

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 584.40 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 1.037	Management Fee 2.00% per annum	Bloomberg Ticker MPHEMPR	

Performance Return (June 30, 2019)

Emperor Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.19%	6.25%	n.a.	n.a.	n.a.	3.70%
Annualized	n.a.	n.a.	n.a.	n.a.	n.a.	3.70%

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.

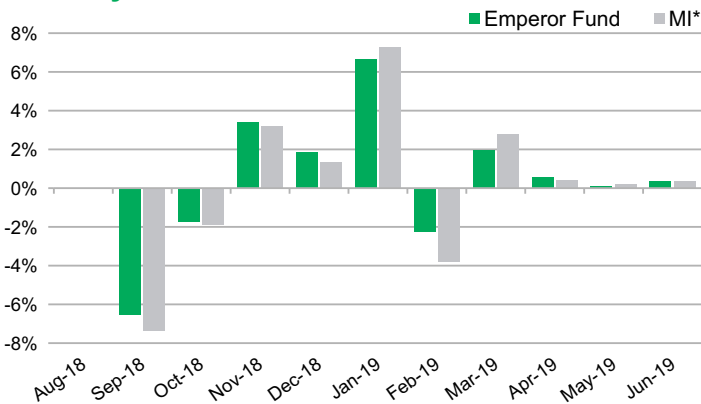
Monthly Net Asset Value per Unit



Top Five Holdings

SM Investments	12.6%
BDO Unibank	9.2%
Ayala Land	9.1%
SM Prime Holdings	8.9%
Ayala Corporation	5.3%

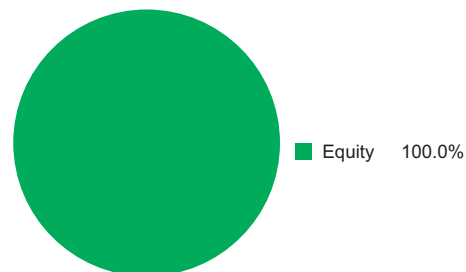
Monthly Performance



*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.

Emperor Fund

Market Review

The local stock market index closed at 7,999, up 0.4% for June. The month started off strongly on follow through buying on property names after last month's implementation of the first round of reserve requirement cuts and Fitch's reiteration of the county's BBB credit rating and stable outlook. However, a couple of secondary share placements, along with accelerating trade war tensions and renewed global growth concerns, brought markets lower from the month's high. Foreign outflows of only USD3 million from this month's FTSE rebalancing were significantly lower than initial expectations of USD47 million, signaling strong demand for Philippine equities from foreign investors. Market valuations inched higher to 19.4x P/E from last month's 19.3x.

On the macro front, inflation figures ticked up slightly to 3.2%. This is higher than the expected 2.9% print and last month's 3%, but still lies comfortably within the BSP's estimated 2.8-3.6% estimate. Average inflation for the year now stands at 3.5%. The BSP is forecasting inflation to continue to drop in 2019 with an estimated average of 2.9%. The uptick in consumer prices was primarily due to higher transportation prices, as well as the increases in vegetable prices which were up 12.5% as a result of the severe dry season. As such, the BSP opted to be more prudent and kept policy rates steady at 4.5%.

Outlook

We continue to have a neutral outlook for Philippine equities. Investors will look to second quarter earnings, which should come out starting next month, for market direction. Meanwhile, global market developments, particularly on the US-China trade debacle, will likely lead to heightened market volatility in the near-term. On a more positive note, declining bond yields may eventually lead to an equities market re-rating, with 10-year yields nearing 5% levels from as high as 8% during the second half of 2018.

With the market continuing to trade within a range of 7,500-8,200, the fund looks to be more opportunistic in its positioning, opting to be more active in rotating out of names which have already gone up and into market laggards. The fund is also starting to build positions in names with improving fundamental stories later in the fourth quarter and 2020.

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.

The information and/or analysis contained in this material have been compiled or arrived at from sources believed to be reliable but The Manufacturers Life Insurance Co. (Phils.), Inc. ("Manulife Philippines") does not make any representation as to their accuracy, correctness, usefulness or completeness and does not accept liability for any loss arising from the use hereof or the information and/or analysis contained herein. 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. Neither Manulife Philippines or its affiliates, nor any of their directors, officers or employees shall assume any liability or responsibility for any direct or indirect loss or damage or any other consequence of any person acting or not acting in reliance on the information contained herein.

The information in this material may contain projections or other forward-looking statements regarding future events, targets, management discipline or other expectations, and is only as current as of the date indicated. There is no assurance that such events will occur, and may be significantly different than that shown here. The information in this material including statements concerning financial market trends, are based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons. This material was prepared solely for informational purposes and does not constitute a recommendation, professional advice, an offer, solicitation or an invitation by or on behalf of Manulife Philippines to any person to buy or sell any security. This material should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any investment products or to adopt any investment strategy. Nothing in this material constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. Past performance is not an indication of future results.

Manulife and the block design are registered service marks and trademarks of The Manufacturers Life Insurance Company and used by it and its affiliates including Manulife Financial Corporation.