

Investment Policy Statement**Manulife U.S. Unconstrained Bond 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 total return consisting of income and the potential for capital appreciation by investing primarily in a portfolio of U.S. investment grade and high yield debt securities.

Investment Strategy

This Fund will invest in units of the Manulife U.S. Unconstrained Bond Fund, a mutual fund trust, or a substantially similar fund (the “Underlying Fund”).

The investment strategy of the Underlying Fund is to opportunistically invest across the spectrum of U.S. Treasury and corporate debt securities, of any quality or term. In addition, the portfolio sub-advisor will actively manage the fund's exposure to sectors of the US debt market, including, but not limited to (i) investment grade corporate bonds, (ii) high yield fixed income securities, (iii) asset backed and mortgage-backed securities, (iv) bank loans and floating rate instruments, (v) preferred shares, (vi) convertible and hybrid securities, and (vii) U.S. Treasury securities.

A fundamental, bottom-up approach to security selection and portfolio construction will be employed by the portfolio sub-advisor in managing the Underlying Fund's portfolio. The portfolio sub-advisor selects individual securities based on fundamental analysis of individual issues. This analysis focuses on an assessment of the issuer's financial position and operations, its competitive advantage and the depth of its management. Companies that have a sustainable business model, a compelling value proposition and/or strong cash flows are favoured. As part of the research process, the portfolio sub-advisor identifies the most attractive part of the capital structure to invest in—from bank loans and senior notes to subordinated notes, convertible notes and preferred shares.

Please see “Sustainability Integration” in the “Information Applicable to One or More Funds” section of the Underlying Fund's Prospectus for more information about how the Underlying Fund uses ESG integration as part of its investment process.

The Underlying Fund may also invest some or all 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. The Underlying Fund may invest in investment funds managed by unaffiliated

investment managers if there are no suitable investment opportunities in affiliated funds. The Underlying Fund may also invest in additional types of ETFs and silver pursuant to regulatory relief or as permitted pursuant to NI 81-102, as described under “ETF Relief” in the Prospectus of the Underlying Fund. Investments by the Underlying Fund in securities of other investment funds and/or silver may be done directly or indirectly, through a specified derivative, or, in the case of silver, in silver certificates. 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 Fund, under “Derivative 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 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.

- Asset-Backed and Mortgage-Backed Securities Risk
- Capital Depletion Risk
- Counterparty Risk
- Credit Risk
- Currency Risk
- Default Risk
- Derivative Risk
- ETF Risk
- Floating Rate Loan Liquidity Risk
- Foreign Investment Risk
- Income Trust Risk
- Interest Rate Risk
- Multiple Series Risk
- Prepayment Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
- Small Company Risk
- Specialization Risk
- Substantial Securityholder Risk
- Tax Risk
- Underlying Fund 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.

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