

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

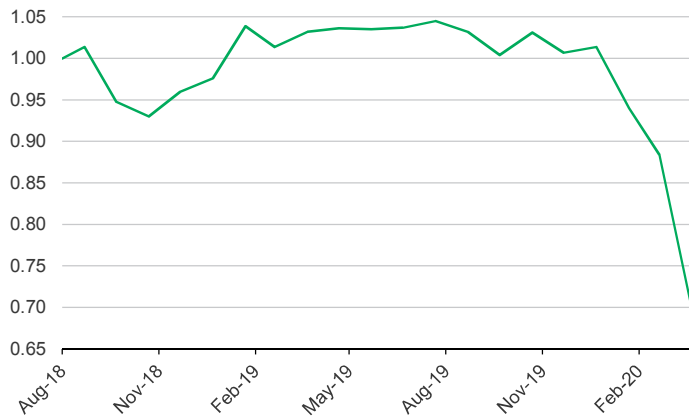
Inception Date August 2018	Fund Size PHP 521.90 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 0.699	Management Fee 2.00% per annum	Bloomberg Ticker MPHEMPR	

Performance Return (March 31, 2020)

Emperor Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-20.93%	-31.07%	-32.27%	n.a.	n.a.	-30.10%
Annualized	n.a.	n.a.	-32.27%	n.a.	n.a.	-19.71%

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.

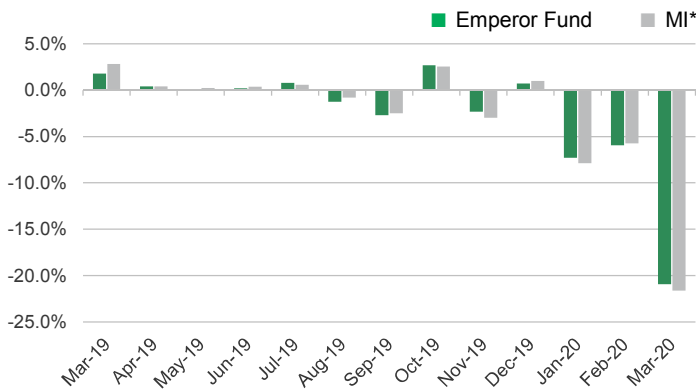
Monthly Net Asset Value per Unit



Top Five Holdings

SM INVESTMENTS CORPORATION	17.24%
SM PRIME HOLDINGS INC	10.25%
AYALA LAND INC	8.81%
BDO UNIBANK INC	8.30%
BANK OF THE PHILIPPINE ISLANDS	6.08%

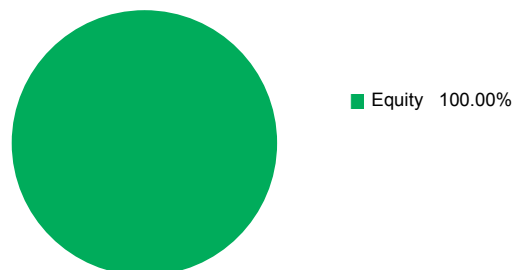
Monthly Performance



*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) fell sharply in March, retreating by 21.6%, to end at 5,321, down 31.9% YTD. The stock market hit its intraday circuit breaker of 10% twice during the month. Foreigners have been net sellers of USD646 million for the year, with bulk of the selling coming from March. The Philippine government has ordered a lockdown of Luzon, in an effort to curb the rising number of coronavirus cases in the Philippines. COVID-19 has finally hit the Philippines with infections reaching 2,084 as of end-March. In an effort to contain the spread of the virus, the whole country was placed under a state of nationwide emergency on March 9 after the first confirmed case of local transmission. Public transportation was shut and travel bans were issued. Public places such as malls are closed for the duration of the quarantine indefinitely, with only groceries, pharmacies, and food services remaining operational.

Given the likely negative economic impact of the coronavirus, the government is introducing monetary and fiscal policy measures. It will be providing direct assistance to some 18 million families by paying workers one-time financial assistance of up to Php8,000 for the lockdown period, as well as providing temporary jobs. Emergency powers were also granted to the President via the passage of the Bayanihan to Heal as One law, allowing him to reallocate budget within the executive arm of the government based on the 2020 national budget, thereby increasing the budget to combat the spread of the virus. The government looks to provide some Php200billion as financial assistance coming from the Bayanihan law. Furthermore, on top of recent 50bps policy and 200bps reserve requirement cuts, the Bangko Sentral announced it will be purchasing government securities to support its ambitious fiscal program in its own version of quantitative easing in the amount of Php300 billion. Meanwhile, the private sector stepped up with conglomerates contributing in the form of financial aid, salary dole-outs, rent condonation, extend grace periods for loans, donations for food, health equipment, etc.

Outlook

With retail and domestic activity restricted for at least a month, there is certainly going to be a negative impact on corporate earnings growth in the Philippines as well. Some economists have started downgrading 2020 GDP forecasts from as low as -0.6% to 4% growth, with some already assuming a potentially extended period of lockdown. Note that Luzon accounts for roughly 70% of total GDP. As such, we expect to see material downward revisions to earnings estimate for this year versus initial expectations of 10% growth from 2019.

The fund currently has increased cash position levels above its usual cash levels during more normal market conditions to minimize risk amidst heightened market volatility. The fund will look to make the necessary adjustments to preserve capital in the short term without sacrificing long term growth opportunities as we continue to remain abreast with financial market developments both local and abroad. With the massive drop in stock prices, the fund will continue to be opportunistic and begin accumulating names that have earnings that are more resilient against the impact of the virus. More debt-reliant companies are to be avoided during these periods since these will be more affected by the lockdown with loss of sales, as well as continuing payment of interest.

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.

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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