

For Immediate Release
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Health and family costs threaten retirement prospects of Filipino investors

Manila, Philippines – The majority of Filipino investors have high expectations for their retirement and will require disciplined investment planning to avoid disappointment, according to a recent survey from Manulife. The Manulife Investor Sentiment Index (MISI)* revealed that these investors, particularly millennials, acknowledge the likely health and financial challenges ahead.

Over 90% of investors expect to maintain or enhance their lifestyles in retirement, including nearly all (97%) millennials. Less than 10% of investors expect to have to scale back later on in life, with only 3% of millennials sharing this concern. However, millennials are also the most likely to acknowledge that they may run out of money in retirement (36%) compared to investors of all ages (31%).

When investors in the Philippines reflect more carefully on retirement, they reveal worry about the impact of their health on their finances. Many investors fear that by the time they retire, their health will deteriorate (68%), with millennials the most pessimistic (74%). Younger investors are also more worried about their healthcare becoming unaffordable in retirement (44%) versus the overall investor population (39%).

Retirement costs weigh heaviest on millennial investors

The future costs of family and housing weigh heaviest on younger investors. More than half of millennials (58%) expect that they will still need to support their children after they retire, while less than half (47%) of all investors expect to bear the same cost. While 36% of all investors expect no family financial support during their retirement, 42% of millennials expect to be financially on their own. More than all investors, millennials are also concerned that they will still need to pay down a mortgage in their later years (49% v 41%).

Aira Gaspar, Manulife Philippines Chief Investment Officer, said: “While it’s great that many investors in the Philippines are optimistic about their retirement, there are clear challenges ahead, especially for millennials. Longer life spans and changing family dynamics mean that every investor needs a proactive financial plan. Millennials have the advantage of time on their side and should start saving early to mitigate against future risks.”

The survey revealed that Filipino investors would benefit from a more disciplined and informed approach to financial planning. Nearly twice as many investors make their investments randomly compared to those who have a regular plan (28% vs 15%).

“People work hard for their money, and their money should work hard for them,” said Ryan Charland, President and CEO of Manulife Philippines. “A savvy investor plans for the long-term especially for retirement. Developing an investment plan early and reviewing it often will help ensure that future financial goals are met. At the same time, investing consistently and continuously over time is important to help prepare for a comfortable retirement.”

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

Manulife’s Investor Sentiment Index in Asia is a 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 each in Hong Kong, China, Taiwan, Thailand, 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 18 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.

The latest survey was conducted between September 2016 and October 2016 by TNS, a leading global research firm.

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About Manulife Philippines

The Manufacturers Life Insurance Company 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.

About Manulife

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 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 2016, we had approximately 35,000 employees, 70,000 agents, and thousands of distribution partners, serving more than 22 million customers. At the end of 2016, we had \$977 billion (US\$728 billion) in assets under management and administration, and in the previous 12 months we made almost \$26 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.

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, 2016, assets under management for Manulife Asset Management were approximately C\$461 billion (US\$343 billion, GBP£278 billion, EUR€325 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 is a division of Manulife Asset Management.

Additional information about Manulife Asset Management may be found at ManulifeAM.com.

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