

# 66% OF PEOPLE HAVE TROUBLE UNDERSTANDING INVESTMENT ADVICE<sup>1</sup>.

WE FEEL IT'S 100% TIME TO CHANGE THAT.

That's why we provide tools and support to ensure investors have a clear, accurate understanding of their investment options. Many investors have heard about mutual funds and the wealth potential they offer. Fewer know about segregated fund solutions and their unique features and advantages.

Key questions to ask	Mutual Funds	Segregated Fund Solutions
Will my investment have growth potential?	Yes	Yes
Can I invest in industry-leading funds?	Yes	Yes
Can I diversify my investments?	Yes	Yes
Will my investment be exempt from seizure by creditors?	Sometimes. Consult a legal advisor to learn more	Yes, in certain circumstances. Consult a legal advisor to learn more
Is my investment protected if the market drops?	No	Yes, segregated fund solutions may offer 75% or 100% guarantees at contract/series maturity <sup>2</sup>
Is my investment protected for my beneficiaries?	No	Yes, segregated fund solutions may offer 75% or 100% death benefit guarantees <sup>3</sup>
Are there estate planning advantages?	No	Yes. As long as a beneficiary other than the estate is named, the death benefit proceeds of your segregated fund go quickly and directly to your beneficiaries upon your death – without the delays and expense of settling your estate
Can I lock in investment growth?	No	Yes, sometimes <sup>4</sup>
Are there cost implications to consider?	Yes. The costs associated with mutual funds can include management fees, operating costs, commissions, trailing commissions and applicable sales tax. Some funds might also include a charge for early withdrawal	Yes. In addition to the fees associated with mutual funds, the guarantees offered by segregated funds are an additional cost of insurance. A contract might also include a charge for early withdrawal
Can my investment deliver guaranteed income for life?	No	Yes, sometimes. Some segregated fund contracts include an option that can deliver lifetime guaranteed income. Ask your advisor for details.

Segregated fund contracts are offered by insurance companies and are governed by life insurance legislation. Mutual funds are offered by investment management firms, and are governed by securities legislation. Both products offer opportunities to help grow your wealth. Your advisor can help you find a solution that meets your needs.

<sup>1</sup> Source: Ipsos Study, January 2018, n=2,000 Canadians aged 18+, +/- 2.5 points commissioned by Manulife.

<sup>2</sup> With segregated fund contracts, you're guaranteed to receive at least 75% of your deposits (or 100%, depending on the contract) less any withdrawals, when the contract matures. This is known as a maturity guarantee, and it applies at the maturity date. The maturity date occurs after a minimum number of years have elapsed or on a date specified in the contract, for example, age 100 of the Annuitant, even if markets decline during the period.

<sup>3</sup> The death benefit guarantee can be up to 100%, depending on the type of contract selected and the age of the annuitant when the product is purchased. Your named beneficiary gets the death benefit in the event of death. Your beneficiary can be anyone – a family member, a friend or a charity.





<sup>4</sup> Certain conditions apply to elect a reset to lock in growth, and these are specific to the contract you are purchasing. Resets are not available on all contracts.

# Keep in mind: Estate planning advantages

When it comes to estate planning, you can take steps now to help ensure that loved ones will not endure additional stress during a difficult time.

Segregated fund solutions offer the ability to name a beneficiary. When a beneficiary other than your estate is named, the money goes directly to your beneficiary. Your loved ones can receive an inheritance quickly and privately<sup>4</sup>. You may even be able to leave your heirs more than you would with other types of investment products.

## Key estate planning advantages of segregated funds:

-  **Speed:** Settling an estate can be lengthy, frequently taking months or even years if the will is challenged. With a named beneficiary other than the estate, death benefit proceeds of a segregated fund contract can pass directly to the beneficiary and avoid delays
-  **Privacy:** Bypassing the estate, and therefore probate where applicable, can preserve confidentiality as probate is a matter of public record. Payments made to named beneficiaries of an insurance contract do not flow through the estate and are therefore a private matter<sup>5</sup>
-  **Cost:** Legal, estate administration, and probate erode the value of an estate, diminishing the amount of money beneficiaries receive. The proceeds of a segregated fund contract can bypass these fees
-  **Control:** Use the Annuity Settlement Option to automatically transfer segregated fund proceeds upon death into an annuity. Replace a lump sum benefit with smaller, scheduled payments while providing savings of legal, estate administration and probate fees, increased privacy and potential creditor protection

## We've got you covered

Find a solution that reflects your goals, life stage and investment style. The breadth of Manulife Investments' segregated fund product shelf is unparalleled in the industry. Choose from a variety of solutions designed to offer:

- **Growth potential:** Exposure to the markets means your wealth has potential to grow
- **Peace of mind:** Built-in maturity and death benefit guarantees<sup>6</sup> are designed to help mitigate your investment's exposure to market fluctuations
- **Potential creditor protection:** You may be able to protect personal assets from professional liability
- **Guaranteed income for life:** Some segregated fund contracts include an option that can deliver lifetime guaranteed income. Ask your advisor for details.

<sup>5</sup> In Saskatchewan assets are identified on the application for probate despite the fact that they do not flow through the estate and are not subject to probate fees.

<sup>6</sup> Guarantees may be reduced by withdrawals.

For more information, please contact your advisor.



This document is not intended to provide details of any product. For detailed information, please consult the applicable Information Folder, Contract and Fund Facts for segregated fund products and the Prospectus and Fund Facts for mutual funds. The Manufacturers Life Insurance Company is the issuer of insurance contracts containing Manulife segregated funds and the guarantor of any guarantee provisions therein. Any amount that is allocated to a segregated fund is invested at the risk of the contractholder and may increase or decrease in value. Age restrictions and other conditions may apply. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund facts as well as the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Manulife, Manulife Investments, the Block Design, the Four Cube Design, Strong Reliable Trustworthy Forward-thinking are trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates under license.