

# Manulife Corporate Classes

Tax-management strategy for non-registered assets





A previous benefit of corporate class funds was the ability to switch between funds without triggering capital gains or paying redemption fees. Under the legislation, effective January 1<sup>st</sup> 2017, a corporate-class investor who exchanges, or otherwise disposes of, shares of one corporate class fund for shares of another will be considered to have disposed of those shares at fair market value—triggering a taxable disposition.

## How Corporate Classes Work

A corporate class structure is comprised of multiple classes of shares of a single mutual fund corporation, where each class has a different fund investment objective or mandate. The structure can provide additional benefits over holding traditional mutual funds for some investors.

With Manulife Corporate Classes, certain tax benefits can be provided through distributions or cash flow from corporate classes that may be tax-efficient capital gains dividends and ordinary dividends from Canadian sources or tax-free return of capital. By paying less tax on tax-efficient distributions or cash flow, investors may improve their portfolio's growth over time.

### Ideal investors

Suitable investors for corporate classes can have one or more of these characteristics:

- High income earners or high net worth
- Limited RRSP contribution room because of participation in defined benefit pension plans
- Small business owners or executives looking for alternative to individual pension plan
- High percentage of portfolio's return is taxed as interest income
- Maximize their annual registered plan contributions and have additional funds to invest
- Seniors: Corporate class combined with tax efficient Series T cash flow can help reduce or eliminate OAS clawback.

### Why Manulife Corporate Classes

- Broad range of funds across multiple asset classes and mandates
- Experienced fund managers and sub-advisors
- Diversify clients' portfolios by asset class, sector, and manager
- Series T structure available on selected classes—helps mutual fund to provide tax-efficient monthly cash flow



A mutual fund corporation computes its net income and net capital gains as a single entity and can therefore minimize any distributions that are required to be made to shareholders. Since the corporation cannot flow through ordinary income (i.e. interest or foreign income), any distribution that is paid out to investors will be tax-efficient in the form of an ordinary Canadian dividend or a capital gains dividend (taxed at 50 per cent as a taxable capital gain) which can allow investors to save tax.

## Manulife corporate classes

		Fund codes (MMF)		Available in Series T
		Advisor series	Series F	
		FE	CDN\$	
<b>Equity Funds</b>				
Canadian Equity	Manulife Dividend Income Class <sup>1</sup>	8545	8645	✓
	Manulife Dividend Income Plus Class	8593	8693	✓
	Manulife Canadian Equity Class <sup>2</sup>	8533	8633	✓
U.S. Equity	Manulife U.S. Dividend Income Class	8549	8649	✓
	Manulife Covered Call U.S. Equity Class	8596	8696	✓
	Manulife U.S. All Cap Equity Class	8539	8639	✓
Global and International Equity	Manulife Global Dividend Class	8551	8651	✓
	Manulife Global Equity Class	4506	4606	✓
	Manulife Global Franchise Class	3532	3632	✓
	Manulife World Investment Class	8521	8621	✓
	Manulife Global Thematic Opportunities Class	8597	8697	✓
Specialty Equity	Manulife Climate Action Class	8563	8663	✓
	Manulife Asia Equity Class	8542	8642	
	Manulife China Class	8575	8675	
	Manulife Global Listed Infrastructure Class	8584	8684	✓
<b>Balanced Funds</b>				
Canadian Balanced	Manulife Fundamental Income Class <sup>3</sup>	3546	3646	✓
	Manulife Fundamental Balanced Class	8544	8644	✓
	Manulife Monthly High Income Class	8594	8694	✓
Global Balanced	Manulife Global Monthly High Income Class <sup>4</sup>	8537	8637	✓
<b>Manulife Private Investment Pools</b>				
Equity Private Pools	Manulife Canadian Equity Private Pool	1948	4017	✓
	Manulife Dividend Income Private Pool	1852	4018	✓
	Manulife Global Equity Private Pool	1963	4027	✓
	Manulife U.S. Equity Private Pool	1955	4025	✓
Balanced Private Pools	Manulife Balanced Equity Private Pool	1991	4037	✓
	Manulife Canadian Balanced Private Pool	1987	4036	✓

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

<sup>1</sup> On April 20, 2018, Manulife Preferred Income Class merged into Manulife Dividend Income Class.

<sup>2</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>3</sup> On April 20, 2018, Manulife Canadian Opportunities Balanced Class merged into Manulife Fundamental Income Class.

<sup>4</sup> On August 3, 2021, the Manulife Value Balanced Class was renamed Manulife Global Monthly High Income Class.

For more information, please contact your  
**Manulife Investment Management sales team.**

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 fund facts as well as 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. Please read the fund facts as well as the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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