

# Series T Mutual Funds

Looking for a steady stream of income?  
Series T may be a great tax-efficient  
solution for you.

## Tax efficiency can be critical to your investment success

With improved tax efficiency, you can be left with a larger pool of investments after you've paid your annual tax bill—a pool that can grow bigger still over the long term through the power of compounding.

As the table below indicates, Series T funds help provide more after-tax income than other traditional income-producing investments.

### Taxation of different types of income—gross income: \$10,000

Source of income	Inclusion rate (%)	Income reported (\$)	After-tax income (\$) (Marginal tax rate 40%)
Eligible Canadian Dividends <sup>1</sup>	138	13,800	7,500
GIC <sup>2</sup> , Bond, or RRIF <sup>3</sup>	100	10,000	6,000
Capital Gains	50	5,000	8,000
Series T Blended Distribution <sup>4</sup>	5	500	9,800
Series T Fund ROC Distribution <sup>5</sup>	0	0	10,000

For illustration purposes only.

<sup>1</sup> Assumes an effective tax rate of 25%—will vary by province. Dividends paid by public corporations qualify as “eligible dividends” and are included at 138%. Non-eligible dividends are included at 115%.

<sup>2</sup> Guaranteed Investment Certificate.

<sup>3</sup> Registered Retirement Income Fund.

<sup>4</sup> Assumes 90% return of capital (ROC) and 10% capital gains distributions. Also, assumes that adjusted cost base (ACB) remains positive.

<sup>5</sup> Assumes 100% ROC and does not take into account any income or capital gains distributions. Also assumes that ACB remains positive.

### Funds available

Manulife Investment Management has added the Series T structure to a core group of equity, balanced, income and asset allocation funds, selected based on their ability to deliver a consistent income stream over a long period of time.

Fund Name	Targeted payout rate (%)*	Customizable cash flows targeted payout rate (%)	Fund codes (MMF)			
			FE	LL2	LL3	DSC
<b>Equity Funds</b>						
<b>Canadian Equity</b>						
Manulife Dividend Income Plus Class	6	0-6	1539	8893	1339	1239
Manulife Dividend Income Plus Fund	6	0-6	1503	4858	1303	1203
Manulife Dividend Income Plus Fund <sup>6</sup>	6	0-6	1541	9153	1341	1241
Manulife Canadian Dividend Growth Fund	6	0-6	3507	3370	3707	3407
Manulife Fundamental Dividend Fund	6	0-6	3563	3173	3763	3463
Manulife Canadian Equity Class <sup>7</sup>	6	0-6	9518	9847	9718	9418
Manulife Fundamental Equity Fund <sup>8</sup>	6	0-6	9599	9999	9799	9499
Manulife Dividend Income Class <sup>9</sup>	6	0-6	9107	9149	9108	9106
Manulife Dividend Income Fund	6	0-6	9579	9979	9779	9479
Manulife Growth Opportunities Fund	6	0-6	1521	3388	1321	1221
<b>U.S. Equity</b>						
Manulife U.S. All Cap Equity Class	6	0-6	1551	8151	1351	1251
Manulife U.S. All Cap Equity Fund	6	0-6	1534	4926	1334	1234
Manulife Covered Call U.S. Equity Class	6	0-6	1580	8896	1380	1280
Manulife U.S. Dividend Income Class	6	0-6	9032	3984	9132	9931
Manulife U.S. Dividend Income Fund	6	0-6	3584	3984	3784	3484
Manulife U.S. Dollar U.S. All Cap Equity Fund	6	0-6	9826	9349	9926	9326
Manulife U.S. Equity Fund	6	0-6	1562	4862	1362	1262
Manulife U.S. Opportunities Fund	6	0-6	1566	4857	1366	1266
Manulife U.S. Dollar U.S. Dividend Income Fund	6	0-6	8564	8764	8864	8464
Manulife U.S. Dollar U.S. Equity Fund	6	0-6	8565	8765	8865	8465

Fund Name	Targeted payout rate (%)*	Customizable cash flows targeted payout rate (%)	Fund codes (MMF)			
			FE	LL2	LL3	DSC
<b>Global and International Equity</b>						
Manulife Emerging Markets Fund <sup>10</sup>	6	0-6	3574	3174	3774	3474
Manulife Global Dividend Class	6	0-6	9938	9949	9839	9838
Manulife Global Dividend Fund	6	0-6	9134	9947	9234	9034
Manulife Global Dividend Growth Fund	6	0-6	3531	3973	3731	3431
Manulife Global All Cap Focused Fund <sup>11</sup>	6	0-6	4598	4398	4798	4498
Manulife Global Equity Class	6	0-6	1543	4324	1344	1243
Manulife Global Small Cap Fund <sup>12</sup>	6	0-6	1520	3974	1320	1220
Manulife EAFE Equity Fund	6	0-6	4594	4967	4794	4494
Manulife Global Franchise Class	6	0-6	3570	3970	3770	3470
Manulife Global Franchise Fund	6	0-6	3564	3170	3764	3464
Manulife World Investment Class	6	0-6	9537	9948	9737	9437
Manulife World Investment Fund	6	0-6	9018	9850	9118	9917
Manulife Global Thematic Opportunities Class	6	0-6	8598	8398	8798	8498
Manulife Global Thematic Opportunities Fund	6	0-6	3586	3884	3786	3486
Manulife Climate Action Fund	6	0-6	8562	8762	8862	8462
Manulife Climate Action Class	6	0-6	8563	8763	8863	8463
<b>Specialty Equity</b>						
Manulife Global Listed Infrastructure Class	6	0-6	1548	9884	1348	1248
Manulife Global Listed Infrastructure Fund	6	0-6	1515	9869	1315	1215
<b>Balanced Funds</b>						
<b>Canadian Balanced</b>						
Manulife Canadian Balanced Fund <sup>6</sup>	6	0-6	9571	3674	9771	9471
Manulife Fundamental Balanced Class	6	0-6	9007	9049	9008	9006
Manulife Fundamental Income Class <sup>13</sup>	6	0-6	3567	3671	3767	3467
Manulife Fundamental Income Fund <sup>14</sup>	6	0-6	3548	3171	3748	3448
Manulife Monthly High Income Class <sup>15</sup>	6	0-6	9533	9993	9733	9433
Manulife Monthly High Income Fund <sup>16</sup>	6	0-6	9583	9983	9783	9483
Manulife Tactical Income Fund	6	0-6	3553	3673	3753	3453
Manulife Simplicity Conservative Portfolio	6	0-6	1528	3373	1328	1228
Manulife Simplicity Moderate Portfolio	6	0-6	1529	3374	1329	1229
<b>U.S. Balanced</b>						
Manulife Strategic Balanced Yield Fund	6	0-6	9580	9980	9780	9480
Manulife U.S. Dollar Strategic Balanced Yield Fund	6	0-6	9024	9151	9124	9923
Manulife U.S. Monthly High Income Fund <sup>17</sup>	6	0-6	9128	9168	9328	9028
<b>Global Balanced</b>						
Manulife Diversified Investment Fund <sup>6</sup>	6	0-6	9502	9077	9702	9402
Manulife Global Balanced Fund	6	0-6	9816	9968	9916	9516
Manulife Global Small Cap Balanced Fund <sup>12</sup>	6	0-6	1517	4881	1317	1217
Manulife Global Strategic Balanced Yield Fund	6	0-6	9136	9874	9336	9036
Manulife Strategic Dividend Bundle	6	0-6	9846	9848	9946	9146
Manulife Value Balanced Class	6	0-6	9572	9972	9772	9472
Manulife Value Balanced Fund	6	0-6	9511	9959	9711	9411
Manulife Yield Opportunities Fund <sup>18</sup>	6	0-6	1538	3076	1338	1238
Manulife Simplicity Balanced Portfolio	6	0-6	9560	9960	9760	9460
Manulife Simplicity Global Balanced Portfolio	6	0-6	9568	9368	9768	9468
Manulife Simplicity Growth Portfolio	6	0-6	9561	9961	9761	9461

Fund Name	Targeted payout rate (%)*	Customizable cash flows targeted payout rate (%)	Fund codes (MMF)			
			FE	LL2	LL3	DSC
<b>Fixed income funds</b>						
<b>Canadian Fixed Income</b>						
Manulife Bond Fund	6	0-6	1501	9050	1301	1201
Manulife Corporate Bond Fund	6	0-6	1506	3998	1306	1206
Manulife Canadian Unconstrained Bond Fund <sup>19</sup>	6	0-6	3583	3183	3783	3483
<b>U.S. Fixed Income</b>						
Manulife Floating Rate Income Fund	6	0-6	1509	4878	1309	1209
Manulife U.S. Unconstrained Bond Fund <sup>20</sup>	6	0-6	4533	9383	4733	4433
<b>Global and International Fixed Income</b>						
Manulife Global Core Plus Bond Fund	6	0-6	3588	3988	3788	3488
Manulife Global Unconstrained Bond Fund <sup>21</sup>	6	0-6	4532	9950	4732	4432
Manulife Strategic Income Fund	6	0-6	1530	3972	1330	1230
Manulife Strategic Investment Grade Global Bond Fund	6	0-6	4575	9068	4775	4475
Manulife U.S. Dollar Strategic Income Fund <sup>22</sup>	6	0-6	9145	9052	9845	9045
<b>Manulife Asset Allocation Portfolios</b>						
Manulife Conservative Portfolio	6	0-6	3576	3276	3776	3476
Manulife Moderate Portfolio	6	0-6	3578	3376	3778	3478
Manulife Balanced Portfolio	6	0-6	3580	3380	3780	3480
Manulife Growth Portfolio	6	0-6	3582	3982	3782	3482

\* We make monthly distributions based on a target distribution rate per annum of the net asset value per security of the Fund determined as at December 31 of the prior year.

For investors who first purchased or acquired Series FT6 or Series T6 securities of the Fund before September 1, 2016 in a non-registered account, these distributions are automatically reinvested in additional Series FT6 or Series T6 securities of the Fund, as applicable, unless you tell us that you would prefer cash payments.

For investors who first purchased or acquired Series FT6 or Series T6 securities of the Fund on or after September 1, 2016 in a non-registered account, these distributions will be automatically paid in cash unless you tell us that you would prefer distributions to be reinvested in additional Series or Series T6 securities of the Fund, as applicable.

For investors who hold securities in a Manulife IM Limited TFSA, these distributions are automatically reinvested in additional Series FT6 or Series T6 securities of the Fund, as applicable, unless you tell us that you would prefer cash payments from your TFSA. The distributions paid in cash will be report to CRA as capital withdrawals that could impact your TFSA contribution limit.

If you hold your Series FT6 or Series T6 securities in a Manulife IM Limited Registered Plan other than a TFSA, any distributions must be reinvested in additional securities of that series of the Fund. For Manulife Mutual Fund Trust Funds we generally distribute capital gains, if any, annually in December.

For Manulife Corporate Class Funds Capital gains dividends, if any, are expected to be distributed annually in May or June of each year. These distributions, if any may impact your regular monthly T Series distributions in the month they are paid out.

<sup>6</sup> This Fund has been capped to all new purchases as of March 28, 2013.

<sup>7</sup> Formerly Manulife Fundamental Equity Class. On October 21, 2019, the Manulife Fundamental Equity Class was renamed the Manulife Canadian Equity Class. On April 20, 2018, Manulife Canadian Opportunities Class merged into the Manulife Fundamental Equity Class (now Manulife Canadian Equity Class). Because the fund that was merged into the Manulife Canadian Opportunities Class had a larger asset base than the Manulife Fundamental Equity Class, the performance data for the Manulife Fundamental Equity Class may not be provided for any period prior to the merger transaction.

<sup>8</sup> Formerly Manulife Canadian Stock Fund. On May 25, 2018 Manulife Canadian Opportunities Fund merged into Manulife Fundamental Equity Fund.

<sup>9</sup> On April 20, 2018 Manulife Preferred Income Class merged into Manulife Dividend Income Class.

<sup>10</sup> On May 25, 2018 Manulife Emerging Markets Class merged into Manulife Emerging Markets Fund.

<sup>11</sup> This fund has been capped to all new purchases as of January 22, 2016.

<sup>12</sup> This Fund has been capped to all new purchases as of November 8, 2013.

<sup>13</sup> Formerly Manulife Canadian Monthly Income Class. On April 20, 2018 Manulife Canadian Opportunities Balanced Class merged into Manulife Fundamental Income Class.

<sup>14</sup> Formerly Manulife Canadian Monthly Income Fund. On May 25, 2018 Manulife Canadian Opportunities Balanced Fund merged into Manulife Fundamental Income Fund.

<sup>15</sup> On January 2, 2018 Manulife Monthly High Income Class re-opened to new Investors in all prospectus qualified series.

<sup>16</sup> On January 2, 2018, Manulife Monthly High Income Fund re-opened to new Investors in all prospectus qualified series, except Advisor Series which remains capped as of August 28, 2015.

<sup>17</sup> On May 25, 2018 Manulife Unhedged U.S. Monthly High Income Fund merged into Manulife U.S. Monthly High Income Fund.

<sup>18</sup> On May 25, 2018 Manulife Conservative Income Fund merged into Manulife Yield Opportunities Fund.

<sup>19</sup> Formerly Canadian Bond Plus Fund. On May 25, 2018 Manulife Canadian Corporate Bond Fund merged into Manulife Canadian Unconstrained Bond Fund.

<sup>20</sup> Formerly Manulife U.S. Tactical Credit Fund. On May 25, 2018 Manulife High Yield Bond Fund merged into Manulife Unconstrained Bond Fund.

<sup>21</sup> Formerly Manulife Global Tactical Credit Fund. On April 20, 2018 Manulife Asia Total Return Bond merged into Manulife Global Unconstrained Bond Fund.

<sup>22</sup> On April 20, 2018 Manulife U.S. Dollar Floating Rate Income Fund merged into Manulife U.S. Dollar Strategic Income Fund.



## How does Series T work?

Each Series T fund provides a monthly distribution based on a specific target payout. Annual distributions are reset each year to maintain the payout target rate.

Depending on the fund chosen, a significant portion of the cash flow received is generally tax-free return of capital (ROC). Each time the fund distributes ROC, the adjusted cost base of the investment decreases. When the adjusted cost base reaches zero, all further distributions that are reported as ROC are taxable as capital gains.

### Year 1

Step 1: Determine NAV on December 31 of previous year	\$10.00
Step 2: Calculate target annual distribution amount (6% of NAV)	$\$10.00 \times 6\% = \$0.60$
Step 3: Divide by 12 for monthly payout	$\$0.60 \div 12 = \$0.05$
<b>Target monthly distribution per unit for year one</b>	<b>5 cents</b>

### Year 2 (Assumes NAV increases)

NAV on December 31 of year one	\$10.20
6% of NAV	\$0.612
<b>Target monthly distribution per unit for year two</b>	<b>5.1 cents</b>

Net Asset Value (NAV). For illustration purposes only.

## Benefits of Series T

Series T funds are an increasingly popular vehicle to generate cash flow, used on their own or to complement traditional fixed-income investments in a diversified portfolio. The Series T structure helps enable a mutual fund to provide tax-efficient monthly cash flow.

**Regular monthly income.** Distributions are set at the beginning of the year so, you know exactly how much you'll receive each month.

**Tax efficiency.** An attractive blend of tax-efficient income and tax-deferral benefits, as well as the potential to reduce current taxable income, allowing maximization of income dependent government benefits such as Old Age Security, the Guaranteed Income Supplement, Age Tax Credit, and Medical Expense Tax Credit.

**Sustainable cash flow.** The target annual payout resets each year to help protect your investment and help support long-term cash flow needs.

**For more information,  
please contact your advisor.**

 **Manulife** Investment Management

The commentary in this publication is for general information only and should not be considered investment or tax advice to any party. Individuals should seek the advice of professionals to ensure that any action taken with respect to this information is appropriate to their specific situation. The payment of distributions is not guaranteed and may fluctuate. If distributions paid by the fund are greater than the performance of the fund, then your original investment will shrink. Distributions should not be confused with a fund's performance, rate of return, or yield. You may also receive return of capital distributions from a fund. Please consult with your tax advisor regarding the tax implications of receiving distributions. See the prospectus for more information on a fund's distributions policy. Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments and with the use of an asset allocation service. Please read the fund facts as well as the prospectus of the mutual funds in which investment may be made under the asset allocation service before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Manulife Funds and Manulife Corporate Classes are managed by Manulife Investment Management Limited (formerly named Manulife Asset Management Limited). Manulife Investment Management is a trade name of Manulife Investment Management Limited. Simplicity is a trademark of The Manufacturers Life Insurance Company (Manulife) identifying the Manulife Simplicity Portfolios offered by Manulife Investment Management and the Manulife Simplicity Portfolios available in Manulife segregated fund contracts offered by The Manufacturers Life Insurance Company.

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.