

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 ¹	138	13,800	7,500
GIC ² , Bond, or RRIF ³	100	10,000	6,000
Capital Gains	50	5,000	8,000
Series T Blended Distribution ⁴	5	500	9,800
Series T Fund ROC Distribution ⁵	0	0	10,000

For illustration purposes only.

¹ 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%.

² Guaranteed Investment Certificate

³ Registered Retirement Income Fund

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

⁵ 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
Equity Funds			
Canadian Equity			
Manulife Dividend Income Plus Class	6	0–6	1539
Manulife Dividend Income Plus Fund	6	0–6	1503
Manulife Canadian Investment Class ⁶	6	0–6	1541
Manulife Canadian Dividend Growth Fund	6	0–6	3507
Manulife Fundamental Dividend Fund	6	0–6	3563
Manulife Canadian Equity Class ⁷	6	0–6	9518
Manulife Fundamental Equity Fund ⁸	6	0–6	9599
Manulife Dividend Income Class ⁹	6	0–6	9107
Manulife Dividend Income Fund	6	0–6	9579
Manulife Growth Opportunities Fund	6	0–6	1521
U.S. Equity			
Manulife U.S. All Cap Equity Class	6	0–6	1551
Manulife U.S. All Cap Equity Fund	6	0–6	1534
Manulife Covered Call U.S. Equity Class	6	0–6	1580
Manulife U.S. Dividend Income Class	6	0–6	9032
Manulife U.S. Dividend Income Fund	6	0–6	3584
Manulife U.S. Dollar U.S. All Cap Equity Fund	6	0–6	9826
Manulife U.S. Equity Fund	6	0–6	1562
Manulife U.S. Opportunities Fund	6	0–6	1566
Manulife U.S. Dollar U.S. Dividend Income Fund	6	0–6	8564
Manulife U.S. Dollar U.S. Equity Fund	6	0–6	8565
Manulife U.S. Mid-Cap Equity Fund	6	0–6	8852
Manulife U.S. Dollar U.S. Mid-Cap Equity Fund	6	0–6	8853

Fund Name	Targeted payout rate (%)*	Customizable cash flows targeted payout rate (%)	Fund codes (MMF) FE
Global and International Equity			
Manulife Emerging Markets Fund ¹⁰	6	0-6	3574
Manulife Global Dividend Class	6	0-6	9938
Manulife Global Dividend Fund	6	0-6	9134
Manulife Global Dividend Growth Fund	6	0-6	3531
Manulife Global All Cap Focused Fund ¹¹	6	0-6	4598
Manulife Global Equity Class	6	0-6	1543
Manulife Global Small Cap Fund ¹²	6	0-6	1520
Manulife EAFE Equity Fund	6	0-6	4594
Manulife Global Franchise Class	6	0-6	3570
Manulife Global Franchise Fund	6	0-6	3564
Manulife World Investment Class	6	0-6	9537
Manulife World Investment Fund	6	0-6	9018
Manulife Global Thematic Opportunities Class	6	0-6	8598
Manulife Global Thematic Opportunities Fund	6	0-6	3586
Manulife Climate Action Fund	6	0-6	8562
Manulife Climate Action Class	6	0-6	8563
Specialty Equity			
Manulife Global Listed Infrastructure Class	6	0-6	1548
Manulife Global Listed Infrastructure Fund	6	0-6	1515
Balanced Funds			
Canadian Balanced			
Manulife Canadian Balanced Fund ⁶	6	0-6	9571
Manulife Fundamental Balanced Class	6	0-6	9007
Manulife Fundamental Income Class ¹³	6	0-6	3567
Manulife Fundamental Income Fund ¹⁴	6	0-6	3548
Manulife Monthly High Income Class ¹⁵	6	0-6	9533
Manulife Monthly High Income Fund ¹⁶	6	0-6	9583
Manulife Tactical Income Fund	6	0-6	3553
Manulife Simplicity Conservative Portfolio	6	0-6	1528
Manulife Simplicity Moderate Portfolio	6	0-6	1529
Manulife Smart Balanced Dividend ETF Bundle	6	0-6	8167
U.S. Balanced			
Manulife Strategic Balanced Yield Fund	6	0-6	9580
Manulife U.S. Dollar Strategic Balanced Yield Fund	6	0-6	9024
Manulife U.S. Monthly High Income Fund ¹⁷	6	0-6	9128
Global Balanced			
Manulife Diversified Investment Fund ⁶	6	0-6	9502
Manulife Global Balanced Fund	6	0-6	9816
Manulife Global Small Cap Balanced Fund ¹²	6	0-6	1517
Manulife Global Strategic Balanced Yield Fund	6	0-6	9136
Manulife Strategic Dividend Bundle	6	0-6	9846
Manulife Value Balanced Class	6	0-6	9572
Manulife Value Balanced Fund	6	0-6	9511
Manulife Yield Opportunities Fund ¹⁸	6	0-6	1538
Manulife Simplicity Balanced Portfolio	6	0-6	9560
Manulife Simplicity Global Balanced Portfolio	6	0-6	9568
Manulife Simplicity Growth Portfolio	6	0-6	9561

Fund Name	Targeted payout rate (%)*	Customizable cash flows targeted payout rate (%)	Fund codes (MMF) FE
Fixed income funds			
Canadian Fixed Income			
Manulife Bond Fund	6	0-6	1501
Manulife Corporate Bond Fund	6	0-6	1506
Manulife Canadian Unconstrained Bond Fund ¹⁹	6	0-6	3583
U.S. Fixed Income			
Manulife Floating Rate Income Fund	6	0-6	1509
Manulife U.S. Unconstrained Bond Fund ²⁰	6	0-6	4533
Global and International Fixed Income			
Manulife Global Core Plus Bond Fund	6	0-6	3588
Manulife Global Unconstrained Bond Fund ²¹	6	0-6	4532
Manulife Strategic Income Fund	6	0-6	1530
Manulife Strategic Investment Grade Global Bond Fund	6	0-6	4575
Manulife U.S. Dollar Strategic Income Fund ²²	6	0-6	9145
Manulife Asset Allocation Portfolios			
Manulife Conservative Portfolio	6	0-6	3576
Manulife Moderate Portfolio	6	0-6	3578
Manulife Balanced Portfolio	6	0-6	3580
Manulife Growth Portfolio	6	0-6	3582

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

DSC/LL2/LL3 load options are available for switches only and are not available for purchase.

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 reported 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.

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

⁷ 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.

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

⁹ On April 20, 2018, Manulife Preferred Income Class merged into Manulife Dividend Income Class.

¹⁰ On May 25, 2018, Manulife Emerging Markets Class merged into Manulife Emerging Markets Fund.

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

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

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

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

¹⁵ On January 2, 2018, Manulife Monthly High Income Class re-opened to new investors in all prospectus qualified series.

¹⁶ 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.

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

¹⁸ On May 25, 2018, Manulife Conservative Income Fund merged into Manulife Yield Opportunities Fund.

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

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

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

²² 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
Target monthly distribution per unit for year one	5 cents
Year 2 (Assumes NAV increases)	
NAV on December 31 of year one	\$10.20
6% of NAV	\$0.612
Target monthly distribution per unit for year two	5.1 cents

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. In the month where year-end mutual fund trust or corporate class distributions are paid out, you may receive additional income over and above the expected Series T monthly payments. Please consult with your advisor for more information.

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.**

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All Manulife Simplicity Portfolios are designed to target a specific risk/return profile for each of the risk tolerance categories. However, the underlying investments and fees will differ between the mutual fund and segregated fund versions of a portfolio within a risk category. As a result, the performance of the corresponding mutual fund and segregated fund portfolios will vary.

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