

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 759.11 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 0.798	Management Fee 2.00% per annum	Bloomberg Ticker MPHEMPR	

Performance Return (October 31, 2020)

Emperor Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	6.54%	-21.30%	-22.60%	n.a.	n.a.	-20.20%
Annualized	n.a.	n.a.	-22.60%	n.a.	n.a.	-9.68%

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.

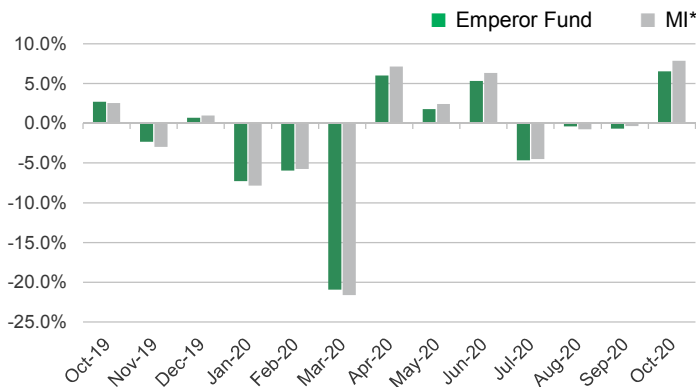
Monthly Net Asset Value per Unit



Top Five Holdings

SM INVESTMENTS CORPORATION	16.90%
SM PRIME HOLDINGS INC	10.28%
JG SUMMIT HOLDINGS INC	7.01%
AYALA LAND INC	6.77%
UNIVERSAL ROBINA	6.04%

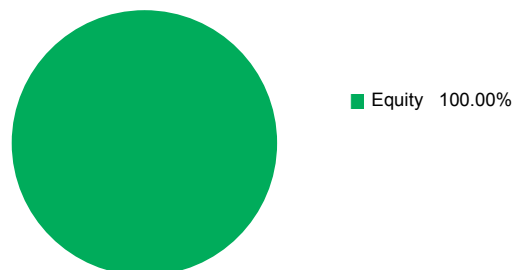
Monthly Performance



*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 Exchange Index was up 7.91% to 6,324 for the month of October as economic reopening contributed to increased market optimism and as COVID infection rates locally continue to improve. While NCR is expected to remain under GCQ restrictions until the end of the year, further easing of restrictions have been introduced including lifting the ban on non-essential foreign travel and improved capacity on non-essential businesses like hotels, restaurants and construction activities.

Foreign outflows for October were at \$156 Million much slower versus the prior month at \$306 Million. Year-to-date, foreigners sold \$2.173 Billion. Selling was partially offset following strong demand for Converge ICT Solutions. The company raised \$523 Mil in its initial offer last October 26. Apart from the IPO, foreign buying also returned towards month end with flows coming into large caps.

We are also halfway through the third quarter earnings reporting season with corporate results showing improving quarter-on-quarter trends from second to third quarter 2020. Among the notable trends include the absence of pantry stocking resulting in flattish earnings from retailers, continued weak mall foot traffic and rising office vacancies from the exit of smaller POGO operators. Provisions for doubtful accounts continue to hold back profits for the banking sector on continued expectations of future NPLs and uncertainties arising from second round of loan moratoriums which is expected to last until the end of the year.

Outlook

We think that the re-opening of the local economy and containment of COVID-19 cases will have a broader implication on the local equities than the outcome of the US elections. Our outlook remains neutral for local equities as we partially focus on repositioning to sectors that we think will outperform come 2021. We expect the conclusion of the upcoming US elections to remove one big uncertainty to the global economic outlook as investors who have chosen to stay on the sidelines may finally decide to invest in equity markets as another round of fiscal stimulus package will bode well for markets globally, including the Philippines. Key catalysts that can potentially provide the market's recovery with more legs would be further developments locally on containing COVID-19 as well as encouraging news flows in the area of vaccine and treatment research. All eyes are also on the US resolving its remaining election-related issues, as well as the passage of another round of stimulus measures to aid the world's largest economy.

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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