

Investment Policy Statement**Manulife Invesco Select 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.

This Fund seeks to generate capital growth and income over the long term. The Fund invests primarily in Canadian equities, fixed-income securities of Canadian issuers, both government and corporate, and foreign equities and fixed-income securities.

Investment Strategy

This Fund will invest in units of the Invesco Select Balanced Fund, a mutual fund trust, or a substantially similar fund (the “Underlying Fund”).

The investment strategy of the Underlying Fund is that the portfolio management team emphasizes, for the equity portion of the portfolio, a rigorous bottom-up fundamental investment approach to analyze the quality and value of individual companies to determine whether or not to invest in them. There is no attempt to mirror the composition of the Underlying Fund's benchmark index.

The portfolio management team looks for companies:

- Whose competitive advantages provide opportunities for long-term growth
- That have strong management
- That are believed to be undervalued in relation to their intrinsic value

As part of a comprehensive assessment of a company's intrinsic value, the portfolio management team uses a variety of valuation methods and will typically review a company's financial information, competitive position and its future prospects. The portfolio management team may also meet with the company's management and take into account general industry and economic trends. The portfolio management team will then compare the intrinsic value that it has placed on the company against its current market price, and will consider investing where the market price is sufficiently lower than the value that the portfolio management team has determined.

For the fixed-income portion of the portfolio, the portfolio management team carries out in-depth research and invests primarily in debt securities of Canadian governments and companies and may invest in foreign governments and companies whose fundamental values are not reflected in their credit ratings and prices, and which offer attractive opportunities relative to risk. There is no attempt to mirror the composition of the Underlying Fund's benchmark bond index.

The Underlying Fund is actively managed by:

- Adjusting the average term-to-maturity of the investments
- Diversifying holdings among various issuers

The portfolio management team uses an analytical approach that considers the fundamental characteristics of the issuer and the macroeconomic outlook in order to enhance interest income and/or capital appreciation. The portfolio management team also employs strategies that may anticipate interest rates, and may utilize risk management techniques to mitigate investment risks.

The credit research process utilized by the Underlying Fund generally considers factors that include, but are not limited to, an issuer's operations, capital structure and environmental, social and governance (ESG) considerations (when applicable). Credit quality analysis therefore may consider whether any ESG factors pose a material financial risk or opportunity to an issuer.

The fixed income portion of the Underlying Fund may purchase shares of equities, ETFs and options thereon. Equity securities and options on equities may be purchased in an amount up to 5% of net assets. They may be used to gain or hedge exposure or to maintain liquidity. Equity ownership also may result in conjunction with owning an issuer's bonds, such as from the conversion of a convertible bond, upon the exercise of warrants issued with a bond, or as a result of the restructuring of an issuer's debt. Equity investments may include securities with fixed income characteristics, for example, preferred shares.

Generally, ETFs purchased for the fixed income portion of the Underlying Fund will hold portfolios of securities, commodities and/or currencies that are designed to replicate, as closely as possible before expenses, the price and/or yield of (i) a specified market or other index, (ii) a basket of securities, commodities or currencies, or (iii) a particular commodity or currency. ETF's may be used for efficient cash implementation or liquidity management.

The Underlying Fund may also invest in other financial instruments, such as credit derivatives, that may have economic characteristics similar to floating rate debt instruments, and TBA mortgage-backed securities.

The portfolio management team may also invest in convertible securities of companies.

The portfolio management team will typically sell a security under the following conditions: (a) where the price of the security increases to a level that the portfolio management team considers to be at or near its intrinsic value, (b) where there are more attractive opportunities, or (c) where the original investment thesis for a company has changed or is no longer valid. The fixed income securities are subject to ongoing monitoring to ensure the initial investment thesis remains intact and that it continues to provide attractive risk-adjusted return. This includes consideration of a position's size within the Underlying Fund and an assessment of top down risks. If an investment thesis is no longer intact or no longer attractive on a risk-adjusted basis, a sell decision will be made.

The Underlying Fund will typically invest no more than 30% of its net assets in foreign securities.

The portfolio management team responsible for the cash portion of the Underlying Fund may, in its discretion, invest some or all of the cash assets directly in money market instruments or other short-term debt securities. The Underlying Fund may invest the cash portion of its assets in securities of money market funds that are managed by us or one of our affiliates or associates. In making this investment decision, the portfolio management team considers a number of factors, including the Underlying Fund's requirement for a Canadian- or U.S.-dollar-denominated short-term investment and the yield or return to the Underlying Fund.

The Underlying Fund may use derivatives, such as forwards, futures, credit-linked notes, swaps, and options, including swaptions, for the purposes described below. The Underlying Fund may seek to hedge against potential loss arising from changes in asset values or prices, or currencies. For the fixed-income portion of the Underlying Fund, the portfolio management team intends to hedge 80% or more of the Underlying Fund's foreign currency exposure. However, the portfolio management team retains the discretion to hedge less than 80% of the fixed-income portion of the Underlying Fund's foreign currency exposure, or to not hedge the fixed-income portion of the Underlying Fund's foreign currency exposure at all. Please visit invesco.ca for summary information on the Underlying Fund's currency hedging positions, if any.

The Underlying Fund may also use forwards, futures, credit-linked notes, credit default swaps, interest rate swaps, total return swaps, cross currency swaps, and options, including swaptions, for non-hedging purposes in order to gain or modify exposure to securities or financial markets and to gain exposure to other currencies. If used for non-hedging purposes, swaptions and options will represent no more than 10% of the net assets of the Underlying Fund.

Any use of derivatives will be consistent with the investment objectives of the Underlying Fund and will comply with the requirements of Canadian securities regulation, as altered by the exemption granted to permit the Underlying Fund to use as cover, when the Underlying Fund holds a long position in a standardized future or forward or is entitled to receive payments under a swap, a right or obligation to sell an equivalent quantity of the underlying interest of the standardized future, forward or swap.

The Underlying Fund may rely on the decisions granting exemptive relief from certain provisions of NI 81-102. For a detailed description of these decisions, see Investment restrictions starting on page 100 of the Prospectus for the Underlying Fund.

In anticipation of, or in response to, adverse market conditions, for cash management purposes, for defensive purposes, for purposes of a merger or other transaction, or where the portfolio management team is otherwise unable to identify attractive investment opportunities, the Underlying Fund may hold all or a portion of its assets in cash, money market instruments, securities of affiliated money market funds, bonds or other debt securities. As a result, the Underlying Fund may not be fully invested in accordance with its investment objectives and, in a rising market, there could be a negative impact on performance relative to other fully invested mutual funds with similar objectives.

In the management of its portfolio, the Underlying Fund may use repurchase and reverse repurchase transactions, although the Underlying Fund does not currently expect to use such transactions. The Underlying Fund may also enter into securities lending agreements. These transactions will only be made with parties that are considered to be creditworthy and where the transactions should earn the Underlying Fund additional returns. For a description of repurchase and reverse repurchase transactions and securities lending agreements, and the strategies used by the Underlying Fund to reduce the risks associated with these transactions, please see the discussion under Risk factors - Repurchase and reverse repurchase transactions and securities lending risk on page 97 of the Prospectus for 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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