

Emperor Fund

An investment fund option for variable life insurance products of **The Manufacturers Life Insurance Co., (Phils), Inc.**

Investment Objective

The Fund aims to achieve long-term capital appreciation by investing in equity or equity-linked securities of a diversified portfolio of Philippine listed companies with bias towards companies with Filipino-Chinese heritage and companies with potential to become industry leaders. The Fund may also invest in pooled funds that invest in similar securities and other liquid fixed income instruments.

Fund Information

Inception Date August 2018	Fund Size PHP 933.19 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 0.805	Management Fee 2.00% per annum	Bloomberg Ticker MPHEMPR	

Performance Return (April 30, 2021)

Emperor Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-1.59%	-10.65%	8.64%	n.a.	n.a.	-19.50%
Annualized	n.a.	n.a.	8.64%	n.a.	n.a.	-7.68%

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.

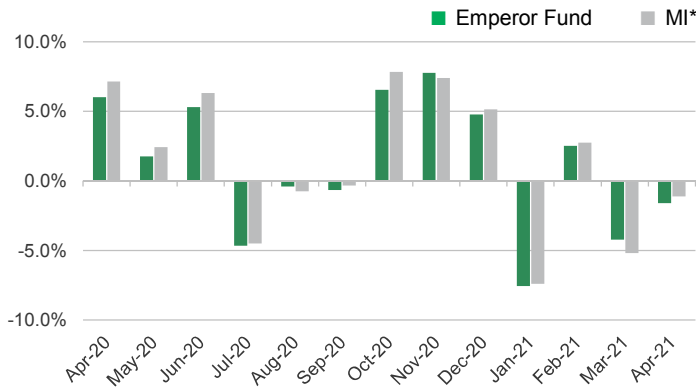
Monthly Net Asset Value per Unit



Top Five Holdings

SM INVESTMENTS CORPORATION	16.32%
SM PRIME HOLDINGS INC	10.98%
AYALA LAND INC	9.58%
AYALA CORPORATION	7.03%
BDO UNIBANK INC	6.94%

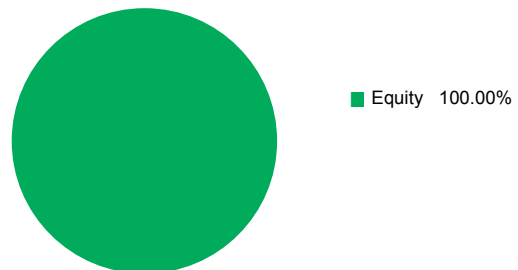
Monthly Performance



*Market Indicator = Philippine Stock Exchange Index

Portfolio Breakdown

Asset Allocation (at Market Value)



As per the fund's Investment Policy Statement, initial subscriptions are invested in fixed 100% Equity Pool. The investments of the Equity Pool consist of stocks listed on the Philippine Stock Exchange and term deposits.

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Market Review

The PSEI was down 1.1% for April at 6,370.87 as market sentiment continued to be weighed down by new highs in COVID daily cases, capacity strained hospitals, and the extension of tighter quarantine restrictions. There was a slight easing of quarantine measures from ECQ to MECQ in NCR and its surrounding provinces (“NCR Plus”) beginning April 12. The government allowed limited dine-in for restaurants at 10% capacity, while curfew hours were shortened to 10pm to 4am.

There were also concerns on the possible delays in economic recovery as the pace of the ongoing vaccination efforts remain slow. Since March, only 1.8 million vaccine doses have been administered. The Philippines has received a total of 4 million COVID vaccine doses, with another 8 million doses expected to arrive in late May. The aim of government is to vaccinate as much as 70 million people by end of the year.

April inflation rate remained flat at 4.5% y/y. Food prices moderated as it rose 5% m/m from a 6.2% rise m/m in March. We expect inflation in the medium term to remain manageable with the BSP lowering its 2021 forecast to 3.9% from 4.2% while increasing 2022 forecast to 3% from 2.8%. Currently, the government has reduced the tariff for rice importation alongside the lowering of import duties on pork.

Outlook

First quarter corporate earnings results kicked off in April with a few companies already reporting better quarter on quarter earnings trajectory albeit still tracking below pre-Covid levels. We continue to remain cautiously optimistic in equities as we expect earnings recovery to be felt more in the second half of the year. We believe that overall corporate earnings are on track to recover to pre-pandemic levels by 2022. Our preference remains in cyclical sectors like banks and real estate as these will both be the winners as the economic recovery unfolds. We are now more selective on defensive sectors like telco, energy, utilities, and consumer due to rising input costs and prefer names that have strong brand equity and expanding market share. We also have introduced into the portfolio a handful of quality small cap stocks that we think will deliver above average earnings growth when the economy recovers.

The investment fund option for Manulife China Bank Life Assurance Corporation's variable life insurance product is managed by Manulife Asset Management and Trust Corporation.

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