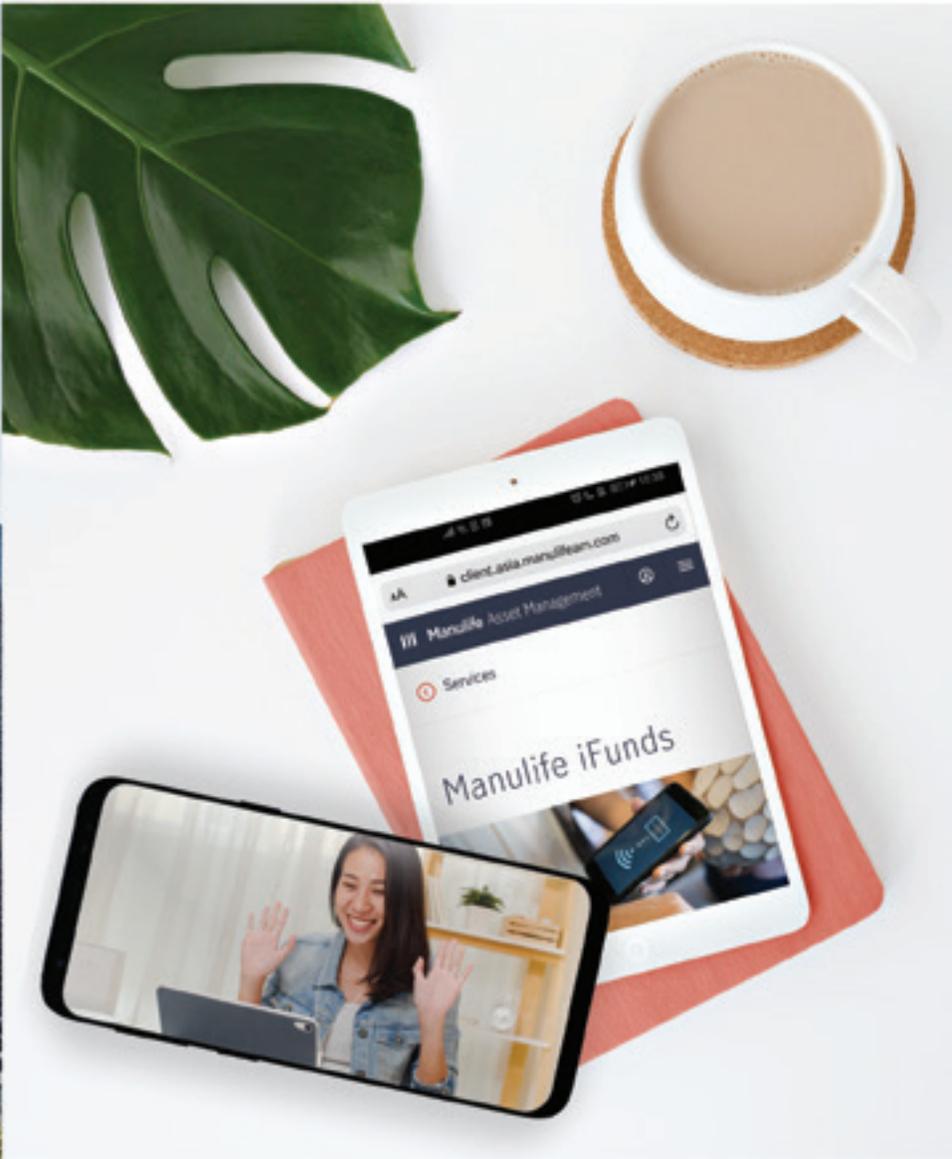


 **Manulife** Asset Management



Annual  
Report

20  
19

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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 Asset Management and Trust Corporation

Manulife Asset 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.

The Company is part of the global network of asset management companies of Manulife Investment Management, the global asset management arm of Manulife Financial Corporation. Manulife Investment Management has operations in 17 countries and territories and has more than 450 investment professionals. Assets under management of Manulife Investment Management amount to approximately USD 409 Billion.

Leveraging Manulife Investment Management's global and regional investment capability, the Company aims to provide investment solutions that can help clients grow their wealth portfolio according to their risk and return objectives. The Company's competitive advantage of interconnectivity and idea sharing among the network of investment management professionals is unmatched by many local and global asset managers. It has access to the best investment ideas from 10 markets across Asia and the funds under its management benefit from real time information, market and policy insight and investment know-how that only strong connectivity can provide.

## 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 wealth and asset management segment of Manulife Financial Corporation. We draw on more than 150 years of financial stewardship to partner with clients across our institutional, retail, and retirement businesses globally. Our specialist approach to money management includes the highly differentiated strategies of our fixed-income, specialized equity, multi-asset solutions, and private markets teams—along with access to specialized, unaffiliated asset managers from around the world through our multimanager model. Our personalized, data-driven approach to retirement is focused on delivering financial wellness in retirement plans of all sizes to help plan participants and members retire with dignity.

Headquartered in Toronto, we operate as Manulife Investment Management throughout the world, with the exception of the United States, where the retail and retirement businesses operate as John Hancock Investment Management and John Hancock, respectively; and in Asia and Canada, where the retirement business operates as Manulife. Manulife Investment Management had CAD\$879 billion (US\$677 billion) in assets under management and administration.\* Not all offerings are available in all jurisdictions. For additional information, please visit our website at [manulifeinvestmentmgt.com](http://manulifeinvestmentmgt.com).

\*MFC financials. Global Wealth and Asset Management AUMA as of December 31, 2019, was CAD\$879 billion and includes CAD\$198 billion of assets managed on behalf of other segments and CAD\$145 billion of assets under administration.

# Chairman's *Message*



## A Message from the Chairman

After more than 100 years of operations in the Philippines, Manulife further deepens its roots in the country with the setting up of Manulife Asset Management and Trust Corporation (“MAMTC”), the first trust corporation in the Philippines backed by a leading multinational financial services group. The Company is part of the global network of asset management companies of Manulife Investment Management, which operates in 17 countries and territories, managing total assets of US\$ 409 billion across retail, institutional and pension client segments.

Being part of Manulife Investment Management, the global asset management arm of Manulife, the Company has achieved meaningful

progress in providing innovative wealth solutions that investors can use to build a diversified investment portfolio based on their risk and return objectives.

### Decisions made easier and lives made better

Putting our customers first is deeply ingrained in our culture, guiding our decisions and behavior in delivering our mission. Inspired by this purpose, understanding the unique needs and preferences of our customers and simplifying the investment process for them has been at the forefront of our thinking.

As people live longer, the need to invest early and consistently has become more crucial than ever in ensuring availability of sufficient income over their lifetime. Increasing life expectancy puts to the fore the potential income gap that can be created by excessive dependence on cash as a placeholder investment. Through our diverse set of wealth solutions, we provide our customers the building blocks that they can use to mobilize their savings across different asset classes, positioning them to achieve their most important financial goals.

### Bringing innovation to the market

Drawing on the investment capabilities and global footprint of Manulife Investment Management, we are helping to strengthen the investment landscape in the Philippines. Our offshore strategies complement our local equity and fixed income strategies, enabling investors to reap diversification benefits with allocations to offshore investment opportunities.

Our values fuel our drive to look for new ways to make our customers' journey simple and convenient. Leveraging our regional digital capabilities, we make investing easy and accessible to more people through Manulife iFunds, our digital investment tool.

### Bringing solutions to our customers

We continue to focus on building our distribution channels to better enable us to engage with partners, intermediaries and end investors. Today, our distribution is largely centered on working closely with our affiliate agency network, engaging with retail customers, gaining insight into their wants and needs and how we can best help them achieve their investment objectives. Complementing our affiliate agency retail channel is our partnership and institutional sales channels which are maturing as the distribution landscape evolves. Multi-channel distribution and driving increased access and penetration of domestic and offshore wealth offerings remains a key growth objective for MAMTC.

### Thank you

As COVID-19 brings unparalleled economic, market and human challenges, our values and culture will be the driving force in the execution of our bold ambitions, as we continue to deliver on our mission and aim to provide an increasingly unique value proposition to our customers. On behalf of the Board of Directors, I thank our investors, employees and business partners for their support and for choosing MAMTC.

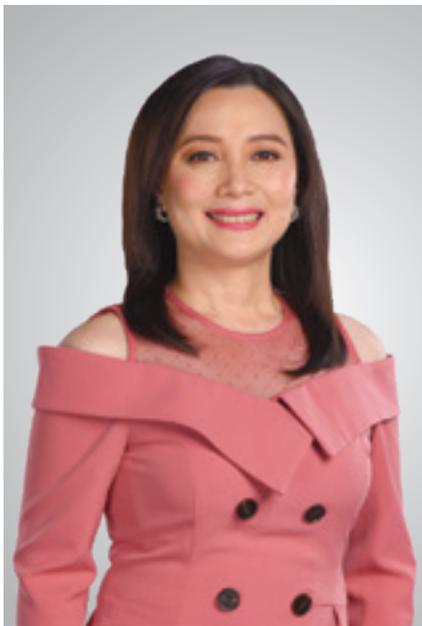
## Gianni Fiocco, CPA, CA

Chairman of the Board  
Manulife Asset Management  
and Trust Corporation



As people live longer, the need to *invest early* and *consistently* has become more crucial than ever...

# President & CEO's *Message*



## A Message from the President & CEO

Driven by our deep commitment to live our purpose to make decisions easier and lives better, we have made significant strides in creating wealth solutions for different needs, goals and risk profile and in making these wealth solutions accessible to more and more people to help them invest in their futures.

### Driving Innovation

As a new player in the trust industry, Manulife Asset Management and Trust Corporation pioneered the offering of multi-currency unit investment trust funds (UITFs) and income-paying offshore UITFs in the Philippines. Since we began operations about two years ago, we have launched nine UITFs, including six offshore strategies, available through US dollar and Peso share classes. Two of these offshore strategies aim to provide regular income payout to address the underserved need for wealth solutions that provide income streams on top of long-term growth potential.

In 2019, we tripled our total gross flows, underpinned by the strong subscriptions to Manulife Asia Pacific REIT Fund of Funds, an innovative income-paying UITF that invests in a diverse set of Asia Pacific real estate investment trusts (REITs), and the strengthening of our distribution channels. Over the course of the year, we expanded our range of offshore strategies with the launch of two new UITFs – the Manulife Global Preferred Income Feeder Fund, an income-paying UITF that provides exposure to high quality securities traded in global markets and the Manulife American Growth Equity Feeder Fund, which provides access to the US equity market through a distinct portfolio of companies with sustainable competitive advantages. Along with these, we forged legal arrangements with reputable financial institutions, making our UITFs available to a broader set of investors.

### Digital, Customer Leader

We pride ourselves in our deep-seated culture of putting our customers first. We seek to understand our customers' needs and challenges, continually looking for new ways to deliver better experience for them. Alongside our digital initiatives, this culture is at the epicenter of everything we do. With this in mind, we constantly develop the capabilities of Manulife iFunds, our digital investment tool, in order to stay ahead of our customers' evolving needs. Using a cross-functional ideation process that encourages free-flowing creativity, we ensure that the customer's perspective is at the forefront of the overall experience.

Manulife iFunds allows digital account opening and risk profiling and enables our customers to explore different investment options, while being able to transact and manage their investments online, anytime, anywhere. This, integrated with our customer administration system, creates operational efficiency through the straight-through processing of transactions.

Given the different preferences of people to save and invest, we have created an automated regular savings plan facility wherein customers can invest regularly to grow their wealth and navigate market volatility proactively.

### Thank you

As business conditions and investment landscape evolve, one thing will remain constant, our innate focus to drive initiatives that are consistent with living our purpose – to provide innovative wealth solutions that make decisions easier and lives better.

As I write this message, COVID-19 is causing unprecedented challenges on markets, economies, businesses and individuals around the world. My heartfelt gratitude goes out to the men and women in our team who work tirelessly with an owner mindset, collaborating with each other and our other colleagues in the broader Manulife organization, ensuring that we continue to deliver on our mission, amidst these trying times. We greatly appreciate everyone who has contributed in every possible way to make our first two years of operations truly fulfilling and purposeful. As we drive ahead to execute our strategic priorities in an uncharted economic and market condition, we will stay true to our values and culture, working towards helping more and more people reach their financial aspirations.

**Macaria Trinidad Gaspar, CFA**  
President & Chief Executive Officer  
Manulife Asset Management  
and Trust Corporation

# Board of *Directors*



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

Located in Hong Kong, Mr. Fiacco (43) 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, Thailand, 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 (59) 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".

# Board of *Directors*



**Macaria Trinidad Gaspar, CFA**  
**Director**

Macaria Trinidad Gaspar (51) is the President and Chief Executive Officer of Manulife Asset Management and Trust Corporation (MAMTC). 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 MAMTC, 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 (46) 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, Richard 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 (45) joined Manulife Philippines in 2012 and is currently the company's Vice President and Financial Controller. 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 (59) 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.

# Board of *Directors*



**Atty. Rene Betita**  
Independent Director

Atty. Rene B. Betita (62) 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.



**Raul Diaz**  
Independent Director

Raul C. Diaz (69) 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*

(as of December 2019)



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



**Gerlie Aman**  
Treasurer and Head of Operations



**Zedric Matubis**  
Head of Wealth Sales



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



**Mark Alan Canizares**  
Head of Equities



**Delma May Mujar**  
Compliance Officer



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



**Stanley Raymund  
Cabrera V, CFA, 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's trust 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.

The Board approves and oversees the implementation of corporate strategic plans, strategic initiatives and business decisions taking into account, among other things, the opportunities and risks of business. The Board also reviews and approves significant public disclosure policies and documents, including the financial statements and related disclosures prior to their release.

The Board likewise oversees the succession planning process of the Company, including the selection, appointment and development of the Chairman of the Board, the Board members, the President & CEO and other senior executive officers, including the heads of the Company's oversight functions, and the termination of the President & CEO, if required.

# Corporate Governance

## 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 2019, the Corporate Governance Committee met five (5) times as shown below:

Name of Director	Date of Meetings				
	20 February 2019	04 April 2019	25 June 2019	30 August 2019	02 December 2019
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.

Corporate Governance Committee	
Luz Lorenzo	Chairperson / Independent Director
Rene Betita	Independent Director
Edwin Magpantay	Non-Executive Director

### 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.

# Corporate Governance

In 2019, the Audit Committee met four (4) times as shown below:

Name of Director	Date of Meetings			
	20 February 2019	04 April 2019	30 August 2019	02 December 2019
Rene Betita (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.

Audit Committee	
Rene Betita	Chairperson / Independent Director
Raul Diaz	Independent Director
Boon Choy Wong	Non-Executive Director

In its recent meeting on 01 June 2020, the Audit Committee recommended for board approval the appointment of SGV & Co. as the Company's external auditor for 2020.

## 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 2019, the Risk Oversight Committee met four (4) times as shown below:

Name of Director	Date of Meetings			
	20 February 2019	25 June 2019	30 August 2019	02 December 2019
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.

Audit Committee	
Raul Diaz	Chairperson / Independent Director
Luz Lorenzo	Independent Director
Boon Choy Wong	Non-Executive Director

# Corporate Governance

## 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 2020 were presented to the Board and approved on 3 December 2019.

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 2019, 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 five (5) times in 2019. The Board members' attendance during meetings is shown below:

Name of Director	Date of Meetings					Percentage
	20 February 2019	04 April 2019	25 June 2019	30 August 2019	03 December 2019	
Gianni Fiacco (Chairperson)	/	/	/	/	/	100%
Boon Choy Wong (Vice-Chairperson)	/	/	/	/	/	100%
Richard Bates	NOT YET A DIRECTOR		/	/	/	100%
Aira Gaspar (President & CEO)	/	/	/	/	/	100%
Edwin Magpantay	/	/	/	/	/	100%
Luz Lorenzo (Independent)	/	/	/	/	/	100%
Rene Betita (Independent)	/	/	/	/	/	100%
Raul Diaz (Independent)	/	/	/	/	/	100%
Ryan Charland	/	/	/	RESIGNED		NA

All directors had 100% attendance rate for 2019.

## Venue of Meetings

All the Board and Committee meetings were held in the Company's Head Office at the NEX Tower, Ayala Avenue, Makati City.

## 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

Disclosure Statement. For 2019, 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 2019, the directors of the Company had a 100% completion rate of the required annual training.

# Corporate Governance

## 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 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 President & CEO and senior executive officers, including the heads of the Company's oversight functions, and the termination of President & CEO, if required. All nominations to such positions are deliberated and discussed by the Corporate Governance Committee, which also functions as the Company's nomination and remuneration committee, and 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 the

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. He was formerly the Company Secretary and Governance Officer of a Government Owned and Controlled Corporation, has attended various corporate governance trainings and seminars, and is a graduate member of the Institute of Corporate Directors.

As Company Secretary, he 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.

## 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:

# Corporate Governance



- 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 Compliance Officer. 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

# Corporate Governance

- Systematically acknowledging and surfacing material risks.

## Risk Governance

The Board of Directors is responsible for overseeing the Company's management of its principal risks. The Board delegates accountability for risk management to the President & CEO, who is assisted by the Risk Officer, the Compliance Officer and members of the ROC in carrying out this responsibility.

The President & CEO is directly accountable to the Board for all risk taking activities and risk management practices. The President & CEO, together with other business management, guides risk taking activities in line with the Company's risk appetite, monitors, reports and controls material risk exposures in a manner consistent with risk policies and standards of practice, and sponsor strategic risk management priorities, thereby continually shaping and promoting the risk management culture throughout the organization.

The Risk Officer is accountable for establishing and maintaining the Company's Risk Management Framework and for performing independent oversight of risk taking activities and the design and execution of the risk mitigation strategies across the enterprise. The Compliance Officer shall assume the independent function of identifying, measuring and analyzing compliance risks arising from the Company's fiduciary and investment management activities.

The ROC 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. 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 three components of risk appetite are briefly described further below.

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

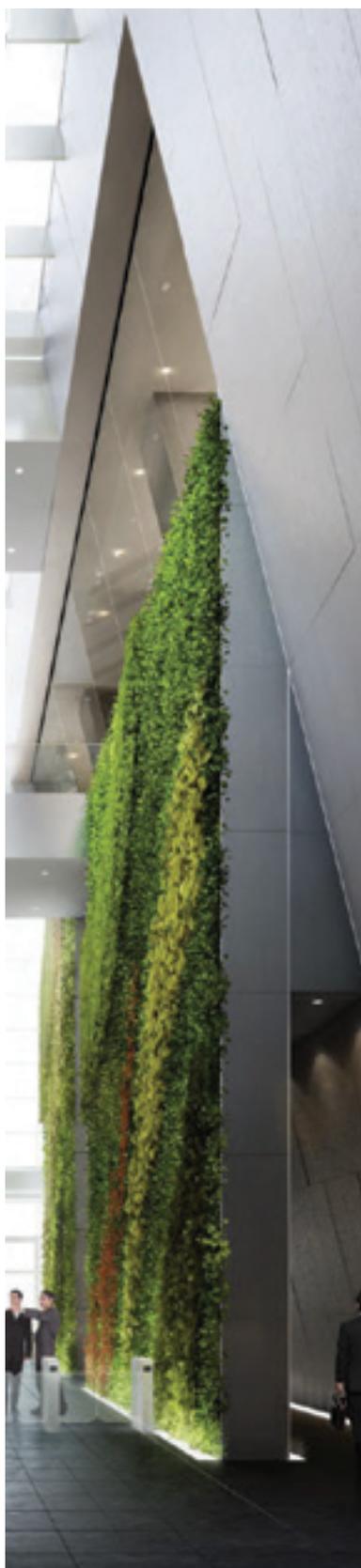
- To protect and/or enhance the Company's reputation and brand.

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 tolerance levels are set for risks relevant to the business and risk limits are assigned to these risks based on whether the business can demonstrate that it can quantify the risk, and that the quantification is responsive to management actions. Risk limits and tolerances are reviewed on a regular basis to ensure they remain appropriate given the Company's overall risk objectives and risk management plans, business strategy, and changing external environment.

# Corporate Governance



Changes are made as necessary with approval from the ROC and the Board.

## 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 event 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 passage of any risks identified into '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.manulife.com/en/privacy-policy.html>.

On an annual basis, we conduct a Privacy Awareness Day in the Company and a Privacy and Information Protection refresher training to our employees, distributors and third-party service providers. Any privacy-related concern can be sent to [phdataprotection@manulife.com](mailto:phdataprotection@manulife.com). Our Customer Privacy Policy and contact details of our Data Protection Officer can be found at <https://assetmanagement.manulife.com.ph/customer-privacy-policy>.

## Anti-Money Laundering and Anti-Terrorist Financing Policy

At Manulife, we are committed to preventing the use of our 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/ATF refresher training and a Manulife Group AML/ATF refresher e-learning training. There is also a supplemental AML/ATF refresher training from the Global Office on an annual basis for Corporate Officers ranked Assistant Vice President and above.

## Code of Business Conduct and Ethics

Manulife's Code of Business Conduct and Ethics (COBE) provides standards for ethical behavior 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. The 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, the directors, employees, senior management and agents are required to undergo training prior to onboarding and annually thereafter as a refresher course. This Code is available in print upon request.

# Company Policies



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 Asia Manulife Ethics Hotline enables employees to ask questions about our Code of Business Conduct and other company sponsored resources. In addition to other available avenues 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. Your report supported or proven illegal or unethical behavior without any fear of retaliation.

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

1. From an outside line dial the toll-free toll number for your location:
  - Philippines: 1-800-5331-08
  - Malaysia: 1-800-5331-11
  - China: 1-800-5331-11
2. At the prompt dial 100-264-6134
3. The call will be answered in English. To continue your call in another language:
  - Please state your language to request an interpreter
  - It may take 1-2 minutes to arrange for an interpreter
  - Being able to speak the same language is not required

## Whistle Blowing Policy

The Company has a Whistle Blowing Policy which encourages employees to talk to appropriate personnel about suspected 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 report by providing a hotline where they are duty-bound to report suspected unethical behaviors or air their grievances anonymously.

## 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 (Anti-Graft and Corrupt Practices Act), Revised Penal Code of the Philippines, 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 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.

As part of the policy, the Company implements a "no gift policy" directly or indirectly to any public official. Moreover, to ensure compliance with the policy by business partners and third-party providers, the Company's anti-bribery and anti-corruption policy is made an obligatory provision to the agreements or contracts that the Company enters into. 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 Risk Officer and Compliance Officer to report any violation of laws and regulations to the Board of Directors and recommend the imposition of appropriate disciplinary action on the responsible parties.

## Gifts and Entertainment Policy

It is the policy of Manulife that no business or specific transactions may be contingent in any way on the receipt of offer or solicitation of any gift or favor. Further, employees are 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 Officer.

To ensure awareness of the employees of the Company's Gifts and Entertainment Policy, the provisions are cascaded to the employees regularly and usually before the holiday season, i.e., Christmas and Chinese New Year, where 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.

# Company Policies



## 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 conflict of interest or potential conflict. 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 organization, are conducted in such a way 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 are provided in Note 19 of the Audited Financial Statements as submitted by the Company to 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 1.01 million and Php 0.60 million in 2019 and 2018, respectively.

In 2019, no non-audit fees were paid to the external auditor.

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

## Procurement Policy

The Company routinely engages with third-party vendors and service providers to support the day-to-day management of its 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. The Company's business requirements are clearly stated;
5. The Company's risk exposure is identified, assessed and effectively managed;
6. All contracts and supporting documents are reviewed and approved by appropriate officers; and
7. Suppliers meet their pricing, service level, and contractual commitments.

# Company Policies



## Supplier Selection Criteria

In 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 the Company's contract terms and conditions;
8. Compliance with the Company's Outsourcing and Vendor Risk Management Policy which aims to enhance design, structure and effectiveness of risk management processes;
9. Compliance with Government statutory requirements.

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

## Health and Safety Policy

The Company is committed to provide a safe and healthy environment for all its employees, agents and customers as they are our most valuable asset and their safety at the workplace is our greatest responsibility. This includes:

- Protection of the employee from injury and occupational disease
- The promotion of wellness efforts
- The prevention of violence and harassment in the workplace

Management provides top-level support for various initiatives and ensures that effective safety and health information is available in situations like fire, earthquake and other related emergencies that may be encountered. An emergency plan exists based upon the organization's need - established evacuation procedures, designated emergency assembly area/s, in the assignment of responsibility to specific individuals as emergency brigade members, employee education, training, monitoring, and enforcement procedures related to health and safety.

There is accountability at all levels of management and cooperation between management and employees for effective implementation of policy and related programs, such as:

- Fire and Earthquake Evacuation Drills
- First Aid Training
- Intro to Basic Life Support and CPR
- Reporting of unsafe work place hazards and unsafe work practices
- Orientation Programs
- Other company initiated safety and health activities

The Company is committed to continual improvement by conducting regular reviews and communications of the policy with applicable legal requirements as a minimum standard.



The Company is committed to provide a *safe* and *healthy* environment for all its employees, agents and customers...

# 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, 2019)

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

# Employees' Corner



## Compensation Philosophy

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

The Company's compensation philosophy is to pay for performance. The Company continues to differentiate compensation and rewards based on performance and contribution of the employees to drive high-performing culture. The Company's Employee Recognition Program awards on a quarterly basis employees and teams based on responses to the following:

- What did he/she/the team do to bring the Company's Purpose to life?
- How did he/she/the team help the Company's customers (internal or external) to achieve their dreams and aspirations?
- How did the employee/team demonstrate the Company's critical behaviors?

## Training and Development

The Company has various trainings and seminars for its employees. Trainings are provided by the Human Resources Department of the Company's parent company, Manulife Philippines, and its own Wealth Specialists. The Company also facilitates external trainings aligned with the employees' function and development potential. The trainings offered aim not only to comply with regulatory requirements but also to equip employees with the right skills and knowledge to perform their functions.

Manulife Philippines' Human Resources Department facilitated learning and development programs on the following:

- Leading Organizational Change
- Enable New Ways of Working
- Developing Inspiring Employee Experiences
- Customer Centricity



Manulife's global strategy requires all employees across the organization to *perform at their best* in order to achieve success.

# Products & Services



## Unit Investment Trust Funds

### Manulife 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

### Manulife 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

### Manulife 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

### Manulife AsiaPacific 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



**Manulife Asia Pacific REIT Fund of Funds offers investors regular payouts.**

# Products & Services



## Manulife 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

## Manulife 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.

## Manulife 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

## Manulife 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



**Manulife Dragon Growth Equity Feeder Fund offers access to China's large domestically-driven economy.**

# Products & Services



## Manulife 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

## 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 wealth solutions that are designed based on their risk and return objectives.

# Products & Services

## Manulife iFunds

We believe that investing should be an easy, convenient and pleasant experience and in this age of busy lifestyles, 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 customers and Wealth Specialists. With this tool, investing is easier than ever - customers and Wealth Specialists can now do their transactions from the convenience of their mobile devices.

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:

- Manage UITF investments – subscribe, top-up, add funds, switch, redeem and monitor account values
- Regular Savings Plan – enroll in automated regular top-ups to chosen UITFs
- View transaction history – check transaction history since start of investment
- View Statement of Account – view quarterly statement of account up to 3 years



- Goal-based investment – estimate required investments to achieve a target portfolio value
- What-if Analysis – compare the investment performance of a Manulife UITF versus a set 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

As people continue to look for easier and more convenient ways 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.



...in this age of busy lifestyles, a digital investment platform is an indispensable tool...

# Audited *Financial Statements*

## Independent Auditor's Report

The Board of Directors and Stockholders  
Manulife Asset Management and Trust Corporation

### Report on the Audit of the Company

#### Opinion

We have audited the financial statements of Manulife Asset Management and Trust Corporation (the Company), which comprise the statements of financial position as at December 31, 2019 and 2018, 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, 2019 and 2018, 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 Company Financial Statements

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

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

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

#### Auditor's Responsibilities For the Audit of the Company 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.

# Audited *Financial Statements*

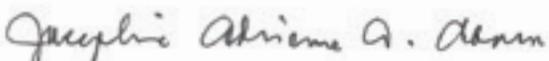
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material 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 22 and Revenue Regulations 15-2010 in Note 23 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 Asset Management and Trust Corporation. 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.



**Josephine Adrienne A. Abarca**  
Partner

CPA Certificate No. 92126

SEC Accreditation No. 0466-AR-4 (Group A),

November 13, 2018, valid until November 12, 2021 Tax  
Identification No. 163-257-145

BIR Accreditation No. 08-001998-61-2018,

February 26, 2018, valid until February 25, 2021 PTR  
No. 8125200, January 7, 2020, Makati City

June 1, 2020

# Audited *Financial Statements*

## Statements of financial position

	December 31	
	2019	2018
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents (Note 5)	P197,551,904	P173,120,596
Due from related parties (Note 19)	27,117,340	36,832,024
Receivables (Note 6)	7,580,648	2,438,719
Financial assets at fair value through other comprehensive income (Note 8)	15,008,750	77,994,920
Other current assets (Note 7)	44,937,376	19,484,738
Total Current Assets	292,196,018	309,870,997
Noncurrent Assets		
Financial assets at fair value through other comprehensive income (Note 8)	254,273,630	40,765,545
Property and equipment (Note 9)	15,443,029	1,827,779
Software costs (Note 10)	20,977,734	6,710,253
Deferred tax assets (Note 18)	3,164,112	1,202,042
Total Noncurrent Assets	293,858,505	50,505,619
<b>TOTAL ASSETS</b>	<b>P586,054,523</b>	<b>P360,376,616</b>
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities		
Accounts payable and accrued expenses (Note 11)	P43,179,766	P23,939,332
Due to related parties (Note 19)	53,623,061	58,653,420
Lease liability (Note 16)	2,593,778	-
Other liabilities (Note 12)	27,393,123	12,002,468
<b>Total Current Liabilities</b>	<b>126,789,728</b>	<b>94,595,220</b>
Noncurrent Liabilities		
Lease liability (Note 16)	9,181,727	-
Pension liability (Note 17)	7,837,159	1,594,087
Total Noncurrent Liabilities	17,018,886	1,594,087
<b>Total Liabilities</b>	<b>143,808,614</b>	<b>96,189,307</b>
Equity		
Capital stock (Note 13)	300,000,000	200,000,000
Retained earnings	141,549,094	67,659,302
Net remeasurement gain (loss) on pension plan (Note 17)	(4,836,510)	613,881
Net unrealized gain (loss) on financial assets at fair value through other comprehensive income (Note 8)	5,533,325	(4,085,874)
<b>Total Equity</b>	<b>442,245,909</b>	<b>264,187,309</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P586,054,523</b>	<b>P360,376,616</b>

See accompanying Notes to Financial Statements.

# Audited Financial Statements

## Statements of comprehensive income

Years Ended December 31

	2019	2018
<b>REVENUE</b>		
Trust fees (Note 14)	P320,600,269	P269,343,175
Interest (Notes 5 and 8)	8,832,992	6,567,966
Foreign currency exchange gains (losses) -net	129,879	(118,175)
Other income	466,147	135
	<b>330,029,287</b>	<b>275,793,101</b>
<b>EXPENSES</b>		
Compensation and employee benefits (Note 15)	87,474,900	68,042,582
Service fees (Note 19)	28,983,698	32,507,375
Information technology	27,335,485	28,003,439
Taxes and licenses	21,978,487	19,954,794
Commission	12,871,706	7,760,535
License fees	11,606,093	7,925,397
Advertising and promotion	10,774,637	7,025,376
Depreciation and amortization (Notes 9 and 10)	8,168,441	2,824,210
Finance charges	4,850,051	9,233,021
Entertainment, amusement and recreation	2,460,065	1,103,156
Professional fees	2,080,229	3,162,142
Utilities	612,256	2,427,415
Others	6,780,627	8,446,278
	<b>225,976,675</b>	<b>198,415,720</b>
<b>INCOME FROM OPERATIONS</b>	<b>104,052,612</b>	<b>77,377,381</b>
Interest expense on lease liability (Note 16)	679,949	-
<b>INCOME BEFORE INCOME TAX</b>	<b>103,372,663</b>	<b>77,377,381</b>
<b>PROVISION FOR INCOME TAX (Note 18)</b>	<b>28,482,871</b>	<b>25,014,421</b>
<b>NET INCOME</b>	<b>74,889,792</b>	<b>52,362,960</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)	10,396,166	(5,023,278)
Income tax effect on net changes in fair value of financial assets at fair value through other comprehensive income (Note 18)	(776,967)	723,816
Items that may not be reclassified to the statement of income in subsequent periods:		
Remeasurement gain (loss) on pension plan (Note 17)	(5,713,484)	1,663,480
Income tax effect on remeasurement gain (loss) on retirement plan (Note 18)	263,093	(499,044)
	<b>4,168,808</b>	<b>(3,135,026)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>P79,058,600</b>	<b>P49,227,934</b>

See accompanying Notes to Financial Statements

# Audited *Financial Statements*

## Statements of changes in equity

	Capital Stock (Note 13)	Retained Earnings (Note 13)	Net Remeasurement Gain (Loss) on Pension Plan (Note 17)	Net Unrealized Gain (Loss) on Financial Assets at FVOCI (Note 8)	Total
As at January 1, 2019	P200,000,000	P67,659,302	P613,881	(P4,085,874)	P264,187,309
Issuance of capital stock (Note 13)	100,000,000	-	-	-	100,000,000
Cost of issuance of capital stock (Note 13)	-	(1,000,000)	-	-	(1,000,000)
Net income	-	74,889,792	-	-	74,889,792
Other comprehensive income (loss)	-	-	(5,450,391)	9,619,199	4,168,808
Total comprehensive income (loss) for the year	-	74,889,792	(5,450,391)	9,619,199	79,058,600
As at December 31, 2019	P300,000,000	P141,549,094	(P4,836,510)	P5,533,325	P442,245,909
As at January 1, 2018	200,000,000	P15,296,342	(P550,555)	P213,588	P214,959,375
Net income	-	52,362,960	-	-	52,362,960
Other comprehensive income (loss)	-	-	1,164,436	(4,299,462)	(3,135,026)
Total comprehensive income (loss) for the year	-	52,362,960	1,164,436	(4,299,462)	49,227,934
As at December 31, 2018	200,000,000	P67,659,302	P613,881	(P4,085,874)	P264,187,309
See accompanying Notes to Financial Statements					

# Audited Financial Statements

## Statements of cash flows

Years Ended December 31

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	P103,372,663	P77,377,381
Adjustments for:		
Interest income (Notes 5 and 8)	(8,832,992)	(6,567,966)
Unrealized foreign exchange gain	(348,686)	–
Interest expense on lease liability (Note 16)	679,949	–
Depreciation and amortization (Notes 9 and 10)	8,168,441	2,824,210
Operating income before changes in working capital	103,039,375	73,633,625
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Due from related parties	9,714,684	17,292,458
Receivables	(7,652,514)	(1,436,414)
Other assets	7,669,560	(997,331)
Increase (decrease) in:		
Accounts payable and accrued expenses	19,240,434	4,475,531
Due to related parties	(5,030,359)	23,672,367
Pension liability	529,588	479,058
Other liabilities	14,595,973	10,962,328
Net cash from operations	142,106,741	128,081,622
Income tax paid (including creditable withholding taxes)	(59,320,310)	(49,286,075)
Interest received	5,689,120	4,410,501
Interest paid	(679,949)	–
Net cash generated from operating activities	87,795,602	83,206,048
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of:		
Financial assets at fair value through other comprehensive income (Note 8)	(219,315,666)	(72,791,641)
Software costs (Note 10)	(19,424,657)	–
Property and equipment (Note 9)	(1,639,193)	(1,822,923)
Proceeds from maturities of financial assets at fair value through other comprehensive income (Note 8)	80,100,000	61,500,000
Net cash used in investing activities	(160,279,516)	(13,114,564)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from issuance of capital stock -net (Note 13)	99,000,000	–
Payment of principal portion of lease liability (Note 16)	(2,433,464)	–
Net cash provided by financing activities	96,566,536	–
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	348,686	–
NET INCREASE IN CASH AND CASH EQUIVALENTS	24,431,308	70,091,484
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	173,120,596	103,029,112
CASH AND CASH EQUIVALENTS AT END OF YEAR	P197,551,904	P173,120,596

See accompanying Notes to Financial Statements



**Manulife** Asset Management

**Manulife Asset Management and Trust Corporation**

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