

PHP Asia Pacific Property Income Fund

An investment fund option for **Affluence Gold**, **Affluence Max Gold** and **Affluence Max Elite** 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

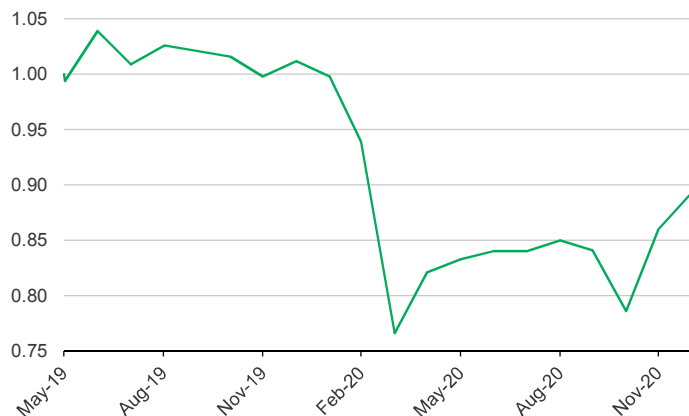
Inception Date May 2019	Fund Size PHP 1.73 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 0.893	Management Fee 2.25% per annum	Bloomberg Ticker PHEQPPF	

Performance Return (December 31, 2020)

PHP Asia Pacific Property Income Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	3.84%	-10.71%	-10.71%	n.a.	n.a.	-9.64%
Annualized	n.a.	n.a.	-10.71%	n.a.	n.a.	-6.18%

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.

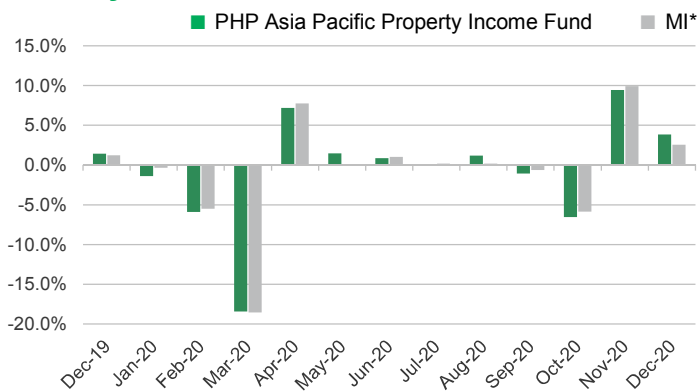
Monthly Net Asset Value per Unit



Top Five Holdings

CapitaLand Integrated Commercial Trust	8.03%
Ascendas Real Estate Investment Trust	7.60%
Link Real Estate Investment Trust	7.44%
Mapletree Logistics Trust	6.23%
Mapletree Commercial Trust	5.15%

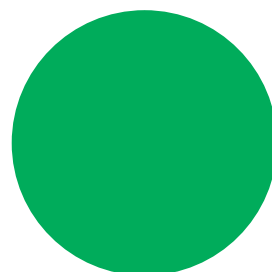
Monthly Performance



*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

Major Asia ex Japan REITs markets wrapped up an eventful year in 2020 with mixed performances in December. While there was positive progress on vaccine approvals and inoculation being rolled out, the market rally was kept in check on news of a new variant of coronavirus in the UK and renewed lockdowns in some geographies. Towards the last few days of the year, US President Trump finally signed off a combined US\$2.3 trillion pandemic relief and government funding package. This helped to restore some of the optimism in the economic recovery into 2021.

Australia's REITs market fell in December as most of the sector went ex-dividend on 30 December. Charter Hall Group was the best performing REIT in the month as the group continued to be very active on asset acquisitions to build up its funds under management. Some AREITs have done their year-end asset revaluation updates and capital values came out to be more resilient than the street's expectations as capitalisation rate compressions were evident across most asset classes.

Hong Kong REITs managed to end December with gains, even as the city fought the latest wave of infections with renewed social distancing requirements during the holiday season. Restaurants, which had already been limited to two diners per table, were ordered to close by 6 pm (from 10 pm) from 10 December. The two-week restriction has been extended by another two weeks to 6 January. Investors appeared to look forward to a recovery in retail sales in 2021 as the city's government assured the public that all residents will have access to vaccines from January 2021. Hong Kong residential developers underperformed retail REITs in December.

Singapore's REITs market was the best performer in December, underpinned by continued positive sentiment in retail REITs as the authorities announced the much anticipated phase 3 reopening of the economy from 28 December. Under phase 3, the group size on social gatherings will be increased and shopping malls and tourist attractions are allowed to increase capacity for traffic. Singapore is the first city in Asia to embark on a Covid-19 vaccination programme as the first batch of Pfizer-BioNTech vaccines arrived in December. Capitaland outperformed peers after the group stepped up its asset recycling pace in recent months.

Outlook

Covid-19 exerted unprecedented influence in 2020 across real estate markets, with industrial, logistics, data centres as the key winners while retail and hospitality are the biggest losers. The pandemic's impact on the top-line (i.e., rent, occupancy rate) should taper-off in 2021, but the recovery in global economies would come with speed bumps (i.e., mutation of the virus, etc.). It remains to be seen how the lockdown in Asia would alter corporates long-term real estate strategies and consumers shopping behaviour given accelerated trends of online retail and working from home. The focus remains on investing in quality real estate/REITs which can hold their capital values and cashflows in a world of continued low rates and search for yield.

The investment fund option for The Manufacturers Life Insurance Company's variable life insurance product is managed by Manulife Asset 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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