

**For Immediate Release
March 14, 2016**

Filipino investors shift investment strategy to favor cash in a volatile market

Manila, Philippines – The latest Manulife Investor Sentiment Index (MISI) survey reveals that Filipino investors are increasingly relying on cash as their ‘best-of-the-worst’ choice in a volatile market. The survey revealed a dramatic fall in sentiment towards all asset classes, due to concerns that market conditions are unlikely to improve. Cash, however, has been the least affected, with many investors changing their investment strategy to increase their cash holdings.

The research conducted by Manulife, which regularly tracks investor sentiment across eight markets in Asia, found that Filipino investors have declining confidence in their investment prospects, as demonstrated by a significant drop in investor sentiment towards all asset classes since the last survey. Sentiment towards fixed income, equities and mutual funds have all decreased since Q2 2015, down to 60 from 81, 64 from 83, and 61 from 84 respectively. Sentiment towards cash dropped less significantly, although it still fell more than 10 percentage points, to 76 from 88.

Manulife’s survey revealed that this fall in sentiment can largely be attributed to concerns about market volatility and doubts that market conditions will improve. Fewer people expect market conditions to improve, which may explain the fall in sentiment.

As a result of this concern about market volatility, one fifth (20%) of investors expect a 5% or less return on their investment, up from only 8% of investors since the last survey in Q2 2015. In addition, only 12% expect a return of 10-15% on their investment, a sharp fall from 28% in Q2 2015.

This may explain why cash remains the most favored asset class, with investors seeking investments they perceive to be less risky. While investor sentiment towards cash fell, cash still ranks as the most preferred asset class, with Filipino investors increasing their cash holdings to 34% of their total assets from 23% in the last survey. In addition, 40% of investors are looking to invest more in or start investing in cash in their local currency.

“Redeploying a portion of bank deposits into more efficient investments that have the potential to deliver recurring income and capital appreciation over the long-term will reduce longevity risk –the risk that a retiree will outlive his or her retirement income. Hence, it is important for investors to consider other alternative investment options that suit their risk and return objectives in building their financial wealth to improve their retirement income security,” said Aira Gaspar, Manulife Philippines Chief Investment Officer.

“While it may be disheartening for investors to see the value of their investments move up and down sharply in the short-term, holding excessive bank deposits to avoid market volatility could prevent them from achieving their top financial goals, such as sending their children to a good school, saving for medical and healthcare expenses, having a house that they can call their own and being financially independent when they retire,” she added.

For more information on the Manulife Investor Sentiment Index, please visit www.manulife.com.hk.

***About Manulife Investor Sentiment Index in Asia**

Manulife’s Investor Sentiment Index in Asia (Manulife ISI) is a half-yearly, proprietary survey measuring and tracking investors’ views across eight markets in the region on their attitudes towards key asset classes and issues related to personal financial planning. The Index is calculated as a net score (% of “Very good time” and “Good time” minus % of “Bad time” and “Very bad time”) for each asset class. The overall index is calculated as an average of the index figures of asset classes. A positive number means a positive sentiment, zero means a neutral sentiment, and a negative number means negative sentiment.

The Manulife ISI is based on 500 online interviews in Hong Kong, China, Taiwan, Japan, Singapore, Malaysia and the Philippines, and 500 face-to-face interviews in Indonesia. Respondents are middle class to affluent investors, aged 25 years and above who are the primary decision maker of financial matters in the household and currently have investment products.

The Manulife ISI is a long-established research series in North America. The Manulife ISI has been measuring investor sentiment in Canada for the past 17 years, and extended this to its John Hancock operation in the U.S. in 2011 and Asia in 2013. Asset classes taken into Manulife ISI Asia calculations are stocks/equities, real estate (primary residence and other investment properties), mutual funds/unit trusts, fixed income investment and cash.

This material, intended for the exclusive use by the recipients who are allowable to receive this document under the applicable laws and regulations of the relevant jurisdictions, was produced by and the opinions expressed are those of Manulife or any of its affiliates as of December 2015 and are subject to change based on market and other conditions. The information and/or analysis contained in this material have been compiled or arrived at from sources believed to be reliable but Manulife or any of its affiliates 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. The information in this document, 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. Manulife or any of its affiliates disclaims any responsibility to update such information. Neither Manulife or any of its affiliates 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. All overviews and commentary are intended to be general in nature and for current interest. While helpful, these overviews are no substitute for professional tax, investment or legal advice. Clients should seek professional advice for their particular situation. Neither Manulife nor any of its affiliates or representatives is providing tax, investment or legal advice. Past performance does not guarantee future results. This material was prepared solely for informational purposes, does not constitute an offer or an invitation by or on behalf of Manulife or any of its affiliates to any person to buy or sell any security and is no indication of trading intent in any fund or account managed by Manulife. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Unless otherwise specified, all data is sourced from Manulife.

About Manulife

Manulife Financial Corporation is a leading international financial services group providing forward-thinking solutions to help people with their big financial decisions. We operate as John Hancock in the United States, and Manulife elsewhere. We provide financial advice, insurance and wealth and asset management solutions for individuals, groups and institutions. At the end of 2015, we had approximately 34,000 employees, 63,000 agents, and thousands of distribution partners, serving 20 million customers. At the end of December 2015,

we had \$935 billion (US\$676 billion) in assets under management and administration, and in the previous 12 months we made more than \$24.6 billion in benefits, interest and other 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 or www.johnhancock.com.

About Manulife Asset Management

Manulife Asset Management is the global asset management arm of Manulife, providing comprehensive asset management solutions for investors. This investment expertise extends across a broad range of public and private asset classes, as well as asset allocation solutions. As at December 31, 2015, assets under management for Manulife Asset Management were approximately C\$417 billion (US\$301 billion).

Manulife Asset Management's public markets units have investment expertise across a broad range of asset classes including public equity and fixed income, and asset allocation strategies. Offices with full investment capabilities are located in the United States, Canada, the United Kingdom, Japan, Hong Kong, Singapore, Taiwan, Indonesia, Thailand, Vietnam, Malaysia, and the Philippines. In addition, Manulife Asset Management has a joint venture asset management business in China, Manulife TEDA. The public markets units of Manulife Asset Management also provide investment management services to affiliates' retail clients through product offerings of Manulife and John Hancock. John Hancock Asset Management and Declaration Management and Research are units of Manulife Asset Management. Additional information about Manulife Asset Management may be found at ManulifeAM.com.

Media Contacts:

Melissa Henson
Manulife Philippines
(+632) 884-5484
melissa_henson@manulife.com

Dessa Virtusio
Virtusio PR International, Inc.
(+632) 631-9479
dessa@virtusio.com