

Investment Policy Statement**Manulife CI Canadian Asset Allocation Segregated Fund****Investment Objective**

Unless otherwise noted, the investment objective of the Underlying Fund is the same or substantially similar as the segregated fund objective.

The Fund's objective is to achieve a superior total investment return by investing, directly or indirectly, in a combination of primarily Canadian equity and fixed income securities. Indirect investments may include convertible securities, derivatives, equity-related securities and securities of other mutual funds.

Investment Strategy

This Fund will invest in units of the CI Canadian Asset Allocation Fund, a mutual fund trust, or a substantially similar fund (the "Underlying Fund").

The Underlying Fund invests, directly or indirectly, primarily in Canadian equity and fixed income securities. Up to 49% of the Underlying Fund's assets may be invested in other types of securities and foreign securities.

To achieve the Underlying Fund's objective, the portfolio advisor of the Underlying Fund:

- actively manages the Underlying Fund using equity, fixed income instruments, and cash and cash equivalents. The Underlying Fund is not limited as to how much it invests in each asset class. This will vary according to market conditions
- invests mainly in Canadian stocks for the equity portion of the portfolio, relying on a disciplined, bottom-up stock selection process to evaluate a company's current position and future prospects
- invests mainly in high quality government and corporate issues for the bond portion of the portfolio.

The portfolio advisor may use techniques such as fundamental analysis to assess growth potential. This means evaluating the financial condition and management of each company, its industry and the overall economy. As part of this evaluation, the portfolio advisor:

- analyzes financial data and other information sources
- assesses the quality of management
- conducts company interviews, where possible
- analyzes the expected direction of interest rates and the yield curve
- analyzes credit ratings, credit risk and term to maturity of fixed income securities

When deciding to buy or sell an investment, the portfolio advisor also considers whether the investment is a good value relative to its current price.

The Underlying Fund may use derivatives such as options, futures, forward contracts and swaps to:

- protect against losses from changes in interest rates and the prices of its investments, and from exposure to foreign currencies
- gain exposure to individual securities and markets instead of buying the securities directly

Derivatives will only be used as permitted by securities regulations.

The Underlying Fund also may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by securities regulations, to earn additional income.

The Underlying Fund also may engage in short selling as permitted by securities regulations. In determining whether securities of a particular issuer should be sold short, the portfolio advisor uses the same analysis that is described above for deciding whether to purchase the securities. The Underlying Fund will engage in short selling as a complement to its current primary discipline of buying securities with the expectation that they will appreciate in market value. For a more detailed description of short selling and the limits within which the Underlying Fund may engage in short selling, please refer to "Specific Information About Each of the Mutual Funds Described in this Document – What does the fund invest in? – How the funds engage in short selling." in Part A of the simplified prospectus of the Underlying Fund.

The Underlying Fund may obtain exposure, on some or all of its assets, to securities of other mutual funds, including domestic and foreign ETFs and other collective investment funds managed by CI, as permitted by applicable exemptive relief (see "Specific Information About Each of the Mutual Funds Described in This Document – What does the fund invest in?" and "Exemptions and Approvals" in Part A of the simplified prospectus of the Underlying Fund).

In the event of adverse market, economic and/or political conditions or for strategic reasons, the portfolio advisor may invest the Underlying Fund's assets in cash and cash equivalent securities.

Pursuant to exemptive relief from the Canadian securities authorities, the Underlying Fund may, subject to certain restrictions, purchase securities of ETFs that seek to:

- provide daily results that replicate the daily performance of a specified widely-quoted market index on a leveraged basis (a multiple of 200% or an inverse multiple of 100% or 200%);
- seek to replicate the performance of gold, or the value of a specified derivative the underlying interest of which is gold, on a leveraged (a multiple of 200%) basis

For a more detailed description of the limits within which the Underlying Fund may engage in such investments, please refer to “Exemptions and Approvals – Investments in Leveraged Exchange-Traded Funds” in Part A of the simplified prospectus of the Underlying Fund.

Risks

Where a segregated fund invests in units of an underlying fund, the segregated fund may be exposed to the risks associated with the Underlying Fund. Unless otherwise noted, the risks associated with investing in units of the underlying fund is the same or substantially similar as the risks of investing in the segregated fund. For a comprehensive disclosure of the risks of investing in the segregated fund, refer to the simplified prospectus or other disclosure documents of the underlying fund.

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

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.

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 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.

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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