

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 1.37 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 0.802	Management Fee 2.00% per annum	Bloomberg Ticker MPHEMPR	

Performance Return (July 31, 2022)

Emperor Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	2.43%	-11.48%	0.38%	-23.25%	n.a.	-19.80%
Annualized	n.a.	n.a.	0.38%	-8.44%	n.a.	-5.41%

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.

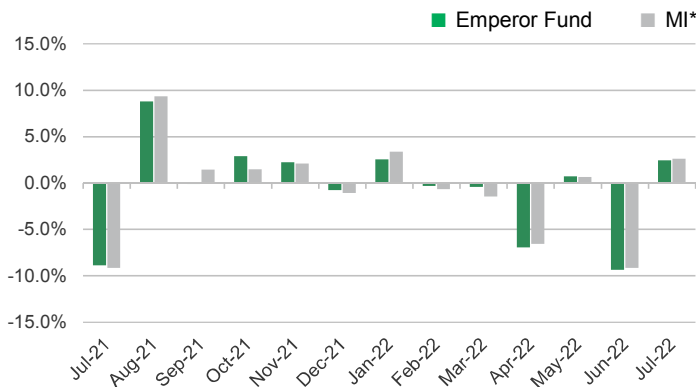
Monthly Net Asset Value per Unit



Top Five Holdings

SM INVESTMENTS CORPORATION	11.95%
SM PRIME HOLDINGS INC	9.57%
BDO UNIBANK INC	9.31%
AYALA LAND INC	8.40%
BANK OF THE PHILIPPINE ISLANDS	7.90%

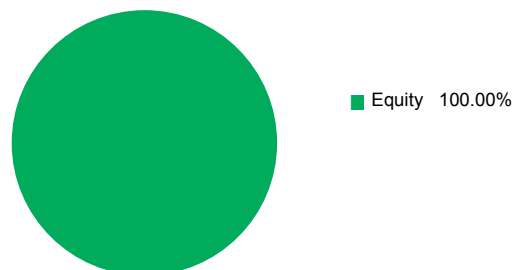
Monthly Performance



*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 Exchange Index rallied in June, increasing by 2.6% ending the month at 6,315.93. The local equities market rallied in the latter part of the month on the back of investors gaining confidence that the new administration is committed toward the growth of the economy as highlighted in the President Ferdinand Marcos Jr.'s first State of the Nation Address (SONA). Likewise, the Philippine Peso appreciated in the latter part of the month after the surprise rate hike by the Bangko Sentral ng Pilipinas amidst easing global commodity prices.

Inflation remains a key concern for the market and it clocked at 6.4% in July, still higher vs the previous month. However, falling prices of key global commodities such as crude oil, wheat, and building materials could help ease inflation concerns going forward. For example, retail pump prices of gasoline dropped by around 12% in Manila during the month. Note that during the same month, the BSP hiked policy rates by 75bps, a surprise move to contain inflation and defend the currency. The BSP added that they are likely to raise policy rates by another 25 to 50bps in August. Meanwhile, GDP growth in 2Q22 came at only 7.4%, a deceleration compared to 8.2% in the previous quarter. There was a contraction on domestic consumption quarter on quarter driven mostly by higher prices of goods.

The 2Q22 corporate earnings results season concluded in August with the overall earnings growth for the period at 20% year on year. Corporates reported strong topline revenue growth amidst the economy that is practically fully open. The standout sector was consumer discretionary, posting strong topline growth that was able to offset any margin compression. However, there were few sectors that saw margin compression eating into profits such as select consumer staple companies highly dependent on imported raw materials. The shopping mall segment saw a sharp recovery in revenues with mall foot traffic already at pre-pandemic levels. Meanwhile the financial sector reported an acceleration in loan growth, implying potential net interest income acceleration.

Outlook

We have a positive bias towards Philippine equities given the improving macroeconomic picture. This is reinforced by the positive 2Q22 corporate earnings results that showed sustained domestic consumption recovery from the pandemic. Meanwhile, we are cognizant that the risks are not entirely gone as inflation remains high and central banks are still hiking interest rates albeit at a slower pace. We prefer sectors that benefit on strong domestic consumption such as consumer discretionary and staples. We also favor the financial sector on the back of increasing economic activity that results to an acceleration in loan growth.

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.

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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