

**Investment Policy Statement**

**Ideal Canadian Bond Fund**

**Investment Objective**

The investment objective of the Ideal Canadian Bond Fund is to achieve maximum returns by investing primarily in the most liquid and highest quality government, asset-backed and corporate fixed income securities available on the market.

**Investment Strategy**

The investment strategy of the Ideal Canadian Bond Fund is to maintain a high degree of flexibility so as to be able to make changes to the Fund's assets quickly if market conditions change. A large portion of the Fund is invested in government bonds and corporate debentures. Corporate credit exposure may not exceed 50 percent of the Fund at market value. The Fund may use derivatives for hedging and for non-hedging purposes in order to invest indirectly in securities or financial markets or gain exposure to other currencies. It may also hold a portion of its assets in cash or money market instruments for strategic and administrative reasons.

The Fund may also enter into securities lending, repurchase and reverse repurchase transactions to generate additional income and/or as a short-term cash management tool.

The portfolio manager expects to actively trade the investments of the Fund. As a result, the portfolio turnover rate may exceed 70%.

The Ideal Canadian Bond Fund's portfolio is structured within these parameters:

<b>Asset Category</b>	<b>Minimum (%)</b>	<b>Maximum (%)</b>
<b>Fixed Income</b>	80	100
<b>Money Market Instruments and Cash</b>	0	20

The percentages listed above are approximate due to continuous market fluctuations and administrative efficiencies. As a result, the actual percentages invested in the asset classes on any given day may not exactly conform to the percentages set forth above. Rebalancing will be done at the discretion of the portfolio advisor and portfolio sub-advisor.

\*Manulife reserves the right to change the above targets, ranges and/or to remove, replace or add additional funds to the Segregated Fund's portfolio as deemed necessary to achieve and continue to adhere to the Segregated Fund's investment objective.

## Risks

The risks of investing in the Fund can include but are not limited to the following:

- Asset-Backed and Mortgage-Backed Securities Investment Risk
- Credit Risk
- Derivative Risk
- Foreign Currency Risk
- Foreign Investment Risk
- Interest Rate Risk
- Risk of Price Change
- Series Risk
- Substantial Contractholder Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk

Descriptions of these risks can either be found in the Information Folder or can be provided upon request.

## Where can I get more information or help?

For more information, please read the Information Folder and Contract, or you may contact us at:

Manulife  
500 King St. N  
Waterloo, ON N2J 4C6

[www.manulifeim.ca](http://www.manulifeim.ca)

Canada, Outside of Quebec  
**1-888-790-4387**

Quebec & French Business  
**1-800-355-6776**

For information about handling issues you are unable to resolve with us, contact the OmbudService for Life and Health Insurance at 1-800-268-8099 or on the web at [www.olhi.ca](http://www.olhi.ca).

For information about additional protection that is available for all life insurance contractholders, contact Assuris, a company established by the Canadian life insurance industry. See [www.assuris.ca](http://www.assuris.ca) for details.

For information regarding how to contact the insurance regulator in your province, visit the Canadian Council of Insurance Regulators website at [www.ccir-ccrra.org](http://www.ccir-ccrra.org).

## Manulife Investment Management

Manulife Investment Management is a trade name of The Manufacturers Life Insurance Company. The Manufacturers Life Insurance Company (Manulife) is the issuer of insurance contracts containing Manulife segregated funds and the guarantor of any guarantee provisions therein.

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