

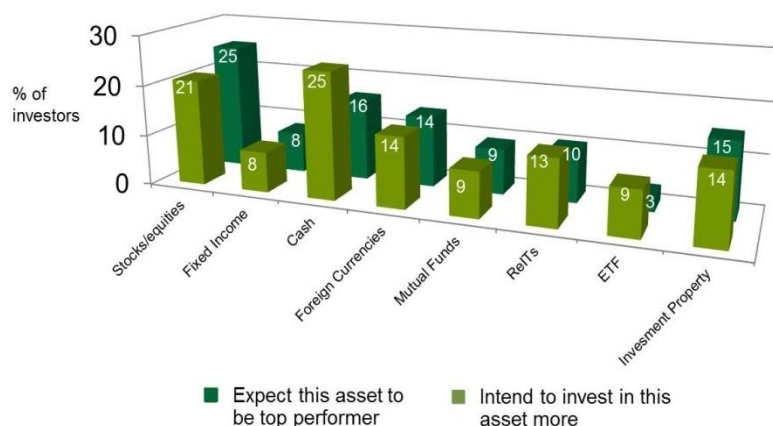
Singapore investors aiming for high returns in 2015 But may be missing lessons from 2014's disappointments – Manulife

- **Just one third of Singapore investors happy with their 2014 investment performance**
- **Targeting 8.2 percent returns in 2015, but repeating financial mistakes**
- **Overall sentiment dragged down by property market gloom**

SINGAPORE—Singapore investors expect average investment returns of 8.2 percent in 2015, but risk a repeat of their disappointments from 2014, according to new research from Manulife.*

Among the two thirds of investors who weren't happy with their 2014 performance, more than half put it down to unexpected market events, almost a third to taking too much risk, and a quarter to their failure to seek professional advice.

Despite being clear on the reasons for their disappointment, investors are set to continue on the same path given their financial plans for 2015. Only 12 percent of those surveyed listed learning more about investment as their top financial priority of the year, while just 9 percent intended to set up a financial plan.



Investors expect equities to be this year's top performer, but most favour cash for their own money.

Looking to Singapore investors' actual investment intentions in 2015, there are additional warning signs that point to continued financial disappointment. Although they expect equities to be the top performing asset class, more investors say they will 'invest' in cash than any other asset in the next six months.

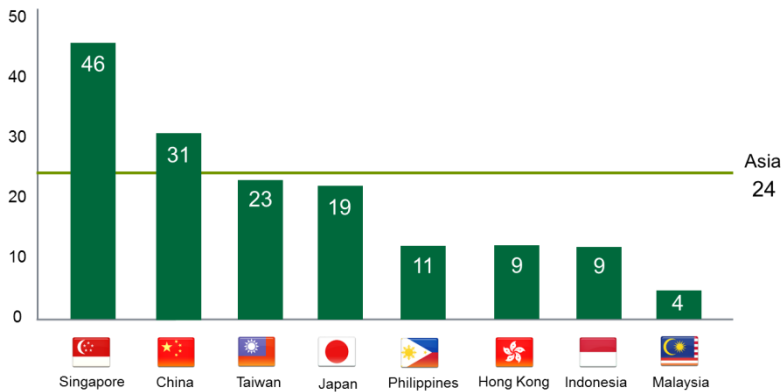
"Holding a high level of cash may not necessarily be consistent with their expected returns," said Naveed Irshad, President and CEO of Manulife Singapore. "With interest rates likely to remain low in 2015, cash deposits will not give investors the returns they hope for. Portfolio

diversification will be critical, so that investors aren't overly exposed to unexpected market events, or to a single asset class or market that can't outperform given current economic conditions."

Already, nearly 9 out of 10 say they hold cash as an investment and the proportion of cash in their portfolios has climbed steadily in recent quarters, now averaging 36 percent of their total asset allocation (excluding own home). Singapore investors' holdings of cash, equivalent to 46 months of income, are also significantly higher than the Asia-wide average of 24 months.¹

¹ Manulife Investor Sentiment Index Q1, 2014





Singapore investors hold the equivalent of 46 months of cash - almost double the Asia average

“After a year when most Singapore investors were not satisfied with their investment performance, turning to professional advice may help them strengthen their portfolios and take better advantage of investment opportunities.”

While Singapore investors’ second-most popular asset class for the next six months is equities, with 21 percent intending to ratchet up their holdings, ownership is still quite low with just over half of those surveyed saying they hold equities in their portfolio. Intent to build fixed income holdings is even lower at just 8 percent.

“While cash may be perceived as a safe-haven amid the recent resurgence of equity market volatility, investors do not necessarily have to sacrifice investment returns as the price for defensive positioning. Rather, a multi-asset investment solution comprising a mix of equities and bonds and diversified exposure to a range of markets can provide a degree of insulation from market volatility while also potentially generating returns in excess of cash or even delivering a recurring income stream,” commented Jill Smith, Senior Managing Director, Manulife Asset Management (Singapore).

Top priority in 2015 – financial



Singapore investors make ‘saving more’ their top financial priority for 2015

Singapore investors also nominate “saving more” as their top financial goal in 2015, even though they’re already saving 17 percent of their income on average. The main purpose of their saving is for retirement, which they say is their top financial concern.

“Investors often think, at their peril, that saving alone is the silver bullet to a comfortable retirement. Long-term retirement planning is multi-dimensional and depending on an individual’s circumstances could entail wealth creation, healthcare needs and preserving wealth,” concluded Naveed Irshad.

The theme of counterintuitive financial decisions also extends to Singapore investors’ views of property. They say it’s not a good time to invest in investment property, with sentiment down 5 points to -2 in the last quarter, on the basis that prices are too high and a price correction is expected in 2015; however investment in property remains third on their list of top performing assets and third on their list of assets to invest more in this year.

This pessimism towards property held down the overall MISI index for Singapore in the last quarter of 2014, with Singapore at 15 points.

For more findings and related information from the Manulife Investor Sentiment Index in Asia, please visit www.manulife-asia.com.



* About Manulife Investor Sentiment Index in Asia

Manulife's Investor Sentiment Index in Asia is a quarterly, proprietary survey measuring and tracking investors' views across eight markets in the region on their attitudes towards key asset classes and related issues. The Index is calculated as a net score (% of "Very good time" and "Good time" minus % of "Bad time" and "Very bad time") for each asset class. The overall index is calculated as an average of the index figures of asset classes. A positive number means a positive sentiment, zero means a neutral sentiment, and a negative number means negative sentiment.

The Manulife ISI is based on 500 online interviews in each market of Hong Kong, China, Taiwan, Japan, and Singapore; in Malaysia, Indonesia and the Philippines it is conducted face-to-face. Respondents are middle class to affluent investors, aged 25 years and above who are the primary decision maker of financial matters in the household and currently have investment products.

The Manulife ISI is a long-established research series in North America. The Manulife ISI has been measuring investor sentiment in Canada for the past 15 years, and extended this to its John Hancock operation in the U.S. in 2011. Asset classes taken into Manulife ISI Asia calculations are stocks/equities, real estate (primary residence and other investment properties), mutual funds/unit trusts, fixed income investment and cash.

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About Manulife

Manulife is a leading Canada-based financial services group with principal operations in Asia, Canada and the United States. Clients look to Manulife for strong, reliable, trustworthy and forward-thinking solutions for their most 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. We also provide asset management services to institutional customers. Funds under management by Manulife and its subsidiaries were approximately C\$663 billion (US\$591 billion) as at September 30, 2014. Our group of companies operates as Manulife in Canada and Asia and primarily as John Hancock in the United States.

Manulife Financial Corporation trades as 'MFC' on the TSX, NYSE and PSE, and under '945' on the SEHK. Manulife Financial can be found on the Internet at manulife.com.

About Manulife Asset Management

Manulife Asset Management is the global asset management arm of Manulife, providing comprehensive asset management solutions for institutional investors and investment funds in key markets around the world. This investment expertise extends across a broad range of public and private asset classes, as well as asset allocation solutions. As at 30 September 2014, assets under management for Manulife Asset Management were approximately US\$276 billion.

Manulife Asset Management's public markets units have investment expertise across a broad range of asset classes including public equity and fixed income, and asset allocation strategies. Offices with full investment capabilities are located in the United States, Canada, the United Kingdom, Japan, Hong Kong, Singapore, Taiwan, Indonesia, Thailand, Vietnam, Malaysia, and the Philippines. In addition, Manulife Asset Management has a joint venture asset management business in China, Manulife TEDA. The public markets units of Manulife Asset Management also provide investment management services to affiliates' retail clients through product offerings of Manulife and John Hancock.

John Hancock Asset Management and Declaration Management and Research are units of Manulife Asset Management. Additional information about Manulife Asset Management may be found at ManulifeAM.com.



Media Contact:

Cindy Cheng
Manulife (Singapore) Pte Ltd
(65) 6833 8162
cindy_cheng_AC@manulife.com

Nora Seah
Manulife (Singapore) Pte Ltd
(65) 6883 8120
nora_seah_GY@manulife.com

