

Investment Policy Statement**Manulife TD Diversified 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 fundamental investment objective is to seek to provide monthly income with capital appreciation as a secondary objective, by investing primarily in income-producing securities.

Investment Strategy

This Fund will invest in units of the TD Diversified Monthly Income Fund, a mutual fund trust, or a substantially similar fund (the “Underlying Fund”).

In order to generate a consistent level of monthly income, the Underlying Fund will invest primarily in a diversified portfolio of Canadian securities, which may include government and corporate debt obligations, dividend-paying common shares and preferred shares, as well as real estate investment trusts and other evidences of indebtedness (including investments in loans). Generally, the Fund employs a “buy-and-hold” strategy. The portfolio adviser may invest in non-investment grade (high-yield) corporate debt obligations.

The portfolio adviser uses a bottom-up strategy that emphasizes the analysis of individual companies to determine if they can maintain and increase their income distribution over time. This analysis also focuses on selecting securities and allocating investments among asset classes with the objective of maximizing the risk-adjusted returns for the Underlying Fund. The Underlying Fund may also invest in exchange-traded funds.

The Underlying Fund may invest in foreign securities to an extent that will vary from time to time but is not typically expected to exceed 30 % of the total value of the assets of the Underlying Fund at the time that foreign securities are purchased.

The Underlying Fund has obtained permission from Canadian securities regulatory authorities to invest in Canadian and U.S. exchange-traded funds that are not index participation units and that would otherwise be prohibited under securities laws (the “Underlying ETFs”), provided that, among other conditions: (i) such Underlying ETFs do not exceed 30 % of the net asset value of the Underlying Fund, taken at the time of purchase (excluding securities of Underlying ETFs that are managed by TDAM or an associate or affiliate of TDAM); (ii) Underlying ETFs that are traded on a U.S. exchange do not exceed 10 % of the net asset value of the Underlying Fund, taken at the time of purchase; (iii) Underlying ETFs that provide leverage exposure do not exceed 10 % of the net asset value of the Underlying Fund, taken at the time of purchase; and (iv) the Underlying Fund will not short sell securities of any Underlying ETF.

The Underlying Fund may use specified derivatives, such as options, futures, forward contracts and swaps, as permitted by Canadian securities laws to, among other things:

- hedge against losses associated with rising interest rates
- gain exposure to fixed income and equity instruments without actually investing in them directly (including when owning the derivative investment is more efficient or less costly than owning the fixed income or equity instrument itself)
- reduce the risk associated with currency fluctuations
- enhance income
- provide downside risk protection for one or more securities to which the Underlying Fund has exposure

The Underlying Fund may hold money market instruments or cash to meet its obligations under the derivative instruments.

The Underlying Fund may also hold cash, money market funds (including those managed by TDAM), short-term debt or other debt securities for various reasons, including but not limited to: cash management purposes; pending investment; or when the portfolio adviser considers it desirable as a result of market conditions.

The Underlying Fund may engage in securities lending, repurchase or reverse repurchase transactions in a manner consistent with its investment objectives and as permitted by Canadian securities regulatory authorities. For more information, see Securities lending, repurchase and reverse repurchase transactions in Your guide to understanding the Fund Profile in the first part of 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. 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.