

# Powerhouse Fund

An investment fund option for 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 a concentrated portfolio of companies with significant economic exposure to or derive a significant portion of earnings from the Philippines. The Fund may also invest in pooled funds that invest in similar securities and other liquid fixed income instruments.

## Fund Information

<b>Inception Date</b> January 2017	<b>Fund Size</b> PHP 7.08 billion	<b>Fund Currency</b> Philippine peso	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> PHP 0.827	<b>Management Fee</b> 2.00% per annum	<b>Bloomberg Ticker</b> MPPHPWR	

## Performance Return (June 30, 2023)

Powerhouse Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-1.66%	-1.66%	8.39%	3.25%	-17.22%	-17.30%
Annualized	n.a.	n.a.	8.39%	1.07%	-3.71%	-2.90%

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.

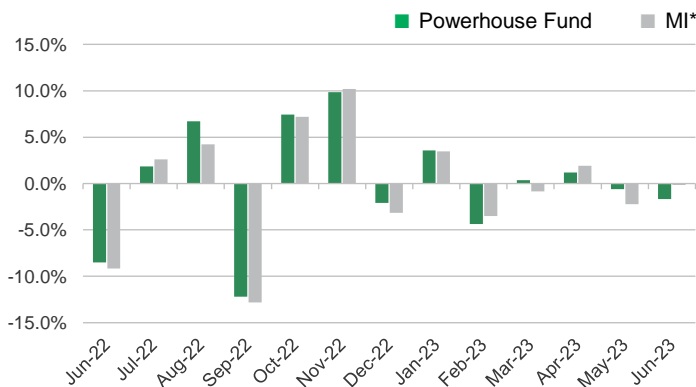
## Monthly Net Asset Value per Unit



## Top Five Holdings

SM INVESTMENTS CORPORATION	14.94%
SM PRIME HOLDINGS INC	9.78%
AYALA LAND INC	9.75%
JG SUMMIT HOLDINGS INC	8.94%
BDO UNIBANK INC	8.78%

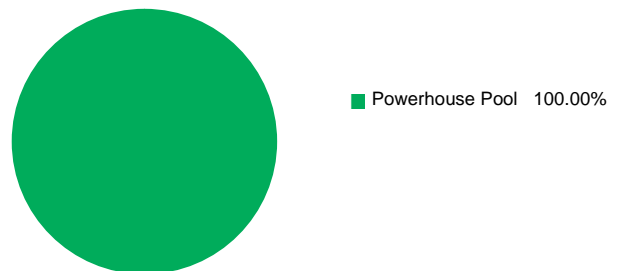
## Monthly Performance



\*Market Indicator = 100% 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% Powerhouse Pool. The investments of these pools consist of the following:  
- Powerhouse Pool: Various stocks listed on the PSE and term deposits

# Powerhouse Fund

## Market Review

The Philippine Stock Equity index (PSEi) was flat in June, ending at 6,430 level and just -0.09% lower compared to the prior month. The equity market started out June weak due to the concerns over potential interest rate hikes from the US. The weakness reversed as the Bangko Sentral ng Pilipinas extended its interest rate hike pause in its June meeting.

The macroeconomic picture continued to improve with June inflation slowing down to 5.4% y/y, lower compared to 6.1% in May. This decline provided the BSP with further room to pause interest rate hikes during the month. The Philippine peso also strengthened due to improving trade deficit figures as well as a weaker US Dollar. Meanwhile, President Ferdinand Marcos Jr. signed into law the Senate Bill 2020 and House Bill 6608, establishing the Maharlika Investment Fund (MIF). The Maharlika Fund will be initially funded by the National Government together with Landbank and Development Bank of the Philippines. The fund aims to invest in various asset classes such as equities, fixed income, as well as government infrastructure projects. On the other hand, Department of Finance Secretary Benjamin Diokno is planning to impose taxes on 'junk food' or food items that high contents of salt and beverages with sugar.

Overseas, investor sentiment also significantly improved after seeing US Inflation falling down to 3% in June, closer to the US Federal Reserve's target of 2%. Consensus expects the US Fed to raise policy rates by another 25bps in July. Meanwhile, El Nino has already officially started in June. So far, the government expects that this El Nino would be on the mild side of the spectrum. Hence, there is a likelihood that the impact of El Nino to inflation will be minimal.

## Outlook

We have a positive view on Philippine Equities as the macroeconomic environment continues to improve. Philippine inflation appears to be under control which provides the BSP to potential cut interest rates in 4Q23. Note that the new BSP Governor, Eli Remolona, mentioned that they could consider cutting interest rates if inflation falls to 4%. In addition, the appreciation of the Philippine Peso due to declining trade deficit and weaker US Dollar supports a positive view on the local equity market. Meanwhile, the PSEi continues to trade at very attractive valuations, trading at only 12x forward price to earnings, a discount from historical average of 15x. One key challenge the market faces is the potential impact of El Nino on food supply and inflation.

---

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