

# 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

|                                      |  |   |                                   |
|--------------------------------------|--|---|-----------------------------------|
| <b>Inception Date</b><br>May 2019    | <b>Fund Size</b><br>PHP 1.10 billion     | <b>Fund Currency</b><br>Philippine peso | <b>Dealing/Valuation</b><br>Daily |
| <b>Price (NAV/unit)</b><br>PHP 0.998 | <b>Management Fee</b><br>2.25% per annum | <b>Bloomberg Ticker</b><br>PHEQPPF      |                                   |

## Performance Return (January 31, 2020)

| PHP Asia Pacific Property Income Fund<br>(net of management fee) | 1 Month | YTD    | 1 Year | 3 Years | 5 Years | Since Inception |
|--|---------|--------|--------|---------|---------|-----------------|
| Absolute   | -1.38%  | -1.38% | n.a.   | n.a.    | n.a.    | -0.20%          |
| Annualized   | n.a.    | n.a.   | n.a.   | n.a.    | n.a.    | -0.20%          |

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.

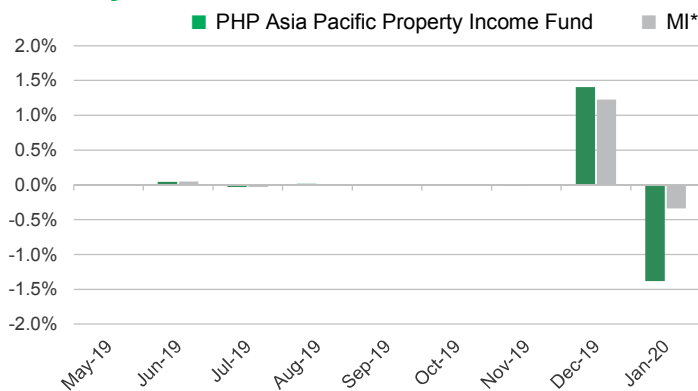
## Monthly Net Asset Value per Unit



## Top Five Holdings

|                                       |       |
|---------------------------------------|-------|
| Link Real Estate Investment Trust     | 9.09% |
| CapitaLand Mall Trust                 | 6.88% |
| Ascendas Real Estate Investment Trust | 4.75% |
| Mapletree Logistics Trust             | 4.67% |
| Frasers Centrepoint Trust             | 3.88% |

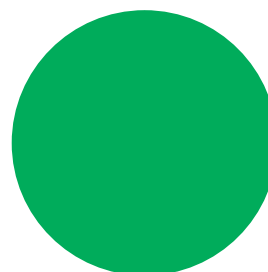
## Monthly Performance



\*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 REITs markets started 2020 strong in the first half of January on de-escalation of trade tensions but this quickly faded into Chinese Lunar New year as a budding pandemic scare soured market sentiment. Fresh fears were summoned on news that a mysterious respiratory illness Novel Coronavirus which emerged in Wuhan, China was spreading fast and could undermine the Chinese and regional economies, offsetting the benefits of the recent trade truce.

Australia market delivered the best performance in the region despite headline news that the country was being ravaged by the worst wildfires seen in decades. Investors hide in REITs as 10 year bond yields declined below 1% and defensives were favored given the bushfires, coronavirus outbreak and US/Iran conflicts. Employment growth was strong and the unemployment rate dipped again to 5.1%. The decline in the unemployment rate in recent months will be very welcome at the Reserve Bank of Australia as it is consistent with the Bank's "gentle turning point" rhetoric.

Hong Kong REITs underperformed the region, as concerns heightened over potential spill-over given its close proximity to the epi-centre of the latest virus. The latest health scare is likely to snuff out any potential economic recovery in the city which has been hit by months of street protests in 2019. Hotel and office REITs were sold off the most while diversified REITs held up relatively better.

Singapore REITs managed to close January in the black, led by gains in the industrial and specialized REITs. During the month, Capitaland Mall Trust and Capital Commercial Trust surprised the market with news of a merger to become the 3rd largest REIT in the Asia Pacific region. Hospitality REITs were the weakest despite reporting stronger Revpar numbers in the 4Q19. While major MICE activities are expected to go ahead in Singapore in 2020, investors were nervous about the short term impact from travel bans.

## Outlook

Volatility is expected to remain high in the short term and markets are likely to stabilize on evidence that the no of new infection cases have peaked. While most have made references of current outbreak to the 2003 SARS episode, we take comfort that governments have handled current situation far more competently than the past. At the latest FOMC meeting, US Fed expressed concerns over a global downward spiral in inflation, a clear sign that the bar to rate hike remains very high. We believe there are no structural impact to our investment thesis and are looking to add more quality REITs on weakness.

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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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