

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 1.83 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 0.841	Management Fee 2.00% per annum	Bloomberg Ticker MPHEMPR	

Performance Return (June 30, 2023)

Emperor Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.59%	-1.29%	7.41%	5.92%	n.a.	-15.90%
Annualized	n.a.	n.a.	7.41%	1.94%	n.a.	-3.49%

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.

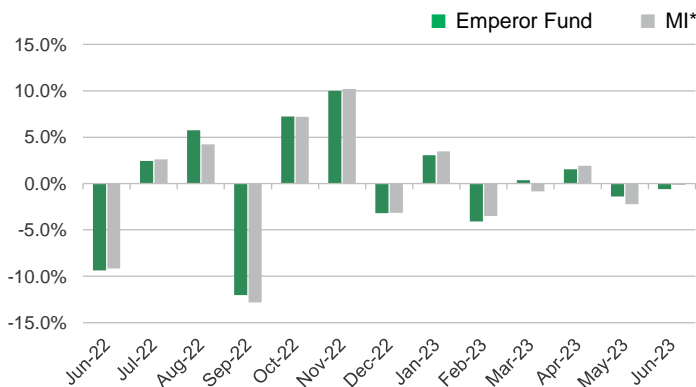
Monthly Net Asset Value per Unit



Top Five Holdings

SM INVESTMENTS CORPORATION	14.95%
SM PRIME HOLDINGS INC	9.64%
BDO UNIBANK INC	9.17%
BANK OF THE PHILIPPINE ISLANDS	6.43%
AYALA CORPORATION	5.49%

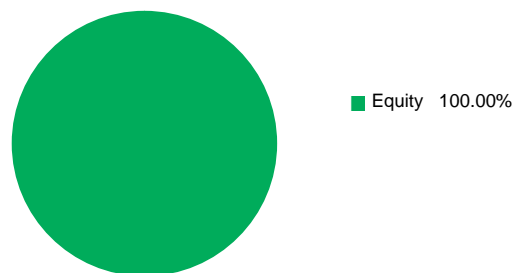
Monthly Performance



*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) was flat in June, ending at 6,430 level and just -0.09% lower compared to the prior month. The equity market started out June weak due to the concerns over potential interest rate hikes from the US. The weakness reversed as the Bangko Sentral ng Pilipinas extended its interest rate hike pause in its June meeting.

The macroeconomic picture continued to improve with June inflation slowing down to 5.4% y/y, lower compared to 6.1% in May. This decline provided the BSP with further room to pause interest rate hikes during the month. The Philippine peso also strengthened due to improving trade deficit figures as well as a weaker US Dollar. Meanwhile, President Ferdinand Marcos Jr. signed into law the Senate Bill 2020 and House Bill 6608, establishing the Maharlika Investment Fund (MIF). The Maharlika Fund will be initially funded by the National Government together with Landbank and Development Bank of the Philippines. The fund aims to invest in various asset classes such as equities, fixed income, as well as government infrastructure projects. On the other hand, Department of Finance Secretary Benjamin Diokno is planning to impose taxes on 'junk food' or food items that high contents of salt and beverages with sugar.

Overseas, investor sentiment also significantly improved after seeing US Inflation falling down to 3% in June, closer to the US Federal Reserve's target of 2%. Consensus expects the US Fed to raise policy rates by another 25bps in July. Meanwhile, El Nino has already officially started in June. So far, the government expects that this El Nino would be on the mild side of the spectrum. Hence, there is a likelihood that the impact of El Nino to inflation will be minimal.

Outlook

We have a positive view on Philippine Equities as the macroeconomic environment continues to improve. Philippine inflation appears to be under control which provides the BSP to potential cut interest rates in 4Q23. Note that the new BSP Governor, Eli Remolona, mentioned that they could consider cutting interest rates if inflation falls to 4%. In addition, the appreciation of the Philippine Peso due to declining trade deficit and weaker US Dollar supports a positive view on the local equity market. Meanwhile, the PSEi continues to trade at very attractive valuations, trading at only 12x forward price to earnings, a discount from historical average of 15x. One key challenge the market faces is the potential impact of El Nino on food supply and inflation.

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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