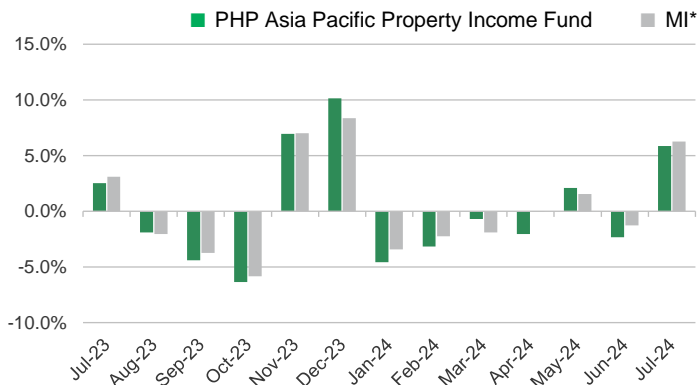
Monthly Net Asset Value per Unit



Top Five Holdings

CapitaLand Integrated Commercial Trust	9.62%
CapitaLand Ascendas REIT	9.50%
Link Real Estate Investment Trust	8.99%
Frasers Centrepoint Trust	5.71%
Frasers Logistics & Commercial Trust	5.65%

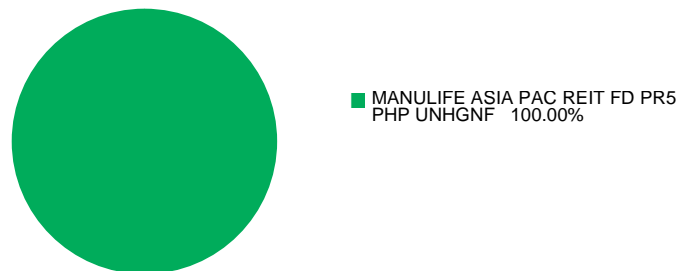
Monthly Performance



*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) market rallied in July, fueled by increasing expectations of an imminent US interest rate cut. The US Federal Reserve Board (Fed) Chairman commented during the month that the recent softness in inflation data has provided policymakers with greater confidence that inflation is heading down to the central bank's 2% goal. The cooling US labor market has further bolstered the case for the US Fed to begin lowering its key policy rate from September vs prior expectations of a November/December cut.

Australian REITs market closed higher, with broad-based gains across the sectors. Australia's long-end bond yields gapped down 20 bps month-on-month to 4.12%, primarily driven by weaker-than-expected CPI inflation, which removed expectations of a rate hike from the Reserve Bank of Australia (RBA) in the August meeting. Interest rate-sensitive names were the key beneficiaries of the softening rate environment.

Hong Kong's REITs market gains were largely lifted by a big cap necessity retail REIT. Most of the Hong Kong REITs lagged as weak macroeconomic data from China continued to weigh on the market. In June, the Hong Kong government passed a new legislation where most Hong Kong land leases will be extended by 50 years with no extra land premium payment required.

Singaporean REITs market performed well on the back of the 10-year bond yield, retracing close to 30 bps to close July under 3%. The SGD 4-5-year swap rates fell to 2.5%, implying lower refinancing cost pressures on the sector. Q2 2024 earnings season for Singaporean REITs were largely completed with mixed results. Guidance for rental reversions continued to be positive but the impact of higher interest costs weighed on distributions during the period. By sector, office REITs performed well for the month on relief that lower interest rate could translate into less pressures on their cap rates/valuations and earnings. Hotel REITs lagged on the back of misses in earnings and a more cautious guidance for the 2H 2024 growth 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. Although some Asian REITs could see some more earning downgrades in fiscal year 2025, we believe, as interest rates flatten and potentially begin to decline, the asset class's earnings and dividends resilience would return. In the absence of materially negative transactional evidence, REITs are actively looking to repair their balance sheet, and this could restore investor confidence in their underlying asset values. We continue to seek opportunities and focus on paying reasonable valuations for high-quality Asian REITs.

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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