

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

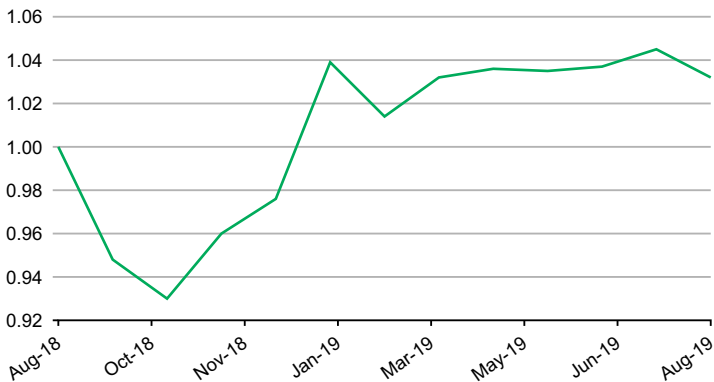
Inception Date August 2018	Fund Size PHP 598.53 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 1.032	Management Fee 2.00% per annum	Bloomberg Ticker MPHEMPR	

Performance Return (August 31, 2019)

Emperor Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-1.24%	5.74%	1.57%	n.a.	n.a.	3.20%
Annualized	n.a.	n.a.	1.57%	n.a.	n.a.	3.02%

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.

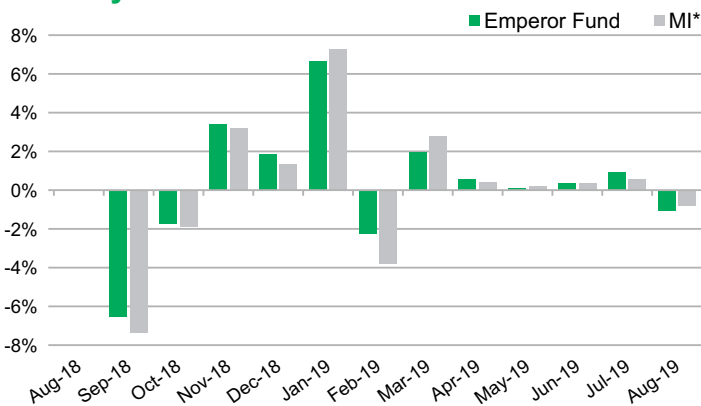
Monthly Net Asset Value per Unit



Top Five Holdings

SM Investments	14.1%
SM Prime Holdings	9.2%
BDO Unibank	9.2%
Ayala Land	8.9%
JG Summit Holdings	5.4%

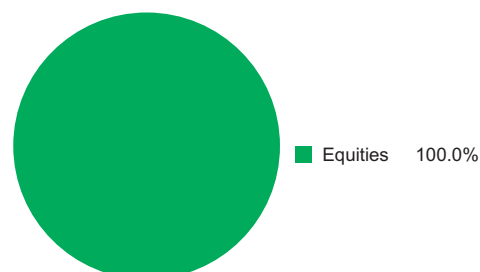
Monthly Performance



*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 local stock market index closed at 7,980, down 0.8% for the month of August. US-China trade tensions escalated with the US imposing a 10% tariff on additional US\$300bn worth of imports from China effective September 1, in which China responded by weakening the Yuan and threatened to cease imports of US agriculture products. Locally, the effect of the 2019 budget impasse and ban on government spending during mid-term election continued to impact economic growth in 2Q19 with a 5.5% YoY growth versus 1Q19s 5.6%. Meanwhile, inflation fell further to 2.4% YoY in July from 2.7% in June, in line with expectations. From a so-called prudent pause in June, BSP makes a pre-emptive move and cut another 25bps on its policy rate, bringing it down to 4.25%, on assessment that prospects for global economic activity are likely to remain weak amid sustained trade tensions among major economies. The latest monetary action came after surprise cuts from New Zealand, India, and Thailand the day before the Philippine central bank meeting. BSPs policy cut was a welcome move given sustained easing inflation and 2Q19 GDP that grew sub-6% for the second consecutive quarter. Lastly, the second quarter earnings season came to a close, with PSEI earnings showing robust growth of 16% compared to the same period last year, in line with market expectations.

Outlook

We have turned a bit more cautious on the market due to global growth worries. Negative sentiment can impact the market despite strong local macro as investors de-risk due to global growth concerns. Furthermore, the stocks in the property sector were sold off after the Chinese government indicated its desire for the Philippines to ban all online gambling. Gaming agency PAGCOR revealed that it would not be accepting any new POGO applications in response to statements made by the Chinese embassy in Manila.

The portfolio will continue to prefer positions in names with firm fundamentals, and avoid stocks that are more exposed to the global economy, as well as Chinese demand-driven sectors due to possible policy changes.

The investment fund option for The Manufacturers Life Insurance Company's variable life insurance product is managed by Manulife Asset 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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