

# 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

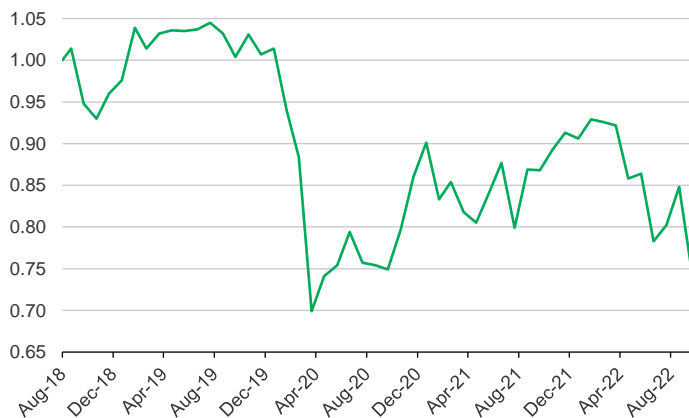
<b>Inception Date</b> August 2018	<b>Fund Size</b> PHP 1.33 billion	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 0.746	<b>Management Fee</b> 2.00% per annum	<b>Bloomberg Ticker</b> MPHEMPR	

## Performance Return (September 30, 2022)

Emperor Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-12.03%	-17.66%	-14.06%	-25.70%	n.a.	-25.40%
Annualized	n.a.	n.a.	-14.06%	-9.43%	n.a.	-6.85%

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.

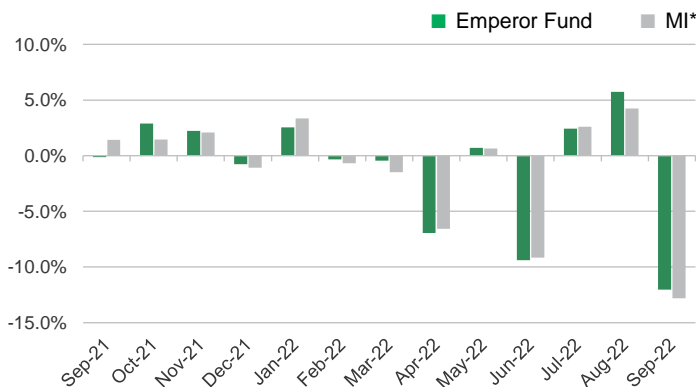
## Monthly Net Asset Value per Unit



## Top Five Holdings

SM INVESTMENTS CORPORATION	11.81%
SM PRIME HOLDINGS INC	9.95%
BDO UNIBANK INC	9.06%
AYALA LAND INC	8.09%
AYALA CORPORATION	7.29%

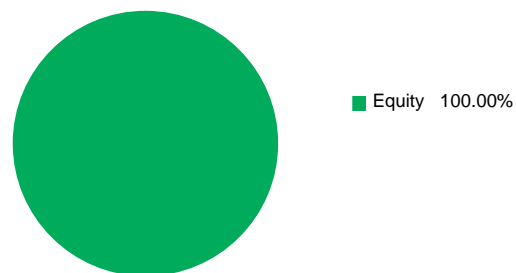
## Monthly Performance



\*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 14.19% for the month of September closing at 5,741 as the weakness in global markets caused by rising global rates and a weak peso currency continues to influence the weak performance of local equity shares. Both the 10-year US Treasuries which rose to as high as 4% and the Philippines Peso depreciated to as high as P59/\$1 contributed to renewed negative equities market sentiment. The Bangko Sentral ng Pilipinas raised policy rates by 50bps to 4.25% on the back of continued US Federal Reserve tightening which raised US policy rates by 75bps to 3%.

Local Inflation for the month of September was 6.9% higher than 6.3% in August. The September inflation print takes the YTD average inflation above the BSP's upper range target of 4% on account of increasing prices of food, utilities, and fuel.

Bank of the Philippine Islands and Robinsons Bank is under discussions for a potential merger with BPI as the surviving entity and the JGS Group owning a 6% stake in BPI. Currently, BPI is the third largest bank in the country with assets amounting to P2.46 trillion.

## Outlook

We have a positive bias towards Philippine equities with the PSEi now trading below 12x forward price to earnings ratio. We think that much of the weakness in local equities seen in September were largely influenced by weak global market factors. Nevertheless, on the domestic front, we await the start of the 3<sup>rd</sup> quarter reporting season as the next catalyst for the equities market. Despite the global economic slowdown, we remain positive that the strong domestic consumption patterns seen in the 1<sup>st</sup> half of 2022 will likely be carried over into the 2<sup>nd</sup> half of 2022 as the reopening theme has not been fully priced-in. We are constructive that the ongoing resumption in face-to-face classes, pent-up demand for discretionary spending and the upcoming Christmas Holiday celebrations will be catalysts for a re-rating in local equities. Risks to watch out for the remainder of 2022 include continued strength of the US dollar and rising global rates which could further trigger global economic slowdown.

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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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