

Driving bold
ambitions in
*a rapidly
transforming*
world

Annual Report

2022



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Our Vision, Mission and Values

Our Vision

We will be the preferred asset management company, helping our customers achieve their financial aspirations through innovative solutions for managing their wealth.

Our Mission

We provide innovative wealth solutions to make decisions *easier* and lives *better*.

Our Values

Our values represent how we operate. They reflect our culture, inform our behaviors, and help define how we work together.

Obsess about customers

We predict our customers' needs and do everything in our power to satisfy them.

Do the right thing

We act with integrity and do what we say.

Think big

Anything is possible. We can always find a better way.

Get it done together

We're surrounded by an amazing team. We can do it better by working together.

Own it

We have the freedom and power to make decisions and the courage to pursue our mission and vision.

Share your humanity

We build a supportive, diverse, optimistic and thriving workplace.

Who We Are

Manulife Investment Management and Trust Corporation

Manulife Investment Management and Trust Corporation is a wholly-owned subsidiary of Manulife Philippines. The Company acquired its trust and other fiduciary business license from the Banko Sentral ng Pilipinas in 2017 and started operations in September 2017. It is the first trust corporation in the Philippines that is backed by a leading multinational financial services group.

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 Investment Management

Manulife Investment Management is the global brand for the global wealth and asset management segment of Manulife Financial Corporation. We draw on more than a century of financial stewardship and the full resources of our parent company to serve individuals, institutions, and retirement plan members worldwide.

Headquartered in Toronto, our leading capabilities in public and private markets are strengthened by an investment footprint that spans 18 geographies, including 10 in Asia with 120 years of on-the-ground experience. We complement these capabilities by providing access to a network of unaffiliated asset managers from around the world. We're committed to investing responsibly across our businesses. We develop innovative global frameworks for sustainable investing, collaboratively engage with companies in our securities portfolios, and maintain a high standard of stewardship where we own and operate assets, and we believe in supporting financial well-being through our workplace retirement plans.

Today, plan sponsors around the world rely on our retirement plan administration and investment expertise to help their employees plan for, save for, and live a better retirement. Not all offerings are available in all jurisdictions.

For additional information, please visit manulifeim.com.

2017

Founding Year

Php 164.1 Billion

Assets Under Management

Php 110.9 Million

Net Income

>11,000

Number of Customers

Message from the Chairman



Gianni Fiacco, CPA, CA

Chairman of the Board
Manulife Investment Management and Trust Corporation

2022 marked the fifth year of operations of Manulife Investment Management and Trust Corporation. To say that the past five years have been extraordinarily tough is an understatement given the unprecedented challenges that beset the world during the period, which tested the operational resilience and financial strength of companies and upended even the best-laid business plans and strategies.

Driving innovation amid challenges

Our team's spirit of ownership, dedication and commitment has been central to the execution of our strategic priorities. As one of the youngest players in the asset management industry, our firm pioneered the offering of multi-currency unit investment trust funds (UITFs), including five income-paying funds that invest in offshore strategies, enabling investors to make more proactive choices to diversify their wealth portfolios while having recurring income streams. By the end of 2022, we had launched eighteen UITFs, including first in the market funds like Asia Pacific REITs, global REIT, global healthcare, global preferred securities, and India equity. Reflecting our commitment to provide compelling wealth solutions, we launched four new UITFs last year to continue to strengthen our multi-manager client offerings.

Anchored by our goal to provide our clients with a simple and intuitive investment journey, we piloted our Asia digital investment platform, Manulife iFUNDS in the Philippines in 2018. Fast forward to the present day, 98% of new UITF account openings are completed digitally, with clients able to do so on a self-directed basis or with the support of our Manulife wealth specialists with a few clicks, anytime, anywhere.

Making decisions easier, lives better

The ability to diversify one's wealth portfolio across different asset classes and geographies has never been more important as no single asset class has outperformed across all market cycles given evolving market conditions. This year we took steps to reach a broader customer base, lowering our minimum investment thresholds, eliminating minimum holding periods and extending our distribution partnerships to digital fund providers as well.

Growing our distribution and customer reach

As a relative newcomer to the market, our focus continues to be the build out of our distribution channels through which we make our solutions available to customers. The regulatory landscape is continuing to evolve and with more recent changes, we have extended our distribution partnership to include the digital platforms of two equity brokers. These new partnerships complement our captive Manulife Agency Channel in reaching more people to begin their investment journey with Manulife Investment Management.

Our captive Manulife Agency Channel wealth specialists provide bespoke engagement based on the unique requirements of investors. With the important role they play in facilitating investment choices, we have and will continue to invest in the enabling technology they use to support customers and in the learning and development training we provide to our sales force.

Looking Forward

My thanks and gratitude go to our people for their strong sense of ownership, dedication, and commitment to deliver on our growth ambitions and finding a way forward in the face of very challenging macro headwinds. I am grateful to you, our clients, for your trust and support, and for choosing Manulife Investment Management as your partner in achieving your financial objectives.

We are committed to continuing to expand our capabilities, services and wealth offerings for our growing investor base and distribution partners.

Message from the President and CEO



Macaria Trinidad Gaspar, CFA

President & Chief Executive Officer
Manulife Investment Management and Trust Corporation

The crosswinds of escalating geopolitical risks, rising interest rates, soaring inflation, faltering global growth and the lingering global impacts of the pandemic made 2022 very challenging. Against this backdrop, sharp market disruptions across the globe saw many investors staying on the sidelines and taking a risk-off approach.

Empowering our clients to build a more diversified portfolio

The turbulence in financial markets further reinforced the importance of portfolio diversification and rebalancing. Driven by our commitment to provide our clients with varied alternatives to invest with a long-term perspective and to navigate opportunities arising from evolving market conditions, we launched four new unit investment trust funds (UITFs) – the Manulife Global Technology Equity Feeder Fund, the Manulife Global

Thematic Opportunities Equity Feeder Fund, the Manulife Global Clean Energy Equity Feeder Fund, and the Manulife Asia Short Duration Bond Feeder Fund. The new funds provide relevant value propositions, including access to high quality Asia short duration bonds that are more resilient to rising interest rates and economic slowdowns and exposure to companies with value drivers linked to global digital transformation, global transition to clean energy and global megatrends shaping our world, which investors can use to diversify the sources of risk and return within their wealth portfolio according to their objectives.

Making compelling investment solutions more accessible to a broader set of investors

We are encouraged by the growing number of younger investors in our UITFs. This dovetails with our strategic goal to enable more people to start their investment journey in pursuit of financial security. To that end, we lowered the minimum investment for most of our UITFs to as little as Php1,000 and provided our clients greater flexibility to manage their liquidity needs by removing the minimum holding period and early redemption fee on all our UITFs.

Alongside this, we forged new partnerships with two reputable financial institutions that offer securities on their digital platforms, enabling us to reach out to more investors who are keen to diversify and grow their wealth portfolio in an easy and convenient way.

Aligned with our strategic priorities to continue to expand our client base and product offerings, we secured our first employee retirement fund mandate, capitalizing on our differentiated investment solutions and competitive investment performance track record.

Staying resilient in challenging times

Amid a difficult environment, our firm's total revenues rose to Php478.2 million, up 10.7% year-on-year, largely driven by continual net inflows to our offshore strategies via our segregated mandates. This supported the rise of our firm's net income to Php110.9 million, up 31.6% year-on-year. While the extraordinary market volatility depressed asset prices, our total assets under management (AUM) reached Php164.1 billion, up by Php1.5 billion versus its level at the end of 2022, lifted mainly by the overall positive net inflows to our segregated mandates.

Looking Ahead

I take pride in the groundwork that our team has collectively laid with fortitude and determination in the face of challenges to advance our ambitions. While the recovery from the global turmoil can be bumpy, making the inflection points difficult to discern, we will keep our focus on the execution of our strategic priorities to expand our distribution reach, grow our client base and build on our track record of providing innovative wealth solutions to make decisions easier and lives better.

Board of Directors



Gianni Fiacco, CPA, CA
Chairman of the Board

Located in Hong Kong, Mr. Fiacco (45) is the Head of Emerging Markets & Chief Strategy Officer for Manulife's Wealth and Asset Management business in Asia. He oversees the Wealth & Asset Management emerging market business of Malaysia, Indonesia, Philippines and Vietnam as well as being responsible for the development and implementation of business strategies to deliver on the company's growth objectives across Asia.

Prior to joining our Wealth and Asset Management business, Mr. Fiacco served as Regional Controller, Asia for Manulife Financial, where he was accountable for financial and management accounting, planning, forecasting and analysis as well as tax and internal controls related to finance across Asia. Before joining Manulife, Mr. Fiacco worked with PricewaterhouseCoopers LLP in their Audit and Assurance Services group.

Mr. Fiacco holds a Bachelor of Commerce Degree from the University of Toronto and is a Chartered Accountant (Canada).



Boon Choy Wong
Vice Chairman of the Board

Wong Boon Choy (61) CA(M), CPA, CFP, is a Director of Manulife Investment Management Services Berhad, where he served as Chief Executive Officer from 1 September 2014 until 30 April 2017. Previously, he was the Chief Executive Officer and Executive Director of MAAKL Mutual Bhd from May 2004 until June 2014. He also served as the Senior General Manager of Public Mutual (formerly known as KL Mutual) in 1988 to 2004. Mr. Wong has accumulated more than 20 years of experience in the Malaysian unit trust industry. Before joining KL Mutual, he was with an international accounting firm for eight years.

Mr. Wong is a founder member and former President of the Financial Planning Association of Malaysia (FPAM). He was also involved in establishing the Federation of Investment Managers Malaysia (FiMM) when he was appointed the Founding Secretary. A strong believer in financial planning, he co-authored a financial planning book entitled "Financial Freedom – Your Guide To Lifetime Financial Planning" and a second book entitled "Financial Freedom – Through Malaysian Equities and Unit Trusts". In June 2008, Mr. Wong co-authored a third book which revolves around the themes of health and wealth entitled "CHOICES – Live Well and Don't Die Broke".



Macaria Trinidad Gaspar, CFA
Director

Macaria Trinidad Gaspar (54) is the President and Chief Executive Officer of Manulife Investment Management and Trust Corporation (Manulife IM (Philippines)). She is responsible for the strategic management and operations of the Company to deliver sustainable growth for its asset management franchise.

Prior to becoming President and Chief Executive Officer of Manulife IM (Philippines), Ms. Gaspar was the Chief Investment Officer of Manulife Philippines, where she was responsible for the development and implementation of overall investment strategies for the Philippine-based investment portfolios of Manulife.

Previously, she was with SGV & Co ("SGV"), a member firm of Ernst & Young Global, where she provided assurance services to a range of institutions with specific emphasis on firms engaged in the business of life insurance, manufacturing and utility services.

Ms. Gaspar graduated with Distinction from the Philippine School of Business Administration with a degree of Bachelor of Science in Business Administration, major in Accounting. She is a CFA charterholder and a Certified Public Accountant.



Rahul Hora
Director

Rahul Hora (49) is the President and CEO of Manulife Philippines. He currently serves as an executive director of Manulife Philippines and as Director of Manulife China Bank Life Assurance Corp. and Manulife Investment Management and Trust Corporation. He first served as a director of said companies in 2022.

As President and CEO, Mr. Hora is responsible for the development and execution of Manulife's strategy in the Philippines, supercharging the business so we can continue making every day better for more Filipinos.

Mr. Hora is an insurance industry veteran, having taken on various sales and distribution leadership roles in operations, agency, and bancassurance across geographies. He joins Manulife from another multinational insurance company, where he held distribution roles at market and regional levels, and most recently led their life and non-life insurance operations in the Philippines.

Board of Directors



Edwin Magpantay
Director

Edwin Magpantay (48) joined Manulife Philippines in 2012 and is currently Vice President and Financial Controller of Manulife Philippines. He heads teams handling local, regulatory and management reporting, treasury and accounts payable processing, tax reporting and distribution accounting. Prior to Manulife, Mr. Magpantay was the EVP and Chief Operating Officer of Ubix Corporation. He was also an Audit Senior Director of SyCip Gorres Velayo & Co. (SGV & Co.).

Mr. Magpantay holds a Bachelor of Science degree in Accounting from Colegio de San Juan de Letran. He is a Certified Public Accountant.



Luz Lorenzo
Independent Director

Luz Lorenzo (62) retired in July 2016 from Maybank ATR Kim Eng Securities Inc. where she had worked since 1995, mostly as Head of the Research Department. In that position she led her team to being one of the names to reckon with in the industry, having been the personal and group recipients of several awards and citations. She has worked in the financial services industry throughout her professional life. This included stints in the United States and Hong Kong where she worked in the fields of economic consulting and investment banking. She also worked briefly in the public sector in the Department of Finance and National Economic and Development Authority.

Ms. Lorenzo has a Master of Arts degree in Economics from the Pennsylvania State University and a Bachelor of Science degree in Statistics from the University of the Philippines



Atty. Rene Betita
Independent Director

Atty. Rene B. Betita (65) is a part time faculty at De La Salle University and the College of St. Benilde, where he teaches subjects in the fields of finance, law and economics. He is also a faculty member of the Trust Institute Foundation of the Philippines, a school for professionals in the banking, insurance and regulatory agencies.

He has more than 20 years of experience in the trust banking industry mostly in account management and marketing. His last bank employment was as Vice President and Head of Trust of Maybank Philippines Inc. He also served as a member of the Board of Directors of the Trust Officers Association of the Philippines.

Atty. Betita earned his law and economics degrees from the University of the Philippines in Diliman and passed the Bar in 1985.



Raul Diaz
Independent Director

Raul C. Diaz (72) has had extensive experience in Trust and Investment Management, having served in various capacities as Marketing Officer, Portfolio Manager, and Trust Officer. Overall, he has spent more than thirty (30) years in the trust business, twenty three (23) of which as Trust Officer. As an active practitioner in the trust industry, he has served as Director of the Trust Officers Association of the Philippines (TOAP) for several terms as well as Chairman of various TOAP Committees over the years. He was elected TOAP President in March 2008, a position he held for a term of one (1) year. Having retired, he presently serves as Member of the TOAP Advisory Board.

Mr. Diaz graduated from the University of Santo Tomas with a degree in Commerce, major in Banking and Finance. He also holds a Master of Business Administration degree from the De La Salle University. As part of training in Trust, he also took up the one-year Trust Course offered by the Trust Institute Foundation of the Philippines, the educational arm of the TOAP.



1 Mark Alan Canizares
Head of Equities

3 Macaria Trinidad Gaspar, CFA
President and Chief Executive Officer

2 Jean Olivia De Castro
Head of Fixed Income

4 Paul Jeffrey Lu
Health of Wealth Solutions



5 Gerlie Aman
Treasurer and Head of Operations

7 Aby Salud
Head of Compliance

6 Zedric Matubis
Health of Wealth Sales

8 Stanley Raymund Cabrera V, FRM
Risk Officer



Corporate Governance

Corporate Governance Policy

The Board, Officers, and Employees of the Company believe that good corporate governance is an integral component of sound strategic management and will therefore undertake every effort necessary to create awareness within the Company. Compliance with the principles of good corporate governance shall start with the Board being primarily responsible for providing independent oversight of the management of the business and affairs of the Company.

The promotion of good corporate governance shall be aligned with the Company By-laws of fostering a culture of integrity throughout the organization and ensuring compliance with the Company's Code of Business Conduct and Ethics. The Board shall oversee the Company's communication and disclosure of corporate practices relating to corporate governance practices and require timely, accurate and fair release of such information in compliance with all legal and regulatory requirements.

All Board members have undergone training in corporate governance and have been duly certified therefor. The Board is composed of professionals from various fields of expertise such as law, general business and finance. The Company is assured that each director is capable of adding value and formulating sound corporate policies.

Corporate Governance Manual

With the objective of institutionalizing the principles of good corporate governance and promoting awareness of such principles, the Company has adopted a Corporate Governance Manual. Through this manual, the Company's Board of Directors recognizes its primary responsibility to ensure effective good corporate governance oversight throughout the organization.

This Corporate Governance Manual is applied suppletorily to any applicable laws and regulations of the Company. In the event of conflict between the laws or regulations or the charter or by-laws pertaining to corporate governance, the provisions in the laws or regulations shall prevail. The Board may modify or make exceptions to the Corporate Governance Manual from time to time, in its discretion in accordance with the fiduciary duties and responsibilities of the Board to the Company's stakeholders.

Duties and Responsibilities of the Board

The Board of Directors exercises all the powers of the corporation as granted by the Revised Corporation Code of the Philippines, the Company By-laws, the Manual of Corporate Governance, and all other relevant laws, rules, regulations and internal policies.

In line with the enhanced corporate governance guidelines for BSP supervised entities, the duties and responsibilities of the Board include the following:

1. Define the Company's corporate culture and values;
2. Responsible for approving the Company's objectives and strategies and in overseeing management's implementation thereof;
3. Responsible for the appointment/selection of key members of senior management and heads of control functions, and for the approval of a sound remuneration and other incentives policy for personnel;
4. Responsible for approving and overseeing implementation of the Company's corporate governance framework; and
5. Responsible for approving the Company's risk governance framework and overseeing Management's implementation thereof.

Committees

Corporate Governance Committee

The Corporate Governance Committee is tasked primarily to assist the Board in fulfilling its corporate governance responsibilities by ensuring the Board's effectiveness and due observance of corporate governance principles and guidelines. It shall review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board.

In 2022, the Corporate Governance Committee met four (4) times as shown below:

Name of Director	Date of meeting			
	24 February 2022	12 April 2022	17 August 2022	24 November 2022
Luz Lorenzo (Chairperson/Independent)	✓	✓	✓	✓
Rene Betita (Independent)	✓	✓	✓	✓
Edwin Magpantay (Non-Executive)	✓	✓	✓	✓

The Corporate Governance Committee shall be composed of at least three (3) members of the Board, two (2) of whom shall be independent directors, including the Chairperson.

Audit Committee

The primary objective of the Audit Committee is to assist the Board of Directors in providing oversight over the Company's financial reporting policies, practices and control and internal and external audit functions.

Specifically, the Audit Committee has the following duties:

- The Audit Committee shall provide effective oversight of external and internal audit functions, including insourcing or outsourcing of audit activities.
- It shall review and approve the audit scope and frequency of both internal and external auditors.
- It shall ensure that the internal/external auditors as well as regulatory auditors shall have free and full access to all the the Company's records, properties and personnel relevant to the audit activity and shall be free from interference by outside parties in the performance of work.
- It shall ensure that a review of the effectiveness of the Company's internal controls, including financial, operational and compliance controls, and risk management, is conducted at least annually.
- It shall ensure that arrangements are in place for the independent investigation, appropriate follow-up action, and subsequent resolution of complaints.

In 2022, the Audit Committee met four (4) times as shown below:

Name of Director	Date of Meetings			
	24 February 2022	12 April 2022	17 August 2022	24 November 2022
Rene Balita (Chairperson/Independent)	✓	✓	✓	✓
Raul Diaz (Independent)	✓	✓	✓	✓
Boon Choy Wong (Non-Executive)	✓	✓	✓	✓

The Committee shall be composed of at least three (3) members of the Board, who shall all be non-executive directors, two (2) of whom shall be independent directors, including the Chairperson.

Risk Oversight Committee

The Risk Oversight Committee is designed to oversee the effectiveness of risk management and control including reviewing risk appetite, risk limits, risk exposures and opportunities for optimizing risk taking consistent with the Company's overall strategic priorities. It is also authorized to take certain risk acceptance and control decisions which are outside the authority of individual officers of the Company.

In 2022, the Risk Oversight Committee met four (4) times as shown below:

Name of Director	Date of Meetings			
	24 February 2022	12 April 2022	17 August 2022	24 November 2022
Raul Diaz (Chairperson/Independent)	✓	✓	✓	✓
Luz Lorenzo (Independent)	✓	✓	✓	✓
Boon Choy Wong (Non-Executive)	✓	✓	✓	✓

The Risk Oversight Committee shall be composed of three (3) members of the Board, majority of whom shall be independent directors, including the Chairperson. The Risk Oversight Committee's Chairperson shall not be the Chairperson of the Board of Directors, or any other Board-level committee.

Board Process

The Board meetings are held on a quarterly basis unless a special meeting is necessary to consider urgent matters. The schedule of meetings for 2023 were presented to the Board and approved in November 2022.

The directors receive notice of regular or special meetings of the Board, including the meeting pack specifying the date, time and place of the meeting as communicated by the Corporate Secretary. The meeting pack includes information on the Company's operation, minutes of the last Board and Committee meetings, and all other documents needed for the Board meeting discussion.

Minutes of meetings of the Board and all committees are kept by the Corporate Secretary. The said minutes are open for inspection by directors and stockholders upon request.

Annually, the Corporate Secretary distributes a Board Effectiveness Survey to be accomplished by the directors. The survey covers the following matters: Board Responsibility, Board Operations, Board and Committee Effectiveness, and Individual Director Self-Evaluation. In 2022, the directors accomplished the Board Effectiveness Survey. The Board of Directors also assessed the President & CEO's performance for the previous year.

Board Meetings

The Board met four (4) times in 2022. The Board members' attendance during meetings is shown below:

Name of Director	Date of meeting				Percentage
	24 February 2022	12 April 2022	17 August 2022	24 November 2022	
Gianni Fiacco (Chairperson)	✓	✓	✓	✓	100%
Boon Choy Wong (Vice-Chairperson)	✓	✓	✓	✓	100%
Richard Bates	✓	-	-	-	50%
Rahul Hora	-	-	-	✓	100%
Macaria Trinidad F. Gaspar (President & CEO)	✓	✓	✓	✓	100%
Edwin Magpantay	✓	✓	✓	✓	100%
Luz Lorenzo (Independent)	✓	✓	✓	✓	100%
Rene Betita (Independent)	✓	✓	✓	✓	100%
Raul Diaz (Independent)	✓	✓	✓	✓	100%

Richard Bates resigned as Director effective 8 August 2022. The Board confirmed the appointment of Rahul Hora as Director in its meeting on 24 November 2022.

Venue of Meetings

In 2022, the Board and Committee meetings were held at NEX Tower, Makati City and via videoconference.

Directors' Orientation Program and Continuing Education

All newly elected directors are given an orientation by the Corporate Secretary on the organizational profile, charters, by-laws, policies and procedures of the Company. As required by regulations, the Company also facilitates the enrollment of all new directors to a corporate governance seminar by an accredited provider upon onboarding.

All directors are required annually by the Company to undergo Anti-Money Laundering and Anti-Terrorism and Financing (AMLTF) training and certification. They are also required to review and sign annually the Company's Code of Business Conduct and Ethics (COBE) and a Conflict of Interest.

For 2022, all of the directors of the Company underwent and completed the AMLTF and COBE trainings. All directors are likewise encouraged to attend seminars that would aid them in their functions as members of the Board.

Board Remuneration

Under the Company's By-laws, Directors receive a reasonable per diem for their services as directors and members of the Board committees. Other than the usual per diem arrangement for Board and Committee meetings, there is no other standard arrangement as regards to the compensation of directors, directly or indirectly, for any other service provided by the directors.

Currently, only independent directors and non-executive directors who are no longer employed or are no longer serving in any capacity, except as director, in any member of the Manulife Group of Companies receive per diem for every board meeting attended. Executive Directors within the Manulife Group are compensated as full-time officers of the Company, not as non-executive directors. No director participates in discussion or deliberations involving his/her own remuneration.



Succession Plan

The Board oversees the succession planning of the CEO and senior executive officers, including the heads of the Company's oversight functions, and the termination of CEO. All nominations to such positions are deliberated and discussed by the Corporate Governance Committee which shall evaluate the nominees' competency and credentials, and shall make appropriate endorsement and recommendation to the Board.

Board Diversity Policy

In choosing nominees to the Board, consideration is given to gender, ethnic background, geographic representation and other personal characteristics that contribute to diversity, recognizing that it is skills, experience and integrity that are most important in assessing candidates and their potential contributions.

Corporate Secretary

The Corporate Secretary is a lawyer, Filipino citizen and resident of the Philippines. Concurrently, she has been the Head of Legal for Manulife Philippines since November 2020. Prior to joining the Company, she was the Head of Legal (2016-2018), Head of Legal & Compliance Strategy and Quality Assurance (2018-2019), and Head of Compliance (2020) of another insurance company.

As Corporate Secretary, she is primarily responsible for the following:

1. Ensure that all Board procedures, rules and regulations are strictly followed;
2. Safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its Committees, as well as the other official records of the Corporation;
3. Inform the members of the Board, in accordance with the By-laws, of the agenda of their meetings and ensure the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
4. Attend all Board meetings except for justifiable causes; and
5. Prepare and submit all necessary documents and certifications as may be required by laws and regulations.

The Corporate Secretary attends annual training related to corporate governance matters.

Risk Management

The Company recognizes its fiduciary responsibility and has established an effective and sound Risk Management Framework in the conduct of its daily operations and activities. This framework is formulated to ensure adequate level of protection to investors by providing clear guidance to the Board of Directors and responsible officers regarding acceptable risk exposure levels and appropriate policies, procedures and practices that need to be established, implemented and monitored.

The Company strives for a risk-aware culture, where individuals and groups are encouraged, feel comfortable and are proactive in making transparent, balanced risk-return decisions that are in the long term interests of its clients, and the Company's own reputation/brand. Risk culture encompasses the following:

- **Commonality of purpose, values and ethics:** The extent to which an employee's individual interests, values and ethics are aligned with the Company's risk strategy, appetite, tolerance and approach;
- **Universal adoption and application:** Whether risk is considered in all activities, from strategic planning to day-to-day operations, in every part of the organization;
- **A learning organization:** Whether the collective ability of the organization to manage risk more effectively is continually improving.

A strong risk culture allows individuals and the Company to make better risk-return decisions which align with our overall risk

appetite, strategic objectives and our customers' needs. It also enables the Company to benefit from early identification of risk factors, and deal with them appropriately to help prevent major risk incidents.

The Company's Risk Management Framework provides a structured approach to implementing risk taking and risk management activities at a firm-wide level. This is achieved through a common approach to managing all risks to which the Company is exposed, and a consistent evaluation of potential returns on contemplated business activities on a directly comparable risk-adjusted basis. These policies and standards of practice cover:

- **Risk roles and authorities** – Assignment of accountability and delegation of authority for risk oversight and risk management at various levels within the Company as well as accountability principles to be followed.
- **Governance and strategy** – The types and levels of risk the Company seeks given its strategic plan and risk appetite which drive risk limits and policies.
- **Execution** – Risk identification, measurement, assessment, and mitigation which enable those accountable for risks to manage and monitor their risk profile.
- **Evaluation** – Validation, assessment, and independent oversight to confirm that the Company generated the risk.

Three Lines of Defense Model

A strong risk culture and a common approach to risk management are integral to the Company's risk management practices. The Company's Board of Directors is accountable for the oversight of risk management, and delegates this through a governance framework that is centered on the "three lines of defense" model:

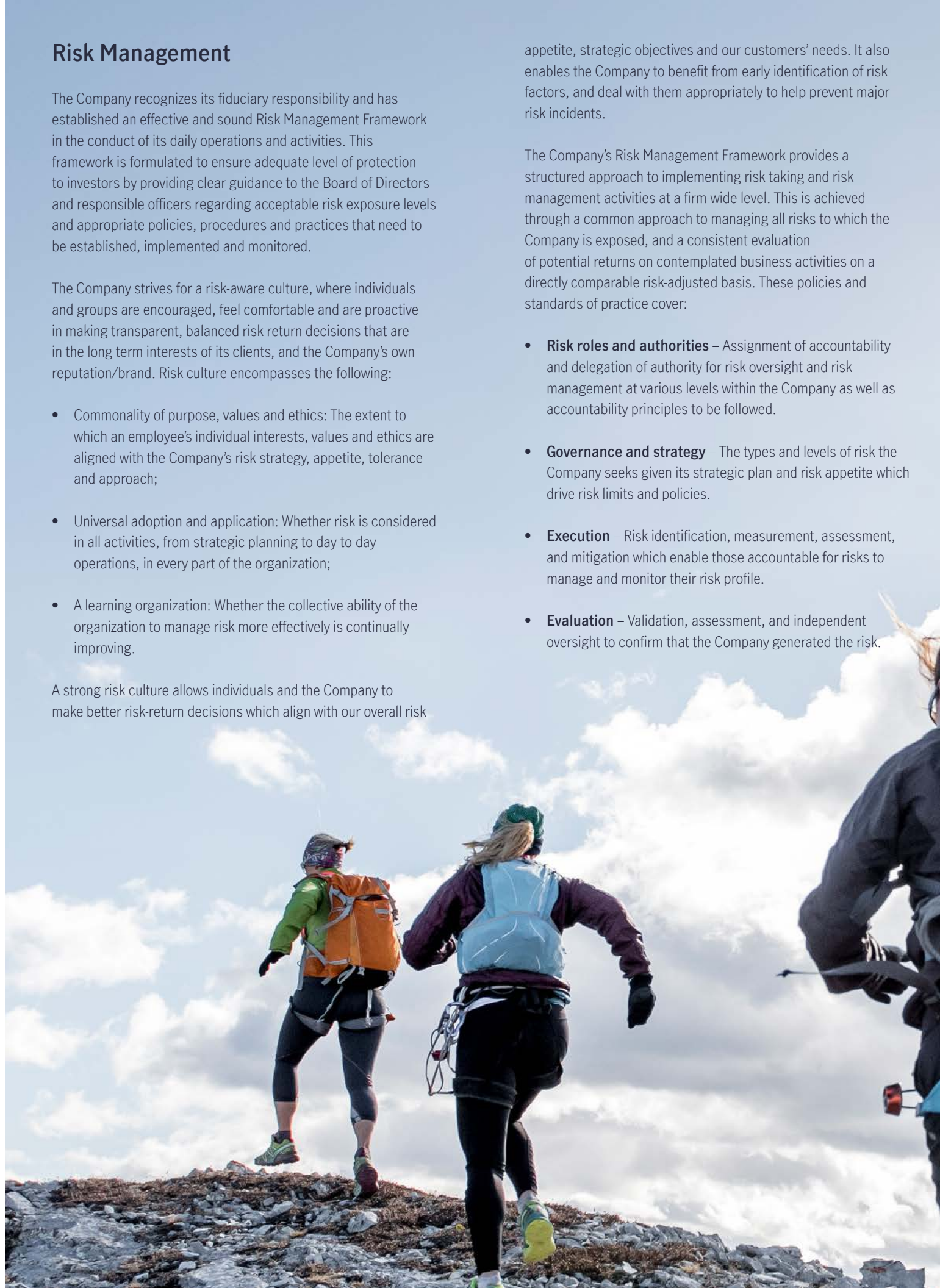
- The Company's first line of defense is comprised of all employees who have any level of supervisory responsibility since they are required to ensure the effective management of risks within the scope of their direct organizational responsibilities. This includes the President & CEO and senior management. Businesses are ultimately accountable for the risks they assume and for the day-to-day management of the risks and related controls.
- The second line of defense is comprised of the Company's Risk Officer and Head of Compliance. Effective oversight of risks within the Company is obtained through an appropriate balance of independent membership in the Risk Oversight Committee (ROC). Together, they provide independent oversight of risk taking and risk mitigation activities across the Company.
- The third line of defense comprises the Company's Internal Audit Services function, which provides independent assurance of the effectiveness of management's control of its own business activities (first line) and the processes maintained by the Risk/Compliance Control functions (second line).

The role of Internal Audit is defined and overseen by the Audit Committee and is set out in the Company's Audit Program.

Risk Culture

To enable the achievement of our goals and strategies, the Company requires a high-performing culture centered around six values:

- **Obsess about Customers** – We predict our customers' needs and do everything in our power to satisfy them.
- **Do the Right Thing** – We act with integrity and do what we say.
- **Think Big** – Anything is possible. We can always find a better way.
- **Get it Done Together** – We're surrounded by an amazing team. We can do it better by working together.
- **Own it** – We have the freedom and power to make decisions, and the courage to pursue our mission and vision.
- **Share your Humanity** – We build a supportive, diverse, optimistic, and thriving workplace.





Within this context, the Company strives for a risk-aware culture, where individuals and groups are encouraged, feel comfortable, and are proactive in making transparent, balanced risk-return decisions that are in the long-term interests of the Company. Management establishes practices that encourage and foster a risk-aware culture that addresses the following:

- Aligning personal objectives with the Company's objectives;
- Identifying and escalating risks before they become issues;
- Adopting a cooperative approach that enables appropriate risk taking;
- Ensuring transparency in identifying, communicating, and tracking risks; and
- Systematically acknowledging and surfacing material risks.

However, the ROC should not dilute the individual responsibility and accountability of those individual officers in the first and second lines of defense. All matters brought to the ROC for approval must have a clear proposal or recommendation from the responsible first line officer and the endorsement of the second line.

Risk Appetite

Risk taking activities are managed within the Company's overall risk appetite and approved by the Board. Risk appetite defines the amount and types of risks the Company is willing to assume, and is comprised of three components: risk philosophy, risk appetite statements, and risk limits and tolerances.

The Company considers the following factors in establishing its risk appetite:

- View on the current and future state of the economy and markets in which the Company operates;
- Expectations of various stakeholders, including clients and regulators;
- The current and future operational capacity to manage risk; and
- Strategic business opportunities.

The Company offers wealth and asset management products and services. All of these activities involve some elements of risk taking. The Company's objective is to balance the level of risk with its business, growth and profitability goals to achieve consistent and sustainable performance over the long term that benefits its customers and shareholders. When making decisions about risk taking and risk management, the Company places the highest priority on the following risk management objectives:

- To safeguard the commitments and expectations it has established with its customers; and
- To protect and/or enhance the Company's reputation and brand.

The Company establishes and reaffirms its risk appetite at least annually to ensure that the risk appetite and the business strategy align. The risk appetite embodies the types and levels of risk that the Company is willing to take in pursuit of its business objective. The following statements provide guideposts for risk taking:

- The Company accepts a total level of risk that provides a very high level of confidence to meet client obligations and/or expectations;

- The Company pursues responsive innovations that address the true underlying needs of its customers and create a long-term competitive advantage for its business;
- The Company manages investment portfolios within established risk and return objectives;
- The Company accepts that operational risks are an inherent part of its business but will protect its business and clients' assets through cost-effective operational risk mitigation; and
- The Company fosters a culture where its officers and employees act in accordance with Company values, ethics and standards, and participates in the preservation and enhancement of its brand and reputation.

Risk Identification, Measurement and Assessment

Identification of potential adverse risk events is an essential first step in managing the risks of any business activity. Risk identification is a forward-looking activity that considers which types of adverse events could happen in the future.

Business units and functional groups are required to identify and assess key and evolving risks arising from their activities on an ongoing basis. This includes assessing external risk factors which, if they were to materialize, may pose significant threats to the business. A standard inventory of risks is required to be used in all aspects of risk identification, measurement and assessment, and monitoring and reporting.

All key risks are to be either measured quantitatively or assessed qualitatively (for those risks whose impact cannot be reliably quantified) and aggregated at the Company level.

Risk status assessment criteria are designed to promote consistency in the Company's risk assessment process and resulting risk status ratings.

Risk Monitoring and Reporting

Under the direction of the ROC, the Risk Officer is responsible for maintaining and executing a formal process for independently monitoring, assessing, measuring, and reporting all significant risks.

The ROC has the responsibility to review a set of reports that present all key elements of the Company's risk profile and exposures, and risk management activities across the principal risks and incorporating both quantitative risk measures and qualitative assessments. The Risk Officer provides the ROC with an independent assessment of key risks across the Company.

Risk Control and Mitigation

Risk control and mitigation activities are defined individually for each risk and can include full or partial risk offset, full risk elimination or risk reduction to within limits. Financial risk mitigation tactics, including strategies such as product and investment portfolio management must be specifically considered, and executed where appropriate, to ensure aggregate risk exposures remain within the Company's risk appetite and limits. In some cases, risk mitigation requires immediate action, while for other risks, longer term risk mitigation execution plans will be appropriate, depending on the likelihood and severity of the risk to be mitigated.

Emerging Risks

Emerging risk is defined as a new or increasing risk that has low probability and/or an uncertain outcome, and that could have an adverse impact on the Company's ability to deliver its strategy or on its key risk exposures.

Considering the potential impact on the Company of emerging, strategic, operational or financial risks as key parts of the Risk Management Framework, the ability to detect and adapt to changes may not only prevent problems from arising but may also help the Company identify new opportunities.

Emerging risks can be picked up from various sources such as industry news (external events), and other forms of data and analysis generated both internally and externally.

The emerging risk process provides for:

- The identification of emerging financial and non-financial risks;
- The creation of action plans and identification of early warning indicators;
- The effective management of emerging risks by the appropriate business unit leaders; and
- The acceptance of any risks identified as part of 'business as usual' processes, where appropriate.



Company Policies

Customer Welfare Policy

The Company adheres to the highest service standards and embraces a culture of fair and responsible dealings in the conduct of its business in line with its vision to help customers achieve their financial aspirations.

The Company places great importance on consumer protection, particularly in the areas of disclosure and transparency, protection of client information, fair treatment, effective recourse and financial education. Customers have access to various touchpoints, which include customer care e-mail, hotline, domestic toll-free number, Wealth Specialists and service centers across the country.

The following key initiatives have been rolled out to support the Company's bold ambition of becoming a digital, customer-centric market leader:

- LoveworCX is an internal service-culture building program that provides employees a series of training and engagement activities aimed at strengthening their customer service mindset.
- Manulife iFUNDS is a mobile-optimized customer website that makes it convenient for customers to manage their unit investment trust funds (UITFs) with the Company. Manulife iFUNDS allows customers to explore different investment options, view their accounts and transaction history and transact online anytime, anywhere.

Financial Education and Awareness is at the forefront of the Company's priorities. The following resources are available digitally to our customers:

- Investment Insights is a web page that provides investment notes and research articles on topical themes in different markets and economies globally.
- Plan Rules are the master documents for each of the Company's UITFs, intended to provide customers with a holistic understanding of the UITF's nature and investment objectives, manner of operations, investment risks and other relevant information.
- Key Information and Investment Disclosure Statements (KIIDS) is a monthly publication for each of the Company's UITFs that provides vital information on the key features of each UITF including its investment objective and strategy, key risks, portfolio composition, performance, volatility and other relevant information, which can help investors make informed decisions.
- The Client Suitability Assessment is an integral part of the account opening process as no products are offered before this step is completed. This ensures that customers are able to assess the suitability and appropriateness of a product with their financial knowledge and capabilities, investment experience, investment objectives, investment horizon and risk profile.

Privacy Policy

The Company is committed to providing the highest quality financial products and services in a manner that fosters trust and confidence among our customers and representatives. That commitment includes protecting the privacy of all the personal and sensitive personal information in our care in accordance with the Philippines' Data Privacy Act of 2012, its implementing rules and regulations and our privacy policy available at Privacy Policy (manulifeim.com.ph)

All employees, representatives, agents, and service providers who act on behalf of the Company are required to abide by our privacy policies, principles, and practices. All employees and agents complete annual privacy refresher training. Our Customer Privacy Policy can be found at <https://www.manulifeim.com.ph/privacy-policy.html>.

Anti-Money Laundering and Anti-Terrorist Financing Policy

The Company is committed to preventing the use of its products and facilities for the purposes of money laundering or to finance terrorist activities. That commitment includes having and adhering to policies, procedures and controls designed to meet the Company's obligations under the Philippines' Anti-Money Laundering Act, as amended, its revised implementing rules and regulations and our AML/ATF policy. On an annual basis, we conduct a localized AML refresher training for employees and agents.

In 2022, the Company conducted online training for its new hires on the basic principles of AML. Online Training on AML refresher was provided to all employees and agents.

Code of Business Conduct and Ethics

Manulife's Code of Business Conduct and Ethics (COBE) provides standards for ethical behaviour when representing the Company and when dealing with customers, investors, employees, field representatives, external suppliers, competitors, government authorities and the public. It applies to all directors, officers and employees of Manulife and its subsidiaries including sales representatives, third party business associates, contractors and others with certain duties and obligations to the Company. COBE likewise governs any actual or potential conflict of interest and does not waive actual conflicts of interest under any circumstances. Typical controls include clear and complete disclosure of the potential conflict of interest and recusal from any decision-making relating to the situation giving rise to the potential conflict of interest. To ensure knowledge and familiarity with the provisions of the COBE, directors, employees, senior management and agents are required to undergo training prior to onboarding and annually thereafter as a refresher course. This Code is also available on Manulife's website and is available in print upon request.

Whistle Blowing Policy

Manulife has a Whistle Blowing Policy which encourages employees to talk to appropriate personnel about suspected or potential illegal or unethical behavior or when the employee is in doubt about the best course of action to take in a particular situation. It is also the policy of the Company not to allow retaliation for reports of misconduct by others made in good faith. Directors, officers, employees, representatives and other associates are expected to cooperate in internal investigations of misconduct.

Employees are also encouraged to use the Ethics Hotline where they are duty-bound to report suspected unethical behaviors or air their grievances anonymously.



You make important decisions everyday. If you see or hear something that seems unethical, unprofessional, illegal, fraudulent, or questionable or observe conduct that does not meet the values of our Company, it is your right and responsibility to report it. The Ethics Hotline – You Make the Call.

The Manulife Financial and John Hancock Ethics Hotline enables employees to ask questions about our Code of Business Conduct and Ethics or report suspected misconduct. In addition to other available avenues of reporting, who is available speaking with your manager, legal, compliance, human resource and employee relations, the Ethics Hotline is available 24-hours per day, seven days per week and can be used anonymously if you choose. You may report suspected or potential illegal or unethical behavior without any fear of retaliation.

www.manulifeethics.com

1. From an outside line dial the AT&T Direct Dial Access® for your location:
Philippines (in) 1888-8511-08
Philippines (in) (from Davao, Negros, Iloilo, Cebu) 1888-1111
Philippines (in) (from Manila) 1888-1111
2. At the prompt dial 1888-8511-08
3. The call will be answered in English. To continue your call in another language:
• Please state your language to request an interpreter.
• It may take 3-5 minutes to arrange for an interpreter.
• During this time please do not hang up.

Anti-Bribery and Anti-Corruption Policy

Maintaining high standards of integrity is paramount to success at Manulife. As stated in the Company's Code of Business Conduct and Ethics, "we must take special care to use our corporate positions

responsibly when dealing with government agencies and representatives." This is especially true in relation to the political process. The Company recognizes the paramount importance of and ensures compliance with all laws and regulations that apply when offering to provide entertainment, meals, gifts, gratuities, and other items of value to any employee or representative of national or local governments or when accepting such items of value from any employee or representative of national or local governments.

To ensure that all its employees abide by Republic Act No. 3019 (the Anti-Graft and Corrupt Practices Act), the Revised Penal Code of the Philippines, the National Internal Revenue Code, and Presidential Decree No. 46, the Company promulgated its Anti-Bribery and Anti-Corruption Policy.

The Company's Anti-Bribery and Anti-Corruption (ABC) Policy aims to ensure that the Company's directors, officers and employees, as well as representatives, agents and third-party providers do not give or receive bribes and comply with all applicable laws and regulations at all times. Anti-Bribery training material is developed by Manulife Regional Office and customized by local markets.

As part of the policy, the Company implements a "no gift policy" directly or indirectly to any public official. The Company also mandates that all financial transactions are recorded in a timely and accurate manner in accordance with accounting standards and principles to prevent off-the-book transactions such as bribes and kickbacks.

The policy requires the Head of Compliance to report any violation of laws and regulations to the Board of Directors and to recommend the imposition of appropriate disciplinary action on the responsible parties.



Gifts and Entertainment Policy

It is the policy of Manulife that no business or specific transactions may be contingent in any way on the receipt, offer or solicitation of any gift or favor. Further, an employee is prohibited from giving or receiving cash or equivalents to any vendor, broker, producer or other outside third party. However, modest gifts and favors, which would not be regarded as improper, may be accepted or given on an occasional basis. In all cases, an employee giving or receiving a gift or favor must declare the same to the Company's Compliance Department.

To ensure awareness of the employees of the Company's Gifts and Entertainment Policy, provisions of the policy are cascaded to the employees before the holiday season when gift giving is prevalent. Similar to other Company policies, employees are required to undergo training on the Gifts and Entertainment Policy prior to onboarding and annually thereafter.

In 2022, the Gifts and Entertainment Policy was cascaded to all employees as a reminder during the holiday season.

Insider Trading Policy

Directors, officers, employees, representatives and other associates of the Company are prohibited from:

- (a) benefiting from opportunities that are discovered through the use of Company property, information or position;
- (b) using Company property, information or position for personal gain; and
- (c) competing with the Company.

They owe it to the Company to advance its legitimate interests when the opportunity to do so arises.

Related Party Transactions

Directors, officers and employees are required by the Company's Code of Business Conduct and Ethics to immediately report their interest in transactions and any actual or potential conflict of interest.

Directors and executives are also required to abstain from participating in any discussion on a particular subject that they are conflicted. Any related party transactions, mostly limited to contracts within the Manulife conglomerate, are conducted in such a way as that they are fair and at arm's length and subject to appropriate review and approval process.

In addition, as required by BSP Circular no. 895 (Guidelines on Related Party Transactions), the Board of Directors approved the Company's Related Party Transactions Policy on 22 March 2017. The objective of the policy is to ensure transactions with related parties and trading in securities issued by related parties are compliant with the pertinent regulatory requirements. While the great majority of related party transactions are perfectly normal, the special relationship inherent between the parties involved creates potential conflicts of interest which can result in actions which benefit the people involved as opposed to the relevant stakeholders.

A summary of the approved related party transactions is provided in Note 19 of the Audited Financial Statements as submitted by the Company to its regulators. The Company has not entered into any transactions which may be classified as financial assistance to other entities other than investee companies.

Financial Statements

The Company, as approved by its Shareholders and management, engages the services of Sycip, Gorres and Velayo & Co. (SGV & Co.), a member of Ernst and Young International, as its external auditor. The audit fees paid to SGV & Co. amounted to Php 2.3 million and Php 2.5 million in 2022 and 2021, respectively.

In 2022, no non-audit fees were paid to the external auditor.

Since the start of operations in 2017, the Company has not received a qualified, adverse or disclaimer opinion in any year from the external auditor.

Procurement Policy

Manulife routinely engages with third-party vendors and service providers to support the day-to-day management of business.

The Company has put in place a framework of policies, processes and tools, as well as a team of sourcing and contracts experts, to assist all business units in meeting their procurement, outsourcing and vendor risk management objectives. This requires all stakeholders to work collaboratively to ensure:

1. Compliance with related policies is achieved;
2. All dealings with suppliers are consistent with Manulife's Code of Business Conduct and Ethics;
3. Procurement processes are competitive and transparent;
4. Manulife's business requirements are clearly stated;

5. Manulife's risk exposure is identified, assessed and effectively managed;
6. Regulatory compliance on third-party outsourcing is met;
7. All contracts and supporting documents are reviewed and approved by appropriate officers; and
8. Suppliers meet their pricing, service level, and contractual commitments.

Supplier Selection Criteria

At Manulife, it is important that the supplier selection process must be both objective and transparent. The supplier selection decision should be based on evaluation criteria that include, but are not limited to, the supplier's:

1. Demonstrated ability to meet stated requirements;
2. Ability to provide competitive pricing (based on total cost of ownership);
3. Excellent customer service;
4. High quality products and/or services;
5. Financial stability;
6. Technical skills and capacity to meet current and future needs;
7. Willingness to agree to Manulife's contract terms and conditions;
8. Compliance with Manulife's Outsourcing and Vendor Risk Management Policy which aims to enhance design, structure and effectiveness of risk management processes; and
9. Compliance with Government statutory requirements.

Manulife strives to maintain the highest standards of integrity and is committed to fair competition in all its dealings with vendors.

Health and Safety Policy

Manulife Investment Management is committed to providing a safe and healthy environment for all its employees, agents, and customers through:

- Protection of the employees from work-related accidents and injuries
- Promotion of a drug-free workplace and a healthy lifestyle

- Prevention of violence and harassment in the workplace

The Occupational Safety and Health (OSH) Committee is being headed by Manulife's Chief Operations Officer as the Chairman, and Chief Human Resources Officer as the Deputy Chairman. Members of the committee are composed of all business unit representatives, including the OSH's company doctor and nurse.

Its CSOs onsite include the dedicated safety officer for each branch, including Isabela and Tuguegarao. This year, post-COVID, the company was able to conduct a refresher face-to-face training for Occupational First Aider with the Philippine Red Cross.

The Company also ensures compliance with reportorial and program requirements mandated by the Department of Labor and Employment, which include:

- An Annual Medical Report
- An Annual Exposure Data Report
- A Monthly Accident Illness Report in the Workplace
- An Emergency Evacuation Drill (NEX HO and Hanston) – conducted in September 2022.
- A Quarterly Nationwide Simultaneous Earthquake Drill (NEX Head Office in Makati, Hanston in Makati and BGC in Taguig) – March 9, 2023
- COVID Monitoring and Reporting

Also, Manulife is fully compliant with the safety inspection conducted by the Department of Labor and Employment in the Makati Head office and nine (9) other branches nationwide for the year 2022. No violations were cited.

The focus areas of Manulife's Occupational Safety and Health in the coming year are the following:

- Accident Prevention
- Incident Management
- Risk and Compliance
- Policy and Program enhancement

Shareholder Information

Rights of Shareholders

The shareholders have the powers and responsibilities as stated in the Revised Corporation Code of the Philippines, the Company's By-laws, the Manual of Corporate Governance, and all other relevant laws, rules, regulations, and internal policies. Among others, all of the Company's shareholders have the right to:

1. Participate in the amendments of the Company's Articles of Incorporation;
2. Authorize issuance of additional shares;
3. Transfer all or substantially all assets of the Company, which may result in the sale of the Company;
4. Effectively participate in and vote in general shareholder meetings;
5. Nominate candidates for board of directors; and
6. Elect directors individually.

As provided in the Revised Corporation Code, each shareholder is entitled to one vote for each share of stock recorded in the shareholder's name in the books of the Company. At all meetings of the shareholders, all

elections and all questions shall be decided by the majority vote of the stockholders present in person or by proxy and entitled to vote thereat, a quorum being present, unless it is otherwise provided by law or the Articles of Incorporation.

The shareholders are aware of these rules and voting procedures governing the shareholder meetings.

Annual General Meeting

As mandated in the by-laws, the shareholders meet regularly or at least once a year. The Company's Secretary ensures that the notice of meeting, including the notice for annual shareholders meeting, is sent to the stockholders at least two (2) weeks prior to the date of the meeting.

A Proxy letter is also attached to the notice or made readily available through the Company website to allow shareholders to send representatives in their absence.

In the most recent Annual General Shareholders Meeting held at the head office of the Company in Makati City, the shareholders were given the opportunity to ask questions or raise issues during the Other Matters Agenda of the Meeting. The Company's Chairperson, Gianni Fiaccio, President and CEO, Aira Gaspar, and the Board-Level Committee Chairpersons also attended the meeting.

The Company's Shareholders (as of December 31, 2022)

Name	Shares Held	Amount Paid	% of Ownership	Beneficial Owner	Nationality
The Manufacturers Life Insurance Co. (Phil), Inc.	299,992.0	Php 299,992,000.00	99.997333%		Dutch
Gianni Fiaccio (Non-Executive Director)	1.0	Php 1,000.00	0.000333%	Manulife Philippines	Canadian
Boon Choy Wong (Non-Executive Director)	1.0	Php 1,000.00	0.000333%	Manulife Philippines	Malaysian
Rahul Hora (Non-Executive Director)	1.0	Php 1,000.00	0.000333%	Manulife Philippines	Indian
Macaria Trinidad Gaspar (President & CEO)	1.0	Php 1,000.00	0.000333%	Manulife Philippines	Filipino
Edwin Magpantay (Non-Executive Director)	1.0	Php 1,000.00	0.000333%	Manulife Philippines	Filipino
Luz Lorenzo (Independent Director)	1.0	Php 1,000.00	0.000333%	Manulife Philippines	Filipino
Atty. Rene Betita (Independent Director)	1.0	Php 1,000.00	0.000333%	Manulife Philippines	Filipino
Raul Diaz (Independent Director)	1.0	Php 1,000.00	0.000333%	Manulife Philippines	Filipino





Employees' Corner

Compensation Philosophy

Manulife Investment Management's global strategy requires everyone across the organization to perform at their best to achieve success. Leaders need to ensure that employees are able to make the link between specific performance and compensation, and fully understand how they are rewarded for their performance.

The Company's compensation philosophy is pay-for-performance. The Company continues to differentiate compensation and rewards based on performance and contribution of the employees to drive high-performing culture. Our compensation objectives as an organization are the following:

- Provide flexibility to differentiate compensation for top talent.
- Maintain competitiveness with the external market.
- Prudently manage our compensation expense.
- Attract, retain, motivate, and reward employees at all levels through competitive compensation structures.
- Focus on the execution of our strategic plan.
- Maintain alignment with shareholder interests.

Global Recognition Program

Podium is Manulife's global digital platform to appreciate and recognize colleagues who bring our core values to life through their actions. Regular full-time and regular part-time employees of the Company or designated subsidiaries can both give and receive recognition through Podium.

Podium gives employees unlimited chances to say, "Thank you" to colleagues globally in the digital platform and recognize colleagues in additional fun ways by using award categories like "High Fives", "Applause," and "Take a bow," with equivalent award values per category. Employees can redeem their Podium points any time for a variety of options, including shopping, dining, entertainment, charity and more.

Training and Development

Manulife Investment Management continues to invest in employee development as employees started settling into the new normal. As our industry and the whole organization evolve, it is critical that employees continue to develop and grow so they can grow individually while helping meet Manulife's strategic priorities.

In addition to the regular training sessions anchored on Customer Centricity and Leadership Development programs, the Company continues to leverage its online learning platform Pursuit, empowering employees to discover and develop business, technology-related, and creative knowledge and skills through expert-led courses and videos.

Introduced in 2021, Pursuit includes a broad portfolio of programs, courses and tools that offer personalized learning plans for employees to continue growing their skills and capabilities. By the end of 2022, Pursuit has been upgraded into a fully automated, AI-powered learning experience for fast and easy access to all employees' learning needs.

Because of the Company's "always learning culture," more positive developments have been achieved in 2022.

- Employees can earn badges to showcase their commitment to learning and celebrate new skills
 - For employees that complete 22 hours of learning in Pursuit for 2022, they can earn **22 in 2022** badges.
 - For employees who complete learning around Agile, Human-Centred Design (HCD), Advanced Analytics & Artificial Intelligence, and Net Promoter Score (NPS), they can earn a **New Ways of Working Enthusiast** badge.
- Employees can access our **Pursuit Learning Pathway** for specially curated learning activities that include:
 - Getting to Know Risk Management
 - Your Role in Managing Risk
 - Risk Appetite
 - Cybersecurity

Fuel-Up Fridays

To further promote the importance of continuous learning and development at Manulife Investment Management, the Company continued to hold its Fuel Up Fridays, where every afternoon of the second Friday of each month is focused on learning and development. This initiative, which started in 2021, provided employees with specific focus areas as learning sessions so they can acquire new sets of knowledge and skills that can help advance their personal and professional growth. Some of the sessions in 2022 included Embracing Transformation and Change, Communicating with Impact; Feedback, Recognition and Resilience; Data Governance and Analytics, Improving Your Wellness, The Importance of Managing Risk, among others.

Employee Health and Wellness

The Company prioritizes the health and well-being of its employees, ensuring that everyone leads a healthier and more balanced life. In 2022, we continue to partner with Human Dynamic, one of the leading consultancy companies globally that provide a Work Life Coaching program to employees so they can learn to better manage personal and work-related challenges and help improve their mental wellness.

The Work Life Coaching program provides personal work-life coaches to support our employees and their families, so that they have the resources to balance their work and personal priorities effectively. Sessions of this program include confidential one-on-one coaching, theme-based interventions, engaging formats and qualified experienced coaches.

Extra five days off

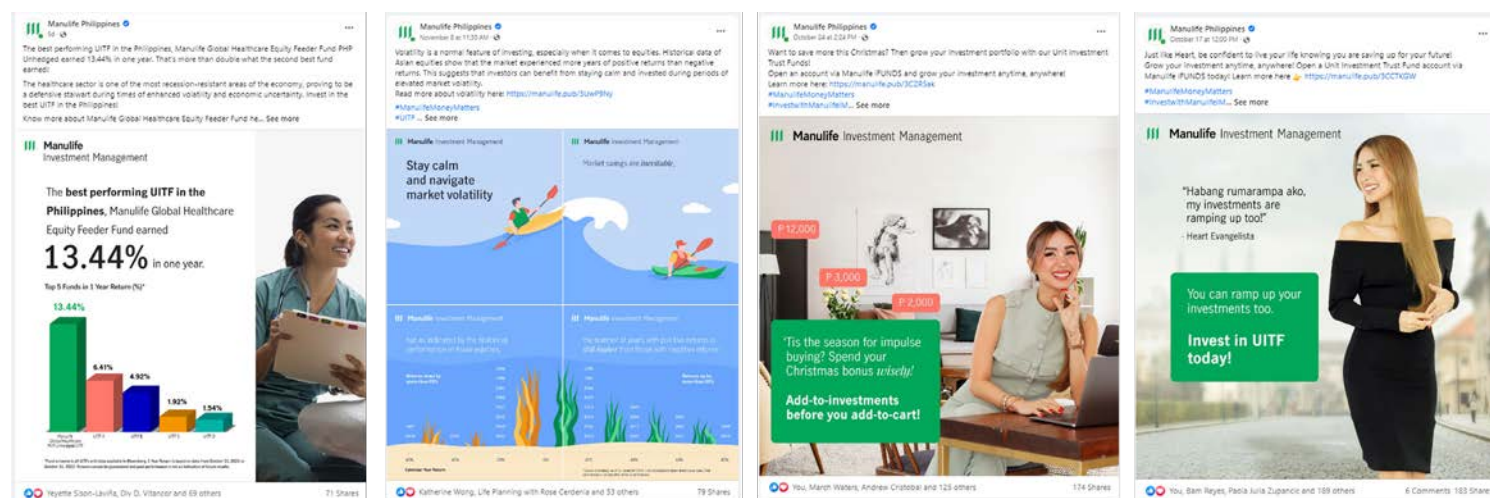
Manulife also offered five additional days of paid leave in 2022 so employees can take some meaningful time away from work. The Company aimed to show deep appreciation of the extraordinary efforts and sacrifices of its team members as they navigated the challenges brought by the pandemic. It was also an important initiative so employees can unplug, recharge, and reenergize, prioritizing both their physical and mental health.



Special feature

Leveraging digital platforms to bolster investor education

As more and more Filipinos use digital platforms for financial education to enable them to make informed investment decisions, Manulife Investment Management conducted webinars and launched digital campaigns covering varied topics like global market updates, economic outlook, investor education and fund performance. With nearly one hundred social media posts supporting these digital campaigns, the Company attracted more than 2,000 potential investors who are seeking ways to start their investment journey.



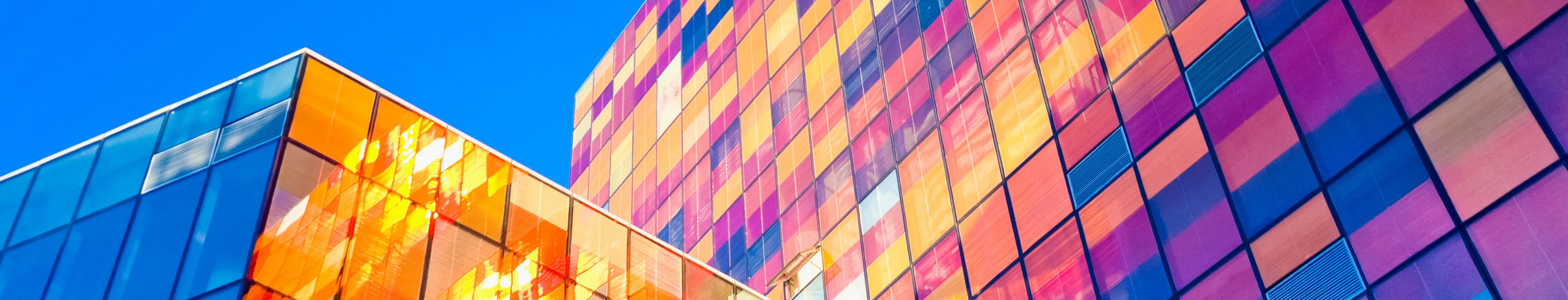
In line with Manulife Investment Management's commitment to continually promote the value of investments in advancing financial goals, the Company conducted webinars that shared relevant market trends and developments, as well as actionable insights that investors can capitalize in navigating market challenges and volatilities.

In the webinar "The Year Ahead: Reshaping portfolios for an evolving investment landscape," the resource speakers discussed the economic outlook and the challenges and opportunities that can influence market returns.



Meanwhile, in the webinar "Seizing Opportunities in times of uncertainty," the resource speakers shared their views on global market conditions and the asset classes that were expected to stay resilient despite the challenging environment.





Financial Inclusion Initiatives

We are committed to stay true to our mission as we work towards helping more and more people achieve their *financial aspirations* through innovative solutions for managing their wealth.

Making investments more affordable and accessible

In 2022, Manulife Investment Management reduced the minimum initial investment, maintaining balance and transaction amounts for all the peso unhedged share classes of its non-income paying UITFs from P5,000 to just P1,000, making it easier for investors to begin their investment journey and build a diversified wealth portfolio. Alongside this, the Company removed the minimum holding period and early redemption fee for all its UITFs, giving investors greater flexibility to access their investments for their liquidity needs.

Manulife Investment Management

Grow and diversify your wealth with our Unit Investment Trust Funds! Start for as little as **PHP1,000 or USD100.**

No holding period. No early redemption fee.

Reaching out to a broader set of investors

Aligned with its goal to empower more people to achieve their financial aspirations, Manulife Investment Management partnered with two of the country's leading online financial services providers, COL Financial Group, Inc. and First Metro Securities Brokerage Corporation, becoming the first UITF product provider on the COL Fund Source and FMSec FundsMart, respectively. Through these partnerships, the Company further expands its reach, providing more investors with access to a diverse range of first in the market UITFs, including income-paying funds and regional and global market funds.

FirstMetroSec Metrobank Group | Manulife Investment Management

UITFs 101

Unit Investment Trust Funds with MIMTC

April 22, 2022 | 4:30pm - 6:00pm

<p>ANDOY BELTRAN Business Development Head FirstMetroSec</p>	<p>NED CHANCO Wealth Sales Officer Manulife Investment Management</p>
<p>ZED MATURIS Head of Wealth Sales Manulife Investment Management</p>	<p>YVETTE CARLOS Wealth Sales Officer Manulife Investment Management</p>



Environmental, Social and Governance

Focus on sustainability

Manulife's Impact Agenda: Building a better business to better the world

Decisions made easier. Lives made better. These are Manulife's reasons for being. It is core to who the Company is and what its journey is all about.

Manulife Investment Management is staying true to Manulife's purpose by creating long-term value for its business, communities, and the planet. Through Manulife's Impact Agenda, the Company commits itself and its resources to continue making lives better through three interconnected areas of focus.



Empower sustained health and wellbeing

For a company in the business of building financial resilience, empowering physical and financial well-being creates business value while achieving strong societal benefits. That's why it's important for Manulife to make it easy for anyone to choose healthier behaviors and smarter financial solutions that help lay the foundation of a good life for all.



Drive inclusive Economic opportunity

In business and in life, a diversity of perspectives makes for a solid organization, helping open opportunities for all, champion underrepresented groups and make financial solutions more accessible. Manulife aims to help level the playing field by giving everyone a fair shot at success.



Accelerate a Sustainable future

As a company that wants to help their customers be more resilient health-wise and wealth-wise, Manulife works to protect and restore the environment. The Company believes that people cannot be healthy if they live on an unhealthy planet. Climate change is impacting people's ability to breathe clean air, access safe drinking water, and safeguard against natural disasters. That's why Manulife is doing its part to help preserve the planet.

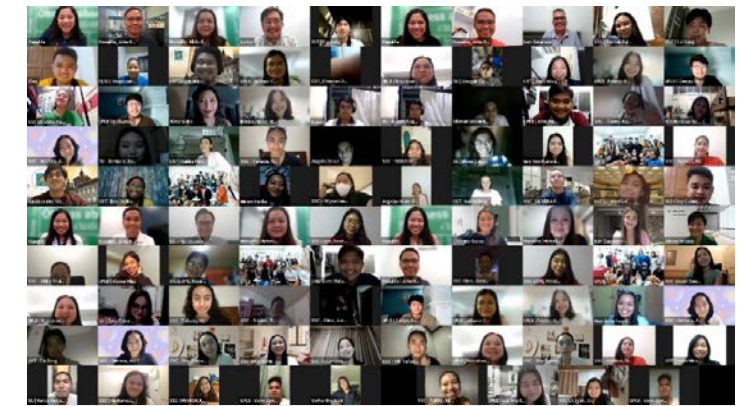
Manulife Investment Management has made significant inroads in reducing the use of paper in its business with 98% of its UITF account opening transactions done through Manulife iFUNDS, its easy-to-use and secure digital investment platform. Alongside this, settlement of all UITF transactions are done digitally through the Company's accredited financial institutions.



Financial education through Peso Smart

Peso Smart University

In November 2022, Manulife Investment Management, together with Manulife Philippines, held a four-part virtual Peso Smart University class attended by 300 university students who learned more about personal finances, as well as explored a career as a financial advisor. Manulife Investment Management also provided insights on investments and unit investment trust funds (UITFs) so students can also learn about the value of growing their money. Peso Smart University students included Gawad Kalinga scholars who study at various universities, along with students from Silliman University, St. Scholastica's College Manila, University of Santo Tomas, and University of the Philippines-Los Baños.



Impact Agenda Pillar in Focus: Empowering sustained health and well-being

Protecting Banaue Rice Terraces from climate change impacts

Globally, Manulife has partnered with the National Geographic Society to better understand and mitigate the impact of climate change on significant heritage sites around the world and to secure the financial well-being of communities that rely on these places for their livelihoods. One of the chosen sites is the Cordillera Rice Terraces.



Fueling up on diversity, equity, and inclusion (DEI)

Manulife lives by its mission to make decisions easier and lives better. Foundational to the Company's success is ensuring that all its employees, customers, and partners are respected and feel connected to each other, and are treated with equity and dignity.

Promoting DEI in the Workplace

When people feel a sense of community and belongingness, they bring their authentic and whole selves to work. It is Manulife's commitment to create safe spaces for them so they can share their personal stories and enable them to thrive personally and professionally.

Employee Resource Groups

Employee Resource Groups (ERGs) also play an important role in implementing Manulife's DEI strategy, providing valuable support and advice, creating community connection, and raising awareness of issues, challenges, and initiatives. They provide insights to DEI issues that are top of mind for employees, identify opportunities where the Company can play a stronger role, and hold it accountable to its DEI strategy and commitments.

ERGs are voluntary, employees-led networks that provide members meaningful, personal, and professional development opportunities and are fundamental to achieving an inclusive and equitable workplace.

Below are Manulife Philippines' ERGs, which are open to Manulife Investment Management employees:



The **Global Women's Alliance (GWA)** aims to support and encourage the recruitment, development, and advancement of women throughout the organization by providing a network and opportunities in which women can be mentored, share experiences, and have fulfilling careers with Manulife.

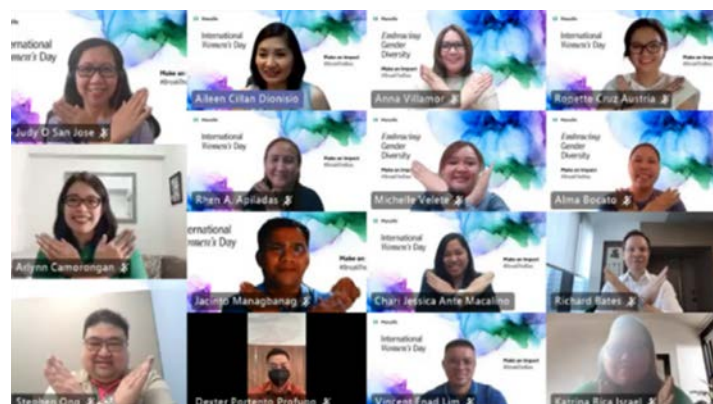


Professionals Reaching out for Unity and Diversity (PROUD) promotes an inclusive workplace for LGBTQIA+ employees to promote their full and unencumbered contribution to Manulife.

Below are the initiatives and events hosted by Manulife's ERGs in 2022:

GWA's "Success Knows No Gender #BreakTheBias"

talked about breaking stereotypes, thriving in gender-neutral roles, and embracing diversity to truly build an inclusive world.



GWA's "**I Learned Them from Nanay: Tales of empowering maternal love**" tackled how mothers play an important role in one's childhood and adulthood, as they nurture a supportive, loving and caring attitude among people, who can then help foster an inclusive environment and create safe spaces for all.



PROUD launched its PROUD Viber Stickers to support the LGBTQIA+ community and engage them through fun, colorful and empowering stickers that help promote more inclusive interactions and conversations.

GWA's "**Finding your Confidence**" special session shared lessons on confidence, leadership, and the power of self-promotion among Manulife employees to further empower women to seek advancement and development professionally and personally.

Products & Services



New Funds Launched in 2022

The Company launched four new unit-investment trust funds (UITFs) in 2022. This further expands our list of fund options that our clients can use to diversify their investment portfolio on the way to achieving their financial goals.

The four new funds include three equity funds to capture investment opportunities in powerful global trends and one defensive fixed income strategy focused on the attractive opportunities in Asian bonds.

Manulife Global Technology Equity Feeder Fund

From process automation to big data, digitalization shapes our world today. More and more businesses are embarking on the digital journey and adopting digital tools to remain competitive. The diversity of technology sub-sectors and the prevalence of technology in daily life make a strong argument for treating technology as a core element of investor portfolios..

The Fund aims to achieve capital appreciation by investing in companies expected to benefit from the development, advancement and use of technology.

Manulife Global Thematic Opportunities Equity Feeder Fund

Investing in global equities using a thematic approach is very different from traditional investment styles. Fund Managers identify themes underpinned by secular megatrends set to structurally change the way we live, how society operates, and how business gets done. Stocks representing different themes are selected based on how well the managers believe these stocks are positioned for the future as it's defined by these deep structural changes.

The Fund aims to achieve capital growth by investing in companies throughout the world. It also aims to achieve a positive environmental and social impact by investing mainly in companies that benefit from global longterm themes resulting from secular changes in economic, social and environmental factors such as demographics, lifestyle or regulations.

Manulife Global Clean Energy Equity Feeder Fund

Clean energy promises a better and smarter future, not just in power generation, but also in a range of innovative technologies and applications including green buildings, efficient manufacturing and smart electric vehicles.

The Fund aims to achieve capital growth by investing in companies that contribute to the reduction of carbon emissions. It also aims to achieve a positive environmental and social impact by investing in companies supporting the structural change towards a sustainable, low-carbon economy, helping to reduce greenhouse gas emissions and air pollution

Manulife Asia Short Duration Bond Feeder Fund

Not all bonds are created equal. Investment-grade or high-grade bonds are believed to have lower risk and thus, receive higher ratings from credit rating agencies like Moody's, S&P, and Fitch. Short-term investment-grade bonds can help provide balance to an investment portfolio, particularly in a rising interest rate environment, because of their stronger credit quality and higher resiliency to interest rate movements.

The Fund aims to provide investors with long-term capital appreciation at a relatively lower volatility by investing in a portfolio of high-quality short duration fixed income securities issued by governments, agencies, supra-nationals and corporations in Asia.



Money Market Fund

The Fund is a money market fund that seeks to preserve capital and generate income by investing in fixed income securities and deposits with maximum remaining term to maturity of up to one (1) year.

- suitable for clients with low risk appetite
- seeks to preserve principal and generate yields that are competitive with short-term rates
- a steady holding place while awaiting other investment opportunities

Fixed Income Funds

Stable Income Fund

The Fund is a bond fund that seeks to preserve capital and generate income by investing in fixed income securities with maximum remaining term to maturity of up to five (5) years. This Fund offers the following key value propositions:

- potential to generate higher yields than a savings or time deposit account
- can be considered as safer haven investment during times of high market volatility

Income Builder Fund

The Fund is a bond fund that seeks to achieve stable and long-term growth by investing in government securities and/or high quality corporate debt securities and other liquid fixed income instruments. This Fund offers the following key value propositions:

- diversified exposure to the local bond market
- potential for capital appreciation
- active duration management backed by global and local insights

Asia Dynamic Bond Feeder Fund

The Fund is a bond UITF structured as a feeder fund that aims to maximize total return by investing its assets in a bond collective investment scheme (CIS), the Target Fund, that invests in a diversified portfolio of fixed income securities, issued by governments, agencies, supra-nationals and corporate issuers located primarily in Asia and other allowable investments. This Fund offers the following key value propositions:

- flexible portfolio that dynamically allocates across hard and local currency Asia bonds

- seeks to derive returns from interest rate, credit and currency opportunities within a risk-controlled investment approach

Equity Funds

Equity Wealth Fund

The Fund is an equity fund that seeks to achieve long-term capital appreciation by investing in stocks listed on the Philippine Stock Exchange, fixed income securities and other liquid fixed income instruments. This Fund offers the following key value propositions:

- diversified exposure to the local equity market (PSE)
- disciplined investment process supported by extensive research based on Growth, Cash Flow, Management & Valuation (GCMV) + Catalyst analysis + proprietary financial models

Dragon Growth Equity Feeder Fund

The Fund is an equity UITF structured as a feeder fund that aims to maximize return by investing its assets in an equity collective investment scheme (CIS), the Target Fund, that aims to achieve capital growth by investing at least 70% of its net assets in a diversified portfolio of equity related securities of public companies which are listed in Hong Kong, and/or, although not listed in Hong Kong, are listed on a stock exchange in any other jurisdiction and have substantial business interests in Hong Kong and/or China. This Fund offers the following key value propositions:

- access to China's large domestically-driven economy
- exposure to China's transformative growth story

American Growth Equity Feeder Fund

The Fund is an equity UITF structured as a feeder fund that aims to maximize return by investing its assets in an equity collective investment scheme (CIS), the Target Fund. The Target Fund aims to achieve capital growth by investing at least 70% of its net assets in securities of a carefully selected list of large capitalization North American companies, with main emphasis on the U.S. It may also invest its remaining assets in smaller and medium-sized listed companies. Such equity and equity related securities include common stocks, preferred stocks and depositary receipts. This Fund offers the following key value propositions:

- access to the US market
- distinct portfolio of companies with sustainable competitive advantages
- growth and value opportunities from a time and market-tested research framework

Asia Best Select Equity Fund

The Fund seeks to achieve capital growth by investing primarily in a diversified portfolio of securities of companies listed on stock markets in and/or incorporated in and/or with significant business interests in Asia including Australia, Hong Kong, Indonesia, Malaysia, New Zealand, the PRC, Philippines, Singapore, South Korea, Taiwan, Thailand, Vietnam and Pakistan, but not in Japan. This Fund offers the following key value propositions:

- access to Asia's best-in-class companies
- focused portfolio with rigorous selection process based on Growth, Cash Flow, Management and Valuation (GCMV) framework
- long-term outperformance potential

Asia Pacific REIT Fund of Funds

The Fund is a unit-paying equity fund of funds that seeks to achieve long-term capital appreciation and generate income by investing primarily in a diversified portfolio of exchange-listed real estate investment trusts (REITs) in the Asia Pacific region and other allowable investments. This Fund offers the following key value propositions:

- diversified portfolio of high-quality retail, commercial, hotels and industrial REIT holdings across Asia-Pacific
- income payout
- long-term growth potential

Global REIT Feeder Fund

The Fund is a unit-paying equity UITF structured as a feeder fund that aims to maximize total return by investing its assets in a collective investment scheme (CIS), the Target Fund. The Target Fund aims to provide income and medium to long term capital growth by investing at least 70% of its assets in real estate investment trusts (REITs) listed and traded globally.

The Target Fund may also invest up to 30% of its net assets in real estate securities other than REITs and/or cash and cash equivalents.

- Access to a global portfolio of REITs
- Sustainable income and potential capital appreciation
- Diversification benefits

Global Healthcare Equity Feeder Fund

The Fund is an equity UITF structured as a feeder fund that aims to maximize total return by investing its assets in a collective investment scheme (CIS), the Target Fund. The Target Fund aims to provide medium to long term capital growth by investing mainly in equity and equity-related securities in health care and related industries globally, which are listed on any stock exchange. It may also invest in companies which derive a significant portion of their earnings from medical and pharmaceutical products and services. The remaining assets may include bonds and deposits.

- Seeks to outperform the market by projecting breakthrough medical advances
- Well-positioned to benefit from an aging population and rising healthcare costs
- Investing in innovative companies that offer medical solutions for unmet medical needs

India Equity Feeder Fund

The Fund is an equity UITF structured as a feeder fund that aims to maximize total return by investing all or substantially all of its assets in a collective investment scheme (CIS), the Target Fund. The Target Fund aims to provide long term capital growth for those investors who hold a long-term investment view and are prepared to accept significant fluctuations in the value of their investments. At least 70% of its net assets will be invested in equity and equity related securities of companies covering the different sectors of the Indian economy and which are listed on a stock exchange either in India or on any stock exchange. Such equity and equity related securities include common stocks, preferred stocks and depositary receipts. The remaining assets of the Target Fund may include bonds and deposits

- Attractive growth opportunities in a rising economic powerhouse
- Long-term growth is set to accelerate
- Solid performance track record

Multi-Asset Fund

Global Preferred Income Feeder Fund

The Fund is a unit-paying balanced UITF that aims to maximize total return by investing all or substantially all of its assets in a collective investment scheme (CIS), the Target Fund, that aims to provide income generation with potential long term capital appreciation. The Target Fund invests at least 70% of its net assets in preferred securities listed or traded on any regulated market in the world, which include preferred stocks and subordinated debt securities. The Target Fund may invest its remaining assets in other debt securities and cash and cash equivalent. This Fund offers the following key value propositions:

- income payout and long-term growth potential
- favorable yields
- high quality securities traded in global markets

Global Multi-Asset Diversified Income Feeder Fund

The Fund is a unit-paying balanced UITF structured as a feeder fund that aims to maximize total return by investing its assets in a collective investment scheme (CIS), the Target Fund. The Target Fund aims to achieve income generation by investing at least 70% of its assets in a diversified portfolio of equity, equity-related securities, fixed income, and fixed income-related securities of companies and/or governments globally (including EMs). The remaining assets may be invested in cash and/or cash equivalents.

- targets to generate income through multiple sources
- diversification benefits from a wide range of income-generating assets across regions
- seeks to provide buffer against market downside through a flexible investment mandate

Institutional Investment Solutions

The Company offers a broad range of investment solutions, including customized investment management services to institutional clients. Leveraging Manulife's global and regional capabilities, the Company aims to provide institutional clients with customized wealth solutions that are designed based on their risk and return objectives

Manulife iFUNDS

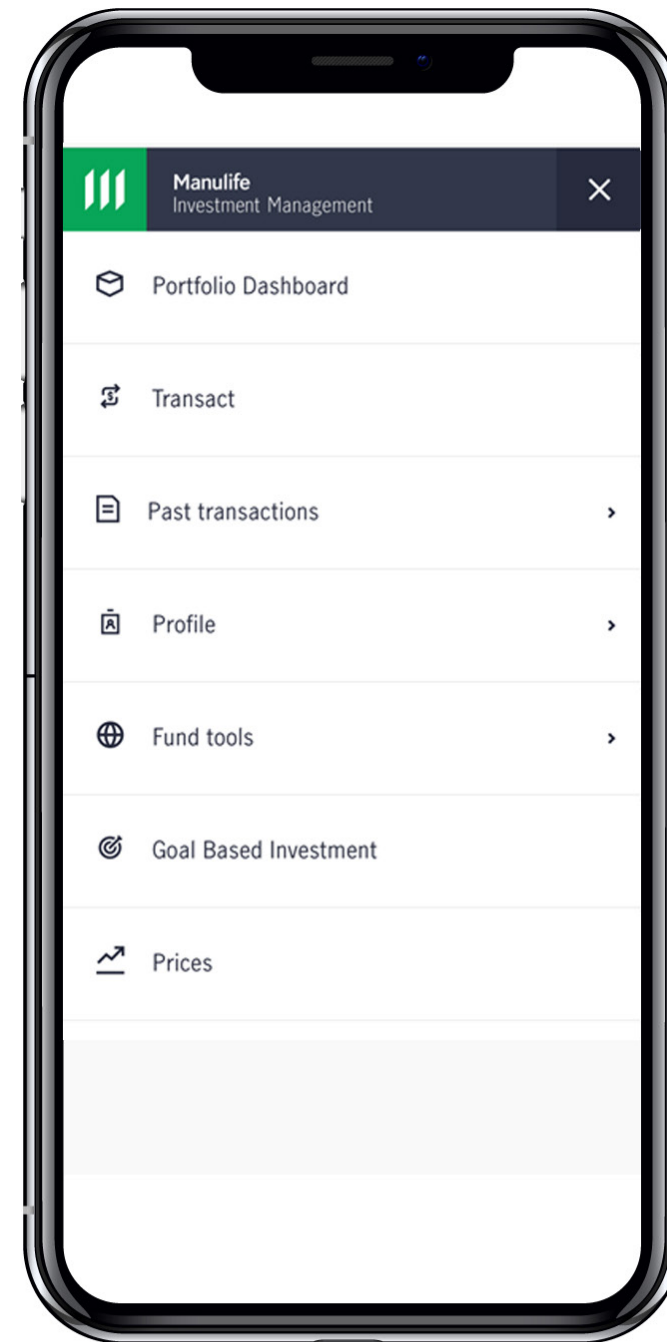
We believe that investing should be an easy, convenient and pleasant experience and in this age of the new normal, a digital investment platform is an indispensable tool to make this a reality.

Manulife iFUNDS is an integrated online investment tool that provides an inclusive digital experience for both our clients and Wealth Specialists. With this digital tool, investing is easier than ever - clients and Wealth Specialists can do their transactions in a convenient and safe way, anytime, anywhere!

What can Manulife iFUNDS do for you

For Wealth Specialists:

- Online onboarding – open an account for a customer
- Client account viewing – provide portfolio recommendations based on the customer's current holdings, risk profile and investment objectives
- Pre-sale functionalities – engage in contextual investment conversations through 'Goal-based investment' and 'What-if Analysis' functionalities.
- Sales dashboard – track total account value requirement to achieve
- Target trailer income
- Price discovery – view current prices of Manulife UITFs



For Individual Customers:

- Transact – subscribe, top-up, add funds, switch, redeem and monitor account values
- Regular Savings Plan – enroll in automated regular top-ups to chosen UITFs
- Transaction history – check transaction history since start of investment
- Statement of Account – view & download monthly statement of account
- Goal-based investment – estimate required investments to achieve a target portfolio value
- What-if Analysis – compare the investment performance of a Manulife UITF versus asset return or another Manulife UITF
- Fund screener – screen Manulife UITFs based on certain criteria (e.g. actual return, asset class, risk rating and currency)
- Price Discovery – view current prices of Manulife UITFs
- Client Suitability Assessment – update investment risk profile as circumstances warrant

As people continue to look for an easy, convenient and most importantly, a safe platform to grow their investments, Manulife iFUNDS provides an intuitive and no fuss way to do just that, innovative wealth solutions to make decisions easier and lives better!





Independent Auditor's Report

The Board of Directors and Stockholders

Manulife Investment Management and Trust Corporation



Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Manulife Investment Management and Trust Corporation (formerly known as Manulife Asset Management and Trust Corporation) (the Company), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Report on the Supplementary Information Required Under Bangko Sentral Ng Pilipinas (BSP) Circular No. 1075 and Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under BSP Circular No. 1075 in Note 21 and Revenue Regulations 15-2010 in Note 22 to the financial statements is presented for purposes of filing with the BSP and Bureau of Internal Revenue, respectively, and is not a required part of the basic financial statements. Such information is the responsibility of the management of Manulife Investment Management and Trust Corporation.



Bernalette L. Ramos

Partner

CPA Certificate No. 0091096

Tax Identification No. 178-486-666

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 91096-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-081-2021, February 1, 2021

Valid until January 31, 2024

PTR No. 9564685, January 3, 2023, Makati City

April 13, 2023

The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Statements of Financial Position

	December 31	
	2022	2021
Assets		
Current Assets		
Cash and cash equivalents (Note 5)	Php 259,136,141	Php 219,463,654
Due from related parties (Notes 19 and 20)	38,457,957	63,927,009
Receivables (Note 6)	14,640,293	8,398,391
Financial assets at fair value through other comprehensive income (Note 8)	33,697,070	50,593,600
Other current assets (Note 7)	96,925,489	88,802,975
Total Current Assets	442,856,950	431,185,629
Noncurrent Assets		
Financial assets at fair value through other comprehensive income (Note 8)	365,167,050	353,176,000
Property and equipment (Note 9)	8,531,885	11,695,501
Software costs (Note 10)	7,444,233	9,198,232
Deferred tax assets (Note 18)	5,211,315	101,825
Total Noncurrent Assets	386,354,483	374,171,558
Total Assets	Php 829,211,433	Php 805,357,187
Liabilities And Equity		
Current Liabilities		
Accounts payable and accrued expenses (Note 11)	Php 41,315,424	Php 46,051,757
Due to related parties (Note 19)	35,670,031	79,187,641
Lease liability (Note 16)	2,808,597	3,277,580
Other liabilities (Note 12)	41,967,962	55,523,515
Total Current Liabilities	121,762,014	184,040,493
Noncurrent Liabilities		
Lease liability (Note 16)	-	3,498,799
Pension liability (Note 17)	7,049,250	11,531,710
Total Noncurrent Liabilities	7,049,250	15,030,509
Total Liabilities	128,811,264	199,071,002
Equity		
Capital stock (Note 13)	300,000,000	300,000,000
Retained earnings	414,652,542	303,740,500
Remeasurement losses on pension plan (Note 17)	3,502,556	(1,105,773)
Unrealized gains on financial assets at fair value through other comprehensive income (Note 8)	(17,754,929)	3,651,458
Total Equity	700,400,169	606,286,185
Total Liabilities and Equity	Php 829,211,433	Php 805,357,187

See accompanying Notes to Parent Company Financial Statements.

Statements of Comprehensive Income

	Years Ended December 31		Years Ended December 31	
	2022	2021	2022	2021
Revenue				
Trust fees (Note 14)	Php 478,216,292	Php 431,861,504		
Expenses				
Compensation and employee benefits (Note 15)	121,254,996	116,330,151		
Commission	35,359,495	32,451,782		
Information technology	34,986,977	25,673,568		
Advisory fees	34,264,927	26,533,395		
Taxes and licenses	33,530,567	31,929,374		
License fees	30,966,914	28,001,275		
Service fees (Note 19)	24,199,625	24,327,481		
Advertising and promotion	15,489,448	21,725,184		
Depreciation and amortization (Notes 9 and 10)	12,139,048	11,386,735		
Utilities	874,493	530,170		
Entertainment, amusement and recreation	478,148	273,109		
Professional fees	422,067	2,074,754		
Finance charges	219,302	322,794		
Reversal of provision for credit losses (Note 8)	(97,700)	(405,257)		
Others	5,886,292	7,107,633		
	349,974,599	328,262,148		
Income from operations	128,241,693	103,599,356		
Other income (expense)				
Interest income (Notes 5 and 8)	15,408,548	13,237,027		
Interest expense on lease liability (Note 16)	(296,054)	(867,593)		
Foreign currency exchange gains (losses) - net	(2,978,278)	(2,797)		
Other income	855,556	245,875		
Income before income tax	141,231,465	116,211,868		
Provision for income tax (Note 18)	30,319,423	31,933,556		
Net income	Php 110,912,042	Php 84,278,312		
			Other comprehensive income (loss)	
			Items that may be reclassified to the statement of income in subsequent periods:	
			Net changes in fair value of financial assets at fair value through other comprehensive income (Note 8)	(21,296,082) (14,152,839)
			Income tax effect on net changes in fair value of financial assets at fair value through other comprehensive income (Note 18)	(110,305) (208,002)
			Item that may not be reclassified to the statement of income in subsequent periods:	
			Remeasurement losses on pension plan (Note 17)	4,608,329 9,751,155
				(16,798,058) (4,609,686)
			Total Comprehensive Income	Php 94,113,984 Php 79,668,626
			See accompanying Notes to Parent Company Financial Statements.	

See accompanying Notes to Parent Company Financial Statements.

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

	Capital Stock (Note 13)	Retained Earnings (Note 13)	Remeasurement Losses on Pension Plan (Note 17)	Unrealized Gains (Losses) on Financial Assets at FVOCI (Note 8)	Total
As at January 1, 2022	Php 300,000,000	Php 303,740,500	(Php 1,105,773)	Php 3,651,458	Php 606,286,185
Net income	-	110,912,042	-	-	110,912,042
Other comprehensive income (loss)	-	-	4,608,329	(21,406,387)	(16,798,058)
Total comprehensive income (loss) for the year	-	110,912,042	4,608,329	(21,406,387)	94,113,984
As at December 31, 2022	Php 300,000,000	Php 414,652,542	Php 3,502,556	(Php 17,754,929)	Php 700,400,169
As at January 1, 2021	Php 300,000,000	Php 219,462,188	(Php 10,856,928)	Php 18,012,299	Php 526,617,559
Net income	-	84,278,312	-	-	84,278,312
Other comprehensive income (loss)	-	-	9,751,155	(14,360,841)	(4,609,686)
Total comprehensive income (loss) for the year	-	84,278,312	9,751,155	(14,360,841)	79,668,626
As at December 31, 2021	Php 300,000,000	Php 303,740,500	(Php 1,105,773)	Php 3,651,458	Php 606,286,185

See accompanying Notes to Parent Company Financial Statements.

Statements of Cash Flows

	Years Ended December 31		Years Ended December 31	
	2022	2021	2022	2021
Cash Flows From Operating Activities				
Income before income tax	Php 141,231,465	Php 116,211,868		
Adjustments for:				
Interest income (Notes 5 and 8)	(15,408,548)	(13,237,027)		
Depreciation and amortization (Notes 9 and 10)	12,139,048	11,386,735		
Unrealized foreign exchange gain - net	(6,806,608)	(1,936,225)		
Interest expense on lease liability (Note 16)	296,054	867,593		
Gain on sale of property and equipment (Note 9)	(268,141)			
Reversal of provision for credit losses (Note 8)	(97,700)	(405,257)		
Operating income before changes in working capital	131,085,570	112,887,687		
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Amounts due from related parties	25,469,052	(32,724,001)		
Receivables	(5,635,291)	(131,960)		
Other assets	(8,122,514)	(34,705,023)		
Increase (decrease) in:				
Accounts payable and accrued expenses	(4,736,333)	14,646,670		
Amounts due to related parties	(43,517,610)	30,035,229		
Pension liability	(125,869)	2,796,734		
Other liabilities	(13,555,552)	2,125,029		
Net cash from operations	80,861,453	94,930,365		
Interest received	16,436,841	16,136,581		
Interest paid	(296,054)	(867,593)		
Income tax paid (including creditable withholding taxes)	(37,075,325)	(26,444,670)		
Net cash generated from operating activities	59,926,915	83,754,683		
Cash Flows From Investing Activities				
Acquisitions of:				
Financial assets at fair value through other comprehensive income (Note 8)	(Php 68,125,095)	(Php 117,946,556)		
Property and equipment (Note 9)	(2,715,756)	(1,696,227)		
Software costs (Note 10)	(5,355,785)	(5,195,810)		
Proceeds from maturities of financial assets at fair value through other comprehensive income (Note 8)	50,000,000	50,000,000		
Net cash used in investing activities	(26,196,636)	(74,838,593)		
Cash Flows From Financing Activities				
Payment of principal portion of lease liability (Note 16)	(3,967,782)	(2,405,348)		
Effect Of Exchange Rate Changes On Cash	9,909,990	1,936,225		
Net Increase In Cash	39,672,487	8,446,967		
Cash At Beginning Of Year	219,463,654	211,016,687		
Cash at End of Year	Php 259,136,141	Php 219,463,654		
See accompanying Notes to Parent Company Financial Statements.				

(Forward)



Manulife Investment Management

Manulife Investment Management and Trust Corporation
10th Floor NEX Tower, 6786 Ayala Avenue, Makati City, 1229
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