

# 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

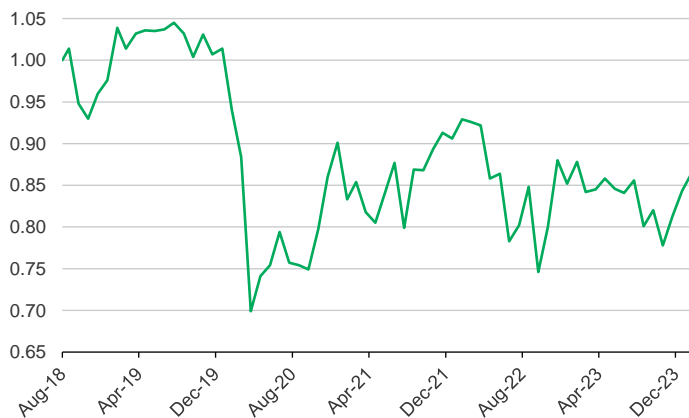
|                                      |  |   |                                   |
|--------------------------------------|--|---|-----------------------------------|
| <b>Inception Date</b><br>August 2018 | <b>Fund Size</b><br>PHP 2.10 billion     | <b>Fund Currency</b><br>Philippine peso | <b>Dealing/Valuation</b><br>Daily |
| <b>Price (NAV/unit)</b><br>PHP 0.865 | <b>Management Fee</b><br>2.00% per annum | <b>Bloomberg Ticker</b><br>MPHEMPR      |                                   |

## Performance Return (January 31, 2024)

| Emperor Fund<br>(net of management fee) | 1 Month | YTD   | 1 Year | 3 Years | 5 Years | Since Inception |
|---|---------|-------|--------|---------|---------|-----------------|
| Absolute                                | 2.61%   | 2.61% | -1.48% | 3.84%   | -16.75% | -13.50%         |
| Annualized                              | n.a.    | n.a.  | -1.48% | 1.26%   | -3.60%  | -2.62%          |

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.

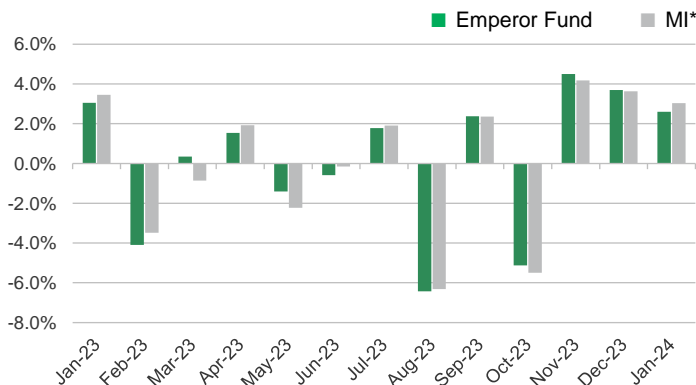
## Monthly Net Asset Value per Unit



## Top Five Holdings

|                                |        |
|--------------------------------|--------|
| SM INVESTMENTS CORPORATION     | 14.17% |
| SM PRIME HOLDINGS INC          | 9.92%  |
| BDO UNIBANK INC                | 9.76%  |
| BANK OF THE PHILIPPINE ISLANDS | 6.53%  |
| AYALA LAND INC                 | 6.35%  |

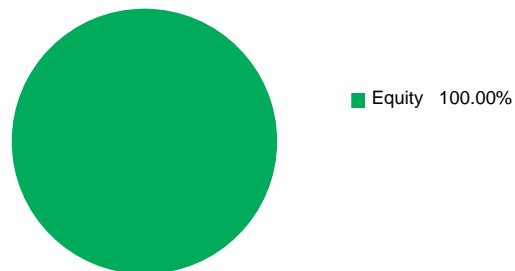
## Monthly Performance



\*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.

# Emperor Fund

## Market Review

The Philippine Stock Equity index (PSEi) rose 3% in January, closing at 6,646 points. The strong performance was driven by improvements in the January inflation print which decelerated to 2.8% from 3.9% in December year on year. As a result, the Philippines saw foreign investment inflows into the equity markets. January saw net foreign inflows of P4.2 billion versus net foreign outflows totaling P53.6 billion for 2023.

January inflation decelerated to 2.8% year on year from 3.9% the previous month on account of slower annual increase in household utilities including water, electricity, and fuel prices. Food inflation also eased to 3.3% year on year from 5.5% in December 2023. According to the Philippine Statistics Authority (PSA), inflation in January was the lowest inflation rate since October 2020. Nevertheless, we continue to remain watchful on inflation as rice prices continue to increase by 22.6% year on year in January from December's 19.6%.

Subsequently, Philippine Gross Domestic Product growth (GDP) for full year 2023 was better than expected, increasing by 5.6% year on year. This was slightly better than consensus expectations of 5.4%. Philippine economic output continues to outpace most of our regional peers in Asia including China, Vietnam, and Malaysia.

## Outlook

We are positive on Philippine equities on expectations that the Philippines' macroeconomy may continue to improve further moving into 2024. We expect inflation to fall within the Bangko Sentral ng Pilipinas' (BSP) target range of 2%-4% in 2024. With price pressures further easing in 2024, this may allow the BSP to be more dovish and reduce policy rates to aid economic output. Lastly, despite the recent rally seen in January, PSEi valuations remains attractive at 12x forward price to earnings, still a discount compared to its historical average of around 15x.

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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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