

 **Manulife** Investment Management

## Annual Report

Seizing new opportunities  
to build a better normal

# 2021

 **Manulife** Investment Management

**Manulife Investment Management and Trust Corporation**  
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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 19 geographies. 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](http://manulifeim.com).

# 2017

Founding Year

# US\$ 3.2 Billion

Assets Under Management

# US\$ 1.9 Million

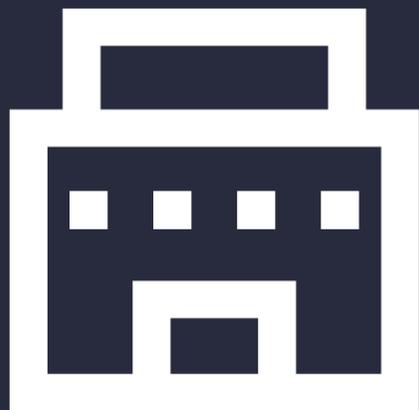
Core Earnings

# US\$ 36 Million

Net Flows

# >12,000

Number of Customers



# Message from the Chairman

## Gianni Fiacco, CPA, CA

Chairman of the Board  
Manulife Investment Management and Trust Corporation



We look back on 2021 as a year of challenges and changes that have tested us, pushed us to new ways of working, living, and interacting with our customers and partners. We have demonstrated our resilience and professionalism and we owe a great deal of thanks to the remarkable efforts of our people. While a great deal of uncertainty remains and we expect to see continued operating volatility in the year ahead, we will remain resilient. We will continue to pursue opportunities to drive our business forward with new and innovative product offerings, leveraging our strong global capabilities to complement our domestic investment capabilities and we will continue to broaden our distribution channels.

### Delivering strong results in difficult times

Against a challenging backdrop, I am pleased to share with you that Manulife Investment Management and Trust Corporation delivered strong results with assets under management (AUM), net income and net flows rising by 9% year-on-year, 8% year-on-year and 126% year-on-year, respectively, buoyed by our people's resilience and relentless efforts to navigate challenges, and the more favorable market backdrop and overall investment performance of our funds. Alongside this, we made tremendous progress in driving the adoption of Manulife iFUNDS, our

digital investment platform, with new accounts adoption rate reaching 86% by end of the year, facilitating the 43% year-on-year growth in our retail customer base.

Leveraging the global investment platform of Manulife Investment Management, we launched differentiated unit investment trust funds (UITFs) that cater to varied investment needs, goals, and risk appetites. Cognizant of the importance of recurring income streams, we expanded our range of income-paying UITFs with the launch of Manulife Global Multi-Asset Diversified Income Feeder Fund and Manulife Global REIT Feeder Fund, providing our clients access to traditional and non-traditional income-generating global asset classes. We connected with our clients and distribution channels virtually, providing us a platform to share meaningful investment insights that can be referenced in making important investment decisions.

### The year ahead

Diversifying the sources of growth of our business is critical amid the crosscurrents of the pandemic, ongoing geopolitical tensions, and the upturn in inflation, which comes with rising interest rates and unwinding of monetary stimulus globally.

Aligned with our goal to make investing more accessible to more people, we will forge new partnerships to expand our market reach, optimize our captive agency distribution channel and continue to leverage technology to connect with a broader range of investors and enhance our clients' overall experience to make their interactions with us even more seamless.

### Thank you

On behalf of the Board of Directors, I would like to express my heartfelt gratitude to everyone who have provided us steadfast support throughout an exceptionally challenging year. Against the backdrop of a rapidly evolving macro environment, we are focused on positioning our business for new growth opportunities, as we aim to stay in the forefront of providing distinctive investment solutions that are responsive to the investment needs of our clients.

# Message from the President & CEO

## Macaria Trinidad Gaspar, CFA

President & Chief Executive Officer  
Manulife Investment Management and Trust Corporation



can use to adjust their investment portfolios according to their unique preferences and goals. Aligned with our goal to offer investment solutions that meet different needs, we launched the Manulife Money Market Fund, providing our clients a stable holding facility while awaiting other investment opportunities. Alongside this, we conducted virtual learning sessions that imparted relevant insights and knowledge for investors to capitalize in making more informed investment decisions. Together with the higher adoption of Manulife iFUNDS, our intuitive and secure digital investment tool, these initiatives helped deliver the record increase in our client base and net flows to over 12,000 and Php1.8 billion, respectively, despite the continued challenges of the pandemic. By end of the year, our total assets under management (AUM) rose to Php162.6 billion, enabling us to grow our net income to Php84.3 million.

### Bringing our values to life

Our people's resilience and unwavering commitment to our mission and values have made us an even stronger company. I am immensely proud of the strength of our culture, underpinned by the relentless focus of our people to rise to challenges and make a positive impact, collectively and individually. Amid the pandemic-induced restrictions on mobility and physical human contact, our shared virtual experience of collaboration fostered connectivity and engagement, enabling us to leverage our diverse skill sets and perspectives in harnessing the best ideas and driving our strategic priorities.

### Looking ahead

I am grateful to our people, clients and business partners for their continued support and trust in these extraordinary times. The ongoing geopolitical tensions and the related supply chain disruptions, coupled with a rising interest rate cycle globally and an evolving pandemic situation, have ushered in a fresh set of challenges and uncertainties, causing turbulence in the global marketplace. In the face of this new adversity, we remain committed to our purpose, as we recalibrate our strategy and align our resources to future growth areas, while continuing to broaden our investment solutions to help our clients build diversified portfolios that meet their investment objectives.

As the world navigated the pervasive challenges of the pandemic, the progressive rollout of Covid-19 vaccines globally, gained traction in protecting human lives, facilitating a gradual reopening of economies, igniting hope and optimism. In parallel, the monetary and fiscal stimulus of central banks and governments around the world continued to lift many equity markets, encouraging investors to take a leap of faith amid emerging signs of economic rebound.

### Making investing more accessible to more people

Embodying our commitment to provide investors with more choices to grow their wealth, we expanded the range of our distinctive investment solutions with the launch of four new unit investment trust funds (UITFs) that are available in both Peso and USD share classes – Manulife Global Healthcare Equity Feeder Fund, Manulife Global Multi-Asset Diversified Income Feeder Fund, Manulife Global REIT Feeder Fund and Manulife India Equity Feeder Fund. Many of these strategies are first in the Philippine market, giving our clients broader diversification opportunities that they

# Board of Directors



**Gianni Fiacco, CPA, CA**  
**Chairman of the Board**

Located in Hong Kong, Mr. Fiacco (44) 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 (60) 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 (53) 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.



**Richard Bates**  
**Director**

Richard Bates (48) is the President and Chief Executive Officer of Manulife Philippines.

Mr. Bates is responsible for the overall strategy and development of Manulife's business in the Philippines. His remit is to ensure that the company is focused on Manulife's mission to make customers' decisions easier and lives better.

He is a finance industry veteran, who has a strong background in advancing insurance penetration in emerging markets in Asia. Prior to joining Manulife, he served as CEO of a multinational insurance firm in Cambodia, where he spearheaded the company's market entry and launched its multi-channel operations. Prior to this posting, he was responsible for the Asia operations of a private equity fund focused on investing and incubating insurance start-ups.

He also previously led a multinational consulting firm's deal strategy unit in Hong Kong and its financial services line of business across Asia. Beyond his work in insurance and finance, Mr. Bates has also been involved in a charity that supports adults with learning disabilities in Hong Kong.

Mr. Bates holds a Bachelor of Arts (Hons) degree in Business Studies from the University of Portsmouth in England.

# Board of Directors



**Edwin Magpantay**

**Director**

Edwin Magpantay (47) 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 (61) 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 (64) 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 (71) 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.

# Management Team



**Macaria Trinidad Gaspar, CFA**  
President and Chief Executive Officer



**Zedric Matubis**  
Head of Wealth Sales



**Mark Alan Canizares**  
Head of Equities



**Jean Olivia De Castro**  
Head of Fixed Income



**Gerlie Aman**  
Treasurer and Head of Operations



**Paul Jeffrey Lu, CFA**  
Head of Wealth Solutions



**Atty. Apolonio Juan II, LLB, RFC**  
Head of Compliance



**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.

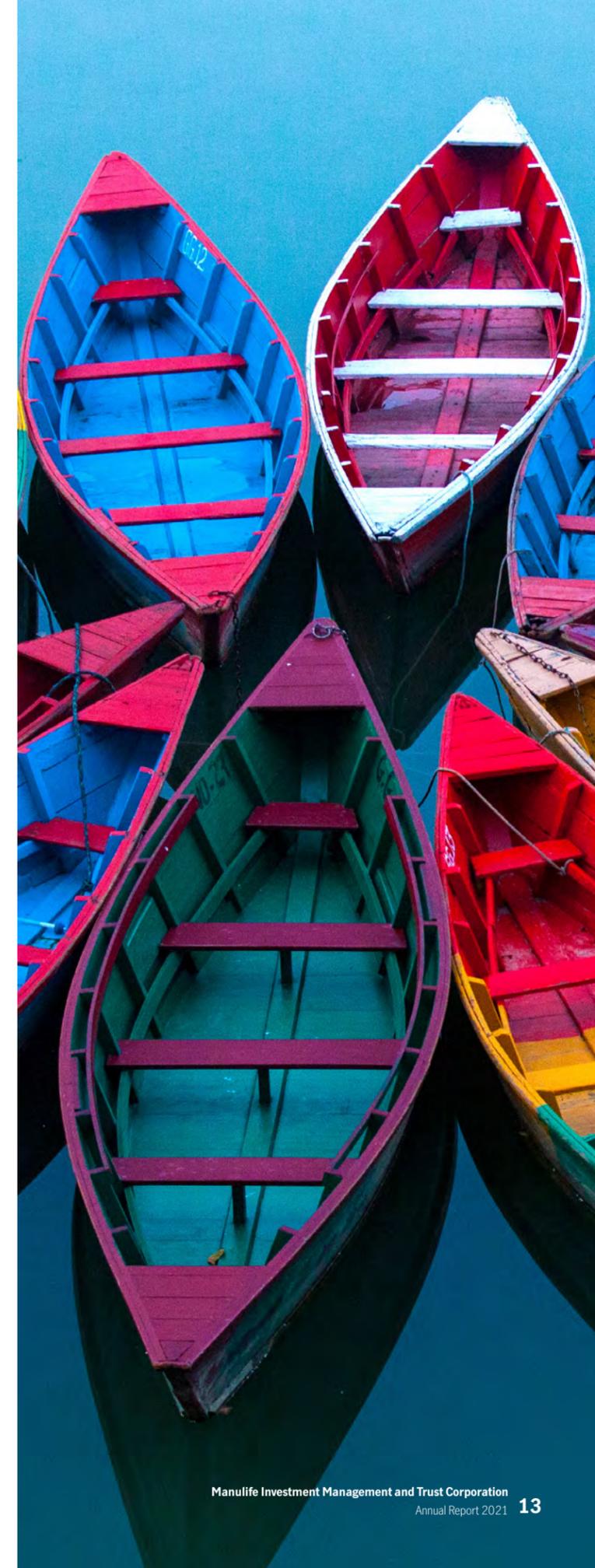
This Corporate Governance Manual is applied suppletorily to any applicable laws and regulations of the Company. In the event of conflict between the laws or regulations or the charter or by-laws pertaining to corporate governance, the provisions in the laws or regulations shall prevail. The Board may 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 2021, the Corporate Governance Committee met four (4) times as shown below:

Name of Director	Date of meeting			
	24 February 2021	8 April 2021	5 August 2021	25 November 2021
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 2021, the Audit Committee met four (4) times as shown below:

Name of Director	Date of Meetings			
	24 February 2021	08 April 2021	5 August 2021	25 November 2021
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 2021, the Risk Oversight Committee met four (4) times as shown below:

Name of Director	Date of Meetings			
	24 February 2021	8 April 2021	5 August 2021	25 November 2021
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 2022 were presented to the Board and approved in November 2021.

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 2021, 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 2021. The Board members' attendance during meetings is shown below:

Name of Director	Date of meeting				Percentage
	24 February 2021	08 April 2021	05 August 2021	25 November 2021	
Gianni Fiacco (Chairperson)	✓	✓	✓	✓	100%
Boon Choy Wong (Vice-Chairperson)	✓	✓	✓	✓	100%
Richard Bates	✓	✓	✓	✓	100%
Macaria Trinidad F. Gaspar (President & CEO)	✓	✓	✓	✓	100%
Edwin Magpantay	✓	✓	✓	✓	100%
Luz Lorenzo (Independent)	✓	✓	✓	✓	100%
Rene Betita (Independent)	✓	✓	✓	✓	100%
Raul Diaz (Independent)	✓	✓	✓	✓	100%

All directors had 100% attendance rate for 2021.

## Venue of Meetings

The Board and Committee meetings for 2021 were held via video conference.

## 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 2021, 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. For 2021, the directors of the Company had a 100% completion rate of the required annual training.

## Board Remuneration

Under the Company's By-Laws, directors shall be entitled to receive only such reasonable per diem allowance as may be granted by the Board. In addition to the per diem, additional compensation may be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock and subject always to the limits provided by pertinent laws and regulations.

Currently, only independent directors and non-executive directors who are no longer employed or are no longer serving in any capacity, except as a director, in any member of the Manulife Group of Companies receive per diem for every board meeting attended. Executive and other non-executive directors do not receive compensation for the performance of their functions as a director.

## 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.

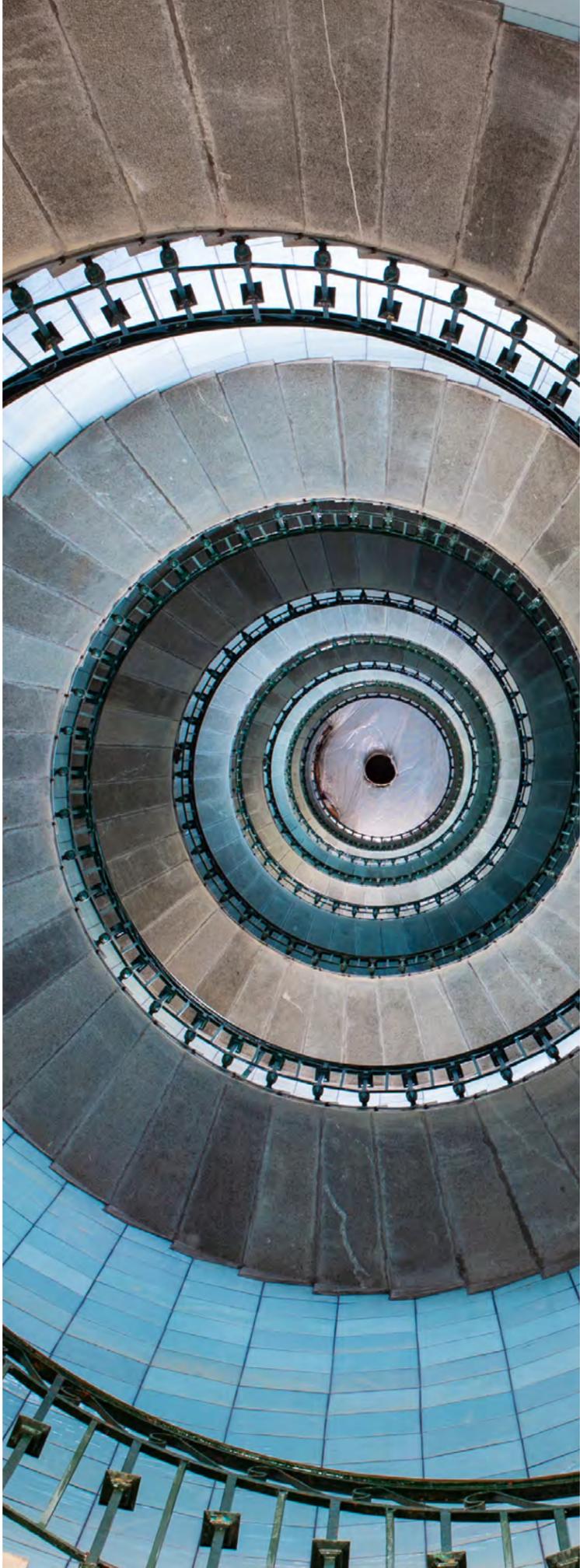
## Corporate Secretary

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 <https://www.manulifeim.com.ph/privacy-policy.html>.

In 2021, an online training on Privacy Awareness for the Company's Privacy Coordinator was conducted. Moreover, 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 2021, 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 the call.**

**Protect our Company's reputation.**

[www.manulifeethics.com](http://www.manulifeethics.com)

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 means of reporting, which include speaking with your manager, legal, compliance, human resources 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.

- From an outside line dial the A&T Direct Dial Access for your location:
  - Manila phone # (02) 1078-0111-00
  - Manila phone (Cebu, Iloilo, Negros, South) 110-11
  - Manila phone (Cebu, Iloilo, Negros, North) 110-12
- At the prompt dial 100-014-0100
- 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.

In 2021, the ABC Policy was cascaded to all employees as a reminder during the holiday season.



## 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 2021, 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 1.3 million and Php 2.5 million in 2021 and 2020, respectively.

In 2021, 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 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 company also ensures compliance with reportorial and program requirements mandated by the Department of Labor and Employment. There is accountability at all levels of management and cooperation with employees for effective implementation of policy and other related programs, such as:

- Safety Officer (SO1) Training of CSO assigned in the branch offices – September 23 to September 24, 2021
- Hazard Investigation and Risk Assessment and Control – annually and more frequently, if needed, since June 2019
- Reporting of unsafe workplace hazards and work practices – monthly
- Quarterly Nationwide Simultaneous Earthquake Drill (Hanston and BGC only, none for NEX due to COVID-19) – March 10, 2022
- Orientation Programs - monthly

Other company-initiated safety and health activities include: COVID-19 Prevention and Control Program, Drug-Free Workplace, Mental Health, Monthly Safety Committee Meetings, and COVID Incident Management Team Meetings.

The Company is committed to continual improvement by conducting regular reviews and implementing actions necessary to improve its OSH Program.



# 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

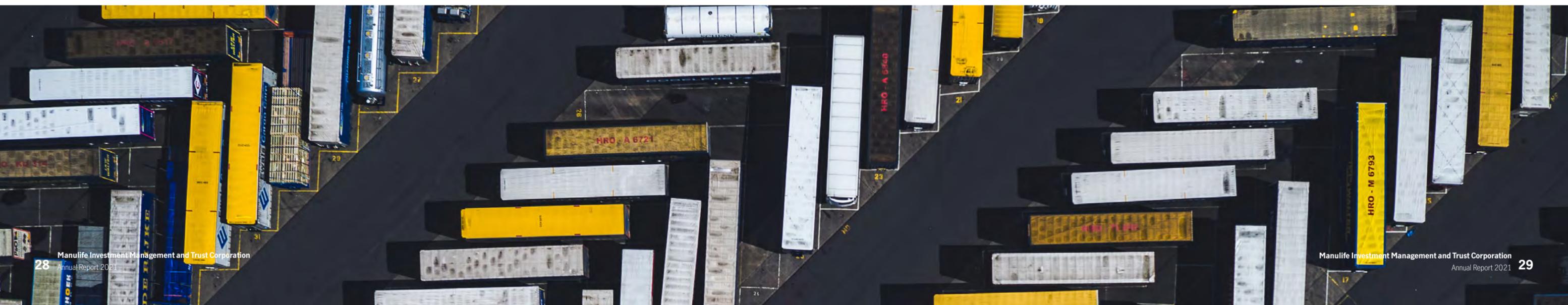
As mandated in the by-laws, the shareholders meet regularly or at least once a year. The Company's Secretary ensures that the notice of meeting, including the notice for annual shareholders meeting, is sent to the stockholders at least two (2) weeks prior to the date of the meeting.

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, 2021)

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



# Employees' Corner

## Compensation Philosophy

Manulife'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 Manulife 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 Manulife 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 continues to invest in employee development amidst the COVID-19 pandemic. Since the start of pandemic, all training sessions have been conducted virtually. Making use of the technology available, virtual training sessions and e-Learning modules have become the norm.

Aside from regular training sessions like Customer Centricity and Leadership Development programs, Agile Global initiated three major training sessions in the last quarter of 2021. These are the Agile Leadership Training (ALT), Agile Advance Scrum Master and Agile Advance Product Owner. Agile Global partnered with a global consulting firm specializing on training that enable our regional and local coaches and champions bring these training programs to our Manulife employees.

- **Agile Leadership Training:** Through hands-on learning activities, tailored resources and rich discussions, this course lays the foundations for how Manulife leaders shift culture, processes, and systems to enhance agility.
- **Advance Scrum Master:** This course covers several advanced topics around scrum mastering -- from soft skills to nurturing powerful delivery teams.
- **Advance Product Owner:** This course covers every aspect of product ownership from working with stakeholders to defining the product vision and release objectives, to creating product backlog items in preparation for sprint planning with the delivery team.

In the second quarter of 2021, to continue building on Manulife's "always learning culture," Manulife introduced Pursuit, a broad portfolio of programs, courses and tools that offer personalized learning plans for employees to continue growing their skills and capabilities. Towards the end of 2021, Pursuit has been upgraded into a fully automated, AI-powered learning experience for fast and easy access to all employees' learning needs.

## Employee Health and Wellness

To continue supporting employees' health and well-being through both learning and rest, Manulife launched Fuel Up Fridays, where employees dedicate the second Friday of each month to build new skills and enhance creativity in the morning, and then recharge in the afternoon, where they can spend more time with family and friends, or enjoy a sport or hobby.

Manulife also offered five additional days of paid leave to promote the importance of taking time away to focus on health and wellness.

Manulife extends these programs further by holding health and wellness special learning sessions, such as "Managing Stress and Anxiety During the Pandemic," "Digital Fatigue," "Talking about Covid-19 with Family," "Mindfulness & Self Care," and "Leading Your Team Towards Holistic Wellness: Bringing Together Mind, Body, and Spirit for Optimal Health."

Alongside these programs, Manulife rolled out a COVID-19 vaccination program for its employees and active agents in the Philippines to continually ensure the health and safety of all its team members. This includes over 8,500 employees of Manulife Philippines, Manulife China Bank Life, Manulife Investment Management Trust Corporation, Manulife Business Processing Services (MBPS), and Manulife IT Delivery Center Asia (MITDC), as well as Manulife Philippines' active insurance advisors and agency leaders. Manulife's vaccination program amplifies the Company's thrust to cultivate a safe and supportive work environment for all its team members.

Manulife's COVID-19 vaccination support program is voluntary for employees and agents, and comes on the heels of the Canada-based company's donation of CAD250,000 to COVID-19 efforts in India, Indonesia, Cambodia, Malaysia, and the Philippines through Project HOPE, an international nonprofit organization whose work supports efforts around pandemic relief by providing life-saving supplies for healthcare providers to help people who need it the most.



# Digital Campaigns

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.



In 2021, we launched our first digital campaign that came on the heels of our corporate brand refresh, as we changed our corporate name to Manulife Investment Management, to position our global capabilities better, and to deliver a more straightforward, consistent, and improved customer experience. With our wealth management expertise in North America and across Asia, our new identity reflects what we offer at a global level to our investors.

## “Imagine”, a digital short film highlighting the value of time in achieving financial goals

Our first-ever digital short film titled, “Imagine” tells the story of two aspiring actors who, upon recounting their lives, wondered what they would do if they became millionaires, and realized that time spent wondering can be time spent earning.

Launching “Imagine” aligns with our commitment to help more Filipinos achieve financial security by helping educate them—in more innovative and interesting ways—about the importance of investment. The film also amplifies our efforts at underscoring investing as an easy and exciting venture, made more relevant than ever.

The film garnered strong social media attention – 5 million views and 1.2 million engagements, and generated a significant number of leads, exceeding our total campaign targets. “Imagine” can be viewed on Manulife Philippines' Facebook page.

### Imagine



Leveraging Manulife Investment Management’s global investment capabilities, we conducted webinars in 2021, providing investors actionable investment insights and financial tips for them to capitalize across different market cycles to help them achieve their financial aspirations.

## Global investment opportunities

In our first webinar for 2021, global investment experts from Manulife Investment Management shared how investors can better position themselves as economies reopen, and vaccine rollouts in critical markets begin. Titled “Resilient Solutions for Volatile Times and Beyond,” the webinar offered insights into how a multi-asset investment strategy can help investors generate income in highly volatile times, as well as the investment opportunities in global healthcare equities given the healthcare sector’s exciting growth potential.

### Resilient Solutions for Volatile Times and Beyond



We discussed the importance of having an investment portfolio with diversified asset classes in different regions to achieve long-term financial aspirations and manage risks. This insight was highlighted at our webinar titled “Discovering New Horizons: Opportunities in Global REITs and India Equity,” which presented to investors in the Philippines the unique growth potential offered by global real estate investment trust funds (REITs) and listed equities in India, which is considered one of the fastest-growing economies in the world.

### Discovering New Horizons: Opportunities in Global REITs and India Equity



## Turn passion into action

In our webinar titled “From Passion to Action: Unlocking business ideas and fueling growth potential to achieve financial goals”, actress, artist, and entrepreneur Heart Evangelista, together with successful business leaders and other guest speakers shared investment and financial tips.

The webinar discussed relevant business and investment insights that can help Filipinos start their business ventures, accelerate business growth, and adapt to today’s ever-changing business landscape.

### From Passion to Action: Unlocking business ideas and fueling growth potential to achieve financial goals



## Heart Evangelista: First brand ambassador

Many Filipinos think they need a lot of money or study complex market concepts before making their first investment. Through our partnership with Heart Evangelista, who has established herself quite successfully in her various ventures as a notable actress, visual media artist, influencer, and philanthropist, we are able to reach more Filipinos and show them that investing through our unit investment trust funds (UITFs) can be easy, exciting, and accessible, allowing our clients to enjoy their present while securing their future.

Guided by our mission, we provide our clients a great level of diversification in terms of asset classes and geographies via our comprehensive and expanding range of distinctive UITFs, enabling them to benefit from diverse sources of return as they build and adjust their wealth portfolio based on their investment objectives.



# Environmental, Social and Governance

Focus on sustainability

## Manulife Investment Management's *strategy*

At Manulife Investment Management, we seek to provide solutions for clients using a wide breadth of capabilities, including a specialist approach embedded in a deep commitment to invest sustainably.\* In addition, our manager-investor/operator model in some sectors gives us a dual perspective on sustainable business practices and concerns. Beyond buying and selling investments, we're also stewards of assets that we own and operate—such as real estate, timberland, and agriculture—and so we have a deep appreciation of the challenges and potential benefits of adhering to sustainable operating practices.

Our approach to sustainable investing rests on three pillars: integration, stewardship, and collaboration. While their expressions may vary by asset class and investment team, each pillar is fundamental to our investment approach and forms the basis on which we pursue our sustainability objectives and those of our clients

### Integration

Across all asset classes, we're committed to continuing to integrate ESG analysis in investment and operating activities. We believe that identifying and assessing material sustainability factors help us protect and enhance the value of the assets we invest in, own, and operate. Our integration strategy extends to our efforts to engage with investee companies to gather information, mitigate ESG-related challenges, and enhance ESG-related opportunities.

### Stewardship

To us, being a good steward in the financial markets means focusing on the long term by prioritizing the sustainability of our investments and operations, and expanding the view of what matters beyond financial value. We believe active ownership practices are at the center of good stewardship, helping drive strong risk-adjusted investment return potential for our clients over time while we seek to make a positive impact on the environment and society.

### Collaboration

Collaborative engagements are a cornerstone of our sustainable investing program. Through this work, we seek to amplify our impact, helping steer industry-changing initiatives aligned with our business priorities across the global capital markets.

In addition, the sustainability governance structure of Manulife Investment Management is connected to the larger sustainability governance at Manulife.

\*This is the sustainability strategy of Manulife Investment Management at the global level and is already in place, in whole or in part, in select markets.

## Corporate Social Responsibility

Manulife is committed to advancing a healthier, more resilient people and planet through three key pillars anchored on tangible objectives:



### Empower sustained health and wellbeing

- Make healthier behavior choices easier and more accessible
- Provide advice and solutions to drive financial security



### Drive inclusive economic opportunity

- Accelerate the upward mobility of underrepresented groups
- Contribute to making financial solutions accessible to everyone



### Accelerate a sustainable future

- Support the transition to a net zero economy
- Protect and grow the value of nature-based solutions

## Community investment

*Building strong*, resilient communities together

Manulife invests in programs that motivate and empower people to make informed choices that help them live longer, healthier, more financially secure lives.

## Healthy, active living

Healthy living is essential to a long and happy life. With a focus on prevention, Manulife supports innovative health and wellness initiatives that inspire people to be physically active and eat healthy, well-balanced diets.

## Financial well-being

Feeling in control of one's financial future is an important part of overall well-being. Manulife supports these sustainable initiatives that empower people to gain the knowledge, skills, and experiences they need to achieve long-term economic success.



Resilient Solutions for Volatile Times and Beyond

## Financial literacy and empowerment amid COVID-19

In the Philippines, the COVID-19 pandemic continued to impact greatly on the health and welfare of millions of Filipinos. Through all these, Manulife Investment Management remains guided by its core values, “Sharing Our Humanity,” to stand with the community in facing unprecedented changes in 2021.

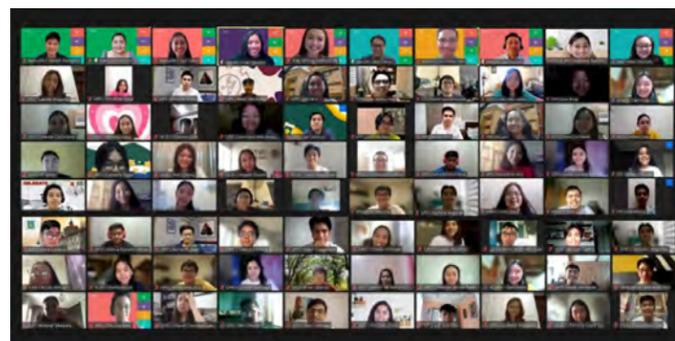
### Virtual financial classes for college students

In January 2021, Manulife Investment Management together with Manulife Philippines concluded the second run of the Peso Smart program for university students, held in partnership with the Business Management Society (BMS) of De La Salle University. The three-week financial literacy program taught over 50 university students valuable lessons on financial planning, growing their money, and business resilience.

In December 2021, more than 100 students from Ateneo de Manila University, De La Salle University, University of Santo Tomas, and University of the Philippines-Diliman attended the two-day Peso Smart virtual classes, where Manulife Investment Management and Manulife Philippines discussed the importance of insurance, investments, and financial planning so they can learn how to grow their money, prepare for the unexpected, and financially secure their future.

This program was held in partnership with student organizations, such as the Council of Organizations of the Ateneo – Manila (Ateneo De Manila University), Business Management Society (DLSU), Junior Finance Association (UP Diliman), and AIESEC (UST).

Students from Ateneo De Manila University (ADMU), De La Salle University (DLSU), University of the Philippines-Diliman (UPD), and University of Santo Tomas (UST) attend the Peso Smart University program



## Fostering Diversity, Equity & Inclusion (DEI) because it's the right thing to do

Manulife's DEI aspiration is to cultivate an inclusive workplace in which all employees feel confident bringing their whole selves to work, enabling them to thrive personally and professionally. It reflects the Company's values of “Doing the right thing” and “Sharing your humanity.”

### #ChooseToChallenge on International Women's Day

To celebrate International Women's Day in 2021, Manulife Philippines, through its Global Women's Alliance (GWA) team, held a special session with Vibha Coburn, General Manager of Manulife Malaysia, and Anna Villamor, Manulife Philippines' Chief Human Resources Officer, to share their experiences and insights as female leaders, and how they have overcome the challenges that come with being women in charge.

Employees were invited to join the global movement so they can #ChooseToChallenge gender stereotypes, biases, and all forms of discrimination.

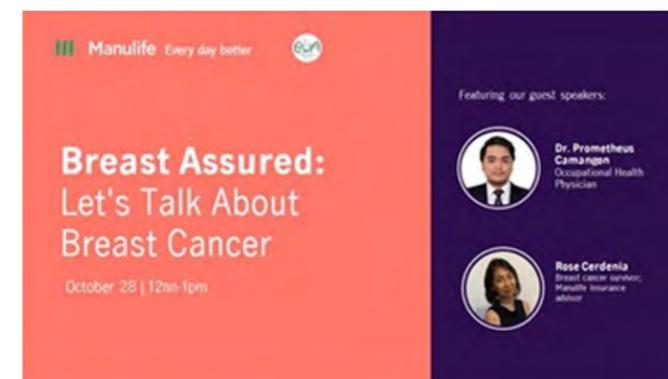
Manulife celebrates International Women's Day.



## Recognizing Breast Cancer Awareness Month

In October 2021, the GWA team held a special session about breast cancer awareness titled, “Breast Assured: Let's Talk About Breast Cancer,” where employees learned the importance of early detection and prevention to minimize risks. A breast cancer survivor also shared stories of courage and resilience in the face of life's biggest challenges.

GWA's special session, Breast Assured



## Work with Pride: How gender inclusion helps Filipino companies drive employee growth

LGBTQIA+ members and allies from Manulife Philippines shared their experiences and aspirations for diversity, equity, and inclusion in the country, and their perspectives and experiences on how the company's inclusive programs help drive their personal and professional growth, and contribute to their sense of fulfillment. This story has been published in Adobo Magazine.

Across its various markets around the world, Manulife's Professionals Reaching Out for Unity and Diversity (PROUD) aims to promote an inclusive workplace for LGBT+ employees to encourage their full and unencumbered contributions at work. In addition, PROUD organizes various events to promote inclusion and diversity and to educate the wider community about the importance of equality, acceptance, and allyship.

In 2020, the United Nations (UN) Women 2020 Asia-Pacific Women's Empowerment Principles (WEPs) Awards also honored Manulife as one of the Philippines' most gender-inclusive workplaces, and the only insurance brand to have been recognized in the awards.

To foster a culture of belonging, the Company does not view diversity, equity, and inclusion as merely a ‘check-the-box exercise,’ but a key differentiator and driver contributing to the growth of the business. As Manulife continuously takes action and keeps its momentum as strong DEI champions, the Company will continue to build more inclusive products and solutions to take to the market, and create greater inclusion across the company through diverse talent, and enhanced training and leadership, which in turn drives high performance and develops inclusive leaders.

## Becoming Better Allies to Each Other

On September 14, 2021, celebrities and community advocates shared diversity, equity and inclusion lessons and experiences at the Manulife webinar titled, “Becoming Better Allies to Each Other.” The webinar featured actress Angel Locsin, a champion for women empowerment and other causes; actor Ian Veneracion, who is an ally for positive parenting; Brina Kei Maxino, a UNESCO Global Champion for Inclusive Education and Special Olympics Ambassador & International Global Messenger; Dr. RJ Naguit, Board President of the Youth for Mental Health Coalition; and G3 San Diego, journalist and LGBT+ member, who also served as moderator.

Now more than ever, Manulife is committed to cultivating an environment where people can be their true selves, and they are heard, valued, supported, and respected, no matter their differences. Through the webinar, Manulife extended its DEI learning journey to the broader community, so people can all come together, have meaningful conversations, and lift each other up..

## Elevate

Through “Elevate,” Manulife’s global initiative to encourage wellness, Manulife celebrated the International Day of People with Disabilities featuring the first and only blind winner of MasterChef US Christine Ha, to promote health and well-being through eating well and preparing healthy cuisine to transform health and well-being.

## Global Afternoon of Reflection and Learning: Year 2

For the second year in a row, Manulife gave its entire global workforce, a “Thank You Day” off on June 18, 2021. In addition, Manulife dedicated an afternoon for everyone on its global team to learn more about diversity, equity and inclusion (DEI) through its Global Afternoon of Reflection and Learning, which featured a range of learning activities, including allyship and how to become better advocates for change.

Moreover, in a special Philippine session titled, “It Takes A Village: Why We Need Allies,” Manulife Philippines President and Chief Executive Officer Richard Bates, Chief Marketing Officer and PH DEI lead Melissa Henson, and Deputy Global Compliance Chief Soren Seitz addressed key elements

of allyship, and shared their experiences and leadership insights on fighting unconscious bias, supporting one another and celebrating each other, no matter our differences.

### *Becoming better allies to each other*



## Other Manulife community initiatives

### Manulife donates CAD250,000 to support COVID-19 relief efforts in Asia

In May 2021, Manulife donated CAD250,000 to Project HOPE to help provide much needed supplies for healthcare facilities as COVID-19 resurges with devastating impact in certain parts of Asia, including the Philippines.

### Manulife’s Acts of Kindness

In December 2021, Manulife provided each of its 37,000 employees around the world the spending equivalent of CAD50 in their local currency to ‘pay it forward’ and create acts of kindness in their local communities. First introduced in 2020, this year’s #ManulifeActofKindness program once again enables colleagues around the world to pay it forward. It was in recognition of Manulife’s bigger role to serve communities in need, while showing gratitude for the blessings that they continue to enjoy.



# Products & Services

## New Funds Launched in 2021

The Company launched five new unit-investment trust funds (UITFs) in 2021. 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 five new funds include two unit-paying funds designed to deliver a steady stream of income, two equity funds that are first in the Philippine market in their respective investment focus, and one low volatility fund to serve as a holding facility for our clients while they await other investment opportunities.



### Manulife Global Multi-Asset Diversified Income Feeder Fund

The Company launched the Manulife Global Multi-Asset Diversified Income Feeder Fund to provide investors a multi-asset investment strategy that enables them to maximize their returns even in these highly volatile times.

This fund targets to generate income by investing in a diversified range of traditional and non-traditional income-generating assets across regions, while seeking to provide buffer against market downside through a flexible investment mandate.



### Manulife Global REIT Feeder Fund

Global REITs provide an alternative source of income and typically generate stable rental income, enabling attractive dividend payouts. At the same time, their historically low correlation with other major asset classes can provide diversification benefit to an investment portfolio.

This fund targets to generate income through investments in real estate investment trusts (REITs), which can provide stable and growing income, long-term growth and diversification benefits.



### Manulife Global Healthcare Equity Feeder Fund

The global healthcare industry presents potentially profitable long-term investment opportunities in advancements focused on disease prevention, as in the case of the COVID-19 vaccine, as well as developments in Central Nervous System disorders (CNS), obesity or metabolic syndrome, and other rare cases. Around the world, we see increases in health-related expenditures, particularly in countries with aging populations.

This fund aims to provide capital growth through investments in the healthcare industry, capitalizing on the industry's opportunities given medical advances, aging population, rising healthcare costs and unmet medical needs.



### Manulife India Equity Feeder Fund

India is an economic powerhouse offering investors attractive growth opportunities. With its large and young population, India is poised to deliver solid growth, supported by its domestic-driven economy and transformative reforms, especially as its vaccine manufacturing capacity has started ramping up amid the pandemic.

This fund aims to provide capital growth through investments in India, a rising economic powerhouse, where long-term growth is set to accelerate given its young and large population.



### Manulife Money Market Fund

In light of the continued uncertainties and market volatility, the Manulife Money Market Fund offers a holding place for investors while awaiting other investment opportunities.

This fund seeks to preserve capital and generate income that are competitive with short-term rates.

## Bond 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

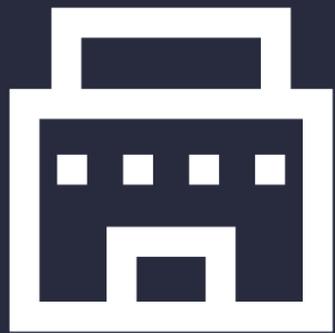
## Balanced Fund

### 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





## 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 Investment Management and Trust Corporation) (the Company), which comprise the statements of financial position as at December 31, 2021 and 2020, 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, 2021 and 2020, 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

The 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. 0926-AR-3 (Group A)  
July 25, 2019, valid until July 24, 2022  
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. 8854354, January 3, 2022, Makati City

April 12, 2022

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	
	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 5)	Php 219,463,654	Php 211,016,687
Due from related parties (Notes 19 and 20)	63,927,009	31,203,008
Receivables (Note 6)	8,398,391	7,920,811
Financial assets at fair value through other comprehensive income (Note 8)	50,593,600	51,856,500
Other current assets (Note 7)	88,802,975	54,097,952
<b>Total Current Assets</b>	<b>431,185,629</b>	<b>356,094,958</b>
<b>Noncurrent Assets</b>		
Financial assets at fair value through other comprehensive income (Note 8)	353,176,000	300,959,300
Property and equipment (Note 9)	11,695,501	12,984,737
Software costs (Note 10)	9,198,232	12,403,694
Deferred tax assets (Note 18)	101,825	5,430,124
<b>Total Noncurrent Assets</b>	<b>374,171,558</b>	<b>331,777,855</b>
<b>Total Assets</b>	<b>Php 805,357,187</b>	<b>Php 687,872,813</b>
<b>Liabilities And Equity</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses (Note 11)	Php 46,051,757	Php 31,405,087
Due to related parties (Note 19)	79,187,641	49,152,412
Lease liability (Note 16)	3,277,580	2,932,877
Other liabilities (Note 12)	55,523,515	53,398,486
<b>Total Current Liabilities</b>	<b>184,040,493</b>	<b>136,888,862</b>
<b>Noncurrent Liabilities</b>		
Lease liability (Note 16)	3,498,799	6,248,850
Pension liability (Note 17)	11,531,710	18,117,542
<b>Total Noncurrent Liabilities</b>	<b>15,030,509</b>	<b>24,366,392</b>
<b>Total Liabilities</b>	<b>199,071,002</b>	<b>161,255,254</b>
<b>Equity</b>		
Capital stock (Note 13)	300,000,000	300,000,000
Retained earnings	303,740,500	219,462,188
Remeasurement losses on pension plan (Note 17)	(1,105,773)	(10,856,928)
Unrealized gains on financial assets at fair value through other comprehensive income (Note 8)	3,651,458	18,012,299
<b>Total Equity</b>	<b>606,286,185</b>	<b>526,617,559</b>
<b>Total Liabilities and Equity</b>	<b>Php 805,357,187</b>	<b>Php 687,872,813</b>

See accompanying Notes to Parent Company Financial Statements.

# Statements of Comprehensive Income

# Statements of Comprehensive Income

	Years Ended December 31	
	2021	2020
<b>Revenue</b>		
Trust fees (Note 14)	Php 431,861,504	Php 347,587,883
<b>Expenses</b>		
Compensation and employee benefits (Note 15)	116,330,151	98,906,486
Commission	32,451,782	18,467,787
Taxes and licenses	31,929,374	25,137,267
License fees	28,001,275	13,499,666
Information technology	25,673,568	26,062,190
Advisory fees	26,533,395	14,821,444
Service fees (Note 19)	24,327,481	21,146,848
Advertising and promotion	21,725,184	10,497,139
Depreciation and amortization (Notes 9 and 10)	11,386,735	12,475,540
Professional fees	2,074,754	3,473,450
Utilities	530,170	805,444
Provision for (gain on reversal of provision for) credit losses (Note 8)	(405,257)	762,424
Finance charges	322,794	237,919
Entertainment, amusement and recreation	273,109	460,751
Others	7,107,633	1,005,768
	328,262,148	247,760,123
<b>Income from operations</b>	<b>103,599,356</b>	<b>99,827,760</b>
<b>Other income (expense)</b>		
Interest income (Notes 5 and 8)	13,237,027	13,295,366
Interest expense on lease liability (Note 16)	(867,593)	(675,304)
Foreign currency exchange gains (losses) - net	(2,797)	900,471
Other income	245,875	530,759
<b>Income before income tax</b>	<b>116,211,868</b>	<b>113,879,052</b>
Provision for income tax (Note 18)	31,933,556	35,965,958
<b>Net income</b>	<b>Php 84,278,312</b>	<b>Php 77,913,094</b>

See accompanying Notes to Parent Company Financial Statements.

	Years Ended December 31	
	2021	2020
<b>Net Income</b>	<b>Php 84,278,312</b>	<b>Php 77,913,094</b>
<b>Other comprehensive income (loss)</b>		
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)	(14,152,839)	12,744,844
Income tax effect on net changes in fair value of financial assets at fair value through other comprehensive income (Note 18)	(208,002)	(265,870)
Item that may not be reclassified to the statement of income in subsequent periods:		
Remeasurement losses on pension plan (Note 17)	9,751,155	(6,020,418)
	(4,609,686)	6,458,556
<b>Total Comprehensive Income</b>	<b>Php 79,668,626</b>	<b>Php 84,371,650</b>

See accompanying Notes to Parent Company Financial Statements.

# Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

	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
<b>As at January 1, 2021</b>	Php 300,000,000	Php 219,462,188	(Php 10,856,928)	Php 18,012,299	Php 526,617,559
<b>Net income</b>	-	84,278,312	-	-	84,278,312
<b>Other comprehensive income (loss)</b>	-	-	9,751,155	(14,360,841)	(4,609,686)
<b>Total comprehensive income (loss) for the year</b>	-	84,278,312	9,751,155	(14,360,841)	79,668,626
<b>As at December 31, 2021</b>	Php 300,000,000	Php 303,740,500	(Php 1,105,773)	Php 3,651,458	Php 606,286,185
As at January 1, 2020	Php 300,000,000	Php 141,549,094	(Php 4,836,510)	Php 5,533,325	Php 442,245,909
Net income	-	77,913,094	-	-	77,913,094
Other comprehensive income (loss)	-	-	(6,020,418)	12,478,974	6,458,556
Total comprehensive income (loss) for the year	-	77,913,094	(6,020,418)	12,478,974	84,371,650
<b>As at December 31, 2020</b>	Php 300,000,000	Php 219,462,188	(Php 10,856,928)	Php 18,012,299	Php 526,617,559

See accompanying Notes to Parent Company Financial Statements.

# Statements of Cash Flows

	Years Ended December 31		Years Ended December 31	
	2021	2020	2021	2020
<b>Cash Flows From Operating Activities</b>				
<b>Income before income tax</b>	<b>Php 116,211,868</b>	Php 113,879,052		
<b>Adjustments for:</b>				
Interest income (Notes 5 and 8)	(13,237,027)	(13,295,366)		
Interest expense on lease liability (Note 16)	867,593	675,304		
Provision for (gain on reversal of provision for) credit losses (Note 8)	(405,257)	762,424		
Unrealized foreign exchange loss (gain) - net	(1,936,225)	1,842,593		
Depreciation and amortization (Notes 9 and 10)	11,386,735	12,475,540		
<b>Operating income before changes in working capital</b>	<b>112,887,687</b>	116,339,547		
<b>Changes in operating assets and liabilities:</b>				
<b>Increase in:</b>				
Due from related parties	(32,724,001)	(4,085,668)		
Receivables	(131,960)	(242,349)		
Other assets	(34,705,023)	(1,006,748)		
<b>Increase (decrease) in:</b>				
Accounts payable and accrued expenses	14,646,670	3,619,541		
Due to related parties	30,035,229	(4,470,649)		
Pension liability	2,796,734	4,259,965		
Other liabilities	2,125,029	10,611,143		
<b>Net cash from operations</b>	<b>94,930,365</b>	125,024,782		
<b>Interest received</b>	<b>16,136,581</b>	14,428,314		
<b>Interest paid</b>	<b>(867,593)</b>	(675,304)		
<b>Income tax paid (including creditable withholding taxes)</b>	<b>(26,444,670)</b>	(46,651,668)		
<b>Net cash generated from operating activities</b>	<b>83,754,683</b>	92,126,124		
<b>Cash Flows From Investing Activities</b>				
<b>Acquisitions of:</b>				
Financial assets at fair value through other comprehensive income (Note 8)	(Php 117,946,556)	(Php 87,781,762)		
Property and equipment (Note 9)	(1,696,227)	(1,329,388)		
Software costs (Note 10)	(5,195,810)	(113,820)		
Proceeds from maturities of financial assets at fair value through other comprehensive income (Note 8)	50,000,000	15,000,000		
<b>Net cash used in investing activities</b>	<b>(74,838,593)</b>	(74,224,970)		
<b>Cash Flows From Financing Activities</b>				
Payment of principal portion of lease liability (Note 16)	(2,405,348)	(2,593,778)		
<b>Net cash provided by (used in) financing activities</b>	<b>(2,405,348)</b>	(2,593,778)		
<b>Effect Of Foreign Currency Rate Changes In Cash And Cash Equivalents</b>	<b>1,936,225</b>	(1,842,593)		
<b>Net Increase In Cash And Cash Equivalents</b>	<b>8,446,967</b>	13,464,783		
<b>Cash And Cash Equivalents At Beginning Of Year</b>	<b>211,016,687</b>	197,551,904		
<b>Cash And Cash Equivalents At End Of Year</b>	<b>Php 219,463,654</b>	Php 211,016,687		

See accompanying Notes to Parent Company Financial Statements.

(Forward)