

Investment Policy Statement

Manulife Fidelity Canadian Balanced 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 high total investment return.

The Fund uses a balanced approach. It invests primarily in a mix of Canadian equity securities, investment grade bonds, high yield securities and money market instruments. The Fund can invest in these securities either directly or indirectly through investments in underlying funds.

Investment Strategy

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

To meet the Underlying Fund's objectives, the portfolio management team:

- Follows a neutral mix guideline of approximately 50% equity securities, 40% investment grade bonds, and 10% high yield securities.
- Generally keeps the Underlying Fund's asset mix within the following ranges: 40%-60% equity securities, 30%-50% investment grade bonds, and 0%-20% high yield securities.
- Invests in any kind of equity or fixed income security, or money market instrument, including high yield securities and other lower quality debt securities.
- Decides which asset class a security belongs to, based on its investment characteristics.
- May invest in underlying funds, each of which may, in turn, invest more than 10% of its net assets in other underlying funds managed by Fidelity. Fidelity call these other funds third-tier funds for the Underlying Fund. The portfolio management team of any underlying funds may change the percentage of assets invested in a particular third-tier fund at any time.
- When buying and selling equity securities, may consider other factors about a company, including:
 - Financial condition.
 - Industry position.
 - Economic and market conditions.
 - Growth potential.
 - Earnings estimates.
 - Quality of management.
- Uses the FTSE Canada Universe Bond Index as a guide to structuring and selecting investments for the domestic investment grade fixed income portion of the Underlying Fund, and generally aims for this portion of the portfolio to have a similar overall interest rate risk to the index, but may invest in securities not included in the index.
- Allocates the Underlying Fund's domestic investment grade fixed income assets among issuers in different market sectors, such as corporate or government securities, different industries, like financials and industrials, and different maturities, based on the portfolio management team's views of the relative value of each sector or maturity.
- When buying and selling fixed income securities, analyzes other factors, such as:
 - The security's features.
 - Price compared to estimated long-term value.
 - Credit quality of the issuer.
 - Any short-term trading opportunities resulting from market inefficiencies.

The portfolio management team of the Underlying Fund, an underlying fund or any third-tier fund may, by situation, consider ESG criteria when evaluating investment opportunities. For more information on sustainable investing at Fidelity, see Specific information about each of the mutual funds described in the Prospectus of the Underlying Fund.

The Underlying Fund may also:

- Invest up to 30% of its net assets in foreign securities.
- Invest in China A-Shares.
- Hold cash.

The high yield debt portion of the Underlying Fund tends to have a higher credit risk than the domestic investment grade fixed income portion of the Fund.

In accordance with the limits, restrictions and requirements under applicable law, or as permitted under the terms of exemptive relief obtained from the Canadian securities regulators and described in Investment Restrictions, the Underlying Fund, an underlying fund and any third-tier fund may:

- Engage in securities lending, repurchase and reverse repurchase transactions.
- Use derivatives for hedging and non-hedging purposes.
- Invest in precious metals and other physical commodities through Commodity ETFs and/or derivatives.
- Invest in securities of underlying funds that are selected in accordance with the Underlying Fund's investment strategies.

Portfolio management responsibility is at the level of:

- The underlying funds regarding the selection of any third-tier funds and other assets held by the underlying funds.
- Any third-tier fund regarding the selection of the assets held by the third-tier fund.

The Underlying Fund may hedge some or all of its foreign currency exposure. The portfolio management team makes this decision as part of the implementation of the overall investment strategy of the Underlying Fund based on a number of factors, including the relative investment merits of the particular foreign currency versus the Canadian dollar. The Underlying Fund's exposure to foreign currency varies based on the extent of its foreign currency denominated investments, as well as the extent to which the portfolio management team decides to hedge the Underlying Fund's currency exposure. The Underlying Fund's foreign currency exposure may change at any time, and without notice.

The Underlying Fund, an underlying fund and any third-tier fund may depart from their investment objectives or strategies by temporarily investing all or a portion of their assets in cash or fixed income securities issued or guaranteed by a Canadian or U.S. government, government agency or company. The portfolio management team may take this action to try to protect the Underlying Fund during a market downturn, or for other reasons.

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.

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.