Manulife Investment Management

[The Manulife Investment Management logo appears on the screen]

Music plays softly throughout video

The words "Stock market and investing" appear on screen.

The voiceover says: "Hello, and welcome to the second episode in our series about the stock markets and investing.

Transition to a check mark and the words on screen: how the stock market is made up of various exchanges and brokers or companies that buy and sell equities.

Voiceover says: "In the last episode, we discussed how the stock market is made up of various exchanges and brokers, or companies, that buy and sell equities."

Transition to an image of a box with 3 lines in the middle and the words on screen: "what goes into building an investment portfolio?"

Voiceover says: "Today, we're going to talk about what goes into building an investment portfolio to help you reach your goals, including:"

Transitions into a screen with the words: Assets, Asset Classes, asset allocation. Diversification. Risk tolerance and risk capacity.

Voiceover says: "• Assets • Asset classes • Asset allocation • Diversification, and
• Risk tolerance and risk capacity."

Screen transitions to a animation of a car driving on the road. The words display on screen: "1 what's an asset? Anything that has value

The voiceover says: What's an asset? An asset is anything that has value—today or in the future.
Your car is an asset.

Screen transitions into an animation of a circle with images of a graph, a house, a building, gold bars, a couch and a person in the center. The words on screen are: "Assets are anything that has value. Stocks, house, bank, gold furniture"

The voiceover says: "So is your gold necklace, furniture, equities, house, and anything else you own that you could sell for money. Even the cash in your bank account is an asset."

Transitions to an image of different spices in spoons. Words on screens say: "2 What's an asset class? A group of assets with similar characteristics"
Voiceover says: What's an asset class? A group of assets with similar characteristics is called an asset class.

Screen transitions into images of a graph a piece of paper and money are displayed

The words on screen display: “The three primary asset classes are: Equites. Fixed income. Guaranteed”

The voiceover says: “The three primary asset classes are:
• Equities
• Fixed income, and
• Guaranteed”

The screen transitions into a man and woman looking at a computer screen. Then words on screen that display: “Let’s explain what each asset classes are: Guaranteed investments are money you invest and the return you get are guaranteed at maturity. Some examples would include. guaranteed interest accounts (GIA) and guaranteed investment certificates. This is considered the safest asset class, as the money you invest and the return you get are guaranteed at maturity.”

The voiceover says: let’s explain what each of these asset classes are:

-Guaranteed investments are money you invest and the return you get are guaranteed at maturity. Some examples would include. guaranteed interest accounts or GIA’s and guaranteed investment certificates or GIC’s. This is considered the safest asset class, as the money you invest and the return you get are guaranteed at maturity.

Screen transitions to a woman looking at her tablet. The screen displays the words: “let’s explain what each of these asset classes are: Guaranteed. -When you invest in a fixed income, you’re making a loan to a company or government. In exchange for your money, you may receive regular interest payments
(typically paid twice per year), plus your money back at the end of an agreed on period.”

The voiceover says: “-When you invest in a fixed income, you’re making a loan to a company or government.
In exchange for your money, you may receive regular interest payments
(typically paid twice per year), plus your money back at the end of an agreed-on period.”

On screen now says “Equities are shares of publicly traded companies that you can buy. They go up or down in value based on the company’s success or market conditions.”

The voiceover says: “Equities are shares of publicly traded companies that you can buy. They go up or down in value based on the company’s success or market conditions.”

Transitions to an animation of a bar graph labeled low risk/potential return. Higher risk potential return. Along with the legend with a money icon saying “Guaranteed” a piece of paper saying “fixed income” and a graph saying “Equities”

The words on screen display: “Each asset class comes with risk and offers possible return on investment.” A circle pans over the video and shows each segment of the bar graph.

The voiceover says: Each asset class comes with some amount of risk and offers a possible
return on your investment. Guarantee tends to have lower risk but also lower potential returns. Equities often come with more risk but higher potential returns.

Equities are riskier because they don’t guarantee returns and can become
worthless if the company fails.

But if the company performs well, stockholders may profit from the increased value of
the company.

Fixed income at least pays interest and, while not guaranteed, are somewhat reliable, giving them
moderate risk and return potential."

Screen transitions to an animation of a peacock spreading its feathers.

Words on screen display: "3 what's asset allocation? Describes how you spread you money across different asset classes"

Voiceover says: "What's asset allocation?
Asset allocation describes how you spread your money across different asset classes.
This is an important investing strategy to consider because it can help you manage how
much risk you take on when investing."

screen transitions to a pie chart showing 15% guaranteed. 35% fixed income. 50% equities.

words on screen: "consider spreading your retirement savings among the three
main asset classes like this:
• 50% in equities,
• 35% in Fixed Income, and
• 15% in Guaranteed assets"

Transitions to an animation of the graphs labeled Guaranteed. Fixed income. Equities. Lower risk/ potential is under the Guaranteed graph. Higher risk/ potential return is under equites graph.

The words on screen display Potential gains you make in one asset class can help offset potential losses you receive in another."

The voiceover says: "The potential gains you make in one asset class can help offset any potential
losses you receive in another because on any given day, the price of some investments can
move up or down more than others."

Transitions back to a screen with a peacock spreading it feathers

The on screen display: "4 what's diversification? Spreading your money among different assets within each asset class. Guaranteed. Fixed income. Equities.

The voiceover says: "What's diversification?
Diversification takes the asset allocation concept one step further: Spread your money
among different assets within each asset class."

Transition to an image of a ciurcle with different colored dots inside of it.

Words on screen display: "Consider investing in a mix of equities because not all equities are identical. Small, medium, and large companies. Canadian and international companies. Companies across different industries, such as technology, banking and manufacturing."

The voiceover says: "To help diversify your equities, you'd invest in a mix, because not all equities are identical.
Some examples include:
• Small, medium, and large companies,
• Canadian and international companies, and
• Companies across different industries, such as technology, banking, and manufacturing

In general, no investment is continuously the best or worst performer every
year, and no investor can consistently pick only winners."

Screen transitions into an animation of hands pacing bowls containing nuts and seeds on a table.

The words on screen display: "diversify your portfolio to help capture steadier returns"

They voiceover says: When you have a balanced mix of investments, the gains and losses from individual assets can offset each other for steadier returns and could reduce your chance of any one investment having too large an effect on your portfolio.

Screen transitions to an animation of a bar graph along with a circle with different colored dots.
The word on screen display: "different asset classes have varying levels of risk"

The voiceover says: "We've mentioned risk a couple times today.
Different asset classes have varying levels of risk.
Being too concentrated in a single investment comes with the risk of that investment performing poorly and having a large effect on your overall portfolio."

Transition to an animation of a person in a kayak, going down a river.

Words on screen display: "5 what's risk tolerance and risk capacity? The level of risk you take in your investment"

Voiceover says: "So, how much risk is appropriate for you? That depends on your risk tolerance and risk capacity."

Screen transitions to a man jogging. Drawing of a person on screen.

The word on screen display: "your risk tolerance represents how much risk you're willing to take in your investments."

The voiceover says: "Your risk tolerance represents how much risk you're willing to take in your investments. It's personal to you and may change throughout your life."

Screen transitions to a man and woman watching their child riding a bike. Icon of a family and a down arrow is on screen.

Word on screen display: "Your risk tolerance represents how much risk you're willing to take in your Investments"

Voiceover says: "If you're married without kids, you may have a higher risk tolerance than if you had four children—you likely have fewer costs and responsibilities.
On the other hand, if a large investment loss causes you to lose sleep at night, your risk tolerance is likely low."

Transitions to an animation of a man and his daughter walking in a field.

The words on screen display: "your risk capacity, on the other hand, represents how much risk you're able to accept.

The voiceover says: ": Your risk capacity, on the other hand, represents how much risk you're able to accept.
Risk capacity is a mathematical, fact-based assessment of your financial situation and goals.
If you can't afford a large financial loss, such as when you're in retirement and living off your savings, your risk capacity is low.

Alternatively, if a large loss won't prevent you from reaching your financial goals, then your risk capacity may be high."

Transition to an icon of an 2 arrows converging inward into one.

On screen displays the words: "together, Together, your risk tolerance and risk capacity make up your risk profile, which helps guide your investment decisions."

Voiceover says: "together, Together, your risk tolerance and risk capacity make up your risk profile, which helps guide your investment decisions."

Transitions to screen with icon of a lightbulb.

On screen displays: "So, why are these concepts helpful to understand the stock market?"

Transition to a woman looking at a computer.

On screen displays: "They help you see the risk that comes with investing and provide potential strategies to help manage that risk.
equities can grow in value, or they can become worthless.
Knowing your risk profile and how you can allocate and diversify your assets are key risk management concepts."

Transition to a question mark icon

The words are displayed on screen: "what's next in our series?"

Transitions to screen displaying the words: 1 short- and long-term investing. 2 when you may want to consider each strategy. 3 and which types of investments may be appropriate for each.

The voiceover says: "In the next episode, we'll be talking about short- and long-term investing—what they are, when you may want to consider each strategy, and which types of investments may be appropriate for each."

[The Manulife logo appears on the screen]

Neither asset allocation nor diversification guarantees a profit or protects against a loss. An asset allocation investment

option may not be appropriate for all participants, Canada Retirement products and services are offered by The

Manufacturers Life Insurance Company (Manulife). Manulife, Manulife & Stylized M Design, and Stylized M Design are

trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates under license.

3389433

10/24 AODA