



Better together:
Manulife Smart
ETFs in segregated
fund contracts



ETF assets in Canada have grown 20% per year for the last ten years*. While segregated funds investing in underlying mutual funds have been popular for decades, segregated funds investing in underlying ETFs are a newer phenomenon and there are limited investment options available to investors who want to combine the investment potential of ETFs with the insurance advantages of segregated funds.

We think it's time for that to *change*.

Our unique, single-asset class ETF segregated funds can complement other strategies or management styles—and provide greater control of asset allocation for investors who want something different than a pre-packaged bundle or portfolio.

Manulife Smart ETFs in segregated fund contracts can offer access, choice, and flexibility, at a competitive price.

Now that's *smart*.

*Source: Canadian ETF Association, National Bank Financial.
As of December 31, 2020.

GIF Select Investment Plus and Manulife Private Investment Pools —MPIP Segregated Pools welcome three ETFs to their lineups

All three funds are actively managed and seek to deliver a higher yield than the broad market index or passively managed ETFs. They are unique in the ETF segregated fund market, as they offer access to single asset class ETFs.



Get to know the underlying ETFs

Manulife Smart Dividend ETF

Management style: Active

Risk rating: Medium

Manager: Manulife Systematic Equity Beta

Geography: Canada

Category: Canadian Dividend and Income Equity

Manulife Smart U.S. Dividend ETF

Management style: Active

Risk rating: Medium

Manager: Manulife Systematic Equity Beta

Geography: United States

Category: U.S. Equity

Manulife Smart Corporate Bond ETF

Management style: Active

Risk rating: Low

Manager: Manulife Systematic Fixed Income Beta

Geography: Canada

Category: Canadian corporate fixed income

Building Manulife Smart Dividend ETFs

The quality dividend screen is at the foundation of the underlying ETFs.

The criteria applies to each investment decision, ensuring the funds maintain a consistent focus—investing in companies with historically stable and growing dividends. Criteria the portfolio managers apply to the underlying ETF are:

1. Is the stock liquid?
2. Is the dividend amount sustainable?
3. Compared to earnings, is the dividend sustainable?
4. Can the dividend grow over time?
5. Is the dividend yield attractive compared to competitors?

To determine the allocation of the stocks in the underlying ETF, the team considers four factors they believe drive better risk-adjusted returns. They are quality, momentum, value and yield.

Based on the outcome of their proprietary model, a weight is assigned to each stock in the underlying ETF.



Why a dividend growth strategy *now*?

In two words: *income* and *inflation*.

As economies begin to see signs of a post-Covid recovery, inflation concerns are becoming more real.

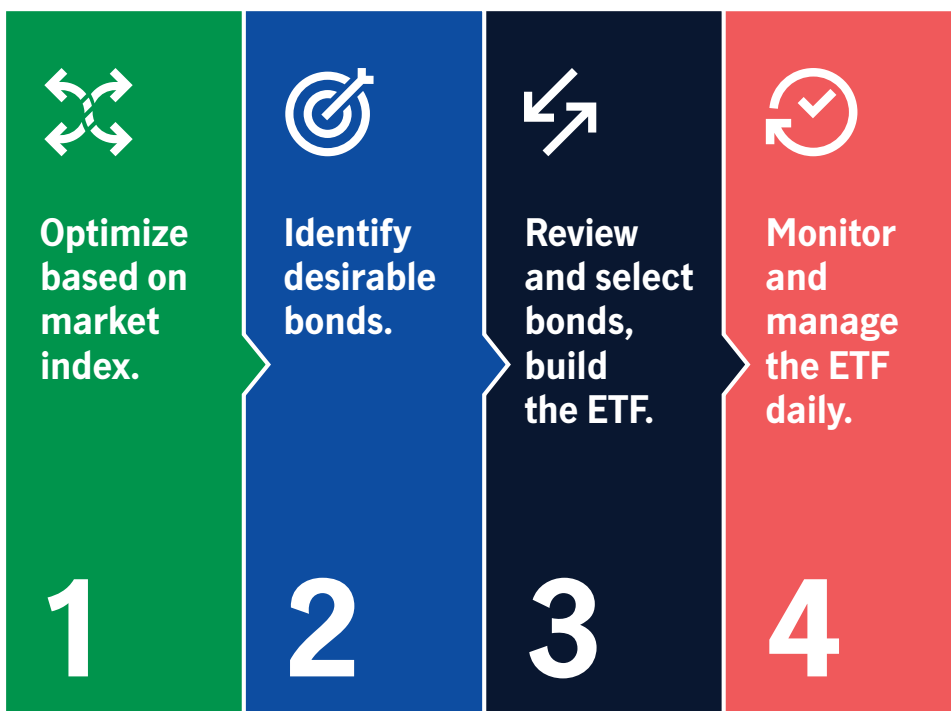
Incorporating a strategy focused on historically consistent dividend growers, such as the Manulife Smart Dividend ETF segregated fund, can help position an equity portfolio for success if inflation persists.

Building Manulife Smart Corporate Bond ETF

Systematic and active management techniques are at the core of the underlying ETF.

The underlying ETF uses a scalable and repeatable process to identify pockets of value in bond markets, the goal is to match the risk profile of the broad corporate bond market while providing a higher yield.

1. Use credit research and other proprietary tools to identify all bonds with **attractive risk and yield metrics**.
2. Review credit research and select specific bonds for the fund.
3. Monitor the fund daily, making active buy, sell, and/or hold decisions.
4. Portfolio rebalancing activity at least monthly.



For illustration purposes only.



Why corporate bonds *now*?

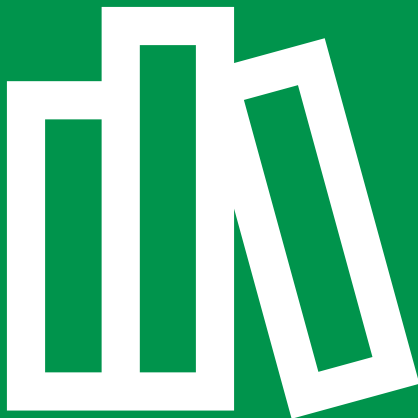
In two words: *interest rates*.

The potential for rising interest rates make it a difficult environment for fixed income investors. However, there are parts of the bond market to consider today that make sense for the long-term.

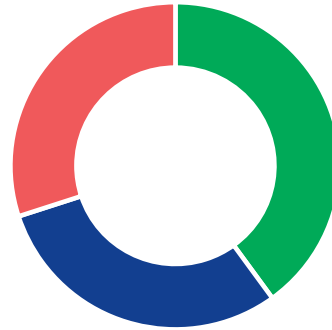
Incorporating a strategy based on Canadian corporate bonds, with a focus on quality issuers and yield and risk metrics, such as the Manulife Smart Corporate Bond ETF segregated fund can help position a bond portfolio for long-term success in this uncertain interest rate environment.

Building blocks for your own portfolios

Using the three standalone Manulife Smart ETF segregated funds, investors have options to reflect their goals and specific asset allocation needs, all while benefiting from active management and the lower costs that come with ETFs.

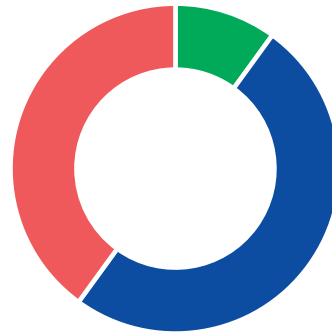


Sample portfolio: overweight Canada



- Manulife Smart Dividend ETF segregated fund
- Manulife Smart U.S. Dividend ETF segregated fund
- Manulife Smart Corporate Bond ETF segregated fund

Sample portfolio: overweight U.S.



- Manulife Smart Dividend ETF segregated fund
- Manulife Smart U.S. Dividend ETF segregated fund
- Manulife Smart Corporate Bond ETF segregated fund

Sample portfolio: complement other investments



- International equity mutual fund
- Manulife Smart U.S. Dividend ETF segregated fund
- Manulife Smart Dividend ETF segregated fund
- Core bond segregated funds

For more information, contact your advisor or visit manulifeim.ca/smart

Manulife Investment Management is a trade name of The Manufacturers Life Insurance Company. The Manufacturers Life Insurance Company (Manulife) is the issuer of Manulife Investment Management guaranteed interest accounts, the GIF Select insurance contract, and the Manulife Private Investment Pools—MPIP Segregated Pools (MPIP Segregated Pools) insurance contract and the guarantor of any guarantee provisions therein.

Commissions, management fees, and expenses all may be associated with exchange traded funds (ETFs). The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution, or optional charges or income taxes payable by any unitholder that would have reduced returns. Investment objectives, risks, fees, expenses, and other important information are contained in the ETF facts as well as the prospectus, please read before investing. ETFs are not guaranteed, their values change frequently and past performance may not be repeated. Any amount that is allocated to a segregated fund is invested at the risk of the contractholder and may increase or decrease in value. Returns shown are after the MER has been deducted. Performance histories are not indicative of future performance. For information on guarantees, fees and expenses that may apply to segregated funds, please read the information folder, contract and fund facts of the segregated funds.

Sample portfolios are hypothetical portfolios comprised of various asset classes and the Manufacturers Life Insurance Company's funds. They are designed to illustrate an approach in general terms and are not for specific investors. The sample portfolios and the information related to them do not constitute, and are not to be construed as, investment advice. Any investment or allocation decisions by an investor should be made with the advice of a qualified investment professional with respect to individual circumstances, preferences, risk tolerance, and after reading the relevant fund facts and prospectuses. The Manufacturers Life Insurance Company shall not have any liability, contingent, or otherwise, to any person or entity for the quality, accuracy, timeliness, and/or completeness of information in, or related to, the sample portfolios, or for delays, omissions or interruptions in the delivery of such information.

Investing involves risks, including the potential loss of principal. There is no guarantee that a fund's investment strategy will be successful. Foreign investing has additional risks, such as currency and market volatility and political and social instability. Large company stocks could fall out of favor, and illiquid securities may be difficult to sell at a price approximating their value. Shares may trade at a premium or discount to their NAV in the secondary market, and a fund's holdings and returns may deviate from those of its index. These variations may be greater when markets are volatile or subject to unusual conditions. Errors in the construction or calculation of a fund's index may occur from time to time. Please see the fund's prospectus for additional risks.

Manulife ETFs are managed by Manulife Investment Management (formerly named Manulife Asset Management Limited). Manulife Investment Management is a trade name of Manulife Investment Management Limited.

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To speak with Manulife Investment Management about segregated funds, call 1-888-790-4387.