



# VARIABLE LIFE FUNDS Annual Performance Report

as of December 31, 2015



a subsidiary of  Manulife

an affiliate of  CHINABANK



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## About Manulife China Bank Life Assurance Corporation

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Manulife China Bank Life Assurance Corporation is a strategic alliance between Manulife Philippines and China Bank, providing a wide range of innovative insurance products and services to China Bank customers. The aim is to ensure that every client receives the best possible solution to meet his or her individual financial and insurance needs. In 2014, China Bank raised its equity stake to 40% in Manulife China Bank Life, its bancassurance joint venture with Manulife Philippines.

Manulife Philippines is a wholly-owned domestic subsidiary of Manulife Financial Corporation, among the world's largest life insurance companies by market capitalization. Manulife is a leading Canada-based financial services group with principal operations in Asia, Canada and the United States. We provide strong, reliable, trustworthy and forward-thinking solutions for our customers' significant financial decisions. Our international network of employees, agents and distribution partners offers financial protection and wealth management products and services to millions of clients. Assets under management by Manulife and its subsidiaries were approximately C\$691 billion (US\$596 billion) as at December 31, 2014.

China Bank was established in 1920, was listed on the Philippine Stock Exchange in 1947, became the first bank in Southeast Asia to process deposit accounts on-line in 1969, the first Philippine bank to offer phone banking in 1988, and acquired its universal banking license in 1991. China Bank serves the banking needs of corporate, commercial, and retail markets and provides a wide range of banking services through its more than 300 branches and business centers, and over 500 ATMs nationwide, complemented by its internet and mobile banking alternative channels. With nine decades of enduring partnerships marked by quality service to its clients, and now the fifth largest universal bank in terms of assets, China Bank remains to be one of the most respected, trusted, and stable financial institutions in the country.

The Manulife China Bank Life Assurance Corporation  
 Variable Unit Linked Funds  
**Net Asset Value**

as December 31

	<b>2014</b>	<b>2015</b>
<b>Peso Dynamic Allocation Fund</b>	2,842,233,863.00	3,449,480,803.77
<b>Peso Bond Fund</b>	200,998,781.00	164,850,999.56
<b>Peso Stable Fund</b>	93,326,969.00	86,112,884.77
<b>Peso Equity Fund</b>	189,175,923.00	208,847,798.72
<b>Peso Balanced Fund</b>	92,082,713.00	104,458,578.64
<b>U.S. Dollar Bond Fund</b>	152,744,751.00	150,146,358.18
<b>Peso Secure Fund</b>	3,416,632,840.00	2,819,290,955.11
<b>Peso Diversified Value Fund</b>	2,375,462,250.00	2,202,420,222.88
<b>Peso Growth Fund</b>	3,739,207,438.00	4,174,706,732.63
<b>U.S. Dollar Secure Fund</b>	716,750,649.00	761,321,135.18
<b>Peso Target Income Fund</b>	64,393,193.00	118,146,883.10
<b>Peso Target Distribution Fund</b>	1,333,789,016.00	2,918,746,094.25
<b>USD Asia Pacific Bond Fund</b>	552,735,860.00	504,890,185.45
<b>USD ASEAN Growth Fund</b>	1,339,518,910.00	1,190,994,758.86
<b>Peso Cash Fund</b>	12,685,461.00	30,498,316.35
<b>USD Wealth Premier Fund</b>	300,493,945.00	220,839,101.21
<b>Total</b>	<b>17,422,232,562.00</b>	<b>19,105,751,808.66</b>

# Market Review

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## PESO BOND MARKET

The low inflation environment failed to negate the bearish sentiment triggered by the anticipated rate hike by the US Federal Reserve (Fed), the slowdown of China's economy, and the lower than expected local economic growth. As a result, local bond yields rose year-on-year by about 30-50 basis points across the curve.

Concerns over the health of China's economy and uncertainty on the policy rate path of the Fed stoked volatility in global markets. Despite statements from the Fed that interest rate adjustments would be gradual and data-dependent, the prospects of higher US interest rates exerted upward pressure on local bond yields. Eventually, the Fed raised its policy rate by 25 basis points in December amid firmer US jobs and retail data. Meanwhile, the moderation of China's economic momentum engendered risk-off sentiment because of its possible adverse effects on global growth given that China is the world's second largest economy.

*Despite statements from the Fed that interest rate adjustments would be gradual and data-dependent, the prospects of higher US interest rates exerted upward pressure on local bond yields.*

The local economy grew by 5.6% in the first nine months of the year amid challenging external conditions and tepid fiscal contribution to economic growth. While the country's economic expansion was relatively robust, it fell short of the government's target and market estimates. Nonetheless, the strong economic growth was achieved with benign inflation, which was underpinned in part by low oil price and government measures to avoid disruptions in the food supply chain. Subdued inflation pressures allowed the local central bank to maintain an accommodative monetary policy to support economic growth.

## Market Outlook

We expect local bond yields to stay within a tight range in the first half of the year given well anchored inflation expectations and favorable economic outlook. However, the local bond market may go under pressure in the second half of the year as the Fed implements the next phase of its monetary tightening cycle.

While the Philippines' sound economic fundamentals are expected to cushion the impact of global economic challenges, we shall continue to take a defensive stance by keeping our bias towards liquid securities to give us greater flexibility to take advantage of potential mispricing of securities while mitigating the impact of possible upward pressure on yields during periods of heightened market volatility.

*Uncertainties surrounding the normalization of U.S. monetary policy, unconventional monetary stimulus of other major central banks, and global growth concerns led by a slowdown in China's economy drove the general direction of global bond markets in 2015.*

## **USD ROP BOND MARKET**

Uncertainties surrounding the normalization of U.S. monetary policy, unconventional monetary stimulus of other major central banks, and global growth concerns led by a slowdown in China's economy drove the general direction of global bond markets in 2015. The crosscurrents of these factors caused the yields on US dollar-denominated bonds of the Republic of the Philippines ("ROP bonds") to move higher year-on-year.

The uneven US economic data and the challenging global economic environment have made the policy rate path of the US Federal Reserve (Fed) indeterminable. This lack of visibility on the Fed rate hiking cycle has created unwanted volatility in global financial markets given that the Fed has indicated that keeping interest rates low for too long could undermine financial stability. The Fed eventually raised its policy rate by 25 basis points for the first time in nearly a decade in December, amid improvement in US economic data.

The volatility in the global bond market was exacerbated by intensified concerns of a China-led global growth slowdown. China's policy actions, which included the unexpected devaluation of its currency and the successive cuts in its policy rates underscored the challenging economic and market conditions in the world's second largest economy. These stoked concerns that China would no longer be able to maintain its above 7% economic growth, triggering risk-off sentiment given China's deep trade relations with both advanced and developing economies. Meanwhile, the European Central Bank (ECB) implemented extraordinary stimulus including the introduction of negative interest rates, the provision of cheap long-term funds for ailing banks and the expansion of its bond-buying program to boost inflation and economic growth in the euro area.

### Market Outlook

We expect yields on ROP bonds to consolidate as investors remain wary of global economic and financial challenges. Elevated volatility is likely to persist given that growth risks in China and emerging market economies are unlikely to diminish in the near term. In addition,

the Fed's decision to tread the path of tightening monetary policy while the central banks of other advanced economies are keeping their thrust towards unconventional monetary stimulus underscores the headwinds of divergent global economic performance. Against this backdrop, we shall continue to actively manage the portfolio's duration to take advantage of potential price upticks if UST yields drift lower and to mitigate the impact of a possible abrupt rise in yields in the event of an unexpected acceleration of the pace of the Fed's hiking cycle

*We expect yields on ROP bonds to consolidate as investors remain wary of global economic and financial challenges.*

## **EQUITY MARKET**

The local stock market index (PSEI) closed the year at 6,952, down by 3.9%, driven largely by unfavorable external developments. The negative return for the year was a stark contrast to the stellar performance of the local stock market in the first four months of the year, which saw the market rise by as much as 12%. The sharp reversal of performance marked 2015 as the first time that the local market fell in value during the last seven years following the global financial crisis. Nonetheless, the Philippines still fared better compared to its ASEAN peers like Indonesia and Singapore.

Global growth concerns, particularly China's slowing economy, along with the US Fed rate hike and Greek debt crisis, dampened overall investor sentiment and derailed the Philippine market's upward trajectory. Apart from external developments, lower than expected economic and corporate earnings growth also contributed to the market's descent. Corporate earnings were initially anticipated to grow by around 15% in 2015. However, stiffer competition and several one-off expenses shrunk earnings expectations to a mere 3-5%.

The Philippine economy expanded by 5.6% for the first nine months of the year. While the economic expansion was relatively strong, it lowered the possibility that the government will reach its full year target of 7- 8%. The slower economic momentum casts doubt on the downgraded earnings expectations and pushed foreign fund outflows higher to USD1.2 billion. Global investors generally shifted out of emerging markets due to risk-off sentiment. The rotational shift in favor of less risky assets fuelled the strengthening of US dollar against most emerging market currencies, which ultimately resulted to more outflows as investors tried to reduce their exposure to foreign currency risk.

For the year, sector performance was mixed, with the Holding (4.8%) and Property (3.8%) sectors doing relatively well. Companies with exposure to the consumer space in particular, such as mall operators, were favored by investors amid perception that they are relatively insulated from tight competition. Meanwhile, Mining and Oil (-34.1%) underperformed due to lower commodity prices brought about by a stronger US dollar and weaker global demand. Services (-28.0%) also lagged, dragged down by gaming names whose



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earnings disappointed on the back of fewer Chinese VIP players and uncollectible receivables.

#### Market Outlook

Market sentiment is expected to stay cautious given the potential heightened market volatility that may be triggered by signs of continued slowdown of China's economy. The first half of the year could be saddled by election-related uncertainties and lack of clarity on the trajectory of the Fed's tightening cycle. Nonetheless, the disinflationary pressure coming from low oil prices is expected to provide support for corporate earnings growth and domestic consumption. Despite global concerns, the Philippine economic story remains intact, powered by a rising middle income market and strong private consumption. These positive factors, along with favorable demographics, increasing infrastructure investments, and rapidly expanding business process and outsourcing (BPO) sector, bode well for a sustained high growth trajectory for the local economy. The market correction presents an opportunity to accumulate names

that have better earnings visibility and sound business model. Amid prospects of heightened market volatility, we will keep our bias towards defensive names with steady cash flows and decent yields such as utilities, and consumer names that have exposure to election-related spending and robust domestic consumption.

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*Within the ASEAN region, global economic growth concerns, a selloff in global and Chinese equities, and monetary easing by Asian central banks were the key themes in the period under review.*

## ASEAN GROWTH FUND

The MSCI South East Asia Small Cap Index ('benchmark') returned -17.07% (in US dollar terms) in 2015. All benchmark constituents posted negative returns with Indonesia (down 32.7%) recording the sharpest performance detraction, followed by the Philippines (down 24.5%), Thailand (down 13.9%), Singapore (down 13.4%), and Malaysia (down 9.7%).

In the US, first quarter GDP contracted 0.2% year-on-year before rising 1.5% in the third quarter. The US Federal Reserve (Fed) implemented its first rate hike in nine years in December. In the meantime, oil continued to decline in 2015, falling to an 11-year low in December.

Within the ASEAN region, global economic growth concerns, a selloff in global and Chinese equities, and monetary easing by Asian central banks were the key themes in the period under review. In Indonesia, economic growth remained steady, coming in at 4.73% in the third quarter while the government announced a series of economic reforms aimed at stimulating the economy and increasing investment. Worries over the impact of a US interest rate hike and a Chinese economic slowdown prompted a net outflow of foreign

investments over the period. In Thailand, the Bank of Thailand cut its benchmark interest rate twice over the period while inflation fell for the 11th straight month in November, declining 0.97% year-on-year. The government pledged to increase investment spending to boost consumption and to mitigate the impact of weaker exports. However, the pace of spending was relatively slow.

In Malaysia, the government vowed to lift consumption and private investment, and to fast-track selected public infrastructure projects. The Malaysian government expects GDP to settle at 4-5% in 2016.

In the Philippines, the government asked Congress to approve its record 3 trillion peso proposed budget for 2016 amid signs of higher spending. Philippine GDP slowed to a three-year low in the first quarter as exports fell amid an uneven global recovery. However, third quarter GDP accelerated to 6.1% year-on-year after rising by a revised 5.8% in the second quarter.

## Market Outlook

Heading into 2016, South East Asian markets will continue to be exposed to volatility caused by uncertainty around the timing of the Fed tightening cycle and the state of the economy in China.

The devaluation of the CNY, if left unchecked, may pose further risk to markets in the region.

Further slide in oil price, however, could help ease inflation in net oil importing countries like Indonesia, the Philippines, and Thailand, but could add pressure to the fiscal balance of Malaysia, which depends much on income from oil royalty. With positive real interest rate and benign inflationary environment, we see room for central banks in Thailand and Indonesia to cut interest rates to support economic growth.

In Indonesia, there are strong signs of execution of infrastructure projects, which have helped stabilize economic growth. A continued improvement of economic growth momentum could restore investors' and consumers' confidence in the market. We believe that foreign direct investments would gather pace once the economy and the Indonesia rupiah stabilize.

***Companies with strong balance sheet and cash flow, and clear earnings visibility, will be on top of our stock list.***

The Thai government has implemented measures to stimulate domestic demand such as the income tax deduction provided to shoppers in December for purchases of certain goods and services. While the impact of this measure was short-lived, the gesture indicates the government's determination to boost domestic consumption, both through local and foreign tourist spending. Given the low oil price, the Malaysian government is expected to revise its budget, which was built upon an oil price oil of USD48 per barrel. This could entail spending cut and therefore leaves limited room for the government to stimulate a slowing economy. Furthermore, inflation is expected to remain elevated as the impact of the recent increases in electricity tariff, transportation costs, and Goods and Services Tax feed through the system. The effect of a weaker currency would also be felt through in the system in 2016. Against such backdrop and given that equity valuations have yet to price in such risks, we shall maintain an underweight position in this market.

Overall, our strategy remains largely unchanged for 2016. Companies with strong balance sheet and cash flow, and clear earnings visibility, will be on top of our stock list. We will continue to look for opportunities around companies with the ability to innovate and develop new products and markets.

## ASIA PACIFIC BOND MARKET

In the US, the 10-year Treasury yield rose from 2.17% to 2.27% over the period, dipping below 2.00% occasionally amid volatility in financial markets driven by concerns over a Chinese economic slowdown and its negative implications to global growth. The US Federal Reserve Board (Fed) raised interest rates for the first time since 2006, a widely expected move, and indicated that it will likely follow with further gradual increases.

During the period, the People's Bank of China (PBoC) devalued the Chinese renminbi and shifted to a more market-oriented exchange rate policy. This unexpected change negatively affected investors' sentiment, which led to capital outflows from emerging markets and a decline in most Asian currencies relative to the US dollar. Malaysian ringgit was one of the worst performing Asian currencies amid lower oil prices and ongoing political controversy in that country.

In China, economic indicators were mixed as GDP growth slowed from 7% in the first quarter to 6.9% in the third quarter. The official purchasing managers' index (PMI) peaked at 50.2 in May before falling to 49.6 in November, the weakest level in three years. The PBoC reduced interest rates five times over the period to stimulate the economy. Offshore Chinese bond yields rose amid higher renminbi currency volatility, which led to increased selling by investors.

In Indonesia, third quarter GDP expanded to 4.7% while inflation cooled from 6.96% in January to 4.89% in November.

The Indonesian government unveiled a series of stimulus packages towards the end of the year, aimed at encouraging investment and boosting economic growth. Indonesian bond yields rose amid depressed commodity prices and capital outflows during the August global financial market sell-off. However, Indonesian bond yields retraced to lower levels during the latter part of the period on improved investors' sentiment toward the region. In South Korea, the government announced a fiscal stimulus program of more than 15 trillion won (USD13.5 billion) to mitigate the economic impact of the Middle East Respiratory Syndrome (Mers). In addition, the Bank of Korea reduced its policy rate twice to a record-low of 1.5%, which led to a decline in bond yields.

Overall, Asian investment grade corporate credit markets had positive returns during the period from a total return perspective. Asian investment grade credit spreads widened as investors turned risk averse, following the August global financial market sell-off, which led to capital outflows from the region. Credit spreads tightened to some degree during the latter part of the period as investor sentiment improved. The JP Morgan Asian Investment Grade Corporate Bond Index gained 2.77% in US dollar terms.

***Overall, Asian investment grade corporate credit markets had positive returns during the period from a total return perspective.***

## Market Outlook

With the widely anticipated US Federal Reserve interest rate hike and market uncertainty associated with the timing of the move out of the way, we expect Asian fixed income investors to turn their attention to China's economy. Volatility in global and Asian bond markets may continue on the growing uncertainty over China, renminbi volatility, and rising geopolitical risk. In this environment, we continue to actively manage the portfolio's interest rate duration to limit downside risk, and seek to take advantage of short-term market dislocations. Amongst local currency bonds, we favor Indonesian bonds, as we expect improving economic fundamentals following the implementation of a series of economic policy packages and potential easing of monetary policy. We also see pockets of investment opportunities in selected Asian corporate bonds with historically large foreign investor base unfairly sold off during a risk-off environment. These are done by non-Asian investors who have significant home country investment bias.

Source: Bloomberg, Manulife Asset Management; 31 December, 2015.

*Volatility in global and Asian bond markets may continue on the growing uncertainty over China, renminbi volatility, and rising geopolitical risk. In this environment, we continue to actively manage the portfolio's interest rate duration to limit downside risk, and seek to take advantage of short-term market dislocations.*

# PESO BOND FUND

## INVESTMENT OBJECTIVE

The Fund seeks to achieve a stable and long-term growth by investing in government securities and/or high quality corporate debt securities, and/or pooled fund/s that invest in these securities and other liquid fixed income instruments.

## FUND PERFORMANCE



## HISTORICAL YIELD

PERIOD	TOTAL RETURN
<b>Year-to-Date</b>	
Absolute	-1.94%
<b>Since Inception</b>	
Absolute	158.00%
Annualized	8.40%

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

## ASSET ALLOCATION



## FUND INFORMATION

**Launch Date**  
April 2004

**Total Net Asset Value**  
Php 811.5 million

**Net Asset Value per Unit**  
Php 2.58

**Management Fee**  
1.50% p.a.

# PESO STABLE FUND

## INVESTMENT OBJECTIVE

The Fund seeks to achieve long-term growth by investing in government securities and/or high quality corporate debt securities, stocks listed on the Philippine Stock Exchange, and/or in pooled fund/s that invest in these securities and other liquid fixed income instruments.

## FUND PERFORMANCE



## HISTORICAL YIELD

PERIOD	TOTAL RETURN
<b>Year-to-Date</b>	
Absolute	-2.81%
<b>Since Inception</b>	
Absolute	162.80%
Annualized	8.57%

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

## ASSET ALLOCATION



## FUND INFORMATION

**Launch Date**  
April 2004

**Total Net Asset Value**  
Php 743.4 million

**Net Asset Value per Unit**  
Php 2.628

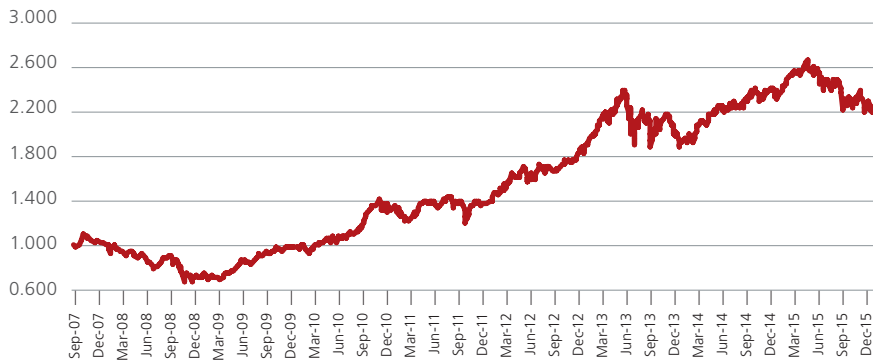
**Management Fee**  
1.75% p.a.

# PESO EQUITY FUND

## INVESTMENT OBJECTIVE

The Fund seeks to achieve long-term capital appreciation by investing in stocks listed on the Philippine Stock Exchange, and government securities and/or pooled fund/s that invest in these securities and other liquid instruments.

## FUND PERFORMANCE



## HISTORICAL YIELD

PERIOD	TOTAL RETURN
<b>Year-to-Date</b>	
Absolute	-5.85%
<b>Since Inception</b>	
Absolute	125.50%
Annualized	10.26%

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

## ASSET ALLOCATION

Equity Pool ▼

100%

## FUND INFORMATION

**Launch Date**  
September 2007

**Total Net Asset Value**  
Php 1.37 billion

**Net Asset Value per Unit**  
Php 2.255

**Management Fee**  
2% p.a.



# PESO BALANCED FUND

## INVESTMENT OBJECTIVE

The Fund seeks to achieve long-term capital growth through investments in diversified portfolios of peso-denominated fixed income securities and securities listed on the Philippine Stock Exchange, and/or pooled fund/s that invest in these securities and other liquid fixed income instruments. It generally maintains a balanced allocation between fixed income and equity investments and may shift asset allocation between the two as risk/reward dynamics warrant but in no case shall the fund's equity or fixed income allocation exceed 70% of its assets.

## FUND PERFORMANCE



## HISTORICAL YIELD

PERIOD	TOTAL RETURN
<b>Year-to-Date</b>	
Absolute	-4.68%
<b>Since Inception</b>	
Absolute	1.90%
Annualized	0.76%

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

\*\* The 3% per annum payout rate is not guaranteed

## ASSET ALLOCATION



## FUND INFORMATION

**Launch Date**  
July 2013

**Total Net Asset Value**  
Php 411.47 million

**Net Asset Value per Unit**  
Php 1.019

**Management Fee**  
2% p.a.

# PESO TARGET INCOME FUND

## INVESTMENT OBJECTIVE

The Fund aims to provide periodic payouts of up to 3% per annum\*\* while providing the potential for capital appreciation and limiting the risk of capital erosion by investing in a diversified portfolio of fixed income and equity investments based on an active asset allocation strategy.

## FUND PERFORMANCE



## HISTORICAL YIELD

PERIOD	TOTAL RETURN
<b>Year-to-Date</b>	
Absolute	-4.77%
<b>Since Inception</b>	
Absolute	-1.88%
Annualized	-1.09%

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

## ASSET ALLOCATION



## FUND INFORMATION

**Launch Date**  
April 2014

**Total Net Asset Value**  
Php 125.23 million

**Net Asset Value per Unit**  
Php 0.938

**Management Fee**  
2% p.a. (of which 0.2% will go to the investment advisor, MAM Hong Kong Ltd.)

# PESO SECURE FUND

## INVESTMENT OBJECTIVE

The Fund seeks to achieve a stable and long-term growth by investing in government securities, and/or high quality corporate debt securities, and/ or pooled fund/s that invest in these securities, and other liquid fixed income instruments.

## FUND PERFORMANCE



## HISTORICAL YIELD

PERIOD	TOTAL RETURN
<b>Year-to-Date</b>	
Absolute	-2.16%
<b>Since Inception</b>	
Absolute	53.85%
Annualized	6.63%

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

## ASSET ALLOCATION



## FUND INFORMATION

**Launch Date**  
April 2009

**Total Net Asset Value**  
Php 2.91 billion

**Net Asset Value per Unit**  
Php 1.54

**Management Fee**  
1.75% p.a.

# PESO DIVERSIFIED VALUE FUND

## INVESTMENT OBJECTIVE

The Fund seeks to achieve long-term growth by investing in government securities and/or high quality corporate debt securities, stocks listed on the Philippine Stock Exchange, and/or in pooled fund/s that invest in these securities and other liquid fixed income instruments.

## FUND PERFORMANCE



## HISTORICAL YIELD

PERIOD	TOTAL RETURN
<b>Year-to-Date</b>	
Absolute	-2.99%
<b>Since Inception</b>	
Absolute	75.00%
Annualized	8.69%

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

## ASSET ALLOCATION



## FUND INFORMATION

**Launch Date**  
April 2009

**Total Net Asset Value**  
Php 3.33 billion

**Net Asset Value per Unit**  
Php 1.75

**Management Fee**  
2.00% p.a

# PESO GROWTH FUND

## INVESTMENT OBJECTIVE

The Fund seeks to achieve long-term capital appreciation by investing in stocks listed on the Philippine Stock Exchange, government securities, and/or pooled fund/s that invest in these securities and other liquid instruments.

## FUND PERFORMANCE



## HISTORICAL YIELD

PERIOD	TOTAL RETURN
<b>Year-to-Date</b>	
Absolute	-6.12%
<b>Since Inception</b>	
Absolute	208.03%
Annualized	18.25%

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

## ASSET ALLOCATION

Equity Pool ▼

100%

## FUND INFORMATION

**Launch Date**  
April 2009

**Total Net Asset Value**  
Php 7.51 billion

**Net Asset Value per Unit**  
Php 3.068

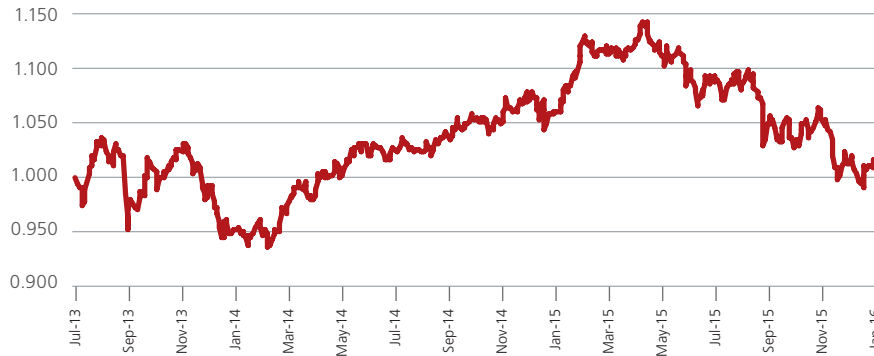
**Management Fee**  
2.25% p.a.

# PESO DYNAMIC ALLOCATION FUND

## INVESTMENT OBJECTIVE

The Fund seeks to achieve long-term capital growth through investments in diversified portfolios of peso-denominated fixed income securities and securities listed on the Philippine Stock Exchange, and/or pooled fund/s that invest in these securities and other liquid fixed income instruments. It generally maintains a balanced allocation between fixed income and equity investments and may shift asset allocation between the two as risk/reward dynamics warrant but in no case will the fund's equity or fixed income allocation exceed 70% of its assets.

## FUND PERFORMANCE



## HISTORICAL YIELD

PERIOD	TOTAL RETURN
<b>Year-to-Date</b>	
Absolute	-4.89%
<b>Since Inception</b>	
Absolute	1.20%
Annualized	0.48%

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

## ASSET ALLOCATION



## FUND INFORMATION

**Launch Date**  
July 2013

**Total Net Asset Value**  
Php 2.61 billion

**Net Asset Value per Unit**  
Php 1.012

**Management Fee**  
2.25% p.a.

# PESO TARGET DISTRIBUTION FUND

## INVESTMENT OBJECTIVE

The Fund aims to provide periodic payouts of up to 3% per annum\*\* while providing the potential for capital appreciation and limiting the risk of capital erosion by investing in a diversified portfolio of fixed income and equity investments based on an active asset allocation strategy.

## FUND PERFORMANCE



## HISTORICAL YIELD

PERIOD	TOTAL RETURN
<b>Year-to-Date</b>	
Absolute	-4.90%
<b>Since Inception</b>	
Absolute	-2.30%
Annualized	-1.33%

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

\*\* The 3% per annum payout rate is not guaranteed

## ASSET ALLOCATION



## FUND INFORMATION

**Launch Date**  
April 2014

**Total Net Asset Value**  
Php 1.43 billion

**Net Asset Value per Unit**  
Php 0.934

**Management Fee**  
2.25% p.a. (of which 0.2% will go to the investment advisor, MAM Hong Kong Ltd.)

# USD SECURE FUND

## INVESTMENT OBJECTIVE

The Fund seeks to achieve long-term capital appreciation by investing in USD denominated sovereign and corporate debt securities, and/or pooled fund/s that invest in these securities and other liquid instruments.

## FUND PERFORMANCE



## HISTORICAL YIELD

PERIOD	TOTAL RETURN
<b>Year-to-Date</b>	
Absolute	0.74%
<b>Since Inception</b>	
Absolute	50.30%
Annualized	6.26%

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

US Bond Pool ▼

## ASSET ALLOCATION

100%

## FUND INFORMATION

**Launch Date**  
April 2009

**Total Net Asset Value**  
US\$ 17.12 million

**Net Asset Value per Unit**  
US\$ 1.503

**Management Fee**  
2% p.a.



# US DOLLAR ASIA PACIFIC BOND FUND

## INVESTMENT OBJECTIVE

The Fund seeks to maximize returns from a combination of capital appreciation and income generation. The Fund primarily invests in a diversified portfolio of fixed income securities issued by governments, agencies, supra-nationals and corporate issuers in the Asia Pacific region.

## FUND PERFORMANCE



## HISTORICAL YIELD

PERIOD	TOTAL RETURN
<b>Year-to-Date</b>	
Absolute	-3.20%
<b>Since Inception</b>	
Absolute	-0.30%
Annualized	-0.07%

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

## SECTOR ALLOCATION



## FUND INFORMATION

**Launch Date**  
October 2011

**Total Net Asset Value**  
US\$ 24.16 million

**Net Asset Value per Unit**  
US\$ .997

**Management Fee**  
2% p.a. (of which 0.6% will go to the investment manager)

# U.S. DOLLAR ASEAN GROWTH FUND

## INVESTMENT OBJECTIVE

The objective of this Fund is to generate long-term capital growth through investments in equity and equity-related securities of companies incorporated in countries which are members of ASEAN as well as companies incorporated outside ASEAN but with material exposure to ASEAN markets. The Fund may hold cash and fixed income instruments for liquidity management purposes.

## FUND PERFORMANCE



## HISTORICAL YIELD

PERIOD	TOTAL RETURN
<b>Year-to-Date</b>	
Absolute	-15.02%
<b>Since Inception</b>	
Absolute	-5.50%
Annualized	-1.86%

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

## ASSET ALLOCATION



## FUND INFORMATION

**Launch Date**  
November 2012

**Total Net Asset Value**  
US\$56.55 million

**Net Asset Value per Unit**  
US\$0.945

**Management Fee**  
2.25% p.a. (of which 0.9% will go to the Manager)

# USD BOND FUND

## INVESTMENT OBJECTIVE

The Fund seeks to achieve long-term capital appreciation by investing in USD denominated sovereign and corporate debt securities and/or pooled fund/s that invest in these securities and other liquid instruments.

## FUND PERFORMANCE



## HISTORICAL YIELD

PERIOD	TOTAL RETURN
<b>Year-to-Date</b>	
Absolute	1.05%
<b>Since Inception</b>	
Absolute	111.40%
Annualized	6.96%

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

## ASSET ALLOCATION

US Bond Pool ▼

100%

## FUND INFORMATION

**Launch Date**  
November 2004

**Total Net Asset Value**  
US\$12.43 million

**Net Asset Value per Unit**  
US\$2.114

**Management Fee**  
1.75% p.a.

# US DOLLAR WEALTH PREMIER 2023 FUND

## INVESTMENT OBJECTIVE

The Fund is designed to offer exposure to the Citi Octave USD Index (the "Index"), a proprietary Index developed and maintained by Citigroup Global Markets Limited ("CGML"), a wholly owned subsidiary of Citigroup, Inc. The Index was designed by CGML to offer exposure to various international equity markets and to provide volatility and drawdown control mechanisms that aim to limit the maximum decline of the Index to 20% of the highest value ever achieved by the Index from the launch date of the Fund until the maturity date of the Fund (2023).

## FUND PERFORMANCE



## HISTORICAL YIELD

PERIOD	TOTAL RETURN
<b>Year-to-Date</b>	
Absolute	-7.65%
<b>Since Inception</b>	
Absolute	-12.51%
Annualized	-4.63%

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

\*The Fund invests mainly in structured notes ("Notes") whose value is linked to the performance of the Index. The Note is issued by Allegro Investment Corporation S.A. ("Allegro"). The High Watermark Price refers to 80% of the highest unit price achieved by the Fund since its inception.

## ASSET ALLOCATION



## FUND INFORMATION

**Launch Date**  
March 2013

**Total Net Asset Value**  
US\$ 1.24 million

**Net Asset Value per Unit**  
US\$ 0.872

**Management Fee**  
2.80% per annum (of which  
1.3% p.a. will go to CGML)

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