

Emperor Fund

An investment fund option for **Affluence Max, Affluence Max Gold, Affluence Builder Series, Horizons** and **FlexiSure** 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

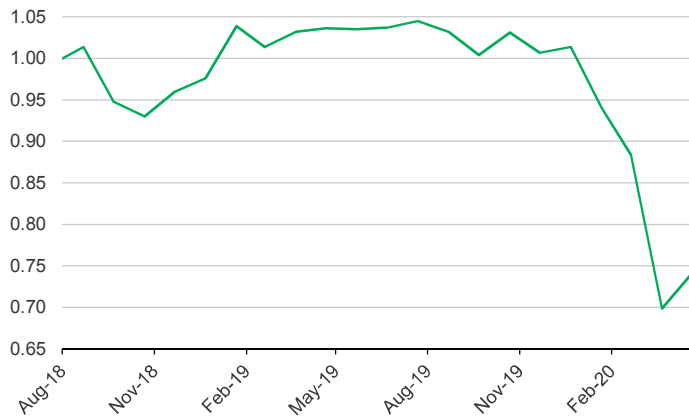
Inception Date August 2018	Fund Size PHP 560.89 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 0.741	Management Fee 2.00% per annum	Bloomberg Ticker MPHEMPR	

Performance Return (April 30, 2020)

Emperor Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	6.01%	-26.92%	-28.47%	n.a.	n.a.	-25.90%
Annualized	n.a.	n.a.	-28.47%	n.a.	n.a.	-16.05%

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.

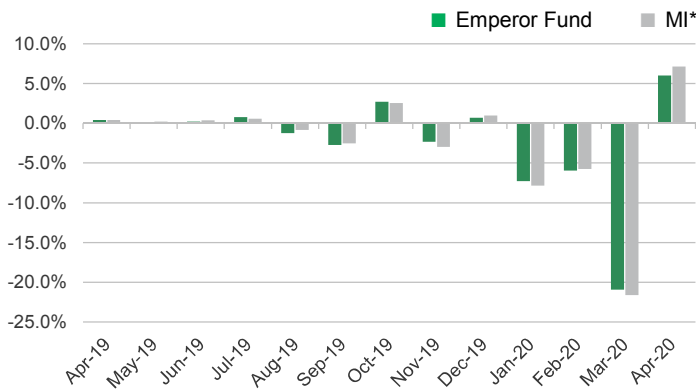
Monthly Net Asset Value per Unit



Top Five Holdings

SM INVESTMENTS CORPORATION	16.57%
SM PRIME HOLDINGS INC	11.05%
AYALA LAND INC	8.67%
BDO UNIBANK INC	7.78%
UNIVERSAL ROBINA	6.53%

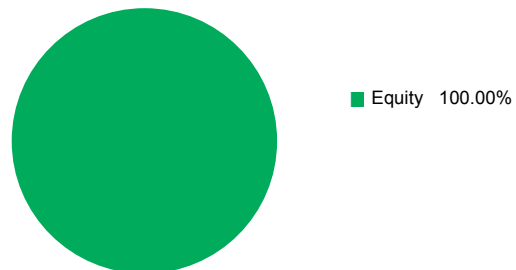
Monthly Performance



*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 market index (PSEi) closed at 5,701 in April, up 7.1% for the month and -27% year-to-date. The market slumped as much as 41% year-to-date after the announcement of the lockdown but has since recovered around 23% from the lows. Continued increase in COVID-19 cases and fears of a second wave of infections led to the government extending the enhanced community quarantine to May 15 in selected areas, including Metro Manila. Meanwhile, other areas in Luzon where the infections are not as severe were adjusted to a more relaxed form of quarantine. Globally, economic activity continues to wane with commodity prices declining sharply amidst lack of demand. WTI Oil price futures plunged briefly below zero USD per barrel as storage concerns for the commodity mounted, amidst lack of demand globally.

The Bangko Sentral ng Pilipinas (BSP) cut policy rates by another 50bps to 2.75%, its lowest level, in an off-cycle meeting in an effort to strongly encourage lending across different sectors of the economy amid the COVID-19 pandemic. The expectation is that the BSP may cut another 200bps in reserve requirement to 12%. BSP Governor Diokno signaled that the BSP stands ready to further ease monetary conditions in response to the current crisis. Additionally, Finance Sec. Carlos Dominguez said that the government is thinking of providing extra stimulus measures that includes wage subsidies and loan guarantees to SMEs critical to this crisis. The new stimulus program is now at P1.45Tn which includes new measures like P120Bn provisions for SME credit guarantees and P51Bn wage subsidy for displaced workers.

Outlook

In the near term, market recovery may be muted as investors look to slowing economies globally as evidenced by the recent collapse of oil prices. Locally, the market will take its cue from the upcoming 1Q20 earnings results for concerns around potentially severe earnings deterioration and impact to this year's GDP performance brought about by the pandemic. Moving forward, we also expect companies to trim their previous capex guidance and spending plans for the rest of the year as most companies go into cash preservation mode. Companies are likely to focus on maintenance works of existing facilities, lesser store openings in the retail space, and slower residential and office project completions. The "new normal" will also push companies to rethink operations and leverage on technology in light of social distancing practices. On a positive note, the Philippines will be a beneficiary of lower oil prices as lower oil imports may help offset the potential impact of lower dollar flows from remittances and BPO revenues.

We are beginning to position the portfolio in anticipation of better market conditions from a gradual loosening of the Enhanced Community Quarantine in Luzon by May 15. We look to enhance our portfolio positioning by capitalizing on regional market trends that have emerged from the pandemic earlier and redeploy excess cash positions on any stock price weakness.

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

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