

# 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

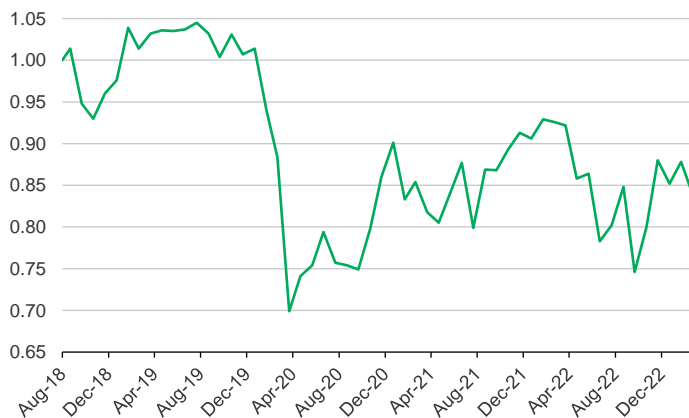
<b>Inception Date</b> August 2018	<b>Fund Size</b> PHP 1.69 billion	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 0.842	<b>Management Fee</b> 2.00% per annum	<b>Bloomberg Ticker</b> MPHEMPR	

## Performance Return (February 28, 2023)

Emperor Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-4.10%	-1.17%	-9.07%	-4.75%	n.a.	-15.80%
Annualized	n.a.	n.a.	-9.07%	-1.61%	n.a.	-3.71%

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.

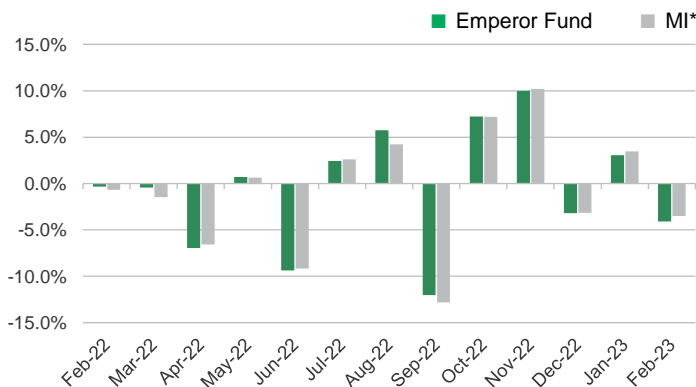
## Monthly Net Asset Value per Unit



## Top Five Holdings

SM INVESTMENTS CORPORATION	13.18%
BDO UNIBANK INC	9.76%
SM PRIME HOLDINGS INC	9.14%
AYALA LAND INC	8.48%
AYALA CORPORATION	7.47%

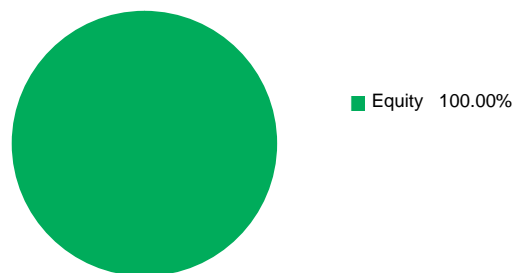
## Monthly Performance



\*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 Philippine Stock Equity index (PSEi) declined by 3.4% in February, closing to 6,556 level. The equity market was weak due to concerns over the macroeconomic environment such as persistently high inflation in January and February. This brought concerns on potential higher interest rate policy hikes from the Bangko Sentral ng Pilipinas which could derail the growth prospects of the economy in the medium term.

The improvement in the macroeconomic environment appears to be delayed given that January and February inflation remains persistently high at 8.7% and 8.6% from prior years respectively. Although it is encouraging that February inflation appears to have decelerated from the prior month, it remains to be on the high side and beyond the inflation target of Bangko Sentral ng Pilipinas of around 2-4%. Hence, we could expect that interest rate policy could be further hiked to curb the inflation. Note that the BSP has hiked policy rates by 50bps in February, higher than original expectations of just 25bps. There is a possibility that BSP will continue to hike rates in March by another 25bps to follow the US Fed move in the same month.

## Outlook

We have a positive view in Philippine Equities that the weakness of the market has likely priced in already the weak due to macroeconomic headwinds. The PSEi has already declined by around 8% from the peak this year, likely pricing in already the persistently high inflation and the likely hawkish monetary policy response. In addition, the PSEi is only trading at attractive levels with the forward price to earnings of only 12x, a discount from historical average of around 15-16x. Meanwhile consumer demand appears to remain resilient as early indicated by fourth quarter 2022 earnings results from the banks, consumer and property sectors. Generally the earnings 4Q22 earnings reported in February has been upbeat, providing confidence that consumer spending will remain strong in the near future despite the high inflation.

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

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