

A nighttime photograph of a dense urban skyline, likely Hong Kong, with numerous skyscrapers illuminated by city lights. The image is partially obscured by a large green diagonal graphic element that runs from the top right towards the bottom left.

# 2017 Variable Unit-linked Funds

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Annual Performance Report  
as of December 31, 2017

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# About Manulife Philippines

The Manufacturers Life Insurance Company (Manulife) opened its doors for business in the Philippines in 1907. Since then, Manulife's Philippine Branch and later, The Manufacturers Life Insurance Co. (Phils.), Inc. (Manulife Philippines) has grown to become one of the leading life insurance companies in the country. Manulife Philippines is a wholly-owned domestic subsidiary of Manulife Financial Corporation, among the world's largest life insurance companies by market capitalization.

Manulife Financial Corporation is a leading international financial services group that helps people achieve their dreams and aspirations by putting customers' needs first and providing the right advice and solutions. We operate primarily as John Hancock in the United States and Manulife elsewhere. We provide financial advice, insurance, as well as wealth and asset management solutions for individuals, groups and institutions. At the end of 2017, we had approximately 34,000 employees, 73,000 agents, and thousands of distribution partners, serving more than 26 million customers. As of December 31, 2017, we had over \$1.04 trillion (US\$829.4 billion) in assets under management and administration, and in the previous 12 months we made \$26.7 billion in payments to our customers. Our principal operations are in Asia, Canada and the United States where we have served customers for more than 100 years. With our global headquarters in Toronto, Canada, we trade as 'MFC' on the Toronto, New York, and the Philippine stock exchanges and under '945' in Hong Kong.

Follow Manulife on Twitter @ManulifeNews or visit [www.manulife.com.ph](http://www.manulife.com.ph) or [www.johnhancock.com](http://www.johnhancock.com).

# Variable Unit-Linked Funds

Net Asset Value  
(in Php Thousands)

|                               | 2017              | 2016              |
|-------------------------------|-------------------|-------------------|
| Peso Growth                   | 13,377,107        | 9,059,139         |
| Peso Dynamic Allocation       | 4,980,193         | 3,865,829         |
| Peso Diversified Value        | 4,244,782         | 3,780,799         |
| Peso Secure                   | 3,950,382         | 3,573,676         |
| Peso Target Distribution      | 2,637,836         | 1,880,327         |
| Peso Equity                   | 1,690,190         | 1,418,981         |
| Peso Bond                     | 820,336           | 854,780           |
| Peso Stable                   | 783,054           | 769,029           |
| Peso Balanced                 | 433,012           | 427,296           |
| Peso Cash                     | 419,373           | 247,482           |
| Peso Target Income            | 199,044           | 163,564           |
| Peso Wealth Optimizer 2026    | 358,524           | 230,201           |
| Peso Wealth Optimizer 2031    | 59,865            | 24,454            |
| Peso Wealth Optimizer 2036    | 84,586            | 45,067            |
| USD ASEAN Growth Fund         | 3,491,830         | 2,920,171         |
| USD Secure                    | 1,596,015         | 1,309,977         |
| USD Global Target Income Fund | 2,728,638         | 1,235,338         |
| USD Asia Pacific Bond Fund    | 1,076,832         | 1,153,740         |
| USD Bond                      | 555,729           | 581,509           |
| USD Wealth Premier            | 31,792            | 36,260            |
| Power House Fund              | 1,858,820         | n/a               |
| <b>TOTAL</b>                  | <b>45,377,940</b> | <b>33,577,618</b> |

*\*Based on unaudited figures submitted to  
the Insurance Commission on January 19, 2018*





# Market Review and Outlook

# Peso Bond Market

## Review

Peso bond yields ended the year higher across the curve as expectations of rising interest rates materialized. However, the ascending trend was not a continuous upward path as numerous factors, both local and global, resulted in volatility for the Peso bond market.

On the local front, the Bureau of Treasury's (BTr) auction schedule and Retail Treasury Bond (RTB) issuances played key roles in the rise of peso bond yields. The BTr's auction schedule which ranged across the different tenors coupled with the two unexpected RTB issuances pushed yields higher because bids accepted exceeded secondary market levels and issue sizes were substantial, resulting in tighter market liquidity.

Moreover, average inflation (3.2%) for the year was higher relative to 2016 (1.8%), which raised possibilities that the Bangko Sentral ng Pilipinas (BSP) could hike policy rates earlier than anticipated. However, for month where inflation was within expectations, Peso bond yields trended lower.

On the global front, market expectations that the US Federal Reserve (US Fed) would raise rates thrice during the year added to the volatility in the peso bond market. Against this backdrop, Peso bond yields ended the year at approximately 15-50 basis points higher across the curve.



***The potential rise in inflation driven by demand-pull and cost-push pressures may prompt the BSP to raise its policy rates. Additionally, the first half auction schedule shows bond issuances of various tenors, which could result in an upward shift in the Peso government bond yield curve.***

## Outlook

The Philippine economy remains resilient, as GDP averaged above 6.0% for two consecutive years, prompting Fitch to upgrade the country's ranking to BBB with a stable outlook.

We expect the Tax Reform for Acceleration and Inclusion (TRAIN) program to support economic growth. It is planned to generate around PHP80 billion in additional yearly revenues starting in 2018. It may however push inflation upwards because of the joint effects of higher disposable income for most individual income earners and increase in taxes on a broad range of products.

The potential rise in inflation, driven by demand-pull and cost-push pressures, may prompt the BSP to raise its policy rates. Additionally, the first half auction schedule shows bond issuances of various tenors, which could result in an upward shift in the Peso government bond yield curve.

In view of these factors, we maintain our preference for liquid securities to mitigate the impact of the potential rise in interest rates and to take advantage of investment opportunities as market sentiment shifts.

# ROP Bond Market

## Review

In 2017, the movement of the US-Dollar-denominated bonds of the Republic of the Philippines (“ROP bonds”) was driven more by global headlines than by local economic and political developments.

Expectations that the US Federal Reserve (Fed) would continually hike its policy rates, despite US inflation not reaching the Fed’s target led the steady uptick in dollar bond yields this year. This was exacerbated by market views that the US administration’s proposed reforms will have favorable impact on economic growth prospects in the medium-term.

However, the positive sentiment subsided by the first half of 2017 with no new reforms getting passed. In December, the Congress approved the “Tax Cuts and Jobs Act,” the biggest tax overhaul program enacted in the US in the past 30 years.

Outside of the US, investors’ concerns over possible shifts in the political backdrop of the Eurozone area were brought to the fore because of a number of scheduled elections. However, these worries dissipated quickly as the election outcomes did not result in any new European Union (EU) member following the decision of the United Kingdom (UK) to leave the EU.

In addition, geopolitical tensions between the US and North Korea triggered bouts of risk aversion. These supported higher demand for ‘safe-haven’ U.S. Treasury Bonds (USTs) relative to riskier Emerging Market (EM) bonds, which include ROP bonds.

The crosscurrents of the foregoing events led to the volatility in the movement of ROP bond prices during the year.

## Outlook

We expect market volatility to remain elevated amid lingering uncertainties in the global markets. Speculation that the Fed could raise rates as many as three times in 2018 has elicited concerns that the rise in UST bond yields could cause ROP bond yields to trend higher.

Moreover, news that other major central banks may commence with the withdrawal of their respective monetary stimulus programs in the near-term has added to investors’ worries. However, we note that abrupt upticks in UST bond yields could be capped by the persistently low inflation in the US and the still unknown effects of the new US trade tariffs to be unveiled in the first half of 2018.

In light of these factors, we shall continue to actively manage the portfolio’s duration to take advantage of potential price upticks in ROPs and to mitigate the impact of a possible abrupt rise in yields that could be triggered by market-moving global headwinds.



***We expect market volatility to remain elevated amid lingering uncertainties in the global markets. Speculation that the Fed could raise rates as many as three times in 2018 has elicited concerns that the rise in UST bond yields could cause ROP bond yields to trend higher.***

# Philippine Equity



*Looking ahead, we expect the market to have a more challenging year in 2018 as the significant rise in stock prices may entice investors to take some profits. The Philippine Peso's recovery may be undermined by the expected increase in US interest rates amid continual normalization of US monetary policy and the planned deficit spending of the US administration.*

## Review

The local stock market index (PSEI) closed the year at 8,558, up by 25%, driven higher mainly by expectations of fiscal reforms. A string of positive market developments outweighed the concerns experienced in 2016, particularly the weakening of the Peso. This prompted the market to make several record-highs during the year, briefly staying on the 8,500 level.

Local money flocked into the market during the early part of 2017, as bouts of bearish expectations and volatility were counterbalanced by attractive valuations. During the second quarter, foreign flows turned positive as the USD weakened following the failure of the US administration to push for the repeal of the 2010 Affordable Care Act, which raised questions over the fate of other proposed reforms.

Locally, the Philippines' first tax package cleared a major hurdle with its passage in the Lower House. Market optimism was reignited during the third quarter when the Senate released its initial version of the first package. The final version of the bill was finally signed into law in December.

The new tax rules carry lower income tax rate for most individual income earners, but also impose higher tax on fuel and fuel products, brand new automobiles, tobacco products, and sugar-sweetened beverages.

The tax reform is expected to raise PhP80-billion of additional tax revenue in 2018. While the incremental tax revenues were lower than the government's target, the tax reform lifted market sentiment amid lackluster earnings growth year-on-year and slow progress on infrastructure development.

## Outlook

Philippine market valuations have become more expensive following the 25% gain of the stock market, despite corporate earnings growth of 13% and robust GDP growth averaging 6.7% year-on-year in the first nine months of 2017.

Looking ahead, we expect the market to have a more challenging year in 2018 as the significant rise in stock prices may entice investors to take some profits. The Philippine Peso's recovery may be undermined by the expected increase in US interest rates amid continual normalization of US monetary policy and the planned deficit spending of the US administration.

On the local front, interest rates may drift higher as the current administration pushes forward with higher infrastructure spending to expand the productive capacity of the economy and as the new tax reform package stokes inflation expectations.

However, positive catalysts remain, led by potentially higher domestic consumption following the implementation of tax reforms and more tangible development on infrastructure projects, which the government aims to grow to 6-7% of GDP from less than 5% in 2016.

In line with our expectations of a possible rise in interest rates and inflation, we shall keep our bias in favor of the banking sector and select companies that are more likely to withstand the potential increase in cost pressures.



# ASEAN Equity

## Review

The MSCI South East Asia Small Cap Index ('benchmark') returned 19.91% (in US dollar terms) in 2017 and closed at its high for the year. With the exception of Indonesia (down 9.87%), all benchmark constituents posted positive returns. The best performing benchmark constituent for the year was Malaysia (up 35.73%) on the back of a near 11% appreciation in the currency.

Singapore witnessed a recovery in non-oil domestic exports growth, with healthy expansion in nearly all product categories. Stronger manufacturing activities and industrial production growth led by electronics contributed to year-on-year GDP that was above consensus estimates.

Indonesia's tax amnesty program has concluded by the end of March, with total government revenue amounting to IDR411tn (~USD31bn), accounting for around 35% of the estimated budget deficit for 2017. About one million tax subjects participated in the program with a total of IDR4,866tn (~USD365bn) assets declared or almost 40% of the country's gross domestic product.

Indonesia's sovereign credit rating was upgraded by S&P by one notch to "BBB-" in May, allowing the country to achieve full investment grade status from major credit rating agencies. Fitch upgraded Indonesia's sovereign rating to "BBB" in December one notch with a stable outlook on the back of the country's rising resilience and stability to external shocks. Consumer confidence also reached its highest level in 2017.

Malaysia's year-on-year GDP growth has increased every quarter throughout the year (up to the third quarter 2017), beating consensus expectations. It was driven by manufacturing, construction, and services.

Thailand's central bank monetary policy committee raised 2018 GDP growth estimates from 3.8% to 3.9% on the back of stronger than expected exports. The improving economic outlook also resulted in the consumer confidence index ending 2017 at its high. The Prime Minister announced that the elections will be held in November 2018. The central bank affirmed its maintenance of an accommodative stance to support growth despite some upside pressures to inflation.

In the Philippines, the President signed the national budget and tax reform bill into law in December, seeking to raise approximately USD2.6bn in tax revenue. The Government unveiled its 3-year infrastructure program amounting to PHP3.6tn (~USD72.0mn). Infrastructure spending in the third quarter jumped 15.4% year-on-year, exceeding the government's target by 4.5 percentage points. The Government is planning to relax foreign ownership limits in several sectors by 2019.

## Outlook

Growth momentum in South East Asia is expected to gain pace in 2018. Stronger domestic consumption is expected to step in following a year of healthy economic expansion driven by exports.

The run up to elections in Malaysia, Thailand, and Indonesia should provide further support to domestic consumption in the near term. The energy sector, in particular the oil and gas industry, has troughed as oil prices continues to recover. This is a space to watch in 2018.

Demand for cars is expected to recover in Thailand as the country cycles through the first car buyer scheme, which was implemented a few years ago.

Indonesia continues to deliver in terms of fortifying its fiscal position. Tax receipts improved and the government continues to spend on infrastructure development. This forms a strong foundation for longer term growth, in our view. There are many good companies with steady growth and trading on cheap valuations in Indonesia. Clearly, these companies are underappreciated and we see the most upside in these stocks within the South East Asia region.

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*Growth momentum in South East Asia is expected to gain pace in 2018. Stronger domestic consumption is expected to step in following a year of healthy economic expansion driven by exports.*



# Asia Pacific Bond



*We believe that opportunities may emerge in Asian fixed income as a result of continued growth and supportive economic and reform policies.*

## Review

In the US, the Federal Reserve Board increased its federal funds target range three times, each by 25 basis points over the year, to the target rate range of 1.25% - 1.50%. US Treasury yields range traded over the period amid subdued US inflation data.

In China, Moody's Investors Service downgraded China's sovereign credit rating from Aa3 to A1. The rating agency cited several factors, such as rising debt levels and slowing potential growth that could erode the country's financial strength. The announcement had minimal impact on Chinese bond and currency markets, as it was largely expected by most market participants.

In Indonesia, Standard & Poor's upgraded Indonesia's sovereign credit rating from BB+ to BBB-, as the government was successful in reducing its budget deficit. Fitch Ratings, Inc. also upgraded the country's sovereign rating to BBB, citing the country's resilience to external shocks. Indonesian government bond yields fell as Bank Indonesia cut its key interest rates twice over the period.

In India, Moody's upgraded the country's sovereign rating to Baa2 on positive economic reforms. Indian government bond yields rose over the period amid rising inflation expectations.

Asian corporate credit markets saw positive gains amid tighter credit spreads. The JP Morgan Asian Investment Grade Corporate Bond Index returned 4.77% in US dollar terms.

The majority of Asian currencies strengthened against the US dollar amid subdued US inflation data. The South Korean won was one of the better-performing currencies as Bank of Korea raised its key interest rate by 25 basis points for the first time since 2011. On the other hand, the Philippines Peso was one of the worst-performing currencies, owing to a weakening current account balance.

## Outlook

We believe that opportunities may emerge in Asian fixed income as a result of continued growth and supportive economic and reform policies.

The Chinese government may continue with deleveraging policies in 2018, while growth is expected to maintain at a reasonable level. The deleveraging process and announced reforms may benefit the Chinese state-owned enterprise sector in particular, while reducing overall financial risks for investors.

We favor the higher-yielding bond markets of Indonesia and India that offer attractive coupon yields and are supported by strong economic fundamentals. While Asian credit spreads have tightened significantly, we believe credit may still be attractive in terms of income potential.

On the currencies front, we believe US interest rate normalization could proceed at a faster pace than current market expectations, a development which could see Treasury yields gradually rise, combined with a stronger US dollar.

# Global Asset Allocation

## Review

Global equities market had a stellar year in 2017, with all regional markets recording a double-digit gain in USD terms. Markets generally rallied on the back of continual improvement in economic data, as well as positive corporate earnings result.

In the US, equity indices rose to historical high levels, as optimism over the economy, underpinned in part by the lowest unemployment rate since 2000 (4.1%) continued to support investors' sentiment.

Over in Europe, the equities market experienced volatility in October, as caused by Catalonia's declaration of a unilateral independence from Spain. That being said, strong Purchasing Manufacturing Index, declining unemployment rate, and the European Central Bank's (ECB) decision to adjust the region's growth outlook upward supported the equities market to edge higher.

There were also geopolitical concerns in Asia Pacific, with North Korea launching missiles that passed over Japan and the seemingly deteriorating relationship between North Korea and the US. As a result, over the third quarter of the year, the Asia Pacific market initially tumbled over the political tension but eventually recovered grounds on the back of positive corporate earnings result.

Overall in 2017, the MSCI World Index registered a return of 23.07% in USD terms. Within the asset class, Emerging Markets and Asia Pacific ex-Japan markets were the best performers, thanks to the weakness in the dollar, recovery of oil price, and strong corporate earnings results.

With the positive economic data across the globe, both the US and European central banks started to implement a less accommodative monetary policy. In the US, the Federal Reserve raised the federal funds rate three times to a range of 1.25% - 1.50%.

On the other hand, ECB expressed a gradual scale back of the quantitative easing program throughout the year of 2018, where the bond-buying program will be reduced from €60billion a month to €30billion a month. Meanwhile, the credit and high yield sectors within the asset classes recorded solid gains in 2017 on the back of positive sentiment and risk-on environment. Overall, the Barclays Global Aggregate Index registered a return of 7.39% in USD terms over the course of 2017.



***Global equities market had a stellar year in 2017, with all regional markets recording a double-digit gain in USD terms. Markets generally rallied on the back of continual improvement in economic data, as well as positive corporate earnings result.***

# Global Asset Allocation

## Outlook

We remain neutral with a positive bias on the equity asset class. A synchronized global economic recovery is underway with an impressive list of countries and sectors growing at the fastest pace in a decade. The backdrop for this recovery includes broad growth in sales and earnings from corporations across major economies: US, China, Europe and Japan.

Corporate earnings are also strong across emerging economies as well. The Goldilocks environment continues with accommodative central bank policies, low inflation, low oil, low materials, and declining food prices set with stable currency regimes. In the Goldilocks investment world, corporate profit margins look steady as input prices remain stable. Low interest rates and low equity market volatility make it easy for investors to deploy capital rather fearlessly across the globe.

With respect to the fixed income asset class, risks abound over the short term for bond investors. The global monetary regime has begun to shift from massively accommodative to somewhat friendly. Investors need to be wary of the planned reduction

of the Fed's balance sheet. Since this type of normalization of a balance sheet hasn't happened before, investors are likely to remain skeptical.

ECB will move to a less friendly footing by mid-2018. That is, another major bond buyer is tapering or tightening. Only the Bank of Japan will maintain its high level of accommodation, and even that has been the subject of some debate in the country.

Low inflation rates even as the global recovery strengthens should help tame the impact on the longer-dated bonds across the globe. Over the short-term, we believe the rates will start marching higher, consistent with a stronger global economy hence the negative short-term outlook.

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*We remain neutral with a positive bias on the equity asset class. A synchronized global economic recovery is underway with an impressive list of countries and sectors growing at the fastest pace in a decade.*





# Peso Bond Fund

## Investment Objective

The Fund seeks to achieve a stable and long-term growth by investing in government securities and/or high quality corporate debt securities, and/or pooled fund/s that invest in these securities and other liquid fixed income instruments.

## Historical Yield

### Year-to-Date

**Absolute** -0.35%

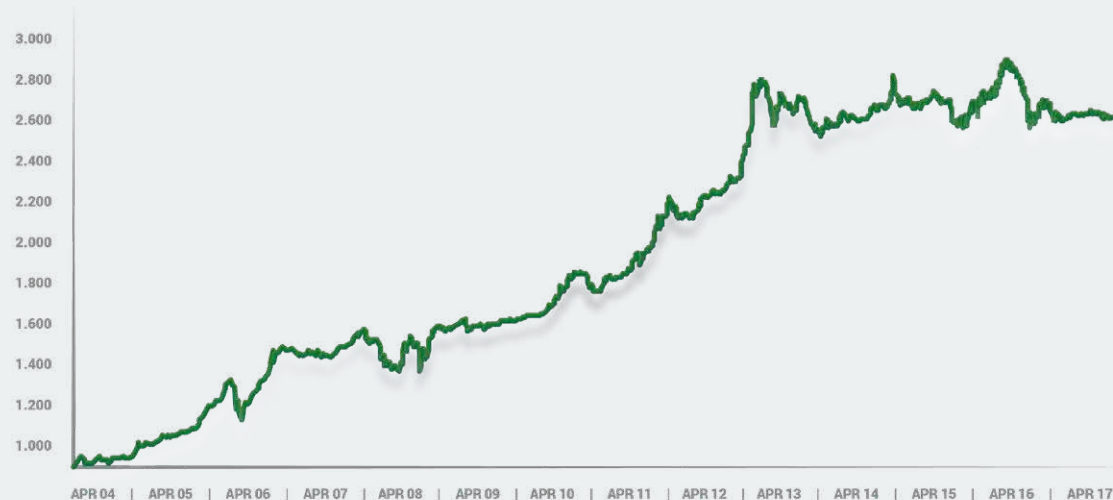
### Since Inception

**Absolute** 158.70%

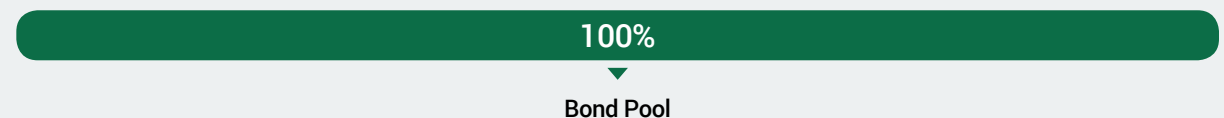
**Annualized** 7.16%

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.

## Fund Performance



## Asset Allocation



## Fund Information

| Inception Date | Net Asset Value    | Price (Nav/Unit) | Management Fee  |
|----------------|--------------------|------------------|-----------------|
| April 2004     | Php 820.34 million | Php 2.587        | 1.50% per annum |

# Peso Stable Fund

## Investment Objective

The Fund seeks to achieve long-term growth by investing in government securities and/or high quality corporate debt securities, stocks listed on the Philippine Stock Exchange, and/or in pooled fund/s that invest in these securities and other liquid fixed income instruments.

## Historical Yield

### Year-to-Date

**Absolute** **4.48%**

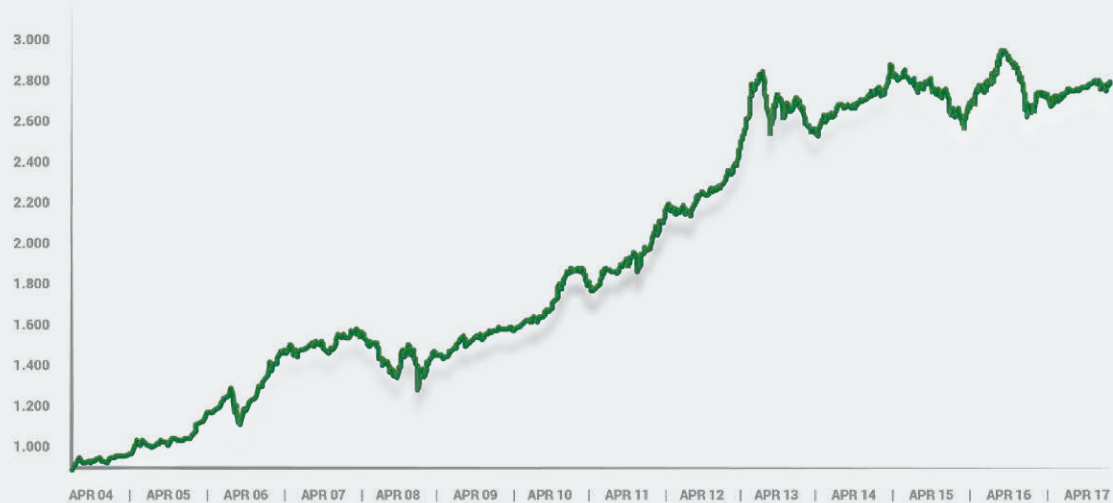
### Since Inception

**Absolute** **175.20%**

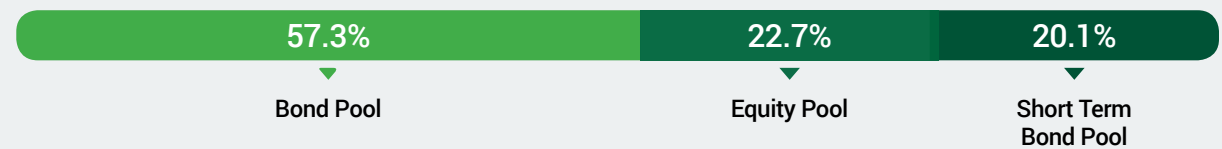
**Annualized** **7.64%**

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## Fund Performance



## Asset Allocation



## Fund Information

| Inception Date | Net Asset Value    | Price (Nav/Unit) | Management Fee  |
|----------------|--------------------|------------------|-----------------|
| April 2004     | Php 783.05 million | Php 2.752        | 1.75% per annum |

# Peso Equity Fund

## Investment Objective

The Fund seeks to achieve long-term capital appreciation by investing in stocks listed on the Philippine Stock Exchange, government securities and/or pooled fund/s that invest in these securities and other liquid instruments.

## Historical Yield

### Year-to-Date

**Absolute** 24.76%

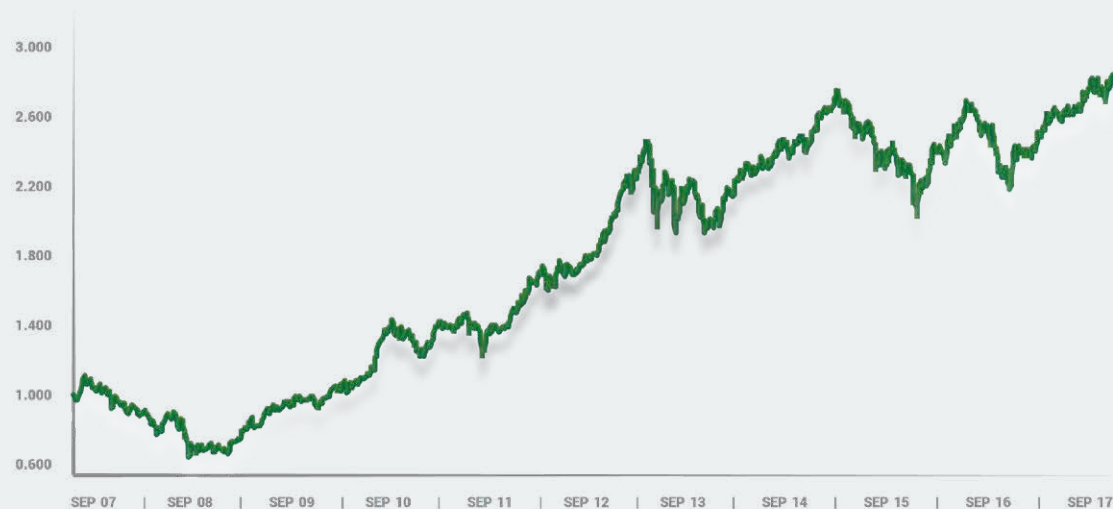
### Since Inception

**Absolute** 175.60%

**Annualized** 10.32%

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.

## Fund Performance



## Asset Allocation

100%

Equity Pool

## Fund Information

| Inception Date | Net Asset Value  | Price (Nav/Unit) | Management Fee  |
|----------------|------------------|------------------|-----------------|
| September 2007 | Php 1.69 billion | Php 2.756        | 2.00% per annum |

# Peso Balanced Fund

## Investment Objective

The Fund seeks to achieve long-term capital growth through investments in diversified portfolios of peso-denominated fixed income securities and securities listed on the Philippine Stock Exchange and/or pooled fund/s that invest in these securities and other liquid fixed income instruments. It shall generally maintain a balanced allocation between fixed income and equity investments and may shift asset allocation between the two as risk/reward dynamics warrant but in no case shall the fund's equity or fixed income allocation exceed 70% of its assets.

## Historical Yield

### Year-to-Date

**Absolute** 12.60%

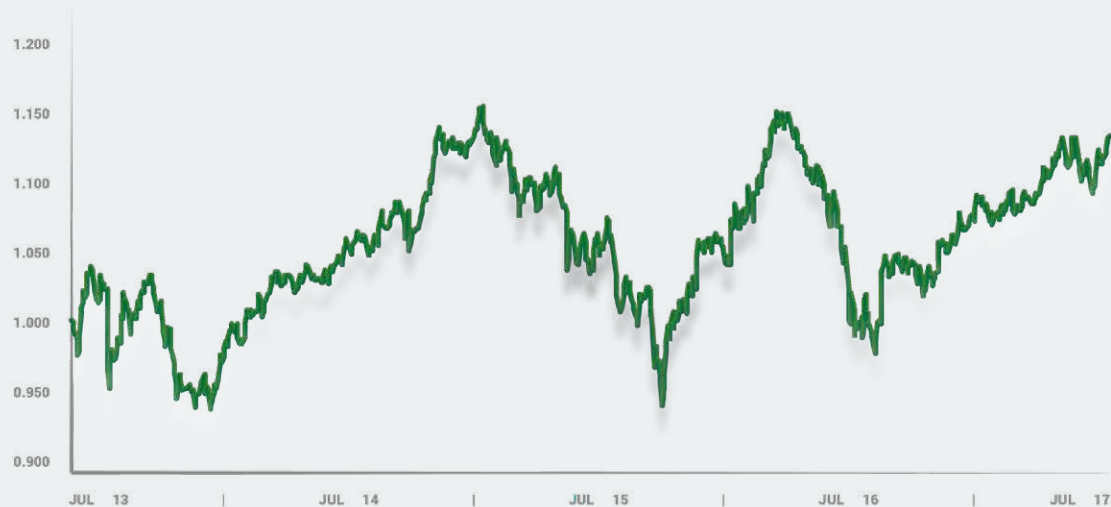
### Since Inception

**Absolute** 12.60%

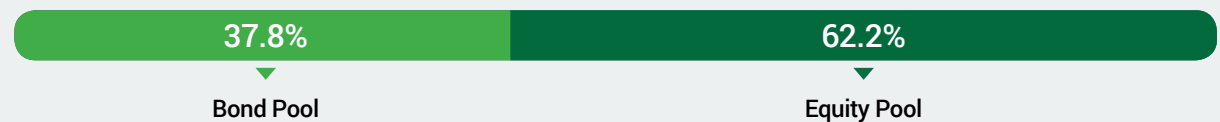
**Annualized** 2.67%

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.

## Fund Performance



## Asset Allocation



## Fund Information

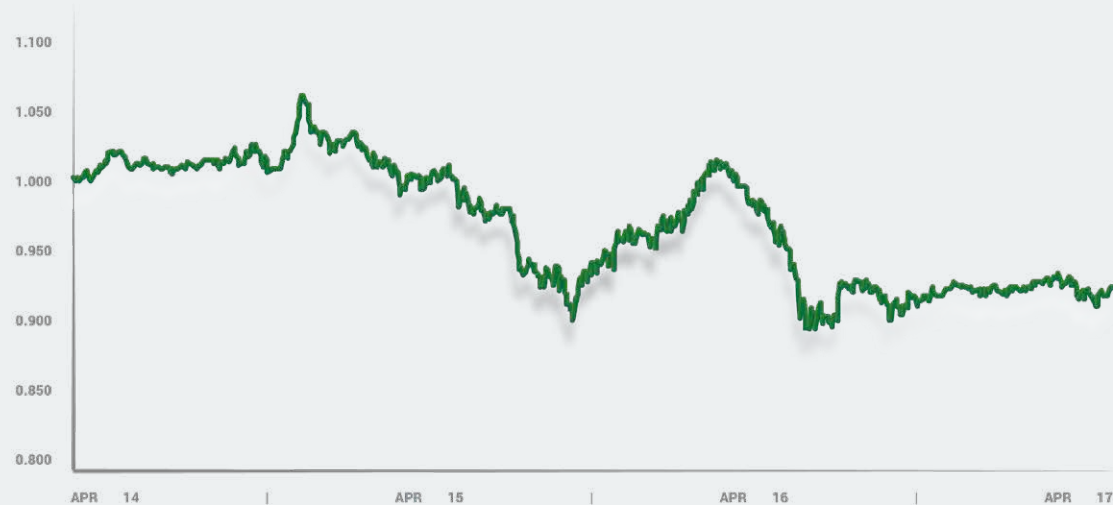
| Inception Date | Net Asset Value    | Price (Nav/Unit) | Management Fee  |
|----------------|--------------------|------------------|-----------------|
| July 2013      | Php 433.01 million | Php 1.126        | 2.00% per annum |

# Peso Target Income Fund

## Investment Objective

The Fund aims to provide periodic payouts of up to 3% per annum\*\* while providing the potential for capital appreciation and limiting the risk of capital erosion by investing in a diversified portfolio of fixed income and equity investments based on an active asset allocation strategy.

## Fund Performance



## Historical Yield

### Year-to-Date

**Absolute** 5.32%

### Since Inception

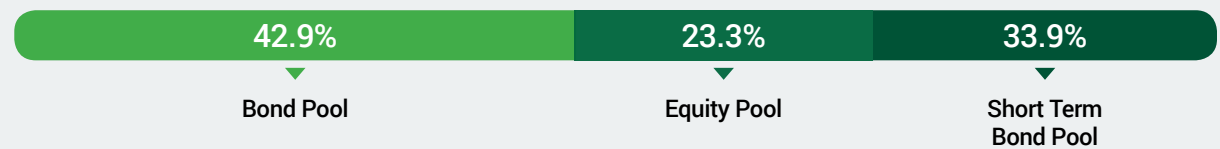
**Absolute** 2.86%

**Annualized** 0.76%

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.

\*\* The 3% per annum payout rate is not guaranteed.

## Asset Allocation



## Fund Information

| Inception Date | Net Asset Value    | Price (Nav/Unit) | Management Fee  |
|----------------|--------------------|------------------|---|
| April 2014     | Php 199.04 million | Php 0.926        | 2.00% per annum (of which 0.2% will go to the investment advisor, MAM Hong Kong Ltd.) |



# Peso Secure Fund

## Investment Objective

The Fund seeks to achieve a stable and long-term growth by investing in government securities, and/or high quality corporate debt securities, and/or pooled fund/s that invest in these securities, and other liquid fixed income instruments.

## Historical Yield

### Year-to-Date

**Absolute** -0.58%

### Since Inception

**Absolute** 53.55%

**Annualized** 5.05%

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.

## Fund Performance



## Asset Allocation

100%

▼  
Bond Pool

## Fund Information

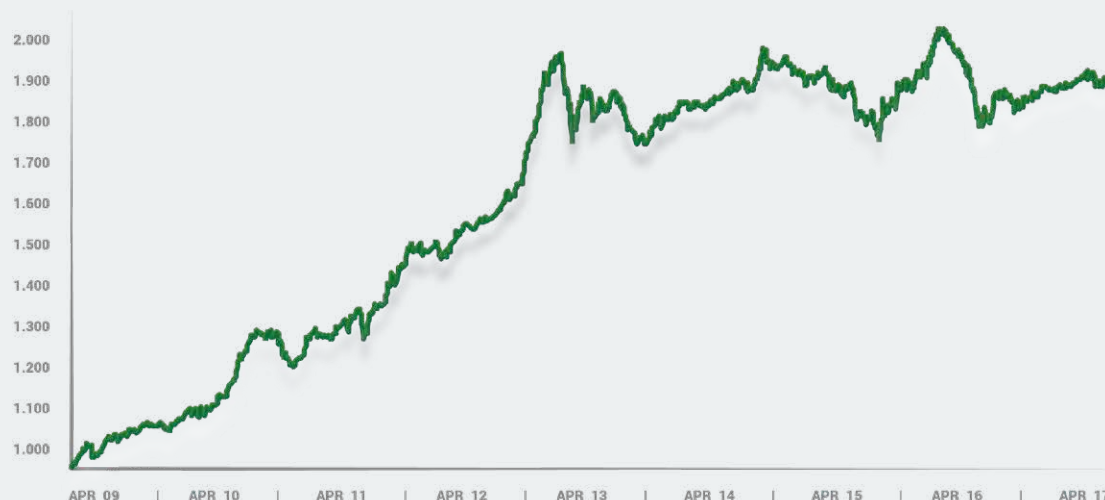
| Inception Date | Net Asset Value  | Price (Nav/Unit) | Management Fee  |
|----------------|------------------|------------------|-----------------|
| April 2009     | Php 3.95 billion | Php 1.537        | 1.75% per annum |

# Peso Diversified Value Fund

## Investment Objective

The Fund seeks to achieve long-term growth by investing in government securities and/or high quality corporate debt securities, stocks listed on the Philippine Stock Exchange, and/or in pooled fund/s that invest in these securities and other liquid fixed income instruments.

## Fund Performance



## Historical Yield

### Year-to-Date

**Absolute** 4.76%

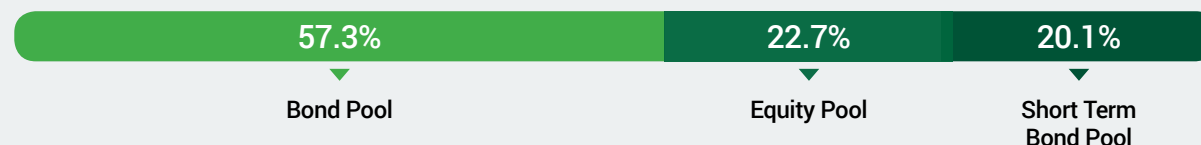
### Since Inception

**Absolute** 82.80%

**Annualized** 7.17%

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.

## Asset Allocation



## Fund Information

| Inception Date | Net Asset Value  | Price (Nav/Unit) | Management Fee  |
|----------------|------------------|------------------|-----------------|
| April 2009     | Php 4.24 billion | Php 1.828        | 2.00% per annum |

# Peso Growth Fund

## Investment Objective

The Fund seeks to achieve long-term capital appreciation by investing in stocks listed on the Philippine Stock Exchange, government securities, and/or pooled fund/s that invest in these securities and other liquid instruments.

## Fund Performance



## Historical Yield

### Year-to-Date

**Absolute** 24.45%

### Since Inception

**Absolute** 274.60%

**Annualized** 16.37%

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.

## Asset Allocation

100%

Equity Pool

## Fund Information

| Inception Date | Net Asset Value   | Price (Nav/Unit) | Management Fee  |
|----------------|-------------------|------------------|-----------------|
| April 2009     | Php 13.38 billion | Php 3.731        | 2.25% per annum |

# Peso Dynamic Allocation Fund

## Investment Objective

The Fund seeks to achieve long-term capital growth through investments in diversified portfolios of peso-denominated fixed income securities and securities listed on the Philippine Stock Exchange, and/or pooled fund/s that invest in these securities and other liquid fixed income instruments. It generally maintains a balanced allocation between fixed income and equity investments and may shift asset allocation between the two as risk/reward dynamics warrant but in no case will the fund's equity or fixed income allocation exceed 70% of its assets.

## Historical Yield

### Year-to-Date

**Absolute** 12.42%

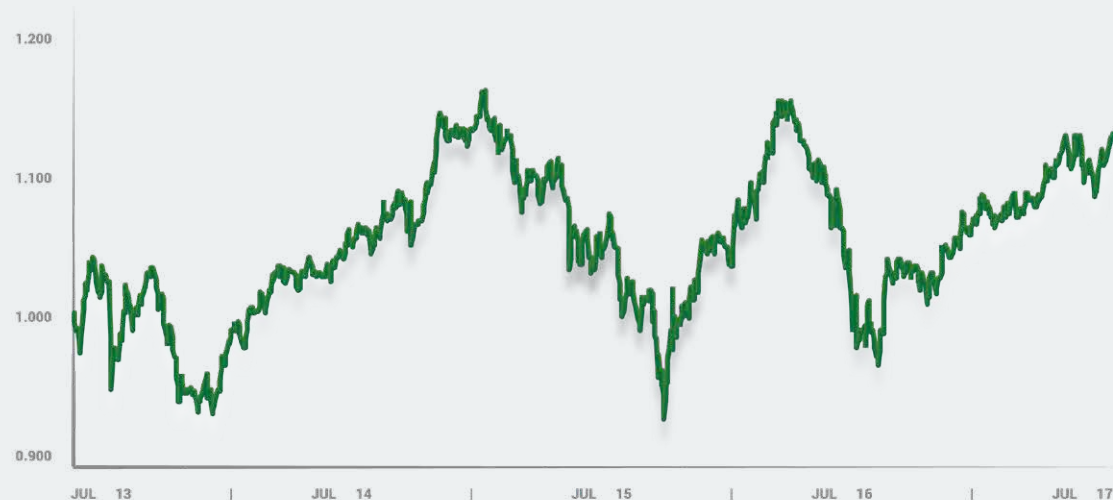
### Since Inception

**Absolute** 11.30%

**Annualized** 2.41%

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.

## Fund Performance



## Asset Allocation

37.8%

Bond Pool

62.2%

Equity Pool

## Fund Information

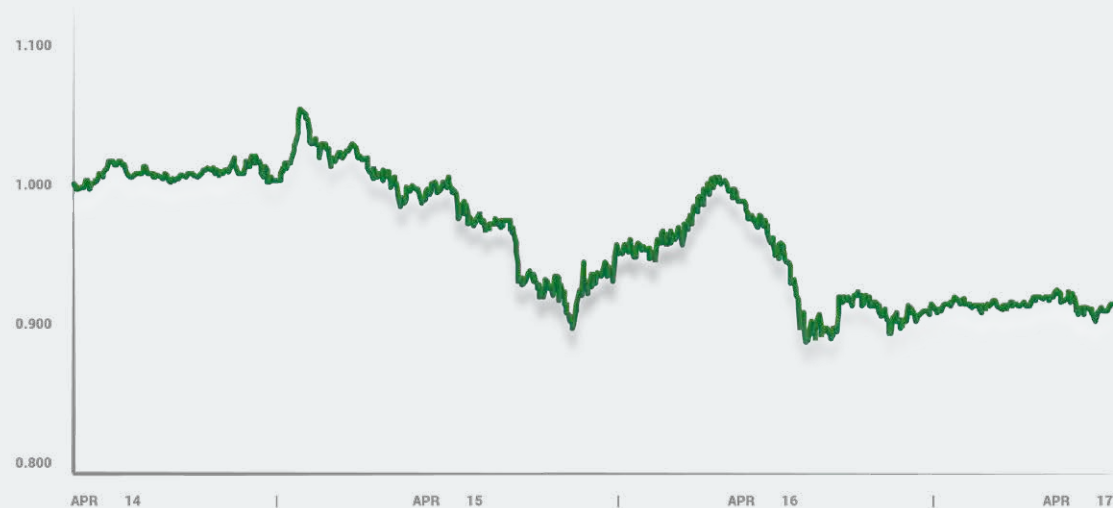
| Inception Date | Net Asset Value  | Price (Nav/Unit) | Management Fee  |
|----------------|------------------|------------------|-----------------|
| July 2013      | Php 4.98 billion | Php 1.113        | 2.25% per annum |

# Peso Target Distribution Fund

## Investment Objective

The Fund aims to provide periodic payouts of up to 3% per annum\*\* while providing the potential for capital appreciation and limiting the risk of capital erosion by investing in a diversified portfolio of fixed income and equity investments based on an active asset allocation strategy.

## Fund Performance



## Historical Yield

### Year-to-Date

**Absolute** 5.00%

### Since Inception

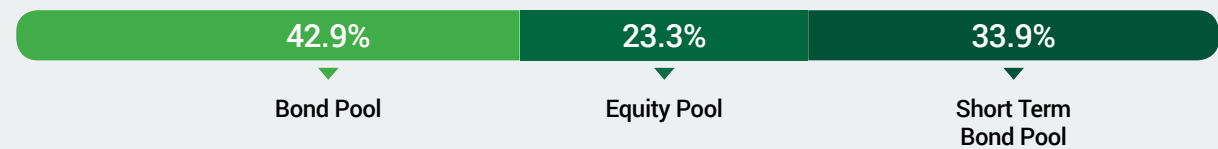
**Absolute** 1.86%

**Annualized** 0.49%

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.

\*\* The 3% per annum payout rate is not guaranteed.

## Asset Allocation



## Fund Information

| Inception Date | Net Asset Value  | Price (Nav/Unit) | Management Fee  |
|----------------|------------------|------------------|---|
| April 2014     | Php 2.64 billion | Php 0.917        | 2.25% per annum (of which 0.2% will go to the investment advisor, Mam Hong Kong Ltd.) |



# Peso Wealth Optimizer Fund 2031

## Investment Objective

The Funds seeks to maximize long-term capital growth while managing the risk of capital erosion as the target date approaches through a dynamic rebalancing of exposure to diversified portfolios of peso-denominated fixed income securities and securities listed on the Philippine Stock Exchange and/or pooled funds that invest in these securities and other liquid fixed income instruments.

## Historical Yield

### Year-to-Date

**Absolute** 22.12%

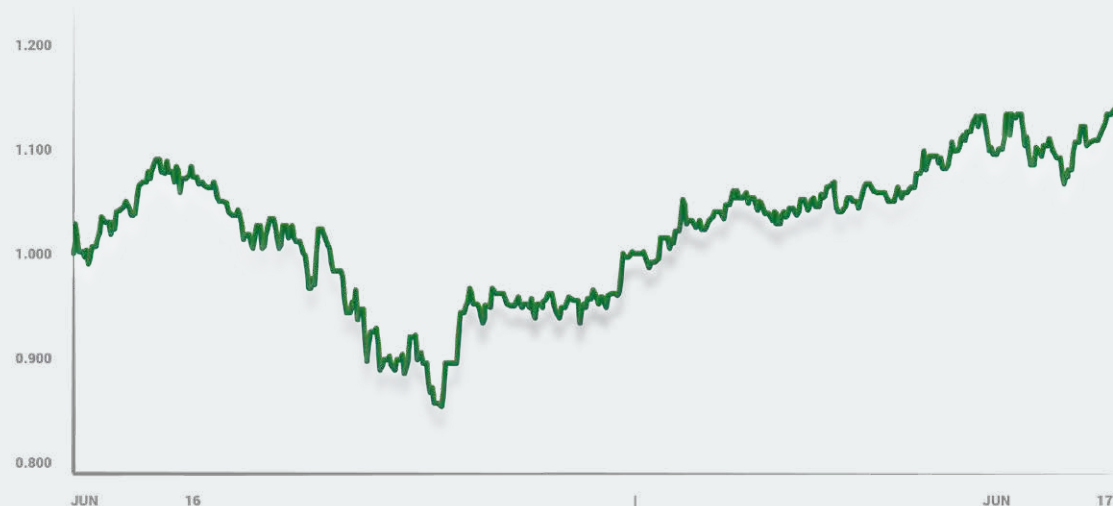
### Since Inception

**Absolute** 11.50%

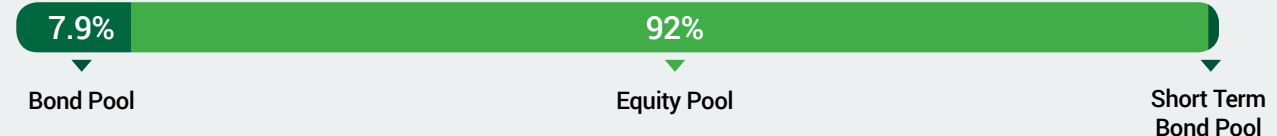
**Annualized** 7.19%

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.

## Fund Performance



## Asset Allocation



## Fund Information

| Inception Date | Net Asset Value   | Price (Nav/Unit) | Management Fee   |
|----------------|-------------------|------------------|--|
| June 2016      | Php 59.86 million | Php 1.115        | 2.25% per annum (of which 0.18% will go to the investment advisor, MAM Hong Kong Ltd.) |

# Peso Wealth Optimizer Fund 2026

## Investment Objective

The Fund seeks to maximize long-term capital growth while managing the risk of capital erosion as the target date approaches through a dynamic rebalancing of exposure to diversified portfolios of peso-denominated fixed income securities and securities listed on the Philippines Stock Exchange and /or pooled funds that invest in these securities and other liquid fixed income instruments.

## Historical Yield

### Year-to-Date

**Absolute 18.28%**

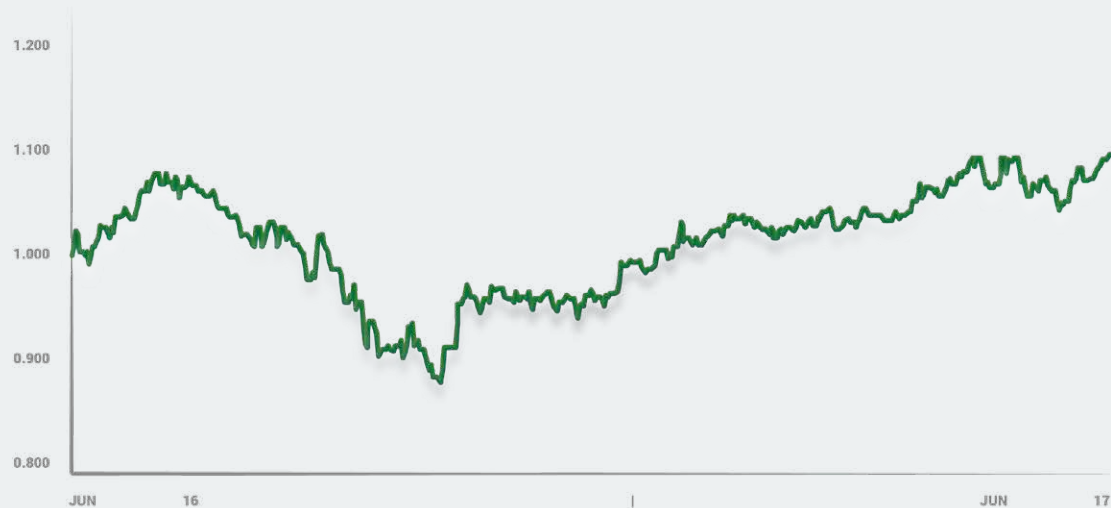
### Since Inception

**Absolute 8.70%**

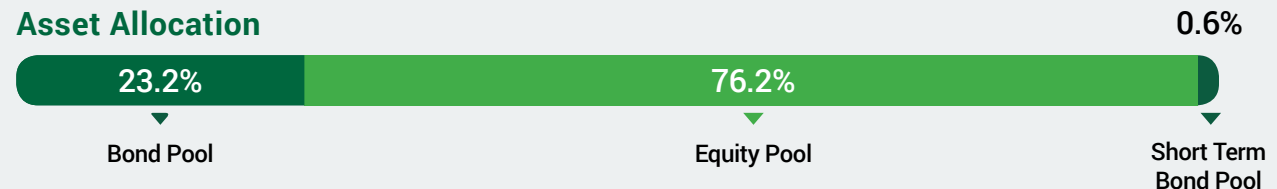
**Annualized 5.47%**

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.

## Fund Performance



## Asset Allocation



## Fund Information

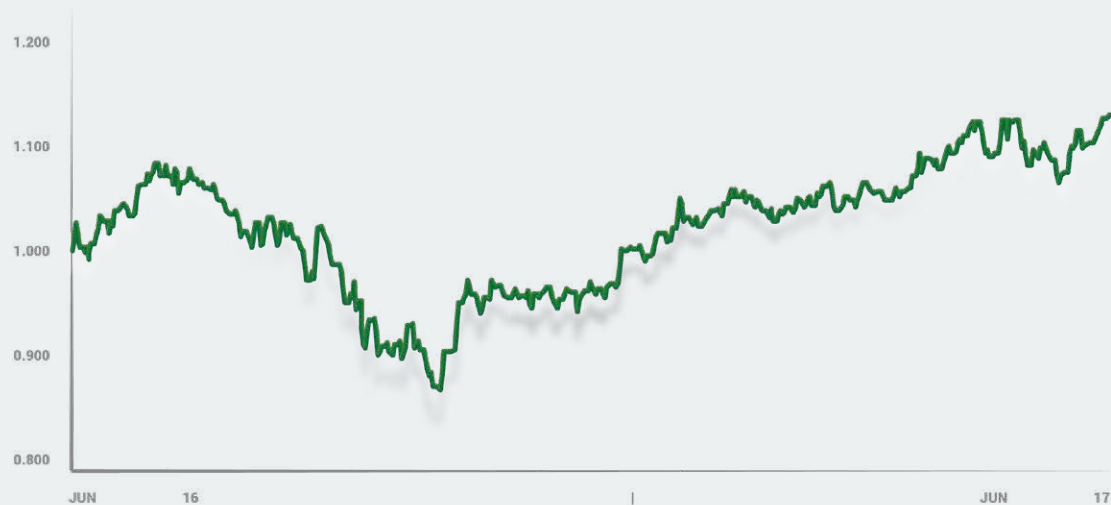
| Inception Date | Net Asset Value    | Price (Nav/Unit) | Management Fee   |
|----------------|--------------------|------------------|--|
| June 2016      | Php 358.52 million | Php 1.087        | 2.25% per annum (of which 0.18% will go to the investment advisor, MAM Hong Kong Ltd.) |

# Peso Wealth Optimizer Fund 2036

## Investment Objective

The Fund seeks to maximize long-term capital growth while managing the risk of capital erosion as the target date approaches through a dynamic rebalancing of exposure to diversified portfolios of peso-denominated fixed income securities and securities listed on the Philippines Stock Exchange and /or pooled funds that invest in these securities and other liquid fixed income instruments.

## Fund Performance



## Historical Yield

### Year-to-Date

**Absolute** 22.59%

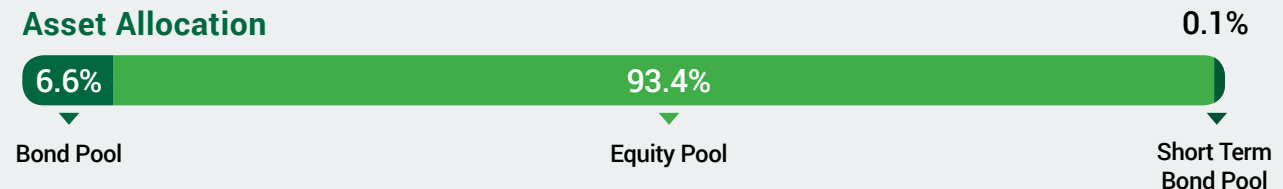
### Since Inception

**Absolute** 11.80%

**Annualized** 7.37%

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.

## Asset Allocation



## Fund Information

| Inception Date | Net Asset Value   | Price (Nav/Unit) | Management Fee   |
|----------------|-------------------|------------------|--|
| June 2016      | Php 84.59 million | Php 1.118        | 2.25% per annum (of which 0.18% will go to the investment advisor, MAM Hong Kong Ltd.) |

# Powerhouse Fund

## 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.

## Historical Yield

### Year-to-Date

**Absolute** n.a.

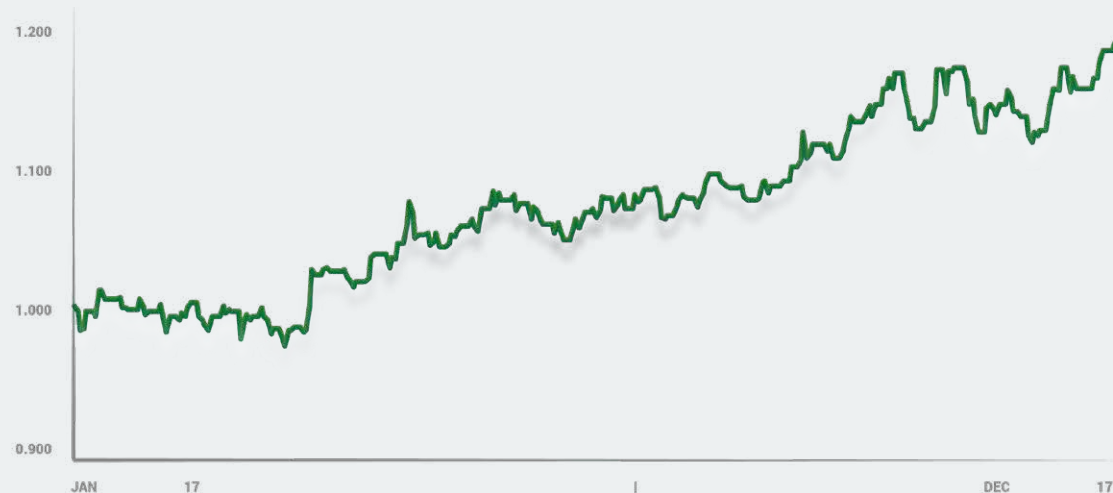
### Since Inception

**Absolute** 17.10%

**Annualized** n.a.

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.

## Fund Performance



## Asset Allocation

100%

Powerhouse Pool 100%

## Fund Information

| Inception Date | Net Asset Value  | Price (Nav/Unit) | Management Fee  |
|----------------|------------------|------------------|-----------------|
| January 2017   | Php 1.86 billion | Php 1.171        | 2.00% per annum |

# USD Bond Fund

## Investment Objective

The Fund seeks to achieve long-term capital appreciation by investing in USD denominated sovereign and corporate debt securities and/or pooled fund/s that invest in these securities and other liquid instruments.

## Fund Performance



## Historical Yield

### Year-to-Date

**Absolute** **3.34%**

### Since Inception

**Absolute** **119.80%**

**Annualized** **6.19%**

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.

## Asset Allocation

**100%**

USD Bond Pool

## Fund Information

| Inception Date | Net Asset Value    | Price (Nav/Unit) | Management Fee  |
|----------------|--------------------|------------------|-----------------|
| November 2004  | US\$ 11.13 million | Php 2.198        | 1.75% per annum |



# USD Secure Fund

## Investment Objective

The Fund seeks to achieve long-term capital appreciation by investing in USD denominated sovereign and corporate debt securities and/or pooled fund/s that invest in these securities and other liquid instruments.

## Historical Yield

### Year-to-Date

**Absolute** **3.11%**

### Since Inception

**Absolute** **55.60%**

**Annualized** **5.21%**

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.

## Fund Performance



## Asset Allocation

**100%**

USD Bond Pool

## Fund Information

| Inception Date | Net Asset Value    | Price (Nav/Unit) | Management Fee  |
|----------------|--------------------|------------------|-----------------|
| April 2009     | US\$ 31.97 million | US\$ 1.556       | 2.00% per annum |

# USD Asia Pacific Bond Fund

## Investment Objective

The Fund seeks to maximize returns from a combination of capital appreciation and income generation. The Fund primarily invest in diversified portfolio of fixed income securities, issued by governments, agencies supra and corporate issuers in the Asia Pacific region.

## Historical Yield

### Year-to-Date

**Absolute** 6.87%

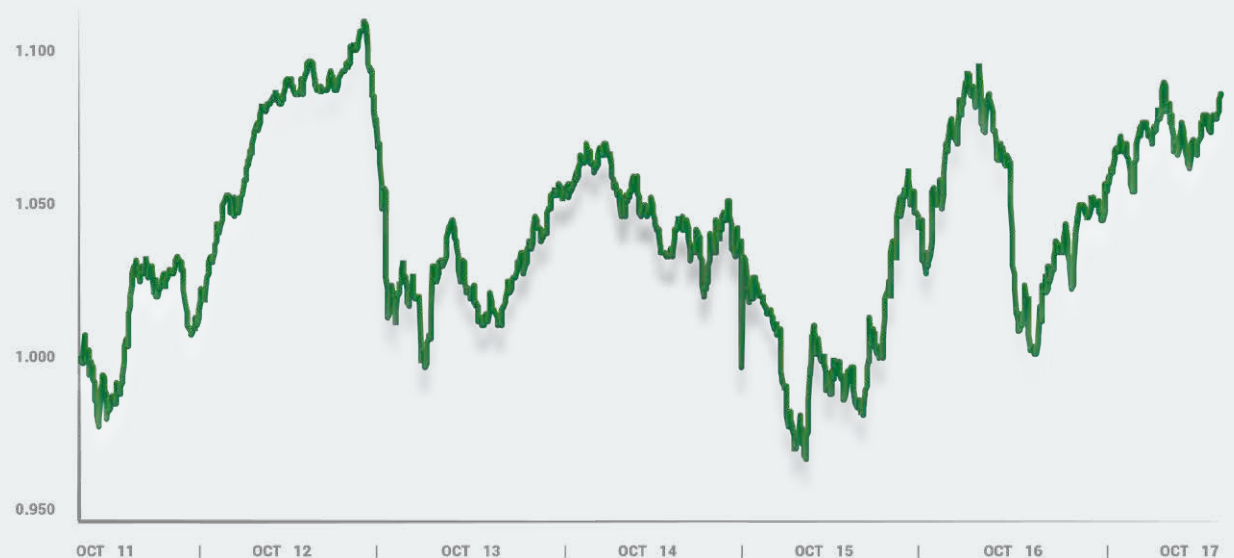
### Since Inception

**Absolute** 7.30%

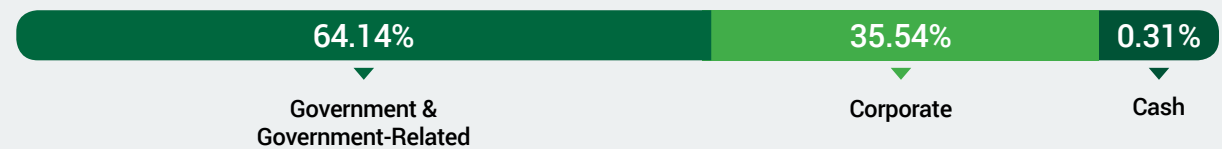
**Annualized** 1.15%

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.

## Fund Performance



## Asset Allocation



## Fund Information

| Inception Date | Net Asset Value    | Price (Nav/Unit) | Management Fee   |
|----------------|--------------------|------------------|--|
| October 2011   | US\$ 21.57 million | US\$ 1.073       | 2.00% per annum (of which 0.06% will go to the investment manager) |

# USD ASEAN Growth Fund

## Investment Objective

The objective of this Fund is to generate long-term capital growth through investments in equity and equity-related securities of companies incorporated in countries which are members of ASEAN as well as companies incorporated outside ASEAN but with material exposure to ASEAN markets. The Fund may hold cash and fixed income instruments for liquidity management purposes.

## Fund Performance



## Historical Yield

### Year-to-Date

**Absolute** **24.41%**

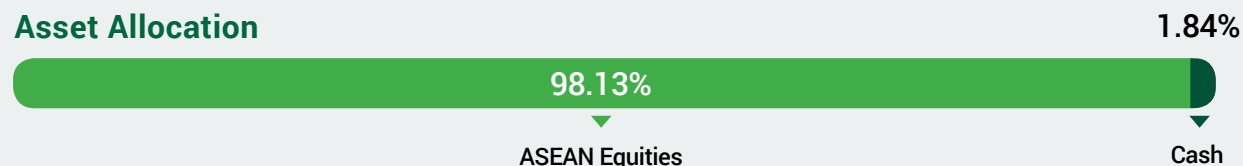
### Since Inception

**Absolute** **26.90%**

**Annualized** **4.79%**

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.

## Asset Allocation



## Fund Information

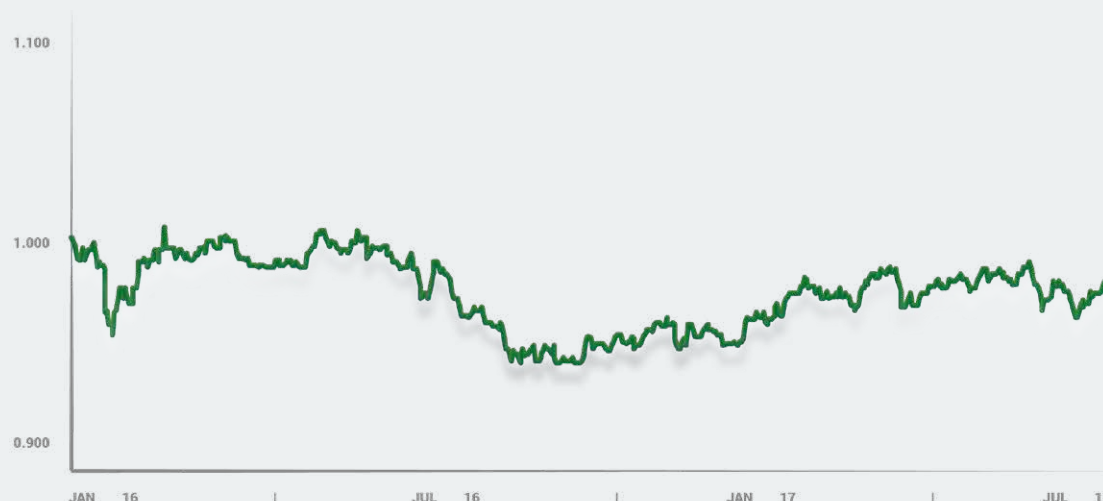
| Inception Date   | Net Asset Value    | Price (Nav/Unit) | Management Fee  |
|------------------|--------------------|------------------|---|
| 26 November 2012 | US\$ 69.94 million | US\$ 1.269       | 2.25% per annum (of which 0.09% will go to the Manager) |

# USD Global Target Income Fund

## Investment Objective

The Fund seeks to deliver periodic distribution of up to 4.75%\* p.a. while providing the potential for capital appreciation and limiting the risk of capital erosion. The Fund will invest primarily in a diversified portfolio of collective investment schemes (including exchange-traded funds (ETFs), real estate investment trusts (REITs) and cash and cash equivalents.

## Fund Performance



## Historical Yield

### Year-to-Date

**Absolute 8.63%**

### Since Inception

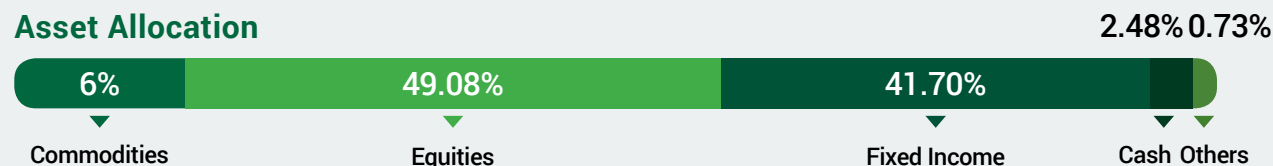
**Absolute 7.25%**

**Annualized 3.65%**

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.

\* The target payout is not guaranteed. Distribution may be made out of principal investment.

## Asset Allocation



## Fund Information

| Inception Date  | Net Asset Value    | Price (Nav/Unit) | Management Fee   |
|-----------------|--------------------|------------------|--|
| 18 January 2016 | US\$ 54.66 million | US\$ 0.983       | 2.25% per annum<br>(of which 0.60% will go to the manager) |

# USD Wealth Premier 2023 Fund

## Investment Objective

The Fund is designed to exposure to the Citi Octave USD Index (the "Index"), a property index developed and maintained by Citigroup Global Markets Limited ("CGML"), a wholly owned subsidiary of Citigroup, Inc. The Index was designed by CGML to offer exposure to various international equity markets and to provide volatility and drawdown control mechanisms that aim to limit the maximum decline of the index to 20% of the highest value ever achieved by the index from the launch date of the Fund until the maturity date of the Fund (2023).

## Historical Yield

### Year-to-Date

**Absolute** 1.19%

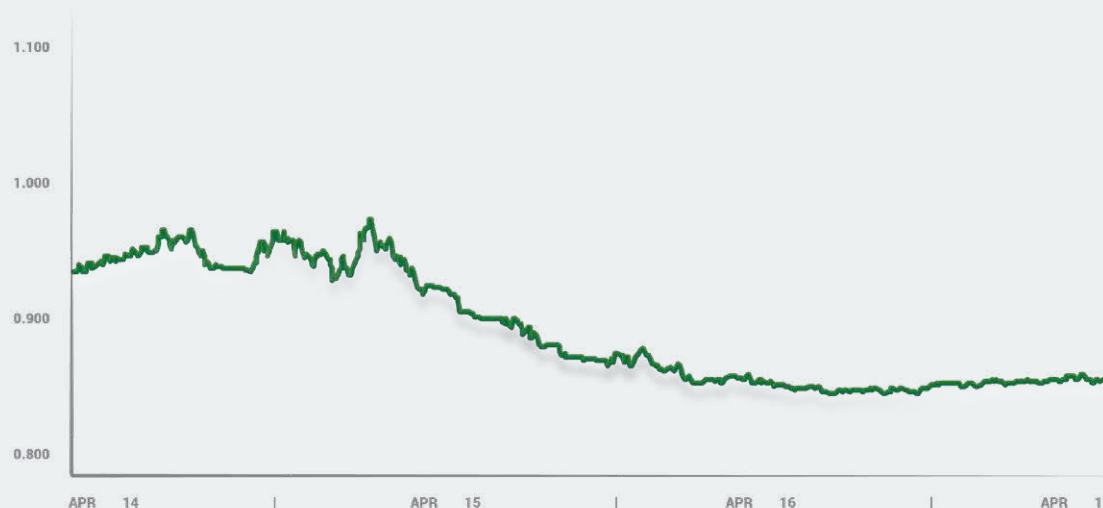
### Since Inception

**Absolute** -14.80%

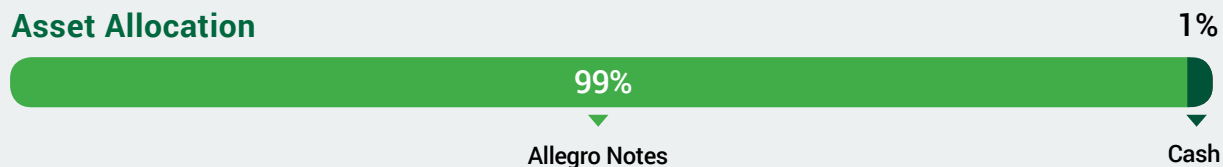
**Annualized** -3.27%

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.

## Fund Performance



## Asset Allocation



## Fund Information

| Inception Date | Net Asset Value   | Price (Nav/Unit) | Management Fee  |
|----------------|-------------------|------------------|---|
| March 2013     | US\$ 0.64 million | US\$ 0.852       | 2.80% per annum<br>(of which 1.3% p.a. will go to CGML) |



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**The Manufacturers Life Insurance Co. (Phils.), Inc.**

 LKG Tower, 6801 Ayala Avenue, Makati City 1226

 (63-2) 88-4-LIFE (884-5433)  
Customer Care Hotline: (63-2) 884-7000  
Fax: (63-2) 884-2558

 [phcustomercare@manulife.com](mailto:phcustomercare@manulife.com)

 [www.manulife.com.ph](http://www.manulife.com.ph)