

Investment Policy Statement**Manulife Climate Action 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.

This Fund aims to provide long-term capital growth by investing primarily in a diversified portfolio of global equity securities of issuers who are also leaders in making positive contributions to climate change mitigation.

Investment Strategy

The portfolio advisor of the Underlying Fund aims to create a portfolio with low greenhouse gas ("GHG") intensity compared to the Underlying Fund's benchmark, alongside investing in issuers helping to address climate change, either through reducing their own emissions or through the products and services they offer. For more information about the Underlying Fund's benchmark, please refer to the "Reference Index for Each Fund" section in the Prospectus of the Underlying Fund. The portfolio advisor of the Underlying Fund believes this strategy aligns with the objective of an investor seeking to support the objective of the Paris Agreement to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.

In order to achieve this goal, the portfolio advisor of the Underlying Fund will first apply an exclusionary screen to the universe of potential investments. That exclusionary screen will remove from the permissible investments issuers that meet any of the following criteria (using third party data from MSCI):

- (a) Issuers with more than 25% of their revenues derived from power generation using fossil fuel;
 - (b) Issuers with more than 5% of their revenues derived from alcohol, tobacco, adult entertainment, gambling operations or conventional weapons;
 - (c) Issuers with any revenue derived from controversial weapons, thermal coal mining and oil and gas extraction and production;
 - (d) Issuers which are considered to be in violation of the Ten Principles of the United Nations Global Compact (see "Glossary" for more details).
- The investment team uses third party ESG data providers, where possible, to identify if an issuer is in violation of these principles.

From the universe of the remaining potential investments, the portfolio advisor of the Underlying Fund will use their proprietary methodology incorporating information such as third party data to select issuers which generally meet one or more of the following criteria:

- (a) Committed to reducing greenhouse gas ("GHG") emissions as measured by a commitment to Science-Based Targets within the Science Based Targets initiative ("SBTi"); or
- (b) Are in the top 35% of GHG intensity relative to their industry group; or
- (c) Provide climate solutions supporting a transition to a low carbon economy as measured by a significant portion (minimum 20%) of revenues from activities such as renewable energy and energy efficient technologies

Trades are monitored by the compliance team to ensure ESG eligibility using watch lists, which are updated monthly. Over time, an issuer's eligibility status may change and an issuer who was eligible when purchased by the Underlying Fund may become ineligible. When this occurs, the portfolio advisor of the Underlying Fund is notified and has 90 days in which to sell the ineligible holding. During this time, if the eligibility issue is resolved, the security may become re-eligible.

In addition to the specific climate related strategies described above, please refer to "Sustainability Integration" in the Prospectus of the Underlying Fund for more information on the ESG approach of the Underlying Fund portfolio advisors.

The Underlying Fund may invest in China A-shares listed and traded on the SSE or SZSE through Stock Connect programs. Please see "Securities Connect Risk" in the Prospectus of the Underlying Fund.

The Underlying Fund may hold a portion of its assets in cash or short-term money market securities for administrative purposes or while searching for investment opportunities and/or due to general market, economic or political conditions.

The Underlying Fund may also invest up to 10% of its assets in other investment funds, including Underlying Funds and ETFs, that may or may not be managed by the Manager (or one of its affiliates or associates), in order to gain indirect exposure to appropriate markets, sectors or asset classes. Underlying Funds will be selected with consideration for the Underlying Fund's investment objective and strategies, past performance and volatility, among other factors. Please see "Investments in Underlying Funds" in the Prospectus of the Underlying Fund.

The Underlying Fund may invest in or use derivatives for hedging and non-hedging purposes in a manner consistent with the investment objective of the Underlying Fund and as permitted by applicable securities legislation or by the exemption described under "Derivatives Relief" in the Prospectus of the Underlying Fund. Derivatives may be used for hedging purposes in the event of significant cash flows into or out of the Underlying Fund and to provide protection for the Underlying Fund. Derivatives may be used for non-hedging purposes in order to invest indirectly in securities or financial markets and to gain exposure to other currencies. You will find more information about derivatives, including the types of derivatives expected to be used by the Underlying Fund, under "Derivative Risk" in the Prospectus of the Underlying Fund.

The Underlying 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. For more information see "Securities Lending, Repurchase and Reverse Repurchase Transaction Risk" in the 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. Below is a list of principal risks for the underlying mutual fund(s) in which the Segregated Fund invests. For complete definitions of each principal risk, refer to the general section of the mutual fund Prospectus.

- Capital Depletion Risk
- Concentration Risk
- Counterparty Risk
- Currency Risk
- Derivative Risk
- Emerging Markets Risk
- Equity Risk
- ETF Risk
- Foreign Market Risk
- Multiple Series Risk
- Regulatory Risk
- Securities Connect Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
- Substantial Securityholder Risk
- Sustainability (ESG) Policy Risk
- Tax Risk

For more information on the strategies, as well as objectives and risks of the Underlying fund(s) in which the Segregated Fund invests, please refer to the Prospectus of the Underlying Fund(s) or contact us for a printed copy.

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.

Manulife, Manulife Investment Management, the Stylized M Design, and Manulife Investment Management & Stylized M Design are trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates under license.