

# Manulife Corporate Classes

Tax-management strategy for non-registered assets





A previous benefit of corporate class funds was the ability to switch between funds without triggering capital gains or paying redemption fees. Under new legislation, effective January 1<sup>st</sup> 2017, a corporate-class investor who exchanges, or otherwise disposes of, shares of one corporate-class fund for shares of another will be considered to have disposed of those shares at fair market value – triggering a taxable disposition.

## How Corporate Classes Work

A corporate class structure is comprised of multiple classes of shares of a single mutual fund corporation, where each class has a different fund investment objective or mandate. The structure can provide additional benefits over holding traditional mutual funds for some investors.

With Manulife Corporate Classes, certain tax benefits can be provided through distributions or cash flow from corporate classes that may be tax-efficient capital gains dividends and ordinary dividends from Canadian sources or tax-free return of capital. By paying less tax on tax-efficient distributions or cash flow, investors may improve their portfolio's growth over time.

### Ideal investors

Suitable investors for corporate classes can have one or more of these characteristics:

- High income earners or high net worth
- Limited RRSP contribution room because of participation in defined benefit pension plans
- Small business owners or executives looking for alternative to individual pension plan
- High percentage of portfolio's return is taxed as interest income
- Maximize their annual registered plan contributions and have additional funds to invest
- Seniors: Corporate class combined with tax efficient Series T cash flow can help reduce or eliminate OAS clawback

### Why Manulife Corporate Classes

- Broad range of funds across multiple asset classes and mandates
- Experienced and reputable fund managers and sub-advisors
- Diversify clients' portfolios by asset class, sector and manager
- Series T structure available on selected classes – helps mutual fund to provide tax-efficient monthly cash flow



A mutual fund corporation computes its net income and net capital gains as a single entity and can therefore minimize any distributions that are required to be made to shareholders. Since the corporation cannot flow through ordinary income (i.e. interest or foreign income), any distribution that is paid out to investors will be tax efficient in the form of an ordinary Canadian dividend, or a capital gains dividend (taxed at 50 per cent as a taxable capital gain) which can allow investors to save tax.

Manulife corporate classes		Fund codes (MMF)					Available in Series T
		Advisor Series				Series F	
		FE	LL2	LL3	DSC	CDN\$	
<b>Equity Funds</b>							
<b>Canadian Equity</b>	Manulife Canadian Dividend Growth Class	3505	8034	3705	3405	3605	✓
	Manulife Dividend Income Class <sup>1</sup>	8545	8045	8745	8445	8645	✓
	Manulife Fundamental Dividend Class <sup>2</sup>	3521	3871	3721	3421	3621	✓
	Manulife Dividend Income Plus Class <sup>3</sup>	8593	8193	8793	8493	8693	✓
	Manulife Canadian Equity Class <sup>4</sup>	8533	8033	8733	8433	8633	✓
	Manulife Growth Opportunities Class	8508	8809	8708	8408	8608	✓
<b>U.S. Equity</b>	Manulife U.S. Dividend Income Class	8549	8048	8749	8449	8649	✓
	Manulife Covered Call U.S. Equity Class	8596	8196	8796	8496	8696	✓
	Manulife U.S. All Cap Equity Class	8539	8039	8739	8439	8639	✓
<b>Global and International Equity</b>	Manulife Global Dividend Growth Class	3529	3271	3729	3429	3629	✓
	Manulife Global Dividend Class	8551	8051	8751	8451	8651	✓
	Manulife Global Equity Class	4506	4677	4706	4406	4606	✓
	Manulife Global Franchise Class <sup>5</sup>	3532	3870	3732	3432	3632	✓
	Manulife World Investment Class	8521	8947	8721	8421	8621	✓
	Manulife Global Thematic Opportunities Class	8597	8395	8797	8497	8697	✓
<b>Specialty Equity</b>	Manulife Asia Equity Class	8542	8042	8742	8442	8642	
	Manulife China Class	8575	8375	8775	8475	8675	
	Manulife Global Listed Infrastructure Class <sup>6</sup>	8584	8884	8784	8484	8684	✓
<b>Balanced Funds</b>							
<b>Canadian Balanced</b>	Manulife Fundamental Income Class <sup>7</sup>	3546	3670	3746	3446	3646	✓
	Manulife Fundamental Balanced Class <sup>8</sup>	8544	8044	8744	8444	8644	✓
	Manulife Monthly High Income Class	8594	8894	8794	8494	8694	✓
<b>Global Balanced</b>	Manulife Value Balanced Class	8537	8937	8737	8437	8637	✓
<b>Manulife Private Investment Pools</b>							
<b>Equity Private Pools</b>	Manulife Canadian Equity Private Pool	1948	-	1949	n/a	4017	✓
	Manulife Dividend Income Private Pool	1852	-	1952	n/a	4018	✓
	Manulife Global Equity Private Pool	1963	-	1964	n/a	4027	✓
	Manulife U.S. Equity Private Pool	1955	-	1956	n/a	4025	✓
<b>Balanced Private Pools</b>	Manulife Balanced Equity Private Pool	1991	-	1992	n/a	4037	✓
	Manulife Canadian Balanced Private Pool	1987	-	1988	n/a	4036	✓

<sup>1</sup> On April 20, 2018 Manulife Preferred Income Class merged into Manulife Dividend Income Class

<sup>2</sup> Formerly Manulife Canadian Dividend Income Class

<sup>3</sup> Formerly Manulife Canadian Focused Class

<sup>4</sup> Formerly Manulife Fundamental Equity Class. On October 21, 2019, the Manulife Fundamental Equity Class was renamed the Manulife Canadian Equity Class. On April 20, 2018, Manulife Canadian Opportunities Class merged into the Manulife Fundamental Equity Class (now Manulife Canadian Equity Class). Because the fund that was merged into the Manulife Canadian Opportunities Class had a larger asset base than the Manulife Fundamental Equity Class, the performance data for the Manulife Fundamental Equity Class may not be provided for any period prior to the merger transaction.

<sup>5</sup> On September 25, 2018 the Manulife Global Equity Unconstrained Fund was renamed the Manulife Global Franchise Fund

<sup>6</sup> On August 1, 2019 the Manulife Global Infrastructure Class was renamed the Manulife Global Listed Infrastructure Class

<sup>7</sup> Formerly Manulife Canadian Monthly Income Class. On April 20, 2018 Manulife Canadian Opportunities Balanced Class merged into Manulife Fundamental Income Class.

<sup>8</sup> Formerly Manulife Canadian Equity Balanced Class

For more information please contact  
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The payment of distributions is not guaranteed and may fluctuate. If distributions paid by the fund are greater than the performance of the fund, then your original investment will shrink. Distributions should not be confused with a fund's performance, rate of return, or yield. You may also receive return of capital distributions from a fund. Please consult with your tax advisor regarding the tax implications of receiving distributions. See the fund facts as well as the prospectus for more information on a fund's distributions policy.

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