Manulife Investment Management

Better together: Manulife Smart ETFs in segregated fund contracts

The Manufacturers Life Insurance Company

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.

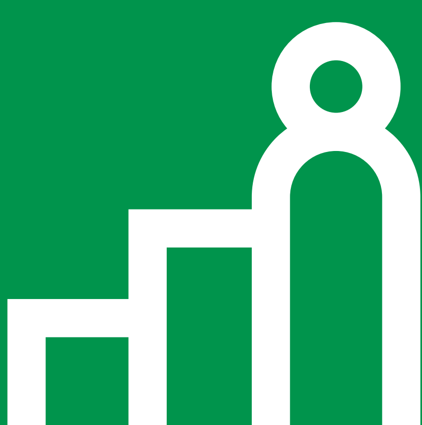
Manulife Smart ETFs in segregated fund contracts can offer access, choice, and flexibility, at a competitive price.

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.

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.

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

For illustration purposes only.

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.

Optimize based on market index.
1

Identify desirable bonds.
2

Review and select bonds, build the ETF.
3

Monitor and manage the ETF daily.
4

For illustration purposes only.

Why corporate bonds *now*?

In two words: *interest rates.*

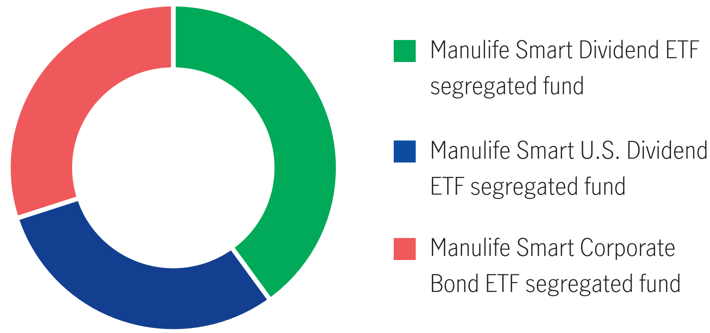
The potential for rising interest rates make it a difficult environment for fixed income investors. However, there are parts of the bond market to consider today that make sense for the long-term.

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.

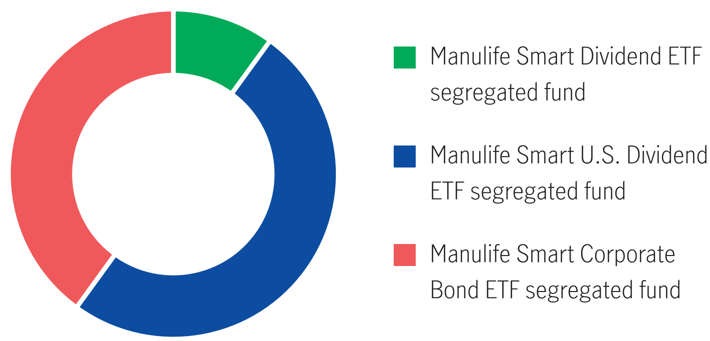
Building blocks for your own portfolios

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.

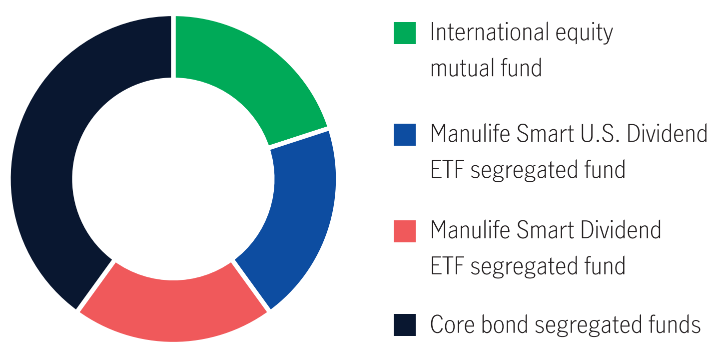
Sample portfolio: overweight Canada



Sample portfolio: overweight U.S.



Sample portfolio: complement other investments



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

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

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