

Investment Policy Statement**Manulife CI Canadian Income & Growth 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 seeks to provide a steady flow of current income while preserving capital by investing in a diversified portfolio of securities composed mainly of equity, equity-related and fixed income securities of Canadian issuers. The Fund may also invest in foreign securities. The fundamental investment objective of the Fund cannot be changed without obtaining unitholder approval.

Investment Strategy

This Fund will invest in units of the CI Canadian Income & Growth Fund, a mutual fund trust, or a substantially similar fund (the “Underlying Fund”).

The portfolio advisor of the Underlying Fund seeks to achieve the Underlying Fund’s investment objective by investing in a combination of equity, fixed income and derivatives. To achieve its objective, the portfolio advisor will actively manage the equity, fixed income, and cash components of the Underlying Fund. The Underlying Fund is not limited to how much it invests in each asset class. This will vary according to market conditions. To the extent the Underlying Fund invests in equity securities, these will include preferred and common shares broadly diversified by sector and style. Fixed income may consist of high-yielding government and corporate bonds, debentures, bank loans and floating rate debt instruments. This may include securities that are unrated or have credit rating below investment grade. The term to maturity of these securities will vary depending on the portfolio advisor’s outlook for interest rates. The Underlying Fund may also generate income by investing in real estate investment trusts (REITs), royalty trusts, income trusts and other similar high yielding instruments. The portfolio advisor will seek to produce additional income through covered call writing and other derivative strategies.

The portfolio advisor uses a combination of top down macro analysis and fundamental analysis for bottom-up security selection.

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 portfolio advisor may also choose to invest the Underlying Fund’s assets in foreign securities. It is currently expected that investments in foreign securities will generally be no more than 49% of the Underlying Fund’s assets.

The portfolio advisor may also choose to:

- use warrants and derivatives such as options, futures, forward contracts and swaps to:
 - hedge against losses from changes in the prices of the Underlying Fund’s investments and from exposure to foreign currencies
 - gain exposure to individual securities and markets instead of buying the securities directly
- enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by the securities regulations, to earn additional income for the Underlying Fund (see “Specific Information About Each of the Mutual Funds Described in This Document – What does the fund invest in?” in Part A of the simplified prospectus of the Underlying Fund)
- hold cash or cash-equivalent securities for strategic reasons or for defensive purposes in response to adverse market, economic or political conditions

The Underlying Fund will only use derivatives as permitted by securities regulations (see “Specific Information About Each of the Mutual Funds Described in This Document – What does the fund invest in?” in Part A of the simplified prospectus of the Underlying Fund).

The Underlying Fund may engage in securities lending, repurchase transactions and reverse repurchase transactions. The extent to which the Underlying Fund engages in these types of transactions will be dependent upon the availability of suitable counterparties as well as the portfolio advisor’s determination of the viability of entering into such transactions at that time.

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).

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 the Underlying Fund’s 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.

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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