

**Investment Policy Statement****Manulife Fidelity Monthly Income 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 aims to achieve a combination of a steady flow of income and the potential for capital gains.

The Fund invests primarily in a mix of Canadian equity securities, Canadian fixed income securities, U.S. commercial mortgage-backed securities, and U.S. higher yielding, lower quality fixed income securities, preferred stocks and convertible securities. 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 Monthly Income 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 and 50% fixed income securities, which may be Canadian or foreign.
- Depending on market conditions, may vary the asset mix by up to +/- 20% from the neutral mix if it believes this produces the best overall return.
- May invest in a wide variety of equity and fixed income securities, including common shares, investment grade and high yield fixed income securities, REITs, commercial mortgage-backed securities and other high yielding real estate securities, emerging market debt securities, convertible securities, and floating rate debt instruments, either directly or indirectly through investments in underlying funds.
- Invests in underlying funds, each of which may, in turn, invest more than 10% of its net assets in other underlying funds managed by Fidelity. We call these other funds third-tier funds for the Underlying Fund.
- Decides which asset class a security belongs to based on its investment characteristics.
- Invests the Underlying Fund’s assets in other securities that don’t fall within these classes.
- Focuses primarily on a company’s valuations.
- Invests in companies that it believes are undervalued in the marketplace based on valuation factors, such as assets, sales, earnings, growth potential, cash flow, and other companies in the same industry.
- May invest in securities that don’t produce income, including defaulted securities and common stock, or in companies in a troubled or uncertain financial condition.
- The portfolio management team of the 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.
  - Earnings estimates.
  - Ability to pay dividends.
  - Quality of management.
- When buying and selling high yield securities, examines each issuer’s potential based on factors, such as:
  - Financial condition.
  - Industry position.
  - Economic and market conditions.
  - The security’s features.
  - Price compared to estimated long-term value.
  - Earnings potential.
  - Credit quality of the issuer.
  - Quality of management.
- When buying and selling other fixed income securities, analyzes 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 in companies of any size anywhere around the world.
- Invest up to 49% of its net assets in foreign securities.
- Invest in China A-Shares.
- Hold cash.

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, the underlying funds 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.

With respect to its investments in developed market foreign currency denominated fixed income and/or convertible securities, the Underlying Fund uses forward contracts to hedge as completely as possible against fluctuations caused by changes in exchange rates between developed market foreign currencies and the Canadian dollar. Therefore, generally, with respect to these investments, the Underlying Fund does not benefit from an increase in the value of developed market foreign currencies against the Canadian dollar.

The Underlying Fund, the underlying funds 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](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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