

## Information folder



IDEAL SEGREGATED FUNDS SIGNATURE 2.0

This document contains the Ideal Segregated Funds Signature 2.0 Information Folder and Contract provisions. The segregated fund Information Folder is published by The Manufacturers Life Insurance Company ("Manulife") for information purposes only and is not an insurance contract. Manulife is the issuer of the Ideal Segregated Funds Signature 2.0 Insurance Contract and the guarantor of any guarantee provisions therein.

## Important Information about your Ideal Segregated Funds Signature 2.0 Information Folder

On or about October 23, 2017, the information for your Ideal Segregated Funds Signature 2.0 contract will be transferred to a new administrative system. Although most of your existing provisions remain in effect, there are some changes that are required due to this transfer.

The following is a summary of the changes that come into effect on or about October 23, 2017.

### Premiums

Previously, the back-end load, no-load and F-Class premium allocation options could be combined in the same contract, however the low-load option and Platinum no-load option required separate contracts. We are adding the ability to combine all premium allocation options in the same contract.

Your guarantee options: Ideal 75/75 Series, Ideal 75/100 Series and Ideal 100/100 Series continue to apply, and will be available in the premium allocation options as described below.

Depending on which premium allocation options you hold in your contract you could have separate Series for each guarantee option. The back-end load, no-load and F-Class premium allocation options will constitute one Series under each guarantee option, however low-load option and Platinum no-load option will each be their own separate Series under each guarantee option.

To clarify, the possible Series are as follows:

- Ideal 75/75 Series back-end load, no-load and F-Class
- Ideal 75/75 Series low-load
- Ideal 75/75 Series Platinum no-load
- Ideal 75/100 Series back-end load, no-load and F-Class
- Ideal 75/100 Series low-load
- Ideal 75/100 Series Platinum no-load
- Ideal 100/100 Series back-end load, no-load and F-Class
- Ideal 100/100 Series low-load
- Ideal 100/100 Series Platinum no-load

### Premium Minimums – Platinum no-load Option

After the transfer to the new administrative system, all Platinum no-load options held in the same Contract will be combined for the purpose of calculating the premium minimum amount for the Platinum no-load option.

### Pre-Authorized Debit (PAD) agreement

To clarify, there are no changes to current pre-authorized debit instructions on file. For any new instructions or changes to instructions, you can make a premium payment by pre-authorized debit on a monthly basis on any date from the 1st to the 28th of the month, or you may specify “the end of the month.”

### Withdrawals

To clarify, withdrawals from your non-registered plan may result in a capital gain or capital loss, and a withdrawal from a registered plan (other than a TFSA) may result in an income inclusion for tax purposes.

### Withdrawal minimums

Previously, if after a partial withdrawal the value of the Platinum no-load option in your plan fell below \$250,000, Manulife reserved the right to surrender the balance of your contract to you. Rather than reserving that right, Manulife now reserves the right in that situation to switch all remaining premium in the Platinum no-load option into a no-load premium allocation option within the same guarantee option.

### Scheduled Withdrawals

For new retirement income payments for registered plans, or changes to same, the Valuation Date will be several days in advance of the payment day you specify (except if the due date is January 1, where it would be calculated on the following Valuation Date). We will direct the scheduled payment to your bank account for deposit on the day that you specify, according to our current administrative rules. If the day specified is a weekend or other day a bank deposit cannot be made, we will direct the payment to your bank account on the day prior to the day you have specified. Unless you are notified otherwise, the Valuation

Date currently used in the calculation continues to apply to existing payment instructions.

To clarify, there are no changes to current payment frequency instructions on file. For new payment instructions or changes to instructions, you can make periodic withdrawals from the contract on a monthly, quarterly, semi-annual or annual basis.

## Withdrawal Charges

To clarify, we calculate a premium equivalent amount separately for the low-load options and back-end load options held in your contract. For example, if you hold more than one low-load option in your contract, the premium amounts of all low-load options will be combined for calculation purposes and the same for back-end load options. This ensures that premiums with the lowest charge rates are withdrawn first.

## Free Withdrawals

To clarify, an annual free withdrawal still applies for the applicable premium allocation option when held in your contract. In the first year, you are allowed to withdraw up to 10 percent (savings plans) or 20 percent (registered retirement income plans) of the sum of the premiums you paid under the applicable premium allocation option during that year. In each subsequent year, you are allowed to withdraw up to 10 percent (savings plans) or 20 percent (registered retirement income plans) of the sum of the Fund Values as at January 1st and 10 percent (savings plans) or 20 percent (registered retirement income plans) of any additional premiums you paid under the applicable premium allocation option during the year.

For example, if you hold more than one low-load option in your contract, the premium amounts of all low-load options will be combined to calculate the free withdrawal amount and the same for back-end load options.

Previously, free withdrawals were not applicable to registered retirement income plans for certain transactions. After the transfer to the new administrative system, free withdrawals will be applicable to registered retirement income plans in the case of transfers to another carrier, to another premium allocation option, to another Series or to another product.

## Switches and Transfers

We are aligning our administrative rules for switches and transfers. For clarity, certain switches and transfers, and certain Fund or contract changes, may result in a capital gain or capital loss where they create a taxable disposition from a non-registered contract. In addition, provisions for *Transfers between premium allocation options*, *Transfers between Series* and *Transfers between plans*, are replaced as follows:

## Transfers between premium allocation options, Series or contracts

At any time while the contract remains in force, you may request a transfer between premium allocation options, Series or contracts. A transfer between premium allocation options, Series or contracts is the withdrawal of units of a Fund in one premium allocation option, Series or contract to acquire units of the same or another Fund in a different premium allocation option, Series or contract. All transfers between premium allocation options must respect the minimums and other conditions of the premium allocation selected. Withdrawal charges may apply and **transfers may affect your Series guarantees**. Please refer to section 7, Guarantees, for more information.

Transfers (including fee withdrawals) will be processed in accordance with our current administrative rules in place at the time the transfer request is received.

## Dollar cost averaging

To clarify, there are no changes to current dollar cost averaging instructions on file. For any new instructions or changes to instructions, you can make dollar cost averaging switches on a monthly, quarterly, semi-annual or annual basis on any date from the 1st to the 28th of the month, or you may specify “the end of the month.”

## Resets

Previously you were able to request a Reset of your Maturity Guarantee Value up to two times each Series year. After the transfer to the new administrative system, you can request two Resets **per calendar year** on the Maturity Guarantee Value for your Ideal 75/100 Series and Ideal 100/100 Series. We will honor both series year and calendar year resets during 2017 which may result in more than two available resets in 2017.

## Estate planning

Please note that the term *contingent contractholder* will now be referred to as *successor owner*. In the Province of Quebec, the term “successor owner” refers to a *subrogated policyholder*.

## Successor Annuitant

To clarify the administrative rule, for RRSP, LIRA, LRSP and RLSP plans, the Successor Annuitant must be the Annuitant's spouse or common-law partner as defined by the *Income Tax Act* (Canada) and be named as the sole Beneficiary. If the contract is still an RRSP upon death of the Annuitant, your spouse will have the option to receive the death benefit for the contract, or continue the contractual benefits in a new RRSP (or RRIF) contract in his/her name.

# Amendment to Ideal Segregated Funds Signature 2.0 Contract

Effective on or about October 23, 2017, your Ideal Segregated Funds Signature 2.0 contract will be transferred to a new administrative system. Although most of your existing provisions remain in effect, there are some changes that are required due to this transfer.

**This amendment shall override any provisions of the contract and any prior contract amendments which are inconsistent with it.**

## Section I – General Provisions

**Definitions**, continues to apply with the following changes:

Series definition is added as follows:

### Series

The contract allows you to allocate your premiums to 3 guarantee options (Ideal 75/75 Series, Ideal 75/100 Series and Ideal 100/100 Series) and corresponding premium allocation options, each of which is held as a separate series as follows:

- Ideal 75/75 Series back-end load, no-load and F-Class
- Ideal 75/75 Series low-load
- Ideal 75/75 Series Platinum no-load
- Ideal 75/100 Series back-end load, no-load and F-Class
- Ideal 75/100 Series low-load
- Ideal 75/100 Series Platinum no-load
- Ideal 100/100 Series back-end load, no-load and F-Class
- Ideal 100/100 Series low-load
- Ideal 100/100 Series Platinum no-load

Successor Annuitant definition continues to apply, amended as follows (amendments are in **bold** and *italics*):

### Successor Annuitant:

A "Successor Annuitant" is appointed by the contractholder and is the person who will automatically become the Annuitant in the event of the death of the Annuitant indicated on the application. **A Successor Annuitant can be appointed for all plan types with the exception of LIF, LRIF, PRIF or RLIF plans.** Under such circumstances, the contract will remain in force and no Death Benefit Guarantee will be payable, **unless the**

**contract is an RRSP.** For RRSP, **LIRA, LRSP and RLSP** plans, the **Successor Annuitant** must be the Annuitant's spouse or common-law partner as defined by the *Income Tax Act* (Canada) and be named the sole Beneficiary. **If the contract is still an RRSP upon death of the Annuitant, your spouse or common-law partner will have the option to receive the death benefit for the contract, or continue to have the contractual benefits in a new RRSP (or RRIF) contract in his/her name.** For a RIF, only a spouse or common law partner, as defined by the *Income Tax Act* (Canada), can be named as Successor Annuitant.

## Section I - a) Ideal Segregated Funds

**Unit Value**, continues to apply, however replace every instance of *series* with *guarantee option*

## Section I – b) Processing your instructions

**Premium Payment**, is amended by deleting the third paragraph in its entirety and replacing it with the following:

If you already own an Ideal Segregated Funds Signature 2.0 Contract with us of the same plan type we will process your request as an additional premium to the existing contract. We will issue only one contract per plan type.

Delete **Transfers between premium allocation options within the same Series, Transfers between Series** and **Transfers between plans** sections in their entirety and replace them with the following:

### **Transfers between premium allocation options, series or contracts**

At any time while the contract remains in force, you may request a transfer between premium allocation options, series or contracts. A transfer between premium allocation options, series or contracts is the withdrawal of units of a Fund in one premium allocation option, series or contract to acquire units of the same or another Fund in a different premium allocation option, series or contract. All transfers between premium allocation options must respect the minimums and other conditions of the premium allocation selected. Withdrawal

charges may apply and **transfers may affect your series guarantees**. See section 7, Guarantees, of the Information Folder for more information.

Transfers (including fee withdrawals) will be processed in accordance with our current administrative rules in place at the time the transfer request is received.

**Withdrawal Charge**, delete the third paragraph in its entirety and replace it with the following:

To determine the withdrawal charge, we first establish how many premiums are being withdrawn and when these premiums were paid. To account for fluctuations in Fund Values, we determine a premium equivalent amount. We will calculate a premium equivalent amount separately for the low-load options (all together) and the back-end load options (all together) held in your contract. The premium equivalent amount is calculated as the amount withdrawn multiplied by the ratio of (1) the sum of premiums paid under your load option to the Ideal Segregated Funds Signature 2.0 Contract and not previously withdrawn and (2) the sum of the Fund Values under your load option. Then, premiums up to the premium equivalent amount are withdrawn in the order in which they were paid, regardless of the Ideal Segregated Fund and series to which they were allocated or the Ideal Segregated Fund from which the withdrawal is effected. This ensures that premiums with the lowest withdrawal charge rates will be withdrawn first.

## Section II – Non-registered Savings Plans

**Free withdrawals**, continues to apply, amended as follows (amendments are in **bold** and *italics*):

### **Free withdrawals**

During the first year, you are allowed to withdraw up to 10 percent of the sum of premiums paid under the **applicable premium allocation option** during the year without incurring any withdrawal charges.

For each subsequent year, you are allowed to withdraw up to 10 percent of the sum of the Fund Values as at January 1st and 10 percent of additional premiums paid under the **applicable premium allocation option** during the year.

Requests for transfers between different premium allocation options are processed in accordance **with** our administrative guidelines in effect at that time.

This right is not cumulative and any unused amount of free withdrawals cannot be carried forward to future years.

## Section III – Registered Savings Plans

**Free withdrawals**, continues to apply, amended as follows (amendments are in **bold** and *italics*):

### **Free Withdrawals**

In the first year, you are allowed to withdraw up to 10 percent of the sum of premiums paid under the **applicable premium allocation option** during the year without incurring any withdrawal charges.

For each subsequent year, you are allowed to withdraw up to 10 percent of the sum of the Fund Values as at January 1 and 10 percent of additional premiums paid under the **applicable premium allocation option** during the year.

Requests for transfers between different premium allocation options are processed in accordance **with** our administrative guidelines in effect at that time.

This right is not cumulative and any unused amount of free withdrawals cannot be carried forward to future years.

## Section IV – Registered Retirement Income Plans

**Free withdrawals**, continues to apply, amended by deleting the last paragraph in its entirety and the first three paragraphs are amended as follows (amendments are in **bold** and *italics*):

In the first year, you are allowed to withdraw up to 20 percent of the sum of premiums paid under the **applicable premium allocation option** during the year without incurring any withdrawal charges.

For each subsequent year, you are allowed to withdraw up to 20 percent of the sum of the Fund Values as at January 1st and 20 percent of additional premiums paid under the **applicable premium allocation option** during the year.

This right is not cumulative and any unused amount of free withdrawals cannot be carried forward to future years.



# Amendment to Ideal Segregated Funds Signature 2.0 Contract Tax-Free Savings Account

Effective on or about October 23, 2017, your Ideal Segregated Funds Signature 2.0 contract will be transferred to a new administrative system. Although most of your existing provisions remain in effect, there are some changes that are required due to this transfer.

**This amendment shall override any provisions of the contract and any prior contract amendments which are inconsistent with it.**

## Section I – General Provisions

**Definitions**, continues to apply, the following definition is added:

### **Series**

The contract allows you to allocate your premiums to 3 guarantee options (Ideal 75/75 Series, Ideal 75/100 Series and Ideal 100/100 Series) and corresponding premium allocation options, each of which is held as a separate series as follows:

- Ideal 75/75 Series back-end load, no-load and F-Class
- Ideal 75/75 Series low-load
- Ideal 75/75 Series Platinum no-load
- Ideal 75/100 Series back-end load, no-load and F-Class
- Ideal 75/100 Series low-load
- Ideal 75/100 Series Platinum no-load
- Ideal 100/100 Series back-end load, no-load and F-Class
- Ideal 100/100 Series low-load
- Ideal 100/100 Series Platinum no-load

## Section I - a) Ideal Segregated Funds

**Unit Value**, continues to apply, however replace every instance of *series* with *guarantee option*

## Section I – b) Processing your instructions

**Premium Payment**, is amended by deleting the third paragraph in its entirety and replacing it with the following:

Delete **Transfers between premium allocation options within the same Series, Transfers between plans and Transfers between Series** sections in their entirety and replace them with the following:

### **Transfers between premium allocation options, series or contracts**

At any time while the contract remains in force, you may request a transfer between premium allocation options, series or contracts. A transfer between premium allocation options, series or contracts is the withdrawal of units of a Fund in one premium allocation option, series or contract to acquire units of the same or another Fund in a different premium allocation option, series or contract. All transfers between premium allocation options must respect the minimums and other conditions of the premium allocation selected. Withdrawal charges may apply and **transfers may affect your series guarantees**. See section 7, Guarantees, of the Information Folder for more information.

Transfers (including fee withdrawals) will be processed in accordance with our current administrative rules in place at the time the transfer request is received.

**Withdrawal Charge**, delete the third paragraph in its entirety and replace it with the following:

To determine the withdrawal charge, we first establish how many premiums are being withdrawn and when these premiums were paid. To account for fluctuations in Fund Values, we determine a premium equivalent amount. We will calculate a premium equivalent amount separately for the low-load options (all together) and the back-end load options (all together) held in your contract. The premium equivalent amount is calculated as the amount withdrawn multiplied by the ratio of (1) the sum of premiums paid under your load option to the Ideal Segregated Funds Signature 2.0 Contract and not previously withdrawn and (2) the sum of the Fund Values under your load option. Then, premiums up to the premium equivalent amount are withdrawn in the order in which they were paid, regardless of the Ideal Segregated Fund and series to which they were allocated or the Ideal Segregated Fund from which the withdrawal is effected. This ensures that premiums with the lowest withdrawal charge rates will be withdrawn first.

## Section II – Tax-Free Savings Account

**Free withdrawals**, continues to apply, amended as follows (amendments are in **bold** and *italics*):

### **Free withdrawals**

In the first year, you are allowed to withdraw up to 10 percent of the sum of premiums paid under the ***applicable premium allocation option*** during the year without incurring any withdrawal charges.

For each subsequent year, you are allowed to withdraw up to 10 percent of the sum of the Fund Values as at January 1st and 10 percent of additional premiums paid under the ***applicable premium allocation option*** during the year.

This right is not cumulative and any unused amount of free withdrawals cannot be carried forward to future years.

Requests for transfers between different premium allocation options are processed in accordance **with** our administrative guidelines in effect at that time.

For more information, please speak with your advisor or visit [manulife.ca/investments](http://manulife.ca/investments)



The Manufacturers Life Insurance Company ("Manulife") is the issuer of the Ideal Segregated Funds Signature 2.0 insurance contract and the guarantor of any guarantee provisions therein. Manulife, Manulife Investments, the Block Design, the Four Cube Design, and Strong Reliable Trustworthy Forward-thinking are trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates under license.

This Information Folder describes benefits that are not guaranteed.

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## Ideal Segregated Funds Signature 2.0 Fund Changes

### INFORMATION FOLDER, FUND FACTS AND APPLICATIONS ADDENDUM

**Effective March 11, 2016 and April 15, 2016**, the Ideal Segregated Funds Signature 2.0 Information Folder, Fund Facts and Applications, are amended to reflect the enclosed fund name changes.

This Addendum forms part of your Information Folder containing important provisions that you should read prior to investing. The Information Folder provides general information for your investment options, including the potential risks of investing in segregated funds. All of the sections of the Information Folder which pertain to the existing funds apply to the funds noted in this Addendum as applicable. This Addendum is not an insurance contract.

This Addendum also forms part of your Fund Facts and Applications.

### Segregated fund name changes

Effective March 11, 2016 and April 15, 2016, the names of the following segregated funds will be changed.

Segregated Fund Name	New Segregated Fund Name	Effective Date
Ideal Corporate Bond Fund	Ideal Canadian Corporate Bond Fund	March 11, 2016
Ideal Diversified Income Fund	Ideal Conservative Income Fund	March 11, 2016
Ideal Dividend Income Fund	Ideal Canadian Dividend Income Fund	March 11, 2016
Ideal Global Equity Fund	Ideal Global Equity Unconstrained Fund	March 11, 2016
Ideal U.S. Dividend Growth Fund	Ideal U.S. Dividend Income Fund	March 11, 2016
Ideal U.S. Monthly Income Fund	Ideal Unhedged U.S. Monthly High Income Fund	March 11, 2016
Ideal Tactical Bond Fund	Ideal Canadian Bond Plus Fund	March 11, 2016
Ideal Canadian Small Cap Fund	Ideal Growth Opportunities Fund	March 11, 2016
Ideal U.S. Equity Value Fund	Ideal U.S. All Cap Equity Fund	March 11, 2016
Ideal Global Bond Fund	Ideal Strategic Investment Grade Global Bond Fund	April 15, 2016
Ideal International Equity Fund	Ideal World Investment Fund	April 15, 2016

The Manufacturers Life Insurance Company ("Manulife") is the issuer of the Manulife Ideal Segregated Funds Signature 2.0 insurance contract and the guarantor of any guarantee provisions therein.

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**If you have any questions about these changes,  
please contact your advisor or Manulife Investments at [Manulife.ca/Investments](http://Manulife.ca/Investments)  
or call Customer service Centre 1 888 841 6633**

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# Key facts – Ideal Segregated Funds Signature 2.0

This summary briefly describes the basic things you should know before you apply for an Individual Variable Insurance Contract. **This summary is not your contract.** A full description of all the features and how they work is contained in the Information Folder and in the contract. We recommend you review these documents carefully and discuss any questions you have with your advisor.

## What am I getting?

You are purchasing an insurance contract between you and The Manufacturers Life Insurance Company (“Manulife”). It gives you a choice of investments and guarantees.

### You can:

- choose fund(s) to invest in
- choose a guarantee
- name a person to receive the Death Benefit Guarantee or continue your contract upon your death
- pick a registered or non-registered contract
- receive regular payments now or later

The choices you make may affect your taxes. They could also affect your guarantees. These choices are explained in the Information Folder or in the contract. Ask your advisor to help you make these choices.

**The value of your contract can go up or down subject to the guarantees. We recommend that you read the Information Folder and your contract carefully before you decide to make your purchase.**

## What guarantees are available?

You get Maturity and Death Benefit Guarantees. These help protect your fund investments. You can also get added protection from Resets.

**Any withdrawals you make may reduce your guarantees.** For more details, please see section 7 in the Information Folder.

### Maturity Benefit Guarantee

This protects the value of your investment at specific dates in the future. These dates are explained in the Information Folder in section 7.

On these dates, you will receive the greater of:

- the Contract Value
- or
- 75% of the Maturity Guarantee Value or 100% of the Maturity Guarantee Value

depending on the guarantee option selected.

There is also a guarantee available for your investment into a RRIF. Please see section 7 for further details.

### Death Benefit Guarantee

This protects the value of your investment if you die. It is paid to someone you name. The guarantee may be impacted by the age you are at the time you invest your first deposit.

The Death Benefit Guarantee applies if you die before the Series Maturity Date. It pays the greater of:

- the Contract Value
- or
- 75% of the Death Guarantee Value or 100% of the Death Guarantee Value

Some restrictions apply to the 100% Death Guarantee Value. Please see section 7 for further details.

## What investments are available?

You can invest in segregated funds.

The segregated funds are described in the *Fund Facts*.

**Manulife does not guarantee the performance of segregated funds. Carefully consider your tolerance for risk when you select an investment option.**

## How much will it cost?

The type of guarantees, the funds and the premium allocation options you select all affect your costs.

If you invest in funds, you can choose from the following: back-end load, low-load and three no-load sales charge options. For more details see section 5 in the Information Folder.

Fees and expenses are deducted from the segregated funds. They are shown as management expense ratios or MERs in the **Fund Facts** for each fund.

If you make certain transactions or other requests, you may be charged separately for them. These include withdrawals, short-term and frequent trading, switching funds and changing guarantees.

For more details, see section 11 in the Information Folder.

## What can I do after I purchase this contract?

If you wish, you can do any of the following:

### Switches and Transfers

You may switch or transfer from one fund to another. See section 6 in the Information Folder.

### Withdrawals

You can withdraw money from your contract. If you decide to, this may affect your guarantees. You may also need to pay a fee or taxes. See section 5 in the Information Folder.

### Premiums

You may make lump-sum or regular payments. See section 4 in the Information Folder.

### Resets

If the value of your investments goes up, you may reset your guarantees at a higher amount. This may affect the timing of your Maturity Benefit Guarantee. See section 7 in the Information Folder.

## Annuity

At a certain time, unless you select another option, we will start making payments to you.

Certain restrictions and other conditions may apply. Review the Information Folder and your contract for your rights and obligations and discuss any questions with your advisor.

## What information will I receive about my contract?

We will tell you once a year the value of your investments and any transactions you have made.

You may request more detailed financial statements of the funds. These are updated at certain times during the year.

## Can I change my mind?

Yes, you can:

- cancel the contract,
- cancel any payment you make, or
- reverse investment decisions

To do any of these, you must tell us in writing within two Business Days of the earlier of:

- the date you received confirmation, or
- five Business Days after it is mailed

The amount returned will be the lesser of the amount you invested or the value of the fund if it has gone down. If you cancel, the amount returned will include a refund of any sales charges or other fees you paid.

If you change your mind about a specific fund transaction, the right to cancel only applies to that transaction.

## Where can I get more information?

You may call us at **1-888-841-6633** or contact your advisor.

**For information about handling issues you are unable to resolve with your insurer, contact the OmbudService for Life and Health Insurance at 1-800-268-8099 or on the Internet at [www.olhi.ca](http://www.olhi.ca).**

For information about additional protection available for all life insurance contractholders, contact Assuris, a company established by the Canadian life insurance industry. See **[www.assuris.ca](http://www.assuris.ca)** for details.

For information about how to contact the insurance regulator in your province visit the Canadian Council of Insurance Regulators website at **[www.ccir-ccrra.org](http://www.ccir-ccrra.org)**.

## Certification

The Manufacturers Life Insurance Company certifies that this Information Folder provides brief and plain disclosure of all material facts relating to the variable nature of the Ideal Segregated Funds component under the Ideal Segregated Funds Signature 2.0 Contract.



**Paul Lorentz,**  
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Retail (Individual Life and Wealth Management)  
Canadian Division, Manulife*



**Bernard Letendre**  
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## Table of contents

1. The Ideal Segregated Funds Signature 2.0 Contract.....	5
2. Glossary.....	7
3. Plan Types.....	10
4. Premiums.....	12
5. Withdrawals.....	14
6. Switches and Transfers.....	17
7. Guarantees.....	19
8. Estate Planning.....	29
9. Ideal Segregated Funds.....	30
9.1 History	
9.2 Ideal Segregated Fund termination or removal	
9.3 Investment policy	
9.4 Investment objectives and strategies	
9.5 Risks of Investing in Ideal Segregated Funds	
9.6 Fundamental change	
10. Ideal Segregated Funds – Portfolio managers.....	37
11. Ideal Segregated Funds – Fees and expenses.....	38
12. Taxation.....	41
13. Additional information.....	42
Ideal Segregated Funds Signature 2.0 Contract (Provisions).....	44
Ideal Segregated Funds Signature 2.0 Contract (Tax-free Savings Account Provisions).....	61



# 1. The Ideal Segregated Funds Signature 2.0 Contract

The Ideal Segregated Funds Signature 2.0 Contract is offered by The Manufacturers Life Insurance Company (“Manulife”), a financial institution licensed to transact the business of life insurance and annuities in all ten provinces and three territories of Canada. The Head Office is located at 500 King St. N, Waterloo, Ontario N2J 4C6.

The Ideal Segregated Funds Signature 2.0 Contract is an Individual Variable Insurance Contract. As a contractholder, you have the option of allocating your premiums to any of our Ideal Segregated Funds that are available under the Series selected for your accumulation and retirement needs. The Ideal Segregated Funds are available under non-registered savings plans or registered savings plans (RSP, LIRA, LRSP, RLSP or TFSA), or registered retirement income plans (RIF, LIF, LRIF, RLIF or PRIF). From time to time, Manulife may revise its product offering and consequently, may no longer offer particular contracts, Series and/or premium allocation options to new contractholders. For existing contractholders, in the case that your Series or premium allocation option is no longer offered for additional premiums, we will provide you with adequate notice and offer you alternative options.

## Information Folder

This Information Folder is a guide to your Ideal Segregated Funds Signature 2.0 Contract, a variable insurance contract that can be used to accumulate savings and also provide retirement income. The Information Folder should be read in conjunction with the *Ideal Segregated Funds Signature 2.0 Fund Facts*, which presents specific information on the Ideal Segregated Funds.

Throughout this Information Folder, any reference made to the Ideal Segregated Funds Signature 2.0 Contract applies to savings plans (RSP, LIRA, LRSP, RLSP, TFSA and non-registered savings plans) and registered retirement income plans (RIF, LIF, LRIF, RLIF and PRIF). Moreover, any reference made to Ideal Segregated Funds also applies to our Ideal Portfolios.

In this Information Folder and other documents supporting this product, the terms “we”, “us” and “our” refer to Manulife and the terms “you” and “your” refer to the contractholder (and additional contractholder, if applicable).

## Ideal Segregated Fund assets

The assets of the Ideal Segregated Funds are held by Manulife on behalf of all contractholders. The Ideal Segregated Funds are not separate legal entities. You do not own any of the assets of nor own an interest in the Ideal Segregated Funds. Rather, Units (as defined in the Glossary) of the selected Ideal Segregated Funds are allocated to your contract for determining the benefits to which you are entitled. As a result, you do not actually own, buy or sell any part of the Ideal Segregated Funds. For ease of understanding, we may use the terms “acquire”, “allocate”, “withdraw”, “switch” or “transfer” to refer to transactions of Units within your contract. Some of Manulife’s Ideal Segregated Funds invest a substantial portion of their assets in units of Underlying Funds (as defined in the Glossary).

In some cases, Manulife Asset Management Limited, one of our affiliates, may be the investment fund manager of an Underlying Fund. As any amount allocated to an Ideal Segregated Fund is considered to be a premium payment into an Individual Variable Insurance Contract issued by Manulife, contractholders do not own an interest in the Underlying Funds and are not entitled to any of the rights of the unitholders of the Underlying Funds. The investment objectives of the Underlying Funds cannot be changed unless approved by the unitholders of such fund. In such case, Manulife will advise contractholders of fundamental changes to the investment objectives of the Underlying Funds.

## Confirmation notice

When you pay a premium into your Ideal Segregated Funds Signature 2.0 Contract, we will provide you with a confirmation notice. The notice will confirm the amount of the premium and the number of Ideal Segregated Fund Units allocated to your contract. You will also receive a confirmation notice for each withdrawal, switch, transfer and Reset. Please note that for pre-authorized debit agreements, dollar cost averaging and systematic withdrawal plans, only the first transaction of each type will produce a confirmation notice or if there is a change. This may be different for Nominee Plans.

## **Statements**

Manulife will provide you with at least one statement per year outlining all financial activity that has occurred in your Ideal Segregated Funds Signature 2.0 Contract. The statement will also show the number of Units held of each Ideal Segregated Fund and the Unit Value of each Ideal Segregated Fund on the Valuation Date corresponding with the statement date. In addition, each RIF, LIF, LRIF, PRIF or RLIF statement for the period ending December 31 will advise you of the government prescribed minimum payment for the upcoming year and the maximum payment for LIF, LRIF and RLIF plans. This will give you an opportunity to review your income stream and make changes as required. This may be different for Nominee Plans.

## **Financial statements for the Ideal Segregated Funds**

Interim unaudited financial statements and audited annual financial statements are available upon request. For the Underlying Funds, copies of the simplified prospectus and/or other disclosure documents are also available upon request.

## 2. Glossary

### **Anniversary Date**

Anniversary date is the day that is one year after the day immediately preceding the day on which the contract was issued and each day that occurs at each successive one-year interval, as defined by the *Income Tax Act* (Canada).

### **Annuitant**

The Annuitant is the person insured under the contract. The contract is based on the life of the Annuitant who can be the contractholder or another person chosen by the contractholder.

### **Annuity Commencement Date**

The date that the contractholder starts receiving annuity payments.

### **Business Day**

This is a day on which the Toronto Stock Exchange (TSX) is open for business.

### **CLHIA**

The Canadian Life and Health Insurance Association Inc. (CLHIA) is the national trade association of life and health insurance companies in Canada.

### **Contract Value**

The Contract Value is the sum of all the Series Values under a contract.

### **Death Benefit Guarantee**

This is the amount that is payable upon the death of the Annuitant (see section 7).

### **Death Guarantee Value**

The Death Guarantee Value is used to calculate the Death Benefit Guarantee.

### **Fund Facts**

Fund Facts means a disclosure document in respect of an Individual Variable Insurance Contract which forms part of the Information Folder. It provides a description of the key features of each segregated fund under the contract.

### **Fund Value**

The Fund Value is the individual contractholder's total number of Units credited to a Fund multiplied by the corresponding Fund Unit Value established on the Valuation Date coincident with or immediately following the date the Fund Value is determined.

**The Fund Value of an Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**

### **Ideal Segregated Fund**

This is a segregated fund established by Manulife. In this Information Folder, the word "Fund" refers to an Ideal Segregated Fund.

### **Individual Variable Insurance Contract (IVIC)**

This is an individual contract of life insurance, including an annuity, or an undertaking to provide an annuity, as defined by provincial and territorial insurance statutes and by the Civil Code of Québec, under which the liabilities vary in amount depending upon the market value of a specified group of assets in a segregated fund, and includes a provision in an individual contract of life insurance under which policy dividends are deposited in a segregated fund.

### **Information Folder**

This is the document you are currently reading. It explains an Individual Variable Insurance Contract and segregated funds. It follows the *CLHIA guidelines on Individual Variable Insurance Contracts Relating to Segregated Funds* and the Québec guidelines entitled *la Ligne directrice sur les contrats individuels à capital variable afférents aux fonds distincts*. The Information Folder has been filed with the provincial insurance regulators.

### **Insurance Fee**

An Insurance Fee is charged to each Ideal Segregated Fund, in addition to the Management Fee. The Insurance Fee is calculated as a percentage of the Ideal Segregated Fund's average daily Net Asset Value and is included in the Management Expense Ratio (MER). The Insurance Fee is associated with the benefits guaranteed under the contract and varies depending on the Ideal Segregated Fund and Series selected.

### **Key Facts**

Key Facts means a disclosure document in respect of an Individual Variable Insurance Contract which forms part of the Information Folder. It provides a summary of the contract.

**Life Income Fund (LIF)**

This is a specific type of registered retirement income fund set up with money from a registered pension plan or the proceeds of a locked-in retirement account or locked-in retirement savings plan.

**Locked-in Retirement Account (LIRA)/Locked-in RSP (LRSP)**

Premium payments can be made to these types of registered retirement savings plans with money transferred from a registered pension plan or another locked-in registered plan.

**Locked-in Retirement Income Fund (LRIF)**

Similar to a LIF, an LRIF is a specific type of registered retirement income fund set up with money from a registered pension plan or the proceeds of a locked-in retirement account or locked-in retirement savings plan. LRIF withdrawals are subject to minimum and maximum annual limits.

**Management Fees**

These are fees that an investment firm or insurance company receives in exchange for providing administrative and management services to segregated funds and contractholders (see section 11).

**Market Value**

The Market Value of each Ideal Segregated Fund will be determined on a Valuation Date. To determine the Unit Value of each Ideal Segregated Fund for trading purposes, the Market Value of an Ideal Segregated Fund's assets will be calculated based on the current price of the securities held in the Segregated Fund. Equity securities listed or traded on a stock exchange are valued at the closing price on the recognized stock exchange on which they are listed or principally traded. Equity securities not traded on the Valuation Date will be valued on the basis of the mean between bid and ask prices on that date. Bonds and asset-backed securities are valued on the basis of the median of the bid and ask quotations obtained from one or more recognized investment dealers. For all Ideal Segregated Funds, short-term notes are recorded at Market Value determined by taking the bid quotation from a recognized investment dealer. Investments in other investment funds not traded on a stock exchange are valued based on the Net Asset Value per Unit on the Valuation Date. In all other cases, or if we deem that the foregoing calculation methods do not accurately reflect the fair value of the asset, the

Market Value will be the fair Market Value as determined by us. Valuation for financial statement purposes is as disclosed in the financial statements. Market Value of each Ideal Segregated Fund will always be determined at least once a month.

**Maturity Benefit Guarantee**

This is the amount that is payable upon the Series Maturity Date (see section 7).

**Maturity Guarantee Value**

The Maturity Guarantee Value is used to calculate the Maturity Benefit Guarantee and the Payout Benefit Guarantee.

**Net Asset Value**

The Net Asset Value of each Ideal Segregated Fund is the Market Value of the Fund's assets less its liabilities (including accrued Management Fees, Insurance Fees and other expenses).

**Nominee Plan**

A Nominee Plan is a plan that is held by a third party distributor on the behalf of the contractholder.

**Payout Benefit Guarantee**

This is the amount that is guaranteed to be paid as retirement income payments over the lifetime of the contract (see section 7).

**Portfolio Turnover Rate**

An Ideal Segregated Fund's portfolio turnover rate indicates how actively the Ideal Segregated Fund's portfolio manager manages the investments in the Fund's portfolio. A portfolio turnover rate of 100 percent is equivalent to the Ideal Segregated Fund buying and selling all of the securities in its portfolio once in the course of a year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the chance of the Fund receiving taxable capital gains/losses in that year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund. The portfolio turnover rate for each Fund can be found in the individual Fund Facts.

### **Pre-Authorized Debit (PAD)**

This program allows you to pay regular premiums into your Ideal Segregated Funds Signature 2.0 Contract through automatic debit from your bank account.

### **Prescribed Retirement Income Fund (PRIF)**

A PRIF is a specific type of registered retirement income fund set up with money from a registered pension plan or the proceeds of a locked-in retirement account or locked-in retirement savings plan.

### **Registered Plan**

This is a plan that has been registered under the *Income Tax Act* (Canada).

### **Resets**

Resets allow you to increase your Series Maturity Guarantee Value and Death Guarantee Value (see section 7).

### **Segregated Fund**

Offered by life insurance companies, segregated funds are investment funds that provide various insurance benefits. Segregated funds invest in a portfolio of securities on behalf of numerous contractholders. Segregated funds are held separate from an insurer's general assets.

### **Series**

The Ideal Segregated Funds Signature 2.0 Contract allows you to allocate your premiums to three Series, the Ideal 75/75 Series, the Ideal 75/100 Series and the Ideal 100/100 Series.

### **Series Anniversary Date**

The Series Anniversary Date is the day one year after the day your first premium is allocated into the Series and every year thereafter.

### **Series Maturity Date**

The Series Maturity Date is when the Maturity Benefit Guarantee for the Series is payable.

### **Series Start Date**

The Series Start Date is the valuation date of the first premium allocation into a given Series.

### **Series Value**

The Series Value is the sum of the Fund Values within a Series.

### **Series Year**

The 12 month period from the Series Start Date to one day prior to the Series Anniversary Date.

### **Successor Annuitant**

The Successor Annuitant is appointed by the contractholder and is the person who will automatically become the Annuitant in the event of the death of the Annuitant (see section 8).

### **Tax-free Savings Account (TFSA)**

This is a type of registered savings plan (effective in 2009), which allows for an annual non-deductible contribution. Unused TFSA contribution room can be carried forward for future years. Any capital gains and other investment income earned in this plan and any withdrawals from this plan will not be taxed. For annual non-deductible contribution limits visit the Canada Revenue Agency website ([www.cra-arc.gc.ca](http://www.cra-arc.gc.ca))

### **Underlying Fund**

This is a fund in which an Ideal Segregated Fund invests most of its assets. Any amount allocated to an Ideal Segregated Fund is considered a premium payment into an Individual Variable Insurance Contract issued by Manulife.

### **Unit**

When you allocate your premium to the Ideal Segregated Funds, Units are assigned to your contract. However, you do not actually own, buy or sell any part of the Ideal Segregated Funds, Underlying Funds or any Fund Units. Moreover, you do not have any voting rights associated with the Ideal Segregated Funds and Underlying Funds. Rather, we hold the assets of the Funds on your behalf. For ease of understanding, we may use the terms "acquire units", "withdraw", "switch" and "transfer" to refer to Fund transactions within your contract.

### **Unit Value**

A value used to measure the Market Value of one Unit of a Fund.

**The Unit Value of an Ideal Segregated Fund increases or decreases with changes in the Market Value of the assets of the Fund and by the reinvestment of net income.**

## Valuation Day/Date

This is a Business Day on which the Market Value and Unit Value of an Ideal Segregated Fund are calculated for transaction purposes. The Market and Unit Values of an Ideal Segregated Fund are normally calculated on each Business Day after the TSX closes. However, in some circumstances, Manulife may calculate these values on another day or at another time, at its discretion.

## Withdrawal Value

The Withdrawal Value is the Contract Value less applicable withdrawal charges and taxes.

## The Withdrawal Value of an Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund

# 3. Plan types

The Ideal Segregated Funds Signature 2.0 Contract is available in a non-registered savings plan, a registered savings plan (RSP, LIRA, LRSP, RLSP or TFSA), or a registered retirement income plan (RIF, LIF, LRIF, RLIF or PRIF).

## Plan types

### Savings plans

- Non-registered savings plan
- Tax-free savings account (TFSA)
- Registered savings plans
  - Retirement savings plan (RSP, including spousal RSP)
  - Locked-in retirement account (LIRA)
  - Locked-in retirement savings plan (LRSP)
  - Restricted locked-in savings plan (RLSP)

### Registered retirement income plans

- Retirement income fund (RIF, including spousal RIF)
- Life income fund (LIF)
- Locked-in retirement income fund (LRIF)
- Prescribed retirement income fund (PRIF)
- Restricted life income fund (RLIF)

The following table explains the maximum ages for each Series.

Plan type	Ideal 75/75 Series and Ideal 75/100 Series		Ideal 100/100 Series	
	Latest age for initial premium	Latest age to own	Latest age for initial premium	Latest age to own
Non-registered savings plan	90 <sup>1</sup>	100	85 <sup>1</sup>	100
Registered savings plan	71 <sup>2</sup>	71 <sup>2</sup>	71 <sup>2</sup>	71 <sup>2</sup>
RIF, LIF, LRIF, PRIF and RLIF	90 <sup>3</sup>	100 <sup>3</sup>	85 <sup>3</sup>	100 <sup>3</sup>

<sup>1</sup> Please note that if you make your initial premium after age 80, the Death Benefit Guarantee will be 75%, regardless of the series chosen.

<sup>2</sup> As of December 31 of the Annuitant's age.

<sup>3</sup> For the pension jurisdiction (LIF) of Newfoundland and Labrador the maximum age to annuitize is on or before December 31<sup>st</sup> of the year in which you reach age 80.

## Plan features

### Non-Registered Savings plan

- Under a non-registered savings plan, you can elect to be the Annuitant or you can designate another individual as Annuitant
- The Annuity Commencement Date for the Ideal 75/75 Series, Ideal 75/100 Series and Ideal 100/100 Series will be the Annuitant's 100th birthday. However, prior to reaching the Annuity Commencement Date, you have the option to extend the Annuity Commencement Date beyond 100 years of age.
- You can assign a non-registered savings plan in whole or in part. In other words, you can change the ownership of the contract. If you choose to assign the contract, you must forward notice of its assignment to Manulife. The assignee is responsible for the validity of any assignment. We are not responsible for the validity of the assignment. There may be a potential tax implication, please refer to your tax advisor.



## Nominee Plans

All Nominee Plans will be held in non-registered savings plans at Manulife. For premium payments, withdrawals, switches, transfers, and other similar transactions, the non-registered savings plan contract will apply. For retirement income plans registered with a third party and held as a Nominee Plan with Manulife, the treatment of retirement income payments with regards to the Payout and Death Benefit Guarantees, will be treated as defined in Section 7 – Nominee Registered Retirement Income Plan Guarantees.

If your contract is held in a Nominee Plan with a distributor, creditor protection may not be available. Consult your legal advisor about your particular situation.

Similarly, if your contract is held in a Nominee Plan, some features may not be available to you, such as but not limited to, the ability to designate a beneficiary or an additional beneficial owner. Carefully discuss with your advisor the impacts of choosing to hold your contract in a Nominee Plan.

## Registered plans

- Under a registered plan, you are both the contractholder and the Annuitant
- You cannot assign a registered contract, nor can you assign any annuity payable to you or your spouse or common-law partner under the contract, in whole or in part
- You cannot use a registered contract as collateral for loan purposes

## Registered savings plans

You can set up your Ideal Segregated Funds Signature 2.0 Contract in a registered plan, as a retirement savings plan (RSP) or a Tax-free Savings Account (TFSA), under the *Income Tax Act* (Canada) and, if applicable, the *Taxation Act* (Québec).

The premiums you pay into your retirement savings plan may be eligible for tax deduction, up to the allowable limits according to the *Income Tax Act* (Canada), and gains are not subject to income tax when earned. The Annuity Commencement Date is December 31 of the year in which you reach the legislative age limit for maturing registered savings plans.

The Tax-free Savings Account (TFSA) allows an annual non-deductible contribution up to the allowable limits according to the *Income Tax Act* (Canada). Any capital gains and other investment income earned in this plan and any withdrawals from this plan will not be taxed.

## Registered retirement income plans

Registered retirement income plans (RIFs, LIFs, LRIFs, RLIFs and PRIFs) must be registered as retirement income funds under the *Income Tax Act* (Canada) and, if applicable, the *Taxation Act* (Québec).

Registered retirement income plans allow you to tailor your retirement income stream to your individual needs and make partial withdrawals (subject to government prescribed maximums for LIF, LRIF and RLIF plans). All payments out of a registered retirement income plan are fully taxable for income tax purposes and any amount you withdraw in a calendar year may be subject to the withholding of income tax at source.

Government regulations require that all premiums paid into a RIF plan be made in the form of a transfer of RSP funds, including the full or partial commuted value of a registered annuity, or a transfer from another RIF. All premiums paid into a LIF, LRIF, PRIF or RLIF must be in the form of a transfer of registered locked-in funds or a transfer from another LIF, LRIF, PRIF or RLIF. No other type of premium payment can be made.

## Minimum amount

In accordance with federal legislation, registered retirement income plan contractholders are required to withdraw a minimum annual payment. This minimum amount must be calculated each calendar year after the year in which the registered retirement income plan is established. For the purpose of calculating the minimum amount, payments from a RIF can be based on the contractholder's age or that of the contractholders' spouse or common-law partner. In most jurisdictions, LIF and LRIF contractholders can also use their spouse's or common-law partner's age.

### **Maximum amount**

In accordance with provincial legislation, LIFs, LRIFs and RLIFs also have a maximum annual income limit. The application rules for the maximum income formulas as well as other LIF, LRIF and RLIF criteria may vary depending on the pension jurisdiction. The maximum amount will be calculated using the Contract Value.

### **Automatic transfers from your registered retirement savings plan<sup>†</sup> to your registered retirement income plan**

On your Annuity Commencement Date, we will automatically transfer your registered retirement savings plan to a registered retirement income plan. If your Series Maturity Date is equal to your Annuity Commencement Date then we will transfer your Maturity Guarantee Value of your savings plan to a registered retirement income plan. For all other situations, we will process the automatic transfer in accordance with our administrative guidelines in effect at that time.

If you wish to have the minimum annual income payment based on your spouse's or common-law partner's age, you must advise Manulife prior to the Annuity Commencement Date, otherwise the minimum will be determined based on your age on the Annuity Commencement Date. The decision as to whose age will be used to determine the annual minimum income payment is irrevocable after the Annuity Commencement Date.

If we do not receive any instructions pertaining to your retirement income payments before December 31 of the year following the automatic transfer, a payment will be made in order to meet the Government's prescribed minimum for that year. Minimum payments will be continued every December 31 until we are advised otherwise in writing. Manulife will withdraw the retirement income payments from the Funds in accordance with the default schedule in effect at the time.

**The Series Value automatically transferred to a registered retirement income plan is not guaranteed and will fluctuate with the Market Value of the assets of each Ideal Segregated Fund both at the time of transfer and, subsequently, under the registered retirement income plan.**

<sup>†</sup> does not apply to a TFSA

## 4. Premiums

### **Processing your premiums**

#### **Electronic processing**

Your advisor will forward your premium allocation instructions to us electronically. If we receive these instructions at or before 4:00 p.m. Eastern Time on a Business Day, you will receive the Unit Value(s) of the selected Ideal Segregated Fund(s) on that Valuation Date. If we receive these instructions after 4:00 p.m. Eastern Time, you will pay the Unit Value(s) on the next Valuation Date.

We must receive payment within three Business Days of receiving your instructions (or one Business Day for the Ideal Money Market Fund). If we do not receive payment within three Business Days, we will surrender your Units. If the surrender proceeds are less than the payment you owe, we will pay the difference to the Ideal Segregated Fund and we will collect this amount from your advisor who may have the right to collect it from you. If the surrender proceeds are greater than the payment you owe, we will keep the difference. We reserve the right to reject any premium allocation instructions within one Business Day of receiving them. If we reject your instructions we will return your money immediately.

#### **Manual processing**

For premium allocation instructions that are not forwarded electronically, you will pay the Unit Value(s) established on the Valuation Date coincident with or immediately following the receipt of your instructions by Manulife (this includes all required paperwork and the deposit for your premium). Premiums received by Manulife after 4 p.m. Eastern Time will be processed on the next Business Day.

With both electronic and manual processing, the number of Units of an Ideal Segregated Fund allocated to your contract is determined by dividing the amount of the premium by the Unit Value of the Ideal Segregated Fund, as established on the Valuation Date on which your instructions are processed.

## Series options

The Ideal Segregated Funds Signature 2.0 Contract is available under 3 Series:

- **Ideal 75/75 Series:** offers a 75% Maturity Benefit Guarantee and a 75% Death Benefit Guarantee. Resets are not permitted within this Series
- **Ideal 75/100 Series:** offers a 75% Maturity Benefit Guarantee and a 100%<sup>†</sup> Death Benefit Guarantee
- **Ideal 100/100 Series:** offers a 100% Maturity Benefit Guarantee and a 100%<sup>†</sup> Death Benefit Guarantee

Within each of these Series, the Ideal Segregated Funds are available under the following premium allocation options:

- **Back-End Load Option:** This option features a withdrawal charge that decreases over seven years (see section 5)
- **Low-Load Option:** This option features a withdrawal charge that decreases over three years (see section 5)
- **No-Load Option:** There are no withdrawal charges under the no-load option (see section 5)
- **Platinum No-Load Option:** There are no withdrawal charges under the Platinum no-load option. However, the Platinum no-load option has higher minimum premium requirements (see section 5).
- **F-Class Option:** There are no withdrawal charges under the F-Class option. No trailer commissions are paid with this option but a fee may be negotiated between the contractholder and their advisor for ongoing professional services (see section 5).

Currently, the back-end, no-load and F-Class premium allocation options can be combined in the same contract, however the low-load option and Platinum no-load option require separate contracts.

If you already own a contract with us of the same plan type and Series option, we will process your allocation instructions as an additional premium payment into the existing Series.

We reserve the right to stop offering any of the Series or premium allocation options available within each Series at any time.

<sup>†</sup> Some restrictions apply. Please see section 7 for further details.

We reserve the right to stop accepting or limit the amount of additional premium to any existing Series at any time upon prior notice.

## Premium minimums

Premiums must meet the following minimum amounts:

### Back-end load, low-load, no-load and F-Class options:

Type of plan	Initial premium (\$)	Additional premium (\$)	Pre-authorized debit (\$)
Savings plans	1,000/ Series	250/Fund	50/Fund
Registered Retirement Income plans	10,000/ Series	1,000/Fund	N/A

### Platinum no-load option:

Type of plan	Initial premium (\$)	Additional premium (\$)	Pre-authorized debit (\$)
Savings plans	250,000/ Contract	5,000/Fund	1,000/Fund <sup>†</sup>
Registered Retirement Income plans	250,000/ Contract	\$5,000/ Fund	N/A

<sup>†</sup> Minimum initial premium must be respected prior to starting a Pre-Authorized Debit Agreement.

**For single or multiple premium allocations to the Ideal 75/75 Series, Ideal 75/100 Series and Ideal 100/100 Series exceeding \$10,000,000, please contact Manulife for approval.**

## Pre-Authorized Debit (PAD)

This program allows you to pay regular premiums into your Ideal Segregated Funds Signature 2.0 Contract through automatic debit from your bank account.

### Pre-Authorized Debit (PAD) agreement

- If your selected draw date does not fall on a Business Day, the purchase will be processed on the next Business Day
- You can make PAD premium payments on a weekly, biweekly, monthly, bimonthly, quarterly, semi-annual or annual basis
- Subject to the current minimums, you may change the amount of the premium at any time by notifying Manulife 10 Business Days prior to the draw date

We reserve the right to modify or discontinue the PAD terms of your contract, in which case we will provide you with written notice.

## 5. Withdrawals

The terms “withdrawal” and “retirement income payments” refer to surrenders made within your Ideal Segregated Funds Signature 2.0 Contract.

You may request a withdrawal on a scheduled or unscheduled basis. For scheduled withdrawals we use the terms *systematic withdrawal* for non-registered plans and *retirement income payments* for registered plans.

Withdrawals may have an impact on your Series guarantees. Please refer to section 7 for more information.

We may suspend your right to withdraw Units if normal trading is suspended on any exchange within or outside Canada on which securities or derivatives that make up more than 50% of the Fund’s Value or its underlying market exposure are traded, provided those securities or derivatives are not traded on any other exchange that is a reasonable alternative for the Fund.

### Unscheduled withdrawals

#### Processing your withdrawals

For electronic and manual processing, you may submit your withdrawal instructions to your advisor on any Business Day. Your advisor will forward your instructions to us and your withdrawal will be processed on the applicable Valuation Date. If we receive your instructions at or before 4:00 p.m. Eastern Time on a Business Day, you will receive the Unit Value(s) on that Valuation Date. If we receive your order after 4:00 p.m. Eastern Time, you will receive the Unit Value(s) on the next Valuation Date.

For electronic processing only, if we have not received all documentation needed to settle your withdrawal within 10 Business Days, we will repurchase your Units. If the proceeds are less than the repurchase amount, we will pay the difference and seek reimbursement from your advisor, who may have the right to collect it from you. If the withdrawal proceeds are greater than the repurchase amount, we will keep the difference.

We will mail you or electronically transfer the Withdrawal Value to your bank account within five Business Days of the fulfillment of our settlement requirements.

**The Withdrawal Value of an Ideal Segregated Fund or any portion of an Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**

#### Withdrawal minimums

You may request a total or partial withdrawal of Units held under your contract at any time. In the case of a partial withdrawal, you must specify the Ideal Segregated Fund(s) from which the requested amount is to be withdrawn.

The minimum amount you can withdraw is \$1,000 for the Platinum no-load option and \$250 for all other load options for all plan types. This amount is subject to legislative minimums and maximums as applicable.

For savings plans, you must maintain a minimum balance of \$250,000 for the Platinum no-load option. You must maintain a minimum balance of \$1,000 for all other load options unless you have an active Pre-Authorized Debit agreement. If after a partial withdrawal the Contract Value of your plan falls below \$250,000 or \$1,000 respectively, Manulife reserves the right to surrender the balance of the contract to you.

### Scheduled withdrawals

#### Systematic withdrawal plan (SWP) for non-registered plans

- Systematic withdrawal plans are available for non-registered savings plans only
- You can make periodic withdrawals from the contract on a weekly, biweekly, monthly, bimonthly, quarterly, semi-annual or annual basis
- You must have a minimum balance of \$250,000 for the Platinum no-load option and \$5,000 for all other load options. Your regular payments must be at least \$500 and \$100 respectively.
- If you fail to specify the Fund(s) from which the withdrawal is to be made or if the Fund(s) you have chosen is (are) exhausted, the payments will be made according to Manulife’s Default Schedule then in effect (see Default Schedule below).
- Under the no-load, Platinum no-load and F-Class options there are no charges applicable to withdrawals
- Under the back-end and low-load options, withdrawals may be subject to a charge (see the withdrawal charge table)

- You may cancel the systematic withdrawal plan at any time by giving Manulife 10 Business Days' notice

We reserve the right to modify or discontinue the systematic withdrawal plan terms of your contract, in which case we will provide you with prior notice. We will not notify you if there is a change to the default schedule.

### **Retirement income payments for registered plans**

The value of each retirement income payment from an Ideal Segregated Fund is obtained by withdrawing Units of that Fund, and is calculated using the Fund Unit Value established on the Valuation Date coincident with or immediately preceding the due date of the payment (except if the due date is January 1 where it would be calculated on the following Valuation Date).

You must begin receiving your retirement income payments no later than December 31 of the calendar year following the issuance of your contract. Retirement income payments are subject to government prescribed minimums (and maximums for LIFs, LRIFs and RLIFs).

You can request that the retirement income payments be the minimum, as specified by the *Income Tax Act* (Canada) or maximum, as specified by the applicable provincial pension legislation. The Ideal Segregated Funds Signature 2.0 RIF minimum amount (RIF, LIF, LRIF, PRIF or RLIF minimum amount) will be calculated using the Contract Value (i.e. total of the Series Values).

Alternatively, you can specify a dollar amount or, as a hedge against inflation, you can specify an initial dollar amount, increasing at a specified rate not exceeding 20 percent per year (LIF, LRIF and RLIF are subject to government prescribed maximums).

Each year, if the retirement income payments for that year have not met the prescribed minimum, a payment will be made to bring the amount paid for the year up to the prescribed minimum.

Income tax is withheld on any amounts paid in excess of the prescribed minimum.

You can receive payments from your retirement income plans on a weekly, biweekly, monthly, bimonthly, quarterly, semi-annual or annual basis.

### **Default schedule**

If we do not receive instructions from you regarding the Fund withdrawal order, the following default schedule will apply for systematic withdrawal plans and for retirement income payments:

1. Ideal Money Market Fund
2. Ideal Short Term Bond Fund
3. Ideal Canadian Bond Fund
4. Ideal Corporate Bond Fund
5. Ideal Global Bond Fund
6. Ideal Tactical Bond Fund
7. Ideal Templeton Global Bond Fund
8. Ideal Franklin Quotential Diversified Income Portfolio
9. Ideal SEI Income 20/80 Fund
10. Ideal Conservative Portfolio
11. Ideal Select Conservative Portfolio
12. Ideal Fidelity Income Allocation Fund
13. Ideal Income Balanced Fund
14. Ideal Franklin Quotential Balanced Income Portfolio
15. Ideal Moderate Portfolio
16. Ideal Select Moderate Portfolio
17. Ideal Diversified Income Fund
18. Ideal Meritas Income & Growth Portfolio
19. Ideal Russell Income Essentials Portfolio
20. Ideal CI Cambridge High Income Fund
21. Ideal Franklin Quotential Balanced Growth Portfolio
22. Ideal Monthly Income Fund
23. Ideal Fidelity Monthly Income Fund
24. Ideal Balanced Fund
25. Ideal U.S. Monthly Income Fund
26. Ideal Fidelity Canadian Balanced Fund
27. Ideal Fidelity Global Monthly Income Fund
28. Ideal Templeton Global Balanced Fund
29. Ideal Tactical Income Fund

30. Ideal Russell Diversified Monthly Income Portfolio
31. Ideal Franklin Bissett Canadian Balanced Fund
32. Ideal CI Signature Canadian Balanced Fund
33. Ideal SEI Balanced 60/40 Fund
34. Ideal CI Black Creek Global Balanced Fund
35. Ideal Trimark Global Balanced Fund
36. Ideal Meritas Growth & Income Portfolio
37. Ideal Growth Portfolio
38. Ideal Select Growth Portfolio
39. Ideal Dividend Growth & Income Portfolio
40. Ideal Select Dividend Growth & Income Portfolio
41. Ideal Aggressive Portfolio
42. Ideal Select Aggressive Portfolio
43. Ideal Dividend Income Fund
44. Ideal Fidelity Dividend Fund
45. Ideal Canadian Dividend Growth Fund
46. Ideal Canadian Equity Fund
47. Ideal Canadian Small Cap Fund
48. Ideal U.S. Dividend Growth Fund
49. Ideal U.S. Equity Value Fund
50. Ideal Global Dividend Growth Fund
51. Ideal Global Equity Fund
52. Ideal International Equity Fund
53. Ideal Global Absolute Return Strategies Fund

The withdrawals will be done proportionally by premium allocation option within a Series in the above order.

Manulife reserves the right to alter the sequence of the preceding schedule at any time without notice. Should a Fund from which you have requested your payments be withdrawn become depleted, the remaining payments will default to the preceding schedule.

## Withdrawal charges

### **No-load option, Platinum no-load option and F-Class option:**

You can withdraw Units of the Ideal Segregated Funds without incurring any withdrawal charges.

### **Low-load option and Back-end load option:**

At present, a withdrawal charge is applicable within the three years following your premium payment into the low-load option and within seven years following your premium payment into the back-end load option (see withdrawal charge table). You may be entitled to receive an annual allowance of free withdrawals based on your plan type, as specified below.

To determine the withdrawal charge, we first establish how many premiums are being withdrawn and when these premiums were paid.

To account for fluctuations in Fund Values, we determine a premium equivalent amount, which is calculated as follows:

The amount withdrawn multiplied by the ratio of

1. the sum of premiums paid under your load option to the Ideal Segregated Funds Signature 2.0 Contract and not previously withdrawn, and
2. the sum of the Fund Values under your load option.

Then, the premiums up to the premium equivalent amount are withdrawn in the order in which they were paid, regardless of the Ideal Segregated Fund and Series from which the withdrawal is made. This ensures that premiums with the lowest charge rates will be withdrawn first.

The withdrawal charge is the sum of charges applicable to each premium being withdrawn under your load option. For each premium (up to the premium equivalent amount), the withdrawal charge is equal to the premium multiplied by the charge rate applicable to that premium.



The applicable charge rate is based on the number of years since the payment date of the premium and declines over time as set forth in the following table:

### Withdrawal charge tables

Low-load option	
Number of years since the premium payment date	Charge rate applicable to the premium (%)
Up to 1 year	3
1 to 2 years	2
2 to 3 years	1
More than 3 years	0

Back-end load option	
Number of years since the premium payment date	Charge rate applicable to the premium (%)
Up to 1 year	6
1 to 2 years	5
2 to 3 years	5
3 to 4 years	4
4 to 5 years	3
5 to 6 years	2
6 to 7 years	1
More than 7 years	0

The low-load and back-end load withdrawal charges are waived for the Death Benefit Guarantee.

We reserve the right to modify the above withdrawal charge tables and their application, in which case we will provide you with prior notice. Any changes we implement will only apply to premiums paid on or after the effective date of the change.

**Any portion of the total Fund Value that is based on the value of the Units of an Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**

### Free withdrawals

#### Savings plans

In the first year, you are allowed to withdraw up to 10 percent of the sum of the premiums you paid under the Contract during that year. In each subsequent year, you are allowed to withdraw up to 10 percent of the sum of the Fund Values as at January 1 and 10 percent of any additional premiums you paid under the Contract during the year.

This right is not cumulative and any unused amount of free withdrawals cannot be carried forward for use in future years.

### Registered retirement income plans

For your registered retirement income plan, you are allowed to withdraw up to 20 percent of the sum of the premiums you paid under the Contract in the first year. In each subsequent year, you are allowed to withdraw up to 20 percent of the sum of the Fund Values as at January 1 and 20 percent of any additional premiums you paid under the Contract during the year.

This right is not cumulative and any unused amount of free withdrawals cannot be carried forward for use in future years.

This right also applies to registered retirement income plans held in a Nominee Plan.

Free withdrawals are not applicable to registered retirement income plans in the case of transfers to another carrier, to another premium allocation option, to another Series or to another product.

## 6. Switches and Transfers

### Processing your switches and transfers

For manual and electronic processing, you may submit your switch or transfer instructions to your advisor on any Business Day. Your advisor will forward your instructions to us and your switch or transfer will be processed on the applicable Valuation Date. If we receive your instructions at or before 4:00 p.m. Eastern Time on a Business Day, your transaction will be processed using the Unit Value(s) of that Valuation Date. If we receive your instructions after 4:00 p.m. Eastern Time, your transaction will be processed using the Unit Value(s) of the next Valuation Date.

### Minimums

For savings plans, the minimum amount that can be switched or transferred is \$1,000 per Ideal Segregated Fund for the Platinum no-load option and \$250 per Ideal Segregated Fund for all other load options. For registered retirement income plans, the minimum amount that can be switched between Funds for all premium allocation options is \$1,000.

## Switches within Series

A switch is the partial or total reallocation of your premium from an Ideal Segregated Fund within a Series and premium allocation option to any other Ideal Segregated Fund(s) within that same Series and premium allocation option. Withdrawal charges do not apply to fund switches made within the same Series and same premium allocation option. Fund switches do not affect your Series guarantees. Please refer to section 7 for an explanation of your Series guarantees.

## Transfers between premium allocation options

A transfer between premium allocation options is the withdrawal of units of a Fund in one premium allocation option to acquire units of the same or another Fund in a different premium allocation option within the same Series. Withdrawal charges may apply to transfers made between different premium allocation options. All transfers must respect the minimums and other conditions of the premium allocation selected. Transfers between premium allocation options may affect your Series guarantees.

Transfers (including free withdrawals) will be processed in accordance with the administrative rules in place at the time of the transfers.

## Transfers between Series

A transfer between Series is the withdrawal of units of a Fund in one Series to acquire units of the same or another Fund in a different Series. Withdrawal charges may apply to transfers made between different Series. Transfers between Series may affect your Series guarantees.

Transfers (including free withdrawals) will be processed in accordance with the administrative rules in place at the time of the transfers.

## Transfers between plans

A transfer between plans is the withdrawal of units of a Fund in one plan to acquire units of the same Fund or another Fund in a different plan. Withdrawal charges may apply to transfers made to a different plan. Transfers between plans may affect your Series guarantees.

For automatic transfers from a registered retirement savings plan to a registered retirement income plan, see section 3. All other transfers (including free withdrawals) will be processed in accordance with the administrative rules in place at the time of the transfers.

## Dollar cost averaging

Dollar cost averaging allows you to switch your premium from an Ideal Segregated Fund in a Series into any other Ideal Segregated Fund(s) of the same Series and premium allocation option, on a systematic basis. Dollar cost averaging involves pre-selecting the amount of the premium you wish to switch from one Fund to another and the frequency and date of the switch. This feature allows you to spread the risk of investing by averaging the highs and lows of the price of units allocated to your Series.

You may activate this feature under the following conditions:

- For savings plans, the minimum amount that can be switched from an Ideal Segregated Fund to any other Ideal Segregated Fund(s) is \$1,000 for the Platinum no-load option and \$250 for all other load options. For retirement income plans, the minimum switch amount is \$1,000 for all load options.
- You can make dollar cost averaging switches on a weekly, biweekly, monthly, bimonthly, quarterly, semi-annual or annual basis
- You can make the switch on any day of the month. If your selected switch date falls on a non-Business Day, the transaction will be processed on the next Business Day.
- You may cancel the dollar cost averaging plan at any time by giving us 10 Business Days' notice
- Premium minimums must be maintained at all times

We reserve the right to modify or discontinue the dollar cost averaging terms of your contract, in which case we will provide you with prior notice.

## 7. Guarantees

The Ideal Segregated Funds Signature 2.0 Contract offers a Maturity Benefit Guarantee, a Death Benefit Guarantee and a Payout Benefit Guarantee.

Your Maturity Benefit Guarantee and Payout Benefit Guarantee are calculated based on the Maturity Guarantee Value in your Series.

The Maturity Guarantee Value is, prior to any Resets, equal to the sum of premiums paid less the sum of proportional reductions for prior withdrawals for a particular Series. If a Reset has occurred (i.e. the Maturity Guarantee Value is reset to the Series Value), the Maturity Guarantee Value is equal to the last reset amount plus the sum of additional premiums paid less the sum of proportional reductions for prior withdrawals since the last Reset, for a particular Series.

Your Death Benefit Guarantee is calculated based on the Death Guarantee Value in your Series.

The Death Guarantee Value is, prior to any Resets, equal to the sum of premiums paid less the sum of proportional reductions for prior withdrawals, for a particular Series. If a Reset has occurred (i.e. the Death Guarantee Value is reset to the Series Value), the Death Guarantee Value is equal to the last reset amount plus the sum of additional premiums paid less the sum of proportional reductions for prior withdrawals since the last Reset, for a particular Series.

## Savings Plan Guarantees

Overview of Maturity Benefit Guarantee for savings plans			
	Ideal 75/75 Series	Ideal 75/100 Series	Ideal 100/100 Series
<b>Maturity Benefit Guarantee</b>	<b>Greater of:</b> the Series Value or 75% of the Maturity Guarantee Value	<b>Greater of:</b> the Series Value or 75% of the Maturity Guarantee Value	<b>Greater of:</b> the Series Value or 100% of the Maturity Guarantee Value
	Minimum 10 years from the date of the first premium payment	Minimum 10 years from the date of the first premium payment or last reset date	Minimum 15 years from the date of the first premium payment or last reset date
Resets <sup>†</sup>	Not permitted	<ul style="list-style-type: none"> <li>■ Up to 2 Resets per Series Year on the Maturity Guarantee Value</li> <li>■ Contractholder determines reset date</li> <li>■ A Reset only occurs if the Series Value is greater than the Maturity Guarantee Value</li> </ul>	

Overview of Death Benefit Guarantee for savings plans			
	Ideal 75/75 Series	Ideal 75/100 Series	Ideal 100/100 Series
<b>Death Benefit Guarantee</b> Where the Annuitant is younger than 80 years of age at time of first premium payment	<b>Greater of:</b> the Series Value or 75% of the Death Guarantee Value	<b>Greater of:</b> the Series Value or 100% of the Death Guarantee Value	
		<b>Greater of:</b> the Series Value or 75% of the Death Guarantee Value	
Where the Annuitant is 80 years of age or older at time of first premium payment			
Resets <sup>†</sup>	Not permitted	<ul style="list-style-type: none"> <li>■ Automatic Resets every three years on the anniversary of the Series Start Date.</li> <li>■ A Reset only occurs if the Series Value is greater than the Death Guarantee Value.</li> <li>■ Resets are permitted until the Annuitant reaches age 70.</li> <li>■ A final Reset may occur on the Series Anniversary Date following the Annuitant's 70<sup>th</sup> birthday.</li> </ul>	

<sup>†</sup> We reserve the right to modify or withdraw the reset feature from your contract upon prior notice. We also reserve the right to refuse a reset request of your Maturity Guarantee Value.

### Maturity Benefit Guarantee

#### Ideal 75/75 Series

- For the Ideal 75/75 Series, your Series Maturity Date is, for non-registered savings plans and TFSAs, the Annuitant's 100th birthday and for registered savings plans, it will be December 31 of the year in which you reach the legislative age limit for maturing registered savings plans.
- Your Ideal 75/75 Series guarantees that the Maturity Benefit Guarantee payable on the Series Maturity Date will be equal to the Series Value or 75% of the Maturity Guarantee Value, whichever amount is greater – on the condition that your Series has been in force for a minimum of 10 years from the date of your first premium payment.

- At your Series Maturity Date, you have the option to continue the Series further. You may select a new Series Maturity Date, provided it is at least 10 years from your previous Series Maturity Date. This option will be processed in accordance with the administrative guidelines in effect at that time.

#### Ideal 75/100 Series

- Your Ideal 75/100 Series guarantees that the Maturity Benefit Guarantee payable on the Series Maturity Date will be equal to the Series Value or 75% of the Maturity Guarantee Value, whichever amount is greater – on the condition that your Series has been in force for a minimum of 10 years from the date of your first premium payment or last reset date.

- For the Ideal 75/100 Series, you may select a Series Maturity Date provided that it is at least 10 years from the date of your first premium payment or last reset date in the Series. If you do not specify a Series Maturity Date, for non-registered savings plans and TFSAs, it will default to the Annuitant's 100<sup>th</sup> birthday and for registered savings plans it will default to December 31 of the year in which you reach the legislative age limit for maturing registered savings plans.
- You may request a Reset of your Maturity Guarantee Value up to two times each Series Year. You may choose the date of the Reset. By resetting the Maturity Guarantee Value, you increase the Maturity Benefit Guarantee payable on the Series Maturity Date. Resets are not permitted if there is less than 10 years to your ideal 75/100 Series Maturity Date. A Reset only occurs if the Series Value is greater than the Maturity Guarantee Value.
- You may change the Series Maturity Date by submitting a written request at least one year prior to both the new Series Maturity Date you are selecting and the Series Maturity Date in effect at the time. Any change is subject to our approval and must also conform to the *Income Tax Act* (Canada) and, where applicable, the *Taxation Act* (Québec). You will not be allowed to alter the Series Maturity Date to a date that is less than 10 complete years from the date of your first premium payment or last reset date in the Series.
- At your Series Maturity Date, you have the option to continue the Series. You may select a new Series Maturity Date, provided it is at least 10 years from your previous Series Maturity Date. This option will be processed in accordance with the administrative guidelines in effect at that time.

**Example 1:** Let's assume that the contractholder of a non-registered savings plan allocated premiums totaling \$30,000 to the Ideal 75/100 Series and the Series Value is \$22,000 on the Series Maturity Date (assuming a negative growth rate of 26.67%).

The contractholder did not make any withdrawals or Resets prior to the Series Maturity Date. In this instance, Manulife will pay \$22,500 (75% of the \$30,000 Maturity Guarantee Value) rather than the Series Value of \$22,000.

**Example 2:** If the contractholder of the Ideal 75/100 Series has made a partial withdrawal but has not made any Resets prior to the Series Maturity Date, a proportional reduction would be applied in calculating the Maturity Benefit Guarantee.

Proportional reductions are calculated as follows:

$$\text{Proportional reduction} = \frac{\text{Maturity Guarantee Value} \times \text{withdrawal amount}}{\text{Series Value}}$$

Where we use the Maturity Guarantee Value prior to the withdrawal and the Series Value is on the Valuation Date prior to the withdrawal, if there are no prior withdrawals and no Reset has been made, the Maturity Guarantee Value equals the sum of premiums.

Let's assume that the contractholder allocates premiums totaling \$30,000 and thereafter decides to withdraw \$2,200. The Series Value on the Valuation Date prior to the withdrawal is \$22,000 (assuming a negative growth rate of 26.67%). In this case,

$$\frac{\text{Maturity Guarantee Value} \times \text{withdrawal amount}}{\text{Series Value}} = \frac{\$30,000 \times \$2,200}{\$22,000} = \$3,000$$

Therefore,

**Maturity Guarantee Value after withdrawal =**  
 $\$30,000 - \$3,000 = \$27,000$

Assuming no further withdrawals are made, on the Series Maturity Date, Manulife will pay the greater of the Series Value on the applicable Valuation Date and \$20,250 (75% of the \$27,000 Maturity Guarantee Value).

If a subsequent withdrawal is made, the Maturity Guarantee Value is recalculated accordingly.

## Ideal 100/100 Series

- Your Ideal 100/100 Series guarantees that the Maturity Benefit Guarantee payable on the Series Maturity Date will be equal to the Series Value or 100% of the Maturity Guarantee Value, whichever amount is greater – on the condition that your Series has been in force for a minimum of 15 years from the date of your first premium payment or last reset date. For additional premiums paid to the Series that do not meet the 15-year minimum requirement (i.e. when there is less than 15 years from the premium payment date or last reset date), we will use 75% of the additional premiums for the purpose of calculating the Maturity Benefit Guarantee.
- For the Ideal 100/100 Series you may select a Series Maturity Date provided that it is at least 15 years from the date of your first premium payment or last reset date in the Series. If you do not specify a Series Maturity Date, for non-registered savings plans and TFSAs, it will default to the Annuitant's 100<sup>th</sup> birthday and for registered savings plans it will default to December 31 of the year in which you reach the legislative age limit for maturing registered savings plans.
- You may request a Reset of your Maturity Guarantee Value up to two times each Series Year. You may choose the date of the Reset. By resetting the Maturity Guarantee Value, you increase the Maturity Benefit Guarantee payable on the Series Maturity Date. Resets are not permitted if there is less than 15 years to your Ideal 100/100 Series Maturity Date. A Reset only occurs if the Series Value is greater than the Maturity Guarantee Value.
- You may change the Series Maturity Date by submitting a written request at least one year prior to both the new Series Maturity Date you are selecting and the Series Maturity Date in effect at the time. Any change is subject to our approval and must also conform to the *Income Tax Act* (Canada) and, where applicable, the *Taxation Act* (Québec). You will not be allowed to alter the Series Maturity Date to a date that is less than 15 complete years from the date of your first premium payment or last reset date in the Series. Any change to the Series Maturity Date can result in a change to the calculation of the guarantees.

- At your Series Maturity Date, you have the option to continue the Series. You may select a new Series Maturity Date, provided it is at least 15 years from your previous Series Maturity Date. This option will be processed in accordance with the administrative guidelines in effect at that time.

**Example 1:** Let's assume that the contractholder of a non-registered savings plan allocated premiums totaling \$30,000 to the Ideal 100/100 Series and the Series Value is \$22,000 on the Series Maturity Date (assuming a negative growth rate of 26.67%). The contractholder did not make any withdrawals or Resets prior to the Series Maturity Date. In this instance, Manulife will pay \$30,000 (100% of the \$30,000 Maturity Guarantee Value) rather than the Series Value of \$22,000.

**Example 2:** If the contractholder of the Ideal 100/100 Series has made a partial withdrawal but has not made any Resets prior to the Series Maturity Date, a proportional reduction would be applied in calculating the Maturity Benefit Guarantee.

Proportional reductions are calculated as follows:

$$\text{Proportional reduction} = \frac{\text{Maturity Guarantee Value} \times \text{withdrawal amount}}{\text{Series Value}}$$

Where we use the Maturity Guarantee Value prior to the withdrawal and the Series Value is on the Valuation Date prior to the withdrawal, if there are no prior withdrawals and no Reset has been made, the Maturity Guarantee Value equals the sum of premiums.

Let's assume that the contractholder allocates premiums totaling \$30,000 and thereafter decides to withdraw \$2,200. The Series Value on the Valuation Date prior to the withdrawal is \$22,000 (assuming a negative growth rate of 26.67%). In this case,

$$\frac{\text{Maturity Guarantee Value} \times \text{withdrawal amount}}{\text{Series Value}} = \frac{\$30,000 \times \$2,200}{\$22,000} = \$3,000$$



Therefore,

**Maturity Guarantee Value after withdrawal =**  
 $\$30,000 - \$3,000 = \$27,000$

Assuming no further withdrawals are made, on the Series Maturity Date, Manulife will pay the greater of the Series Value on the applicable Valuation Date and \$27,000 (100% of the \$27,000 Maturity Guarantee Value).

If a subsequent withdrawal is made, the Maturity Guarantee Value is recalculated accordingly.

## Death Benefit Guarantee

Your Ideal Segregated Funds Signature 2.0 Contract for your savings plan offers a Death Benefit Guarantee in the event of the Annuitant's death for the Ideal 75/75 Series, Ideal 75/100 Series and the Ideal 100/100 Series.

### Ideal 75/75 Series

The Death Benefit Guarantee for the Ideal 75/75 Series will be the Series Value on the Valuation Date coinciding with or immediately following the day that we are notified of the Annuitant's death, or 75% of the Death Guarantee Value, whichever amount is greater.

### Ideal 75/100 Series and Ideal 100/100 Series

- **Where the Annuitant is younger than 80 years of age** when the first premium is paid into the Series, the Death Benefit Guarantee for the Series will be the Series Value on the Valuation Date coinciding with or immediately following the day that we are notified of the Annuitant's death, or 100% of the Death Guarantee Value, whichever amount is greater.
- **Where the Annuitant is 80 years of age or older** when the first premium is paid into the Series, the Death Benefit Guarantee for the Series will be the Series Value on the Valuation Date coinciding with or immediately following the day that we are notified of the Annuitant's death, or 75% of the Death Guarantee Value, whichever amount is greater.

**Example:** Let's assume that the contractholder pays a first premium into the Ideal 75/100 Series when the Annuitant is 50 years of age. The Annuitant dies at age 53. At the time of the Annuitant's death, the contractholder had allocated premiums totaling \$10,000 to the Ideal 75/100 Series and made no withdrawals or Resets.

**Scenario 1:** The Series Value on the applicable Valuation Date amounts to \$8,000 (assuming a negative growth rate of 20%). Manulife will pay the greater of \$8,000 (Series Value) and \$10,000 (100% of the Death Guarantee Value). As a result, since no withdrawals were made, Manulife will pay \$10,000.

**Scenario 2:** The Series Value on the applicable Valuation Date amounts to \$12,000. Manulife will pay the greater of \$12,000 (Series Value) and \$10,000 (100% of the Death Guarantee Value). As a result, since no withdrawals were made, Manulife will pay \$12,000.

## Reset of the Death Guarantee Value for savings plans

An automatic Reset of the Death Guarantee Value will occur every three years on the anniversary of the Series Start Date for the Ideal 75/100 Series and the Ideal 100/100 Series until the Annuitant reaches age 70. When we reset the Death Guarantee Value, we will compare the Death Guarantee Value and the Series Value. We will reset the Death Guarantee Value only if the Series Value is greater. A final reset of the Death Guarantee Value may occur on the Series Anniversary Date following the Annuitant's 70<sup>th</sup> birthday. (Resets are not permitted in the Ideal 75/75 Series.)

## Retirement Income Plans Guarantees

Overview of Payout Benefit Guarantee for retirement income plans			
	Ideal 75/75 Series	Ideal 75/100 Series	Ideal 100/100 Series
<b>Payout Benefit Guarantee</b>	<b>At least:</b> 75% of the Maturity Guarantee Value in retirement payments		<b>At least:</b> 100% of the Maturity Guarantee Value in retirement payments
	Minimum 10 years from the date of the first premium payment.	Minimum 10 years from the date of the first premium payment or last reset date	Minimum 15 years from the date of the first premium payment or last reset date
Resets <sup>†</sup>	Not permitted	Up to 2 Resets per Series Year on the Maturity Guarantee Value Contractholder determines reset date A Reset only occurs if the Series Value is greater than the Maturity Guarantee Value	
		If you reset your Maturity Guarantee Value: <ul style="list-style-type: none"> <li>■ It will restart your 10 year (Ideal 75/100 Series) or 15 year (Ideal 100/100 Series) minimum requirement for your Payout Benefit Guarantee.</li> <li>■ It will reduce the sum of your retirement income payments to zero for the purpose of calculating your Payout Benefit Guarantee.</li> </ul>	

Overview of Death Benefit Guarantee for retirement income plans			
	Ideal 75/75 Series	Ideal 75/100 Series	Ideal 100/100 Series
<b>Death Benefit Guarantee</b> Where the Annuitant is younger than 80 years of age at time of first premium payment	<b>Greater of:</b> the Series Value or (75% of the Death Guarantee Value, less the sum of retirement income payments)	<b>Greater of:</b> the Series Value or (100% of the Death Guarantee Value, less the sum of retirement income payments since the last Reset)	
Where the Annuitant is 80 years of age or older at time of first premium payment		<b>Greater of:</b> the Series Value or (75% of the Death Guarantee Value, less the sum of retirement income payments)	
Resets <sup>†</sup>	Not permitted	<ul style="list-style-type: none"> <li>■ Automatic Resets every three years on the anniversary of the Series Start Date.</li> <li>■ A Reset only occurs if the Series Value is greater than the Death Guarantee Value.</li> <li>■ If a Reset occurs, the sum of your retirement income payments are reset to zero (for the purpose of calculating the Death Benefit Guarantee).</li> <li>■ Resets are permitted until the Annuitant reaches age 70.</li> <li>■ A final Reset may occur on the Series Anniversary Date following the Annuitant's 70th birthday.</li> </ul>	

<sup>†</sup> We reserve the right to modify or withdraw the reset feature from your contract upon prior notice.

For information concerning the Payout and Death Benefit Guarantees for nominee registered retirement income plans, please refer to the section entitled Nominee Registered Retirement Income Plan Guarantees.

### Payout Benefit Guarantee

#### Ideal 75/75 Series

- Provided that your Ideal 75/75 Series for your registered retirement income plan remains in force for at least 10 years from the date of your first premium payment into your Series, Manulife guarantees that the amount paid as retirement income payments over the lifetime of your Series will be at least 75% of your Maturity Guarantee Value. We will use the

date of your first premium payment in your registered retirement savings plan to determine the 10-year minimum requirement. Manulife will deem your Contract to have ended when either the Death Benefit Guarantee or the Payout Benefit Guarantee (provided the 10 year requirement is met) has been paid, whichever comes first.

- For your Ideal 75/75 Series, scheduled retirement income payments will reduce your Payout Benefit Guarantee on a dollar-for-dollar basis. If you make any partial withdrawals beyond your retirement income payments, your Maturity Guarantee Value will be reduced proportionally.

## Ideal 75/100 Series

- Provided that your Ideal 75/100 Series for your registered retirement income plan remains in force for at least 10 years from the date of your first premium payment or last reset date into your Series, Manulife guarantees that the amount paid as retirement income payments over the lifetime of your Series will be at least 75% of your Maturity Guarantee Value. We will use the date of your first premium payment or last reset date in your registered retirement savings plan to determine the 10-year minimum requirement. Manulife will deem your Contract to have ended when either the Death Benefit Guarantee or the Payout Benefit Guarantee (provided the 10 year requirement is met) has been paid, whichever comes first.
- For your Ideal 75/100 Series, you may request a Reset of your Maturity Guarantee Value up to two times each Series Year. You may choose the date of the Reset. If you request a Reset, it will restart your 10-year minimum requirement for the Payout Benefit Guarantee and we will reduce the sum of your retirement income payments to zero for the purpose of calculating your Payout Benefit Guarantee. A Reset only occurs if the Series Value is greater than the Maturity Guarantee Value.
- For your Ideal 75/100 Series, scheduled retirement income payments will reduce your Payout Benefit Guarantee on a dollar-for-dollar basis. If you make any partial withdrawals beyond your retirement income payments, your Maturity Guarantee Value will be reduced proportionally.

**Example 1:** Let's assume that a Contractholder paid a total of \$30,000 in premiums into a Manulife registered retirement income plan.

Manulife guarantees that the Contractholder will receive a minimum of 75% of the Maturity Guarantee Value (75% X \$30,000) in retirement income payments over the lifetime of the Contract, provided that the Contract has been in force for a minimum of 10 years.

### At the Series Start Date, the Payout Benefit Guarantee is calculated as follows:

	(\$)
Total premiums paid	30,000.00
Unscheduled withdrawals (proportional)	–
<b>Net Premium</b>	<b>30,000.00</b>
75% of Maturity Guarantee Value	22,500.00
Scheduled withdrawals (dollar-for-dollar)	–
<b>Payout Benefit Guarantee</b>	<b>22,500.00</b>

The Contractholder then chooses to receive scheduled retirement income payments in the amount of \$2,000 per year.

### After two years, the remaining Payout Benefit Guarantee is calculated as follows:

	(\$)
Total premiums paid	30,000.00
Unscheduled withdrawals (proportional)	–
<b>Net Premium</b>	<b>30,000.00</b>
75% of Maturity Guarantee Value	22,500.00
Scheduled withdrawals of \$2,000 per year for two years (dollar-for-dollar)	4,000.00
<b>Remaining Payout Benefit Guarantee</b>	<b>18,500.00</b>

On the third year, the Contractholder decides to make an unscheduled withdrawal of \$5,000 beyond the scheduled retirement income payments of \$2,000 per year. At the time of this withdrawal, the Market Value of the Contract is \$24,000 as a result of a down market.

### After three years, the remaining Payout Benefit Guarantee is calculated as follows:

	(\$)
Total premiums paid	30,000.00
Unscheduled withdrawals of \$5,000 (proportional) <sup>1</sup>	6,250.00
<b>Net Premium</b>	<b>23,750.00</b>
75% of Maturity Guarantee Value	17,812.50
Scheduled withdrawals of \$2,000 per year for three years (dollar-for-dollar)	6,000.00
<b>Payout Benefit Guarantee</b>	<b>11,812.50</b>

<sup>1</sup>Proportional reduction is calculated as follows:  
 $\$30,000 \times \$5,000 / \$24,000 = \$6,250$

If a subsequent withdrawal is made, the Maturity Guarantee Value is recalculated accordingly.

## Ideal 100/100 Series

- Provided that your Ideal 100/100 Series for your registered retirement income plan remains in force for at least 15 years from the date of your first premium payment or last reset date into your Series, Manulife guarantees that the amount paid as retirement income payments over the lifetime of your Series will be at least 100% of your Maturity Guarantee Value. We will use the date of your first premium payment or last reset date in your registered retirement savings plan to determine the 15-year minimum requirement. For additional premiums paid to the Series that do not meet the 15-year minimum requirement, we will use 75% of the additional premiums for the purpose of calculating the Payout Benefit Guarantee. Manulife will deem your Contract to have ended when either the Death Benefit Guarantee or the Payout Benefit Guarantee (provided the 15 year requirement is met) has been paid, whichever comes first.
- You may request a Reset of your Maturity Guarantee Value up to two times each Series Year. You may choose the date of the Reset. If you request a Reset, it will restart your 15-year minimum requirement for the Payout Benefit Guarantee and we will reduce the sum of your retirement income payments to zero for the purpose of calculating your Payout Benefit Guarantee. A Reset only occurs if the Series Value is greater than the Maturity Guarantee Value.
- For your Ideal 100/100 Series, scheduled retirement income payments will reduce your Payout Benefit Guarantee on a dollar-for-dollar basis. If you make any partial withdrawals beyond your retirement income payments, your Maturity Guarantee Value will be reduced proportionally.

**Example 1:** Let's assume that a Contractholder paid a total of \$30,000 in premiums into a Manulife registered retirement income plan.

Manulife guarantees that the Contractholder will receive a minimum of 100% of the Maturity Guarantee Value (100% X \$30,000) in retirement income payments over the lifetime of the Contract, provided that the Contract has been in force for a minimum of 15 years.

### At the Series Start Date, the Payout Benefit Guarantee is calculated as follows:

	(\$)
Total premiums paid	30,000.00
Unscheduled withdrawals (proportional)	–
<b>Maturity Guarantee Value</b>	<b>30,000.00</b>
100% of Maturity Guarantee Value	30,000.00
Scheduled withdrawals (dollar-for-dollar)	–
<b>Payout Benefit Guarantee</b>	<b>30,000.00</b>

The Contractholder then chooses to receive scheduled retirement income payments in the amount of \$2,000 per year.

### After two years, the remaining Payout Benefit Guarantee is calculated as follows:

	(\$)
Total premiums paid	30,000.00
Unscheduled withdrawals (proportional)	–
<b>Maturity Guarantee Value</b>	<b>30,000.00</b>
100% of Maturity Guarantee Value	30,000.00
Scheduled withdrawals of \$2,000 per year for two years (dollar-for-dollar)	4,000.00
<b>Remaining Payout Benefit Guarantee</b>	<b>26,000.00</b>

On the third year, the Contractholder decides to make an unscheduled withdrawal of \$5,000 beyond the scheduled retirement income payments of \$2,000 per year. At the time of this withdrawal, the Series Value is \$24,000 as a result of a down market.

### After three years, the remaining Payout Benefit Guarantee is calculated as follows:

	(\$)
Total premiums paid	30,000.00
Unscheduled withdrawal of \$5,000 (proportional) <sup>†</sup>	6,250.00
<b>Maturity Guarantee Value</b>	<b>23,750.00</b>
100% of Maturity Guarantee Value	23,750.00
Scheduled withdrawals of \$2,000 per year for three years (dollar-for-dollar)	6,000.00
<b>Remaining Payout Benefit Guarantee</b>	<b>17,750.00</b>

<sup>†</sup>Proportional reduction is calculated as follows:  $\$30,000 \times \$5,000 / \$24,000 = \$6,250$

If a subsequent withdrawal is made, the Maturity Guarantee Value is recalculated accordingly.

## Death Benefit Guarantee

Your Ideal Segregated Funds Signature 2.0 Contract for your registered retirement income plan offers a Death Benefit Guarantee upon the death of the Annuitant for the Ideal 75/75 Series, Ideal 75/100 Series and the Ideal 100/100 Series.

### Ideal 75/75 Series

- The Death Benefit Guarantee for the Ideal 75/75 Series will be equal to the Series Value on the Valuation Date coincident with or immediately following the day that we are notified of the Annuitant's death or 75% of the Death Guarantee Value less the sum of the retirement income payments, reduced on a dollar-for-dollar basis, whichever amount is greater.

### Ideal 75/100 Series and Ideal 100/100 Series

- **Where the Annuitant is younger than 80 years of age** when the first premium is paid, the Death Benefit Guarantee for the Series will be equal to the Series Value on the Valuation Date coincident with or immediately following the day that we are notified of the Annuitant's death or 100% of the Death Guarantee Value less the sum of the scheduled retirement income payments, since the last Reset, reduced on a dollar-for-dollar basis, whichever amount is greater.
- **Where the Annuitant is 80 years of age or older when** the first premium is paid, the Death Benefit Guarantee for the Series will be the Series Value on the Valuation Date coinciding with or immediately following the day that we are notified of the Annuitant's death or 75% of the Death Guarantee Value less the sum of the scheduled retirement income payments, reduced on a dollar-for-dollar basis, whichever amount is greater. (Please note that you can only allocate premiums to segregated funds after age 80 if it is permitted by your provincial jurisdiction.)

**Example:** Let's assume that at age 65 a contractholder transfers his or her RSP of \$100,000 to a RIF. The contractholder allocates the \$100,000 to the Ideal 75/100 Series. Five years later, the Annuitant dies. On the date we are advised in writing of the Annuitant's death, the Contract Value is \$70,000. The Annuitant received retirement income payments that amount to \$20,000 and had made no other withdrawals or Resets.

**Manulife will pay the greater of \$70,000 (Series Value) and \$80,000 (i.e., \$100,000 - \$20,000). As a result, Manulife will pay \$80,000.**

	(\$)
Total premiums paid	100,000.00
Unscheduled withdrawals (proportional) <sup>†</sup>	–
<b>Death Guarantee Value</b>	<b>100,000.00</b>
100% Death Guarantee Value <sup>†</sup>	100,000.00
Scheduled withdrawals of \$20,000 (dollar-for-dollar)	20,000.00
<b>Death Benefit Guarantee</b>	<b>80,000.00</b>
Series Value <sup>††</sup>	70,000.00

<sup>†</sup> If the Annuitant is older than 80 years of age when the first premium is paid, the Death Benefit Guarantee will be 75% of the Death Guarantee Value less the sum of retirement income payments.

<sup>††</sup> If the Series Value is \$90,000 at the time Manulife is notified of the death of the Annuitant, then the Death Benefit Guarantee would be \$90,000 since it would be greater than the \$80,000.

**The Series Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Fund.**

## Reset of the Death Guarantee Value for retirement income plans

An automatic Reset of the Death Guarantee Value will occur every three years on the anniversary of the Series Start Date for the Ideal 75/100 Series and the Ideal 100/100 Series until the Annuitant reaches age 70. When we reset the Death Guarantee Value, we will compare the Death Guarantee Value and the Series Value. If the Series Value is higher, the Death Guarantee Value will be reset and the sum of the retirement income payments will be reset to zero for the purpose of calculating the Death Benefit Guarantee. (Resets are not permitted in the Ideal 75/75 Series.)

# Nominee Registered Retirement Income Plans Guarantees

## Payout Benefit Guarantee

### Ideal 75/75 and 75/100 Series

- Provided that your Ideal 75/75 and 75/100 Series for your nominee retirement income plan remains in force for at least 10 years from the date of your first premium payment or last Reset (resets are not available for the Ideal 75/75 Series) into your Series, Manulife guarantees that the amount paid as retirement income payments over the lifetime of your Series will be at least 75% of your Maturity Guarantee Value.

### Ideal 100/100 Series

- Provided that your Ideal 100/100 Series for your nominee retirement income plan remains in force for at least 15 years from the date of your first premium payment or last reset date into your Series, Manulife guarantees that the amount paid as retirement income payments over the lifetime of your Series will be at least 100% of your Maturity Guarantee Value. For additional premiums paid to the Series that do not meet the 15-year minimum requirement, we will use 75% of the additional premiums for the purpose of calculating the Payout Benefit Guarantee.

Prior to any reset, the Maturity Guarantee Value is equal to the sum of premiums paid less the sum of proportional reductions from prior withdrawals. If a Reset has occurred, the Maturity Guarantee Value is equal to the last reset amount plus the sum of additional premiums paid less the sum of proportional reductions for prior withdrawals since the last Reset, for a particular Series.

For your Nominee retirement income plans, retirement income payments will reduce the Payout Benefit Guarantee on a dollar-for-dollar basis. If, in a given year, your retirement income payments exceed 20 percent of the Series Value as at December 31 of the previous year for a particular Series, the Maturity Guarantee Value will be reduced proportionally by the amount in excess. The maximum that can be withdrawn on a dollar-for-dollar basis will be recalculated when additional premiums are

made throughout the year. This restriction applies for 10 years for the Ideal 75/75 and 75/100 Series (15 years for the Ideal 100/100 Series) since the first premium payment or last reset date.

## Death Benefit Guarantee

### Ideal 75/75 Series

- The Death Benefit Guarantee for the Ideal 75/75 Series will be equal to the Series Value on the Valuation Date coincident with or immediately following the day that we are notified of the Annuitant's death or 75% of the Death Guarantee Value less the sum of the registered retirement income payments, reduced on a dollar-for-dollar basis, whichever amount is greater.

### Ideal 75/100 and 100/100 Series

- The Death Benefit Guarantee for the Ideal 75/100 and 100/100 Series will be equal to the Series Value on the Valuation Date coincident with or immediately following the day that we are notified of the Annuitant's death or 100% of the Death Guarantee Value less the sum of the retirement income payments, whichever amount is greater. If the annuitant is age 80 or over at the time of the first deposit, the Death Benefit Guarantee will be equal to the Series Value or 75% of the Death Guarantee Value less the sum of the registered retirement income payments, reduced on a dollar-for-dollar basis, whichever amount is greater.

Prior to any reset, the Death Guarantee Value is equal to the sum of premiums paid less the sum of proportional reductions for prior withdrawals. If a Reset has occurred, the Death Guarantee Value is equal to the last reset amount plus the sum of additional premiums paid, less the sum of proportional reductions since the last Reset, for a particular Series. If, in a given year, your retirement income payments exceed 20 percent of the Series Value as at December 31 of the previous year for a particular Series, the Death Guarantee Value will be reduced proportionally by the amount in excess. The maximum that can be withdrawn on a dollar-for-dollar basis will be recalculated when additional premiums are made throughout the year. This restriction applies for 10 years for the Ideal 75/75 and 75/100 Series (15 years for the Ideal 100/100 Series) since the first premium payment or last reset date.



**Any switches or transfers you make to another account or contract, regardless of the amount, will reduce your Maturity and Death Guarantee Values on a proportional basis.**

## 8. Estate planning

### Contractholder

For registered plans, the contractholder is also the Annuitant. In the event of death, if no Successor Annuitant is named, the contract ends and any Death Benefit Guarantee will be paid to the beneficiary.

For non-registered plans, unless otherwise specified, the contractholder is also the Annuitant. You may also appoint an additional contractholder, contingent contractholder or Successor Annuitant.

### Additional contractholder

An additional contractholder can be named for non-registered plans only. Where there is more than one contractholder, upon the death of a contractholder who is not an Annuitant,

- In all provinces except Quebec, Joint Tenants with Rights of Survivorship will be deemed to have been elected
- In Quebec, the additional contractholder will be considered to be the contingent contractholder

In both cases, this means that the deceased contractholder's share will automatically pass to the surviving contractholder.

### Contingent contractholder

A contingent contractholder can be named for non-registered plans only. A contingent contractholder can be named for someone to succeed you as the contractholder upon your death and the additional contractholder's death. The contingent contractholder was changed to the contractholder only if the contractholder and additional contractholder predecease the Annuitant.

If there is no surviving contractholder (or additional and contingent contractholder), the Annuitant was changed to the contractholder.

### Annuitant

The Annuitant is the person insured under the contract. The contract is based on the life of the Annuitant. For a non-registered plan, the Annuitant can be a person other than the contractholder.

### Successor Annuitant

A Successor Annuitant is appointed by the contractholder. If a Successor Annuitant is designated, on the death of the Annuitant, where the Annuitant is also the contractholder, no Death Benefit Guarantee is payable and the contract will continue to the Successor Annuitant. For RRSP plans, the Annuitant's spouse or common-law partner as defined by the *Income Tax Act* (Canada) must be the sole beneficiary so that the spouse will continue to have the contract benefits in a new RRSP contract in his/her name. For RIFs you can only designate your spouse or common-law partner as Successor Annuitant.

A Successor Annuitant will be able, after the death of the contractholder, to revoke any beneficiary designation previously made by the contractholder (unless irrevocable). However, unless the Successor Annuitant had changed the beneficiary designation, any payment(s) becoming due upon the death of the Successor Annuitant will be paid to the beneficiary named by the original contractholder (not the Successor Annuitant's estate).

### Beneficiary information

Where the contractholder is the Annuitant, any Death Benefit Guarantee will be paid to the beneficiary.

Where the contractholder is not the Annuitant, while living, the contractholder (not the named beneficiary) is entitled to any Death Benefit Guarantee.

For RRSPs, the Successor Annuitant must be the sole beneficiary and the Annuitant's spouse or common-law partner. The Successor Annuitant, upon the death of the Annuitant, will continue to have the contract benefits in an RRSP contract in his/her name.



A Successor Annuitant will be able, after the death of the contractholder, to revoke any beneficiary designation previously made by the contractholder (unless irrevocable). However, unless the Successor Annuitant had changed the beneficiary designation, any payment(s) becoming due upon the death of the Successor Annuitant will be paid to the beneficiary named by the original contractholder (not the Successor Annuitant's estate).

## 9. Ideal Segregated Funds

### 9.1 History

On December 12, 2012, The Standard Life Assurance Company of Canada (Standard Life) launched the Ideal Segregated Funds Signature 2.0 Contract. This Contract offers three series: the Ideal 75/75 Series, Ideal 75/100 Series and Ideal 100/100 Series. Each Series offers four premium allocation options: back-end load, low-load, no-load, and the Platinum no-load.

The following funds were offered under the Ideal Segregated Funds Signature 2.0 Contract:

- Ideal Money Market Fund
- Ideal Short Term Bond Fund
- Ideal Canadian Bond Fund
- Ideal Corporate Bond Fund
- Ideal Income Balanced Fund
- Ideal Russell Income Essentials Portfolio
- Ideal Monthly Income Fund
- Ideal Fidelity Monthly Income Fund
- Ideal Balanced Fund
- Ideal Tactical Income Fund
- Ideal Dynamic Power Balanced Fund
- Ideal Fidelity Canadian Balanced Fund
- Ideal Fidelity Canadian Asset Allocation Fund
- Ideal Russell Diversified Monthly Income Portfolio
- Ideal Fidelity Global Asset Allocation Fund
- Ideal Dividend Income Fund
- Ideal Fidelity Dividend Fund
- Ideal Canadian Dividend Growth Fund
- Ideal Canadian Equity Fund

- Ideal Canadian Small Cap Fund
- Ideal U.S. Dividend Growth Fund
- Ideal U.S. Equity Value Fund
- Ideal Global Dividend Growth Fund
- Ideal Global Equity Fund
- Ideal International Equity Fund
- Ideal Conservative Portfolio
- Ideal Moderate Portfolio
- Ideal Growth Portfolio
- Ideal Dividend Growth and Income Portfolio
- Ideal Aggressive Portfolio
- Ideal Select Conservative Portfolio
- Ideal Select Moderate Portfolio
- Ideal Select Growth Portfolio
- Ideal Select Dividend Growth and Income Portfolio
- Ideal Select Aggressive Portfolio
- Ideal Russell LifePoints Balanced Income Portfolio
- Ideal Russell LifePoints Balanced Portfolio
- Ideal Russell LifePoints Balanced Growth Portfolio
- Ideal Russell LifePoints Long-Term Growth Portfolio
- Ideal FT Quotential Diversified Income Portfolio
- Ideal FT Quotential Balanced Income Portfolio
- Ideal FT Quotential Balanced Growth Portfolio
- Ideal FT Quotential Global Balanced Portfolio
- Ideal FT Quotential Growth Portfolio
- Ideal DynamicEdge Balanced Growth Portfolio
- Ideal Dynamic Moderate Bundle
- Ideal Dynamic Aggressive Bundle
- Ideal Meritas Balanced Portfolio
- Ideal Meritas Income and Growth Portfolio
- Ideal Meritas Growth and Income Portfolio

On November 18, 2013, Standard Life introduced a new premium allocation option and changed its fund offering under the Ideal Segregated Funds Signature 2.0 Contract.

F-Class is a new premium allocation option offered under the following Ideal Segregated Funds:

- Ideal Money Market Fund
- Ideal Corporate Bond Fund
- Ideal Income Balanced Fund
- Ideal Monthly Income Fund
- Ideal Global Dividend Growth Fund
- Ideal Dividend Income Fund
- Ideal U.S. Equity Value Fund
- Ideal Conservative Portfolio
- Ideal Moderate Portfolio
- Ideal Growth Portfolio
- Ideal Global Absolute Return Strategies Fund

The following funds were added to the Standard Life segregated fund line up:

- Ideal Diversified Income Fund
- Ideal U.S. Monthly Income Fund
- Ideal Global Absolute Return Strategies Fund

These funds are available under the Ideal 75/100 Series and Ideal 100/100 Series, with the exception of the Ideal Global Absolute Return Strategies Fund which is only offered under the Ideal 75/75 Series.

Following a decision made by Franklin Templeton Investments Corp. to change the name of some of their portfolios, the following changes have been made to the names of the Ideal portfolios affected by the change:

- Ideal FT Quotential Balanced Growth Portfolio was changed to the Ideal Franklin Quotential Balanced Growth Portfolio
- Ideal FT Quotential Balanced Income Portfolio was changed to the Ideal Franklin Quotential Balanced Income Portfolio
- Ideal FT Quotential Diversified Income Portfolio was changed to the Ideal Franklin Quotential Diversified Income Portfolio
- Ideal FT Quotential Growth Portfolio was changed to the Ideal Franklin Quotential Growth Portfolio
- Ideal FT Quotential Global Balanced Portfolio was changed to the Ideal Franklin Quotential Global Balanced Portfolio

On October 25, 2013, the following Franklin Templeton Portfolio was closed:

- Ideal FT Quotential Global Balanced Portfolio was transferred to the Ideal Franklin Quotential Balanced Income Portfolio

On November 18, 2013, the following Ideal Funds were closed:

- Ideal Dynamic Aggressive Bundle was transferred to the Ideal Aggressive Portfolio
- Ideal Russell LifePoints Long-Term Growth Portfolio was transferred to the Ideal Aggressive Portfolio

On November 17, 2014 Standard Life launched 13 additional Ideal Funds. They are available in the Ideal 75/100 Series and Ideal 100/100 Series as follows:

- Under the back-end load, low-load, no-load and the Platinum no-load options only:
  - Ideal Global Bond Fund
  - Ideal Tactical Bond Fund
  - Ideal Templeton Global Bond Fund
  - Ideal Templeton Global Balanced Fund
  - Ideal Trimark Global Balanced Fund
  - Ideal Fidelity Global Monthly Income Fund
  - Ideal Fidelity Income Allocation Fund
  - Ideal CI Black Creek Global Balanced Fund
  - Ideal CI Cambridge High Income Fund
  - Ideal CI Signature Canadian Balanced Fund
  - Ideal Franklin Bissett Canadian Balanced Fund
- Under the back-end load, low-load and no-load options only:
  - Ideal SEI Balanced 60/40 Fund
  - Ideal SEI Income 20/80 Fund

In addition, 10 Ideal Funds were closed and all premiums were transferred to similar or equivalent Ideal Funds under the same series and premium allocation option as follows:

- Ideal Dynamic Moderate Bundle was transferred to Ideal Moderate Portfolio
- Ideal Dynamic Power Balanced Fund was transferred to Ideal Fidelity Canadian Balanced Fund
- Ideal DynamicEdge Balanced Growth Portfolio was transferred to Ideal Growth Portfolio
- Ideal Fidelity Canadian Asset Allocation Fund was transferred to Ideal Fidelity Canadian Balanced Fund
- Ideal Fidelity Global Asset Allocation Fund was transferred to Ideal Fidelity Global Monthly Income Fund
- Ideal Franklin Quotential Growth Portfolio was transferred to Ideal Aggressive Portfolio
- Ideal Meritas Balanced Portfolio was transferred to Ideal Balanced Fund
- Ideal Russell LifePoints Balanced Growth Portfolio was transferred to Ideal Select Growth Portfolio
- Ideal Russell LifePoints Balanced Income Portfolio was transferred to Ideal Select Moderate Portfolio
- Ideal Russell LifePoints Balanced Portfolio was transferred to Ideal Select Growth Portfolio

On January 30, 2015, Manulife acquired the Canadian operations of Standard Life plc. On July 1st, 2015, a Conveyance and Assumption Agreement was executed pursuant to which Manulife assumed all of the liabilities of Standard Life.

## 9.2 Ideal Segregated Fund termination or removal

If we decide to terminate an Ideal Segregated Fund or discontinue offering a Fund within the Ideal Segregated Funds Signature 2.0 Contract, we will provide you with 60 days' written notice. At any time within the notice period, you can request the surrender of your Fund units and the allocation of the corresponding Fund Value to any other Ideal Segregated Fund. The Fund Value will be determined on the Valuation Date corresponding with or immediately following the receipt of your request. If at the end of the notice period we have not received your instructions, we will withdraw your Fund units and allocate the corresponding Fund Value to another Ideal Segregated Fund or investment option deemed appropriate at the time. The Fund Value at the time of transfer will be determined on the Valuation Date immediately following the end of the notice period.

**In the event of the termination or removal of an Ideal Segregated Fund, the Fund Value is not guaranteed and will fluctuate with the Market Value of the assets of the Fund. Furthermore, the value of the units acquired upon switching to another Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**

## 9.3 Investment policy

The Ideal Segregated Funds investment policy describes the type of investment instruments that an Ideal Segregated Fund may use. Investments are made in adherence with the *CLHIA Guidelines on Individual Variable Insurance Contracts Relating to Segregated Funds* and in accordance with the provisions of the *Insurance Companies Act (Canada)*, both of which could be amended from time to time. The investment strategies executed by the Ideal Segregated Fund portfolio managers are governed by these guidelines.

Except as otherwise stated in the investment policy, Manulife does not intend, as of the date of filing of this Information Folder, to engage directly in any of the following activities with regard to the Ideal Segregated Funds:

- a) borrowing money for the use of leverage
- b) making loans, whether secured or unsecured, exclusive of the purchase of debt securities for investment purposes
- c) short selling securities
- d) lending securities

Some Ideal Segregated Funds may be exposed to these activities because the underlying fund in which they invest engages in these activities. See section 9.5 for more information on the risks involved with some of these activities.

## 9.4 Investment objectives and strategies

Each of our Ideal Segregated Funds has its own investment objectives. As outlined in section 9.6, we may modify a Fund's objectives or strategies from time to time.

A detailed description of each Ideal Segregated Fund's investment objectives and strategies is presented in the *Ideal Segregated Funds Signature 2.0 Investment Policy* and is available upon request.

## 9.5 Risks of investing in Ideal Segregated Funds

There are a number of risks of allocating premiums to an Ideal Segregated Fund(s), including those summarized below. The risks may be different depending on the Ideal Segregated Fund chosen. We indicate the principal risks associated with a particular Fund in each Fund's investment policy, which is available from us upon request.

If an Ideal Segregated Fund invests in one or more underlying funds, we disclose in the investment policy the principal risks associated with the underlying fund(s) current as at the date of this document. For a comprehensive disclosure of the risks of the underlying funds, refer to the simplified prospectus or other disclosure documents of the underlying funds, copies of which are available upon request.

### Credit risk

Credit risk is the risk that the issuer issuing a fixed income security will be unable to make interest payments or pay back the original investment. Securities that have a low credit rating have high credit risk. Lower-rated debt securities issued by companies or governments in emerging markets often have higher credit risk. Securities issued by well-established companies or by government of developed countries tend to have lower credit risk. Ideal Segregated Funds that invest in companies or markets with high credit risk tend to be more volatile in the short term. However, they may offer the potential of higher returns over the long term.

### Foreign currency risk

The Ideal Segregated Funds are denominated in Canadian dollars. However, when an Ideal Segregated Fund buys foreign securities, it may have to pay using a foreign currency. The value of that currency could rise or fall against the Canadian dollar. If the foreign currency falls relative to the Canadian dollar, your investment will be worth less in Canadian dollars and vice versa. Therefore, any Ideal Segregated Fund that invests in a security sold in a foreign currency faces exchange rate risk.

### Interest rate risk

Changes in interest rates can affect the performance of fixed income investments such as treasury bills and bonds. The market value of fixed income investments tends to fall when interest rates rise and vice versa. Longer-term fixed income instruments are generally more sensitive to interest rate changes.

### Liquidity risk

Liquidity is the ability to sell an asset and convert it to cash quickly. If an Ideal Segregated Fund can sell securities quickly at an acceptable price, it is relatively liquid. Difficulty in selling securities may result in a loss or a costly delay. Some foreign investments and smaller company equities may be less liquid than other investments. A fund is allowed to purchase and hold a restricted amount of illiquid assets.

## Market risks

**Foreign investment risks/Sovereign risks:** Investing in foreign markets may involve higher potential returns and greater risks than other types of investments. Foreign investments can tap into parts of the world that are growing faster than Canada and can offer higher profits than Canadian investments. Foreign investments can help you diversify your portfolio. However, they also involve particular risks:

- **Regulatory risk:** Not all countries have the same high standards as Canada when it comes to accounting, auditing and financial reporting practices, government regulation, and other disclosure requirements. This means that information about a specific security within an Ideal Segregated Fund may be incomplete or inaccurate. This increases the risk that unforeseen news about a company, industry or market could cause the fund's value to drop.
- **Political and economic risk:** Some parts of the world are subject to political or social instability. Such factors could affect the value of a fund investment or lead to a devaluation in the currency in which it is denominated. In addition, governments may impose taxes or currency controls, making it difficult to take money out of a country. Foreign stock markets may also be less liquid and more volatile than North American stock markets.
- **Foreign debt risk:** Changes in interest rates may be more pronounced in foreign markets than in Canada and the United States, adversely affecting fixed income investments such as bonds. In some countries, there may be a greater danger that a borrower will default on its debt payments.
- **Risk of concentration:** The level of foreign investment risk varies from country to country. Highly concentrated foreign investments generally face a higher level of risk than broadly diversified investments.

**Risk of price change:** Ideal Segregated Funds invest in securities such as stocks (equities) and bonds (fixed income securities), which rise and fall in value from day to day. A fund's level of risk reflects the risk of the securities in which it invests. The price of equity securities may drop because of general economic conditions or specific factors that might affect an individual company or its industry. Fixed income securities, particularly high-yield bonds, depend on investor confidence that the company that issued the securities will repay them. If that confidence diminishes, the price of those bonds could fall.

## Special securities risks

### Asset-backed and mortgage-backed securities

**Investment risk:** Some of the Ideal Segregated Funds may invest in mortgage-backed or asset-backed securities, including asset-backed commercial paper. These types of debt obligations are issued by an entity that has been created for the specific purpose of holding a pool of assets and their associated cash flows and contractual rights. This entity is a special-purpose vehicle (SPV), and in Canada is usually in the legal form of a trust. The ability of the SPV to make interest payments and repayment of principal at maturity depends on the quality and performance of the underlying loans and additional credit and liquidity support features. If there is a sudden change in interest rates, the creditworthiness of the borrowers of the underlying loans may be affected, and the underlying loans could be subject to default or prepayment, and in these circumstances, the value of the securities may be affected. In addition, there may be a mismatch in timing between the cash flow of the underlying loans and the payment schedule of the asset-backed or mortgage-backed security which may affect payments or liquidity.

**Derivatives risk:** The Ideal Segregated Funds may use derivatives as permitted by the applicable legislation. In the investment policy of each Ideal Segregated Fund, we note if a specific fund may use derivatives. Derivatives have their own special risks. Here are some of the common risks:

- Using derivatives for hedging may not always work and could limit a fund's potential to make a gain or increase potential losses.

- The price of a derivative may not accurately reflect the value of the underlying currency or security.
- There is no guarantee that a fund can close a derivative contract when it wants to. If an exchange imposes trading limits, this may affect the ability of a fund to close out its positions in derivatives. These events could prevent a fund from making a profit or limiting its losses. Derivatives traded on foreign markets may be harder to trade and have higher credit risks than derivatives traded in North America.
- The other party to a derivative contract may not be able to live up to its agreement to complete the transaction.
- In some circumstances, investment dealers and futures brokers may hold some of the fund's assets on deposit as collateral in a derivative contract. This increases risk because another party is responsible for the safekeeping of the assets.

**Income trust investment risk:** Some Ideal Segregated Funds may invest in income trusts, such as real estate investment trusts or royalty trusts. Returns on income trusts are neither fixed nor guaranteed. Typically income trusts and other securities that are expected to distribute income are more volatile than fixed income securities and preferred shares. The value of income trust units may decline significantly if they are unable to meet their distribution targets.

To the extent that claims against an income trust are not satisfied by the trust, investors in the income trust (which include an Ideal Segregated Fund that invests in the income trust), could be held responsible for such obligations. Some, but not all, jurisdictions have enacted legislation to protect investors from some of this liability.

Changes have been enacted which affect the way certain income trusts and limited partnerships are taxed. Generally, the new rules include a tax on certain publicly-traded income trusts (not including certain real estate investment trusts) and limited partnerships with respect to certain distributions or income allocations made by such entities.

## Other risks

### Securities lending, repurchase and reverse

**repurchase transaction risk:** Ideal Segregated Funds may engage in securities lending, repurchase and reverse repurchase transactions directly, or may be exposed to these transactions indirectly because of the underlying funds in which they invest. While securities lending, repurchase and reverse repurchase transactions are different, all three arrangements involve the temporary exchange of securities for cash with a simultaneous obligation to redeliver a like quantity of the same securities at a future date. **Securities lending** is an agreement whereby a fund lends securities through an authorized agent in exchange for a fee and a form of acceptable collateral. Under a **repurchase transaction**, a fund agrees to sell securities for cash, while at the same time assuming an obligation to repurchase the same securities for cash, usually at a lower price and at a later date. A **reverse repurchase transaction** is a transaction in which a fund buys securities for cash and simultaneously agrees to resell the same securities for cash, usually at a higher price and at a later date.

Securities lending, repurchase and reverse repurchase transactions may earn additional income for mutual funds. The income is derived from the fees paid by the counterparty to the transaction, the compensation payments from the counterparty equal to the dividends paid on the securities loaned, purchased or sold, and the interest paid on cash or securities held as collateral.

The risks associated with securities lending, repurchase and reverse repurchase transactions arise when a counterparty, whether it be the borrower, seller or buyer, defaults under the agreement evidencing the transaction. The fund is then forced to make a claim in order to recover its investment. In securities lending or repurchase transactions, the fund could incur a loss if the value of the securities loaned or sold has increased relative to the value of the collateral held by the fund. In the case of a reverse repurchase transaction, the fund could incur a loss if the value of the securities purchased by the fund decreases in value relative to the value of the collateral held by the fund. To limit the risks associated with these transactions, a fund would adhere to controls and limits that are intended to offset these risks and by limiting the amount of exposure to these transactions. A fund would also typically deposit collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits.

**Series risk:** Some of the Ideal Segregated Funds are offered in more than one Series. Each Series will be charged separately for any fees, expenses and other liabilities specifically attributable to that Series. These liabilities will be deducted when calculating the unit price for that Series of units and will reduce the value of a Fund's units. These liabilities will continue to be the responsibility of the fund as a whole. As a result, if there are not enough assets of the Series to pay these liabilities, the remaining assets of the fund as a whole would be used to pay them. In such circumstances, the unit price of other Series would decline by their proportionate amount of the excess liabilities.

**Short selling risk:** Although Ideal Segregated Funds do not currently intend to engage in short selling directly, they may be exposed to this risk because of the underlying funds in which they invest. A short sale is where a fund borrows securities from a lender and sells them in the open market. A fund must repurchase the securities at a later date in order to return them to the lender. In the interim, the proceeds from the short sale are deposited with the lender and the fund pays interest to the lender on the borrowed securities. If the value of the securities declines between the time of the initial short sale and the time it repurchases and returns the securities, the fund makes a profit for the difference (less any interest paid by the fund to the lender). If the price of the borrowed securities rises, however, a loss results.

There are risks associated with short selling, namely that the borrowed securities will rise in value or not decline enough to cover the fund's costs. The fund may also experience difficulties in repurchasing the borrowed securities if a liquid market for the securities does not exist. In addition, the lender from whom the fund has borrowed securities may become bankrupt, causing the borrowing fund to lose the collateral it deposited with the lender. To limit the risks associated with short sale transactions, a fund would adhere to controls and limits that are intended to offset these risks and by limiting the amount of exposure for short sales. A fund would also typically deposit collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits.

**Substantial contractholder risk:** More than 10% of the units of an Ideal Segregated Fund may be allocated to one contractholder. An Ideal Segregated Fund may have to alter its portfolio to accommodate a request for surrender/withdrawal from a substantial contractholder. Depending on the size and timing of the transaction, the Net Asset Value of such Fund could be negatively impacted if the Fund has to alter or dispose of some of its assets at an unfavorable time.

**Tax information risk:** Pursuant to an Agreement Between the Government of the United States of America and the Government of Canada to Improve International Tax Compliance through Enhanced Exchange of Information under the Convention Between the United States of America and Canada with Respect to Taxes on Income and on Capital, and related Canadian legislation, Manulife or a related entity is required to report certain information with respect to Contractholders who are U.S. residents, U.S. citizens or entities that are organized in the U.S. or controlled by certain U.S. persons to the Canada Revenue Agency ("CRA"). The CRA will then exchange the information with the U.S. Internal Revenue Service pursuant to the provisions of the Canada-U.S. Income Tax Treaty.

**Underlying fund risk:** An Ideal Segregated Fund (also called a primary fund) that invests in units of an underlying fund is not directly exposed to the risk factors described in the section *Risks of Investing in Ideal Segregated Funds*. However, since the underlying fund invests in assets that may be subject to these risks, the Ideal Segregated Fund is also subject to the same risks. For Ideal Segregated Funds that invest in underlying funds, we disclose the risks associated with the underlying funds as at the date of this document. For a comprehensive disclosure of the risks of these underlying funds, refer to the simplified prospectus or other disclosure documents of the underlying funds, copies of which are available upon request.



## 9.6 Fundamental change

Any one of the following events will trigger a fundamental change:

- An increase in the Management Fees of an Ideal Segregated Fund
- A change in the fundamental investment objective of an Ideal Segregated Fund
- A decrease in the frequency with which units of segregated funds are valued
- An increase in the Insurance Fee by more than the greater of 0.50 per calendar year or 50 percent of the current Insurance Fee

In the event of a fundamental change to an Ideal Segregated Fund, Manulife will provide you with 60 days' written notice in accordance with the **CLHIA Guidelines on Individual Variable Insurance contracts relating to Segregated Funds**. The notice will provide you with the following options:

- Switch into a similar Ideal Segregated Fund not subject to the same change, without charge, or
- Surrender your units of the Ideal Segregated Fund without charge, if a similar Fund is not available

In the context of a fundamental change, a similar Fund means an Ideal Segregated Fund that has comparable investment objectives, is in the same investment fund category (in accordance with fund categories published in a financial publication with broad distribution) and, at the time that notice is given, whose Management Fee and Insurance Fee are the same as or lower than those of the Ideal Segregated Fund undergoing the fundamental change.

Please note that we must receive your instructions at least five days prior to the expiry of the notice period.

## 10. Ideal Segregated Funds – Portfolio managers

We, as manager of the Ideal Segregated Funds, establish the investment objectives and strategies of each of the Ideal Segregated Funds. From time to time, we retain the services of portfolio managers to manage the investment portfolios of the Ideal Segregated Funds and to provide investment advice in connection therewith. Some Ideal Segregated Funds invest instead in units of an underlying fund that is already managed by a portfolio manager. The portfolio manager of each Ideal Segregated Fund, or of its underlying fund, as the case may be, is disclosed in the ***Ideal Segregated Funds Signature 2.0 Fund Facts*** section of this Information Folder.

Manulife Asset Management Limited (MAML) is the portfolio manager of some of the Ideal Segregated Funds and some underlying mutual funds. MAML is situated at 200 Bloor Street East, North Tower 4, Toronto, Ontario M4W 1E5.

A portfolio manager undertakes investment research, makes decisions, and places purchase and sales orders for securities. Transactions are normally arranged through a large number of brokerage houses and no principal broker is retained.

### Auditor

The audit of the Ideal Segregated Funds was performed by PricewaterhouseCoopers, Chartered Accountants, situated at PricewaterhouseCoopers LLP, Chartered Accountants, 1250 René-Lévesque Blvd West, Suite 2800, Montréal, Québec H3B 2G4.



# 11. Ideal Segregated Funds – Fees and expenses

## Fees and expenses paid by the Fund

Most of these fees and expenses are subject to federal goods and services tax (“GST”) and are subject to harmonized sales tax (“HST”). Management fees and operating expenses payable by the Fund that are subject to GST are subject to the HST. Therefore, the MER of a Fund may increase as a result of the additional tax payable on these fees and expenses.

## Management fees and insurance fees

Management Fees cover the expenses of administering and managing an Ideal Segregated Fund. The Management Fee is calculated and accrued daily on each Valuation Date and paid twice a month by the Ideal Segregated Fund to Manulife. The Management Fee is an annualized figure that is calculated as a percentage of a Fund’s Net Asset Value. The Management Fee reduces a Fund’s Unit Value.

An Insurance Fee is charged to each Ideal Segregated Fund, in addition to the Management Fee. The Insurance Fee is calculated as a percentage of the Ideal Segregated Fund’s average daily Net Asset Value and is included in the Management Expense Ratio (MER). The Insurance Fee is associated with the benefits guaranteed under the contract and varies depending on the Ideal Segregated Fund and Series selected. Manulife reserves the right to alter the Insurance Fee at any time. An increase by more than the greater of 0.50 per calendar year or 50 percent of the current Insurance Fee will be considered a fundamental change. In the event of any increase in Insurance Fees, we will provide you with prior notice.

We pay trailing commissions out of our Management Fees to eligible advisors and/or the advisors’ firms. Trailing commissions are paid for ongoing service and advice you receive. The trailing commission fees vary depending on the age of the Fund Units within the withdrawal charge schedule and the corresponding trailer fee rate. Manulife reserves the right to change the rates and terms of the trailing commissions.

The Management Fees charged to each underlying mutual fund are incorporated into the Management Fees charged to each Ideal Segregated Fund that invests in units of the underlying fund. There is no duplication of fees and expenses.

## Other expenses

These expenses include, but are not limited to, legal, audit and custodian fees, applicable taxes, interest and bank charges, regulatory filing fees and any expenses that may be incurred to preserve the assets or income of the Ideal Segregated Fund. These expenses vary from year to year and from Fund to Fund.

## Management expense ratio

The management expense ratio is the Management Fee plus the Insurance Fee and other expenses of the Ideal Segregated Fund shown as a percentage of the Ideal Segregated Fund’s average daily Net Asset Value. The Management Fee and the MER depend on the Ideal Segregated Fund Series and premium allocation option chosen. The MER for each Fund can be found in the individual *Fund Facts*.

## Fees and expenses paid by the contractholder

### Short-term trading fee

Short-term or frequent trading represents an expense for all contractholders and may affect the returns of a Fund. Consequently, for short-term and frequent trading we may charge you 2% of the value of the transaction amount, in addition to any applicable charges. For more information, please refer to the administrative guideline, then in effect, entitled *Ideal Segregated Funds – Short-term and frequent trading*.

**The following table shows:**

- the Management Fees for each Ideal Segregated Fund by Series and premium allocation option, and
- the Insurance Fees for each Ideal Segregated Fund by Series

Ideal Segregated Fund	Management Fees and Insurance Fees charged to the Ideal Segregated Funds per year <sup>1</sup>								
	Ideal 75/75 Series			Ideal 75/100 Series and Ideal 100/100 Series			Insurance Fee		
	Back-end load, low-load and no-load options (%)	Platinum no-load option (%)	F-Class option (%)	Back-end load, low-load and no-load options (%)	Platinum no-load option (%)	F-Class option (%)	Ideal 75/75 Series (%)	Ideal 75/100 Series (%)	Ideal 100/100 Series (%)
<b>Ideal Money Market Fund</b>	1.15	0.85	0.90	1.15	0.85	0.90	0.00	0.15	0.25
<b>Ideal Short Term Bond Fund</b>	N.A.	N.A.	N.A.	1.50	1.20	N.A.	N.A.	0.15	0.25
<b>Ideal Canadian Bond Fund</b>	N.A.	N.A.	N.A.	1.85	1.45	N.A.	N.A.	0.15	0.35
<b>Ideal Corporate Bond Fund</b>	N.A.	N.A.	N.A.	2.05	1.65	1.05	N.A.	0.15	0.35
<b>Ideal Global Bond Fund</b>	N.A.	N.A.	N.A.	2.05	1.65	N.A.	N.A.	0.15	0.35
<b>Ideal Tactical Bond Fund</b>	N.A.	N.A.	N.A.	2.05	1.65	N.A.	N.A.	0.15	0.35
<b>Ideal Templeton Global Bond Fund</b>	N.A.	N.A.	N.A.	2.25	1.85	N.A.	N.A.	0.15	0.35
<b>Ideal Global Absolute Return Strategies Fund</b>	2.45	2.05	1.45	N.A.	N.A.	N.A.	0.10	N.A.	N.A.
<b>Ideal Income Balanced Fund</b>	N.A.	N.A.	N.A.	2.20	1.60	1.05	N.A.	0.40	0.65
<b>Ideal Russell Income Essentials Portfolio</b>	N.A.	N.A.	N.A.	2.60	2.10	N.A.	N.A.	0.40	0.65
<b>Ideal Diversified Income Fund</b>	N.A.	N.A.	N.A.	2.20	1.60	N.A.	N.A.	0.40	0.65
<b>Ideal Monthly Income Fund</b>	N.A.	N.A.	N.A.	2.20	1.60	1.05	N.A.	0.40	0.65
<b>Ideal U.S. Monthly Income Fund</b>	N.A.	N.A.	N.A.	2.35	1.75	N.A.	N.A.	0.40	0.65
<b>Ideal Fidelity Monthly Income Fund</b>	N.A.	N.A.	N.A.	2.55	2.05	N.A.	N.A.	0.40	0.65
<b>Ideal Balanced Fund</b>	N.A.	N.A.	N.A.	2.20	1.60	N.A.	N.A.	0.40	0.65
<b>Ideal Tactical Income Fund</b>	2.25	1.65	N.A.	N.A.	N.A.	N.A.	0.10	N.A.	N.A.
<b>Ideal Fidelity Canadian Balanced Fund</b>	N.A.	N.A.	N.A.	2.55	2.05	N.A.	N.A.	0.40	0.65
<b>Ideal Russell Diversified Monthly Income Portfolio</b>	N.A.	N.A.	N.A.	2.70	2.20	N.A.	N.A.	0.40	0.65
<b>Ideal Templeton Global Balanced Fund</b>	N.A.	N.A.	N.A.	2.65	2.15	N.A.	N.A.	0.40	0.65
<b>Ideal Trimark Global Balanced Fund</b>	N.A.	N.A.	N.A.	2.65	2.15	N.A.	N.A.	0.40	0.65
<b>Ideal Franklin Bissett Canadian Balanced Fund</b>	N.A.	N.A.	N.A.	2.65	2.15	N.A.	N.A.	0.40	0.65
<b>Ideal Fidelity Global Monthly Income Fund</b>	N.A.	N.A.	N.A.	2.70	2.20	N.A.	N.A.	0.40	0.65
<b>Ideal Fidelity Income Allocation Fund</b>	N.A.	N.A.	N.A.	2.55	2.05	N.A.	N.A.	0.25	0.50
<b>Ideal SEI Balanced 60/40 Fund</b>	N.A.	N.A.	N.A.	2.65	N.A.	N.A.	N.A.	0.40	0.65

Ideal Segregated Fund	Management Fees and Insurance Fees charged to the Ideal Segregated Funds per year <sup>1</sup> (continued)								
	Ideal 75/75 Series			Ideal 75/100 Series and Ideal 100/100 Series			Insurance Fee		
	Back-end load, low-load and no-load options (%)	Platinum no-load option (%)	F-Class option (%)	Back-end load, low-load and no-load options (%)	Platinum no-load option (%)	F-Class option (%)	Ideal 75/75 Series (%)	Ideal 75/100 Series (%)	Ideal 100/100 Series (%)
<b>Ideal SEI Income 20/80 Fund</b>	N.A.	N.A.	N.A.	2.60	N.A.	N.A.	N.A.	0.25	0.50
<b>Ideal CI Black Creek Global Balanced Fund</b>	N.A.	N.A.	N.A.	2.70	2.20	N.A.	N.A.	0.40	0.65
<b>Ideal CI Cambridge High Income Fund</b>	N.A.	N.A.	N.A.	2.55	2.05	N.A.	N.A.	0.30	0.55
<b>Ideal CI Signature Canadian Balanced Fund</b>	N.A.	N.A.	N.A.	2.60	2.10	N.A.	N.A.	0.40	0.65
<b>Ideal Dividend Income Fund</b>	N.A.	N.A.	N.A.	2.05	1.55	1.15	N.A.	0.75	1.00
<b>Ideal Fidelity Dividend Fund</b>	N.A.	N.A.	N.A.	2.40	1.90	N.A.	N.A.	0.75	1.00
<b>Ideal Canadian Dividend Growth Fund</b>	N.A.	N.A.	N.A.	2.05	1.55	N.A.	N.A.	0.75	1.00
<b>Ideal Canadian Equity Fund</b>	N.A.	N.A.	N.A.	2.05	1.55	N.A.	N.A.	0.75	1.00
<b>Ideal Canadian Small Cap Fund</b>	N.A.	N.A.	N.A.	2.10	1.55	N.A.	N.A.	0.75	1.00
<b>Ideal U.S. Dividend Growth Fund</b>	N.A.	N.A.	N.A.	2.05	1.55	N.A.	N.A.	0.75	1.00
<b>Ideal U.S. Equity Value Fund</b>	N.A.	N.A.	N.A.	2.15	1.55	1.25	N.A.	0.75	1.00
<b>Ideal Global Dividend Growth Fund</b>	N.A.	N.A.	N.A.	2.05	1.55	1.15	N.A.	0.75	1.00
<b>Ideal Global Equity Fund</b>	N.A.	N.A.	N.A.	2.20	1.65	N.A.	N.A.	0.75	1.00
<b>Ideal International Equity Fund</b>	N.A.	N.A.	N.A.	2.30	1.70	N.A.	N.A.	0.75	1.00
<b>Ideal Conservative Portfolio</b>	N.A.	N.A.	N.A.	2.25	1.65	1.10	N.A.	0.25	0.50
<b>Ideal Moderate Portfolio</b>	N.A.	N.A.	N.A.	2.25	1.65	1.10	N.A.	0.30	0.55
<b>Ideal Growth Portfolio</b>	N.A.	N.A.	N.A.	2.25	1.65	1.10	N.A.	0.40	0.65
<b>Ideal Dividend Growth &amp; Income Portfolio</b>	N.A.	N.A.	N.A.	2.25	1.65	N.A.	N.A.	0.65	0.90
<b>Ideal Aggressive Portfolio</b>	N.A.	N.A.	N.A.	2.25	1.65	N.A.	N.A.	0.65	0.90
<b>Ideal Select Conservative Portfolio</b>	N.A.	N.A.	N.A.	2.35	1.85	N.A.	N.A.	0.25	0.50
<b>Ideal Select Moderate Portfolio</b>	N.A.	N.A.	N.A.	2.40	1.90	N.A.	N.A.	0.30	0.55
<b>Ideal Select Growth Portfolio</b>	N.A.	N.A.	N.A.	2.45	1.95	N.A.	N.A.	0.40	0.65
<b>Ideal Select Dividend Growth &amp; Income Portfolio</b>	N.A.	N.A.	N.A.	2.45	1.95	N.A.	N.A.	0.65	0.90
<b>Ideal Select Aggressive Portfolio</b>	N.A.	N.A.	N.A.	2.50	2.00	N.A.	N.A.	0.65	0.90
<b>Ideal Franklin Quotential Diversified Income Portfolio</b>	N.A.	N.A.	N.A.	2.60	2.10	N.A.	N.A.	0.25	0.50
<b>Ideal Franklin Quotential Balanced Income Portfolio</b>	N.A.	N.A.	N.A.	2.60	2.10	N.A.	N.A.	0.30	0.55
<b>Ideal Franklin Quotential Balanced Growth Portfolio</b>	N.A.	N.A.	N.A.	2.60	2.10	N.A.	N.A.	0.40	0.65
<b>Ideal Meritas Income &amp; Growth Portfolio</b>	N.A.	N.A.	N.A.	2.65	2.15	N.A.	N.A.	0.30	0.55
<b>Ideal Meritas Growth &amp; Income Portfolio</b>	N.A.	N.A.	N.A.	2.70	2.20	N.A.	N.A.	0.40	0.65

<sup>1</sup> This rate excludes any sales (or service) tax applicable on the Management Fee. It includes the underlying fund's management fee where applicable.

## 12. Taxation

Each Ideal Segregated Fund will allocate its income and realized capital gains and losses to contractholders in each year so that no income tax will be payable by a Fund. Income earned by Ideal Segregated Funds from foreign sources may be subject to foreign withholding taxes.

### Reporting income

Income that should be reported by contractholders includes investment income, capital gains and capital losses. Income is taxed differently if you hold the monies in a registered contract or a non-registered contract.

The information provided here applies to Canadian residents who are Ideal Segregated Funds Signature 2.0 contractholders. Given that each person's situation is different, you should consult with your accountant or advisor.

### Investment Income and Capital Gains from Manulife's Ideal Segregated Funds

#### Non-registered savings plans

If you hold your Ideal Segregated Funds in a non-registered plan, you must include in your income any net investment income and net capital gains that have been allocated to you. Investment income includes interest income, dividend income from taxable Canadian corporations and foreign income. If an Ideal Segregated Fund has earned foreign income and paid foreign withholding tax on it, you may credit some or all of this tax against the Canadian income tax you pay.

If you become a non-resident it should be noted that Manulife will sell units on your behalf for the non-resident tax deduction subject to income allocations.

The T3 slip issued to you will reflect all income allocated to you, including capital gains or losses from the following:

- Distributions from underlying funds
- Trading activities of the Fund
- Dispositions made by you (including Fund transfers<sup>†</sup> and withdrawals)
- Certain transfers of ownership
- Withdrawal charges

Capital losses may only be deducted from capital gains. Based on the current legislation, you may carry net capital losses back three years or forward indefinitely and deduct them from taxable capital gains. Special rules apply upon death.

#### Registered plans

If you hold your Ideal Segregated Funds in a registered savings plan, premiums (including those paid to a spousal RRSP) may be tax-deductible, up to the maximum amount allowed by income tax legislation.

You also do not pay income tax on the net investment income or capital gains allocated by the Funds. However, any amounts withdrawn from your registered savings plan will be subject to withholding tax at source and will be fully taxable as income.

If you hold your Ideal Segregated Funds in a registered retirement income plan, as with registered savings plans, you do not pay income tax on the net investment income or capital gains allocated by the Funds. However, your retirement income payments (scheduled and unscheduled) will be fully taxable as income.

Care should be taken with respect to withdrawals from spousal RRSPs and RRIFs, as the income attribution rules may require that certain amounts be included in the contributing spouse's or common-law partner's income. You do not pay tax on capital gains when you transfer or switch monies within a registered contract.

Any amount paid from the contract as a Maturity Benefit Guarantee or Death Benefit Guarantee is taxable. For registered plans, your estate may be subject to tax on the Contract Value upon your death.

<sup>†</sup> Some transfers will not be treated as a taxable disposition

## Tax slips

### Non-registered savings plans

We will send you tax information on your non-registered plans annually. This tax record will indicate your share of the Ideal Segregated Funds' annual allocations of net income and net capital gains (or capital losses), any allowable foreign tax paid and capital gains (or losses) as a result of the sale of your units. We will issue you a T3 slip (and a Relevé 16, if you are a Québec resident) in order for you to report these earnings on your tax return.

### Registered plans

For RSPs, LIRAs, LRSPs and RLIFs, you do not pay any taxes on the Fund's allocations and we will not send you any tax information slips. If you withdraw monies in cash from your RSP, the amount is fully taxable and we will issue you a T4RSP tax slip (and a Relevé 2, if you are a Québec resident). You will receive a contribution receipt for premium payments into your RSP. For registered retirement income plans, all retirement income payments are fully taxable and will be reported to you on a T4RIF tax slip (and a Relevé 2 if you are a Québec resident). The company will make the appropriate tax deductions at source.

Tax laws and the administrative and assessing practices of the Canada Revenue Agency (and Revenu Québec) may change from time to time. Thus, the company may revise its reporting practices as these changes occur.

In most situations, for Nominee Plans, the above tax receipts/slips are provided by your distributor.

## 13. Additional information

There are no legal proceedings pending or contemplated against Manulife with respect to the Ideal Segregated Funds.

Any transaction conducted within the three years prior to the filing date of this Information Folder or proposed transaction involving any director or senior officer or any associate or affiliate of Manulife has not or will not materially affect Manulife with respect to the Ideal Segregated Funds.

There is no contract with regard to the Ideal Segregated Funds entered into by Manulife in the last two years that can be reasonably considered as presently material to owners of contracts under which Ideal Segregated Funds can be selected.

There are no other material facts relating to the contracts under which the Ideal Segregated Funds can be selected and not disclosed pursuant to the foregoing items.



# Ideal Segregated Funds Signature 2.0 Contract

Any part of the premium or other amount that is allocated to an Ideal Segregated Fund is invested at the risk of the contractholder and may increase or decrease in value.

## Section I – General provisions

This contract is a non-participating contract.

In this contract,

“You” and “your” refer to the contractholder, including an additional contractholder if applicable.

“We”, “our” and “us” refer to The Manufacturers Life Insurance Company, also referred to as “Manulife”.

### Definitions

**Annuitant:** The “Annuitant” is the person insured under the contract. The contract is based on the life of the Annuitant. For a non-registered plan, the Annuitant can be a person other than the contractholder. For Registered plans, the contractholder is also the Annuitant.

**Beneficiary:** The “Beneficiary” is the person who will receive the Death Benefit Guarantee if the Annuitant dies prior to the end of the contract unless otherwise stated.

**Business Day:** A “Business Day” is any day on which the Toronto Stock Exchange is open for business.

**Death Guarantee Value:** Prior to any resets<sup>†</sup>, the Death Guarantee Value is equal to the sum of premiums paid less the sum of proportional reductions for prior withdrawals for a particular series.

If a reset has occurred (i.e. the Death Guarantee Value is reset to the Series Value), the Death Guarantee Value is equal to the last reset amount plus the sum of additional premiums paid less the sum of proportional reductions for prior withdrawals since the last reset, for a particular series.

**Ideal Segregated Fund:** This is a segregated fund established by Manulife. In the contract, the word “Fund” refers to an Ideal Segregated Fund.

**Information Folder:** The “Information Folder” refers to the *Ideal Segregated Funds* Signature 2.0 *Information Folder*.

**Maturity Guarantee Value:** Prior to any resets<sup>†</sup>, the Maturity Guarantee Value is equal to the sum of premiums paid less the sum of proportional reductions for prior withdrawals for a particular series.

If a reset has occurred (i.e. the Maturity Guarantee Value is reset to the Series Value), the Maturity Guarantee Value is equal to the last reset amount plus the sum of additional premiums paid less the sum of proportional reductions for prior withdrawals since the last reset, for a particular series.

**Spouse:** A “Spouse” is a spouse or common-law partner as recognized under the *Income Tax Act* (Canada).

**Successor Annuitant:** A “Successor Annuitant” is appointed by the contractholder and is the person who will automatically become the Annuitant in the event of the death of the Annuitant indicated on the application. Under such circumstances, the contract will remain in force and no Death Benefit Guarantee will be payable. A Successor Annuitant can be appointed for all plan types with the exception of LIF, LRIF, PRIF or RLIF plans. For RRSP plans, the Beneficiary must be the Annuitant’s spouse or common-law partner as defined by the *Income Tax Act* (Canada) and the sole Beneficiary, so that the spouse or common-law partner will continue to have the contract benefits in a new RRSP contract in their name. For a RIF, only a spouse or common law partner, as defined by the *Income Tax Act* (Canada), can be named as Successor Annuitant.

<sup>†</sup> We reserve the right to modify or withdraw the reset feature from your contract upon prior notice. We also reserve the right to refuse a reset request of your Maturity Guarantee Value. Resets are not applicable to the Ideal 75/75 Series.



**Switch:** A “switch” is the partial or total reallocation of your premium from an Ideal Segregated Fund within a series and premium allocation option to any other Ideal Segregated Fund(s) within the same series and premium allocation option.

**Transfer:** A “transfer” is the withdrawal of units of an Ideal Segregated Fund in one premium allocation option, series or plan to acquire units of the same Fund or another Fund in a different premium allocation option, series or plan.

**Valuation Day/Date:** A “Valuation Day/Date” is a Business Day on which the Market Value and Unit Value of an Ideal Segregated Fund are calculated for transaction purposes. The Market and Unit Values of an Ideal Segregated Fund are normally calculated on each Business Day after the TSX closes. However, in some circumstances, Manulife may calculate these values on another day or at another time, at its discretion.

We reserve the right to stop accepting or limit the amount of additional premium to any existing series, at any time, upon prior notice.

We reserve the right to stop offering any of the series or premium allocation options available within a series, at any time. We also reserve the right to stop offering any of the Funds available within each series at any time upon prior notice.

## Annuity

- The annuity payments will be payable to the Annuitant.
- The annuity payments will commence on the Annuity Commencement Date, unless otherwise specified herein.
- The annuity payments will be level and payable monthly for 10 years and for the life of the Annuitant thereafter.
- The annuity payments will be calculated using the Maturity Benefit Guarantee on the Annuity Commencement Date and the then current annuity rates (please refer to the Maturity Benefit Guarantee section of each plan).
- The annuity payments will follow the annuity provisions in effect at that time.

We reserve the right to change the frequency of the annuity so that the annuity payments meet our minimum annuity payment requirement. In no event will annuity payments be less frequent than once a year.

## Beneficiary

Where the contractholder is the Annuitant, in the event of death, if no Successor Annuitant is named the contract will end. Any Death Benefit Guarantee will be paid to the Beneficiary.

Where the contractholder is not the Annuitant, while living, the contractholder (not the named Beneficiary) is entitled to any Death Benefit Guarantee.

For a registered retirement income plan, if a Successor Annuitant has been designated, the Successor Annuitant will be able, after the death of the contractholder, to revoke any beneficiary designation previously made by the contractholder (unless irrevocable).

For a registered retirement income plan, unless the Successor Annuitant had changed the beneficiary designation, any payment(s) becoming due upon the death of the Successor Annuitant will be paid to the Beneficiary named by the contractholder (not the Successor Annuitant’s estate).

## Contract

The Ideal Segregated Funds Signature 2.0 Contract is an annuity contract issued on the life of the Annuitant. Unless otherwise specified in the application, the contractholder is also the Annuitant. The entire contract consists of the following:

- Application
- Contract provisions
- Fund Fact(s) for the Ideal Segregated Fund(s) you invested in, but **only** for the following elements of a Fund Fact: the name of the contract and of the Ideal Segregated Fund, the Management Expense Ratio, the risk disclosure, the fees and expenses and the right to cancel. The remedies available to you for any error in these elements of a Fund Fact will include reasonable measures by us to correct the error but will not entitle you to specific performance under this contract.

The Fund Facts Information is accurate as of the date hereof and complies with the requirements set forth from time to time in the **CLHIA Guidelines on Individual Variable Insurance Contracts Relating to Segregated Funds** and the Quebec guidelines entitled *la Ligne directrice sur les contrats individuels à capital variable afférents aux fonds distincts*.

- Notice of confirmation
- Amendments or relevant written agreements made on or after the date of the application
- Endorsement for locked-in funds

There may be situations where we may no longer offer this contract. In such cases, we will provide you with prior notice and allow you to choose from alternative contracts.

The contract is either non-registered or registered, as specified on the application, and can be categorized as follows:

### Savings plans

- Non-registered savings plan
- Tax-free savings account (TFSA)
- Registered savings plans
  - Retirement savings plan (RSP, including spousal RSP)
  - Locked-in retirement account (LIRA)
  - Locked-in retirement savings plan (LRSP)
  - Restricted locked-in savings plan (RLSP)

### Registered retirement income plans

- Retirement income Fund (RIF, including spousal RIF)
- Life income Fund (LIF)
- Locked-in retirement income Fund (LRIF)
- Prescribed retirement income Fund (PRIF)
- Restricted life income plan (RLIF)

Only one plan is allowed in a contract at a time.

### Registered plans

If requested by the contractholder on the application, we will submit this contract for registration, pursuant to Section 146 of the *Income Tax Act* (Canada) for registered retirement savings plans, Section 146.2 of the *Income Tax Act* (Canada) for tax-free savings accounts and Section 146.3 of the *Income Tax Act* (Canada) for registered retirement income funds, and any applicable provincial tax legislation. Under a registered contract, the contractholder is the Annuitant.

### Alteration of the contract

In order to be considered valid, any change to the terms of the contract must be submitted to us in writing and approved by one of our authorized signing officers.

### Loans

Loans cannot be taken against your contract.

### Currency

All payments made to or by Manulife under this contract are to be made in Canada, in Canadian currency, unless otherwise stipulated.

### Evidence

Manulife reserves the right to require the Annuitant or Beneficiary, as the case may be, to provide, at the appropriate time and at their own expense, proof satisfactory to it of the survival and/or death of the Annuitant and entitlement of the claimant.

### For residents of Alberta and British Columbia

Every action or proceeding against us for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act* or other applicable legislation.

## Section I –

### a) Ideal Segregated Funds

This contract allows the contractholder to allocate premiums to the Ideal Segregated Fund(s) available in the different premium allocation options in a series at the time of the premium payment, switch or transfer.

The assets of the Ideal Segregated Funds are held by Manulife on behalf of all contractholders. The Ideal Segregated Funds are not separate legal entities. You do not own any of the assets of nor own an interest in the Ideal Segregated Funds. Rather, units of the selected Ideal Segregated Funds are allocated to your contract for determining the benefits to which you are entitled. As a result, you do not actually own, buy or sell any part of the Ideal Segregated Funds. For ease of understanding, we may use the terms “acquire”, “allocate”, “withdraw”, “switch” or “transfer” to refer to transactions of units within your contract.

Some of Manulife’s Ideal Segregated Funds invest a substantial portion of their assets in underlying Funds. In some cases, Manulife Asset Management Limited, one of our affiliates, may be the investment fund manager of an underlying fund. As any amount allocated to an Ideal Segregated Fund is considered to be a premium payment into an individual variable insurance contract issued by Manulife, contractholders do not own an interest in the underlying funds and are not entitled to any of the rights of the unitholders of the underlying funds. The investment objectives of the underlying funds cannot be changed unless approved by the unitholders of such fund. In such case, Manulife will advise contractholders of fundamental changes to the investment objectives of the underlying funds.

Manulife reserves the right to add, terminate or discontinue offering a Fund within the Ideal Segregated Funds Signature 2.0 Contract. In the event of such changes we will provide you with prior notice.

For more information on the Ideal Segregated Funds, please refer to the *Ideal Segregated Funds Signature 2.0 Information Folder* and the *Ideal Segregated Funds Signature 2.0 Fund Facts*, which accompanies this contract. The Information Folder does not form part of the contract.

### Fundamental change

Any one of the following events will trigger a Fundamental change:

- An increase in Management Fees of an Ideal Segregated Fund; or
- A change in the fundamental investment objective of an Ideal Segregated Fund; or
- A decrease in the frequency with which units of segregated funds are valued; or
- an increase in Insurance Fee by more than the greater of 0.50 per calendar year or 50 percent of the current Insurance Fee

In the event of a fundamental change to an Ideal Segregated Fund, Manulife will give you 60 days’ written notice. The notice will provide you with the following options:

- Switch into a similar Ideal Segregated Fund not subject to the same change, without charge; or
- Surrender your units of the Ideal Segregated Fund without charges, if a similar Fund is not available

Please note that we must receive your instructions at least five days prior to the expiry of the notice period or we will proceed with the default indicated in the written notice.

### Contract Value

On any Valuation Date, the Contract Value is equal to the sum of all the Series Values under your Ideal Segregated Funds Signature 2.0 Contract.

**The Contract Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

### Fund Value

The Fund Value is the individual contractholder’s total number of units credited to a Fund multiplied by the corresponding Unit Value established on the Valuation Date coincident with or immediately following the date the Fund Value is determined.

**The Fund Value of each Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**

## Management Fees, Insurance Fees and other expenses

A Management Fee is charged to each Ideal Segregated Fund on the Valuation Date. The Management Fees depend on the Ideal Segregated Fund and premium allocation option chosen. The Management Fees are currently calculated as a percentage of the Market Value of the net assets of the Fund on the date the fee is charged.

Manulife reserves the right to alter the Management Fees at any time, in which case we will provide you with prior notice.

An Insurance Fee is charged to each Ideal Segregated Fund, in addition to the Management Fee. The Insurance Fee is calculated as a percentage of the Ideal Segregated Fund's average daily Net Asset Value and is included in the Management Expense Ratio. The Insurance Fee is associated with the benefits guaranteed under the contract and varies depending on the Ideal Segregated Fund and series selected. Manulife reserves the right to alter the Insurance Fee at any time. An increase by more than the greater of 0.50 per calendar year or 50 percent of the current Insurance Fee will be considered a Fundamental Change. In the event of any increase in Insurance Fees, we will provide you with prior notice.

Other expenses incurred in the ordinary course of business relating to the operation of the Ideal Segregated Funds will also be charged to the assets of each respective Fund. These expenses include, but are not limited to, legal, audit and custodian fees, applicable taxes, interest and bank charges, regulatory filing fees and any expenses that may be incurred to preserve the assets or income of the Fund. These expenses vary from year to year and from Fund to Fund.

The Management Fees, Insurance Fees and other expenses paid by each Ideal Segregated Fund include the Management Fees paid by the underlying fund(s), where applicable. There is no duplication of Management Fees, Insurance Fees and other expenses.

Most of these fees and expenses are subject to federal goods and services tax ("GST") and harmonized sales tax ("HST"). Management Fees and operating expenses payable by the Fund that are subject to GST are subject to the HST. Therefore, the Management Expense Ratio of a Fund may increase as a result of the additional tax payable on these fees and expenses.

## Market Value of Ideal Segregated Funds

The Market Value of each Ideal Segregated Fund will be determined on a Valuation Date. To determine the Unit Value of each Ideal Segregated Fund for trading purposes, the Market Value of an Ideal Segregated Fund's assets will be calculated based on the current price of the securities held in the Segregated Fund. Equity securities listed or traded on a stock exchange are valued at the closing price on the recognized stock exchange on which they are listed or principally traded. Equity securities not traded on the Valuation Date will be valued on the basis of the mean between bid and ask prices on that date. Bonds and asset-backed securities are valued on the basis of the median of the bid and ask quotations obtained from one or more recognized investment dealers. For all Ideal Segregated Funds, short-term notes are recorded at Market Value determined by taking the bid quotation from a recognized investment dealer. Investments in other investment funds not traded on a stock exchange are valued based on the net asset value per unit on the Valuation Date. In all other cases, or if we deem that the foregoing calculation methods do not accurately reflect the fair value of the asset, the Market Value will be the fair Market Value as determined by us. Valuation for financial statement purposes is as disclosed in the financial statements. The Market Value of each Ideal Segregated Fund will always be determined at least once a month.

## Series Value

The Series Value is the sum of the Fund Values within a series.

## Unit Value

For each series (Ideal 75/75, Ideal 75/100 and Ideal 100/100 Series), three separate Unit Values are calculated for each Ideal Segregated Fund. A Unit Value is calculated for the Platinum option and F-Class option separately and another for the remaining premium allocation options (back-end load, low-load and no-load).

The Platinum Unit Values are calculated by dividing the Net Asset Value for this option within the series, by the total number of units outstanding for this option within the series immediately prior to the Valuation Date. The F-Class Unit Values are calculated by dividing the Net

Asset Value for this option within the series, by the total number of units outstanding for this option within the series immediately prior to the Valuation Date.

For all other premium allocation options (back-end load, low-load and no-load) within a series, the Unit Values are calculated by dividing the Net Asset Value for these combined options within the series, by the total number of units outstanding for these combined options within the series immediately prior to the Valuation Date.

Net assets are equal to the Market Value of the Fund's assets less its liabilities (including Management Fees, Insurance Fees and other expenses).

The Unit Value of an Ideal Segregated Fund increases or decreases with changes in the Market Value of the assets of the Fund and by the reinvestment of net income.

**The Unit Value of each Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**

## Section I –

### b) Processing your instructions

#### Premium payment

You may place your premium allocation instructions through your advisor, who will then forward these instructions. If we receive your instructions at or before 4:00 p.m. Eastern Time on a Business Day, we will process them on that day. If we receive your instructions after 4:00 p.m. Eastern Time on a Business Day, we will process them on the next Valuation Day. The number of units of an Ideal Segregated Fund allocated to your contract is determined by dividing the premium by the Unit Value established on the Valuation Day on which your instructions are processed.

If we do not receive instructions or receive incomplete instructions, your premium will be allocated according to the administrative rules in effect at that time.

If you already own an Ideal Segregated Funds Signature 2.0 Contract with us of the same plan type, series type, and premium allocation type, we will process your request as an additional premium to the existing contract. We will issue only one contract per plan type.

#### Rescission rights

You may rescind the purchase of an Ideal Segregated Funds Signature 2.0 Contract and any allocation of premiums made to an Ideal Segregated Fund by sending us written notice requesting the rescission within two Business Days from the date you received confirmation of the purchase of the contract. For any allocation of premiums to a Fund other than those made at the time you purchase your contract, this right to rescind will only apply in respect to the additional allocated premiums, and written notice requesting the rescission must be provided within two Business Days from the date you received confirmation. The contractholder will be refunded the lesser of the amount invested and the value of the Fund on the Valuation Day following the day we received the request for rescission, plus any fees or charges associated with the transaction. A contractholder will be deemed to have received the confirmation five Business Days after it has been mailed by us.

**The value of units of each Ideal Segregated Fund allocated to your contract is not guaranteed and will fluctuate with the Market Value of the assets of the corresponding Fund.**

#### Minimum requirements

Minimum requirements refer to minimum premiums and minimum balances to be maintained in your Ideal Segregated Funds Signature 2.0 Contract as defined by Manulife from time to time. Minimum requirements may vary by plan and premium allocation option. Please refer to the administrative rules in effect at the time of the applicable transaction for minimum requirements. Manulife may change these requirements from time to time without prior notice to you.

#### Switches within Series

A switch is the partial or total reallocation of your premium from an Ideal Segregated Fund within a series and premium allocation option to any other Ideal Segregated Fund(s) within that same series and premium allocation option.

You may place your switch instructions in writing or electronically through your advisor, who will then forward your instructions to us. If we receive your instructions at or before 4:00 p.m. Eastern Time on a Business Day, we will process them on that day. If we receive your instructions after 4:00 p.m. Eastern Time on a Business Day, we will process them on the next Valuation Day.

On the applicable Valuation Day, we will withdraw units of the Ideal Segregated Fund you have specified so that the number of units withdrawn multiplied by the Fund's Unit Value equals the amount to be switched from that Fund. We will then allocate the proceeds from the withdrawal to your selected Ideal Segregated Fund(s) and acquire units of the Fund(s) on your behalf. Withdrawal charges do not apply to Fund switches made within the same series and premium allocation options. Fund switches do not affect your series guarantees.

**The value of units withdrawn or acquired to affect a switch is not guaranteed and will fluctuate with the Market Value of the assets of the corresponding Ideal Segregated Fund.**

### Transfers between premium allocation options within the same Series

A transfer between premium allocation options is the withdrawal of units of a Fund in one premium allocation option to acquire units of the same or another Fund in a different premium allocation option within the same series. If we receive your written or electronic request at or before 4:00 p.m. Eastern Time on a Business Day, it will be processed on that day. If we receive your request after 4:00 p.m. Eastern Time on a Business Day, it will be processed on the next Valuation Day. Transfers between premium allocation options may affect your series guarantees. Transfers will be processed in accordance with the administrative rules in effect at the time of the transfers. Withdrawal charges may apply to transfers made between different premium allocation options. All transfers between premium allocation options must respect the minimums and other conditions of the premium allocation option selected.

### Transfers between Series

A transfer between series is the withdrawal of units of a Fund in one series to acquire units of the same or another Fund in a different series. If we receive your written or electronic request at or before 4:00 p.m. Eastern Time on a Business Day, it will be processed on that day. If we receive your request after 4:00 p.m. Eastern Time on a Business Day, it will be processed on the next Valuation Day. Transfers between series may affect your series guarantees. Transfers will be processed in accordance with the administrative rules in effect at the time of the transfers. Withdrawal charges may apply to transfers made between different series.

### Transfers between plans

A transfer between plans is the withdrawal of units of a Fund in one plan to acquire units of the same Fund or another Fund in a different plan. If we receive your written or electronic request at or before 4:00 p.m. Eastern Time on a Business Day, it will be processed on that day. If we receive your request after 4:00 p.m. Eastern Time on a Business Day, it will be processed on the next Valuation Day. Transfers between plans may affect your series guarantees. Transfers will be processed in accordance with the administrative rules in effect at the time of the transfers. Withdrawal charges may apply to transfers made to a different plan.

### Withdrawals and Withdrawal Value

At any time, you can request the total or partial withdrawal of units allocated to your contract. The Withdrawal Value is equal to the Contract Value less any applicable withdrawal charges. For a partial withdrawal, you must specify the Ideal Segregated Fund(s) from which the requested amount is to be withdrawn.

Withdrawal requests can be made in writing or electronically. If we receive your request at or before 4:00 p.m. Eastern Time on a Business Day, it will be processed on that day. If we receive your request after 4:00 p.m. Eastern Time on a Business Day, it will be processed on the next Valuation Day. You must provide us with all the documents needed to process your withdrawal in accordance with the administrative rules in effect at the time.

The amount to be withdrawn must exceed the minimum withdrawal amount requirement in effect at the time.



After the withdrawal, minimum requirements must be met. We reserve the right to charge an administration fee on withdrawals.

**The Withdrawal Value or any portion thereof is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

### Withdrawal charge

Under the no-load option, Platinum no-load option and F-Class option, there is no withdrawal charge applicable to retirement income payments, total withdrawals and partial withdrawals of units held under your contract.

Under the back-end load option and low-load option, a withdrawal charge may be applicable to retirement income payments and total and partial withdrawals of the units held under your contract. The withdrawal charge is determined on the Valuation Date coincident with or immediately following the receipt of your withdrawal request.

To determine the withdrawal charge, we first establish how many premiums are being withdrawn and when these premiums were paid. To account for fluctuations in Fund Values, we determine a premium equivalent amount, which is calculated as the amount withdrawn multiplied by the ratio of (1) the sum of premiums paid under your load option to the Ideal Segregated Funds Signature 2.0 Contract and not previously withdrawn and (2) the sum of the Fund Values under your load option. Then, premiums up to the premium equivalent amount are withdrawn in the order in which they were paid, regardless of the Ideal Segregated Fund and series to which they were allocated or the Ideal Segregated Fund from which the withdrawal is affected. This ensures that premiums with the lowest withdrawal charge rates will be withdrawn first.

The withdrawal charge is calculated as the sum of charges applicable to each premium being withdrawn under your load option. For each premium (up to the premium equivalent amount), the withdrawal charge is equal to the amount of the premium multiplied by the charge rate applicable to that premium.

The charge rate applicable to a premium is based upon the number of years that have elapsed since the date of

the payment of that premium, and declines over time as set out in the following tables:

Low-load withdrawal charge table	
Number of years since the payment of the premium	Charge rate applicable to the premium (%)
Up to 1 year	3
1 to 2 years	2
2 to 3 years	1
More than 3 years	0

Back-end load withdrawal charge table	
Number of years since the payment of the premium	Charge rate applicable to the premium (%)
Up to 1 year	6
1 to 2 years	5
2 to 3 years	5
3 to 4 years	4
4 to 5 years	3
5 to 6 years	2
6 to 7 years	1
More than 7 years	0

We reserve the right to modify the above charge rate tables and its application, in which case we will provide you with prior notice. Any change we implement will only apply in respect of premiums paid on or after the effective date of the change.

The back-end load and low-load withdrawal charges are waived for the Death Benefit Guarantee.

Free withdrawals are available in all plans. Please refer to the specific contract section in this document for details.



## Section II – Non-registered Savings Plans

### Assignments

Notices of assignment of this contract are to be forwarded to Manulife in writing. Responsibility for the validity of any assignment rests with the assignee and not with Manulife.

### Free withdrawals

During the first year, you are allowed to withdraw up to 10 percent of the sum of premiums paid under the Contract during the year without incurring any withdrawal charges.

For each subsequent year, you are allowed to withdraw up to 10 percent of the sum of the Fund Values as at January 1 and 10 percent of additional premiums paid under the Contract during the year.

Requests for transfers between different premium allocation options are processed in accordance to our administrative guidelines in effect at that time. This right is not cumulative and any unused amount of free withdrawals cannot be carried forward to future years.

### Pre-Authorized Debit (PAD) Agreement

This program allows you to pay regular premiums into your Ideal Segregated Funds Signature 2.0 Contract through automatic debit from your bank account.

A returned payment due to not-sufficient funds or funds not cleared will cause the PAD agreement to cancel and a new agreement will be required to return to the PAD method of payment.

You may waive the right to receive pre-notification of the amount of the PAD and therefore agree that you do not require advance notice of the amount of PAD(s) before the debit(s) is processed.

You have certain recourse rights if any debit does not comply with this agreement. You have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD agreement. To obtain more information on your recourse rights, you may contact your financial institution, Manulife or visit [www.cdnpay.ca](http://www.cdnpay.ca)

If the contract is corporately owned, then the PAD will be setup as a business PAD.

### Annuity Commencement Date

The first premium payment into your Ideal Segregated Funds Signature 2.0 Contract must be made at least 10 complete years (Ideal 75/75 Series and Ideal 75/100 Series) or 15 complete years (Ideal 100/100 Series) before the Annuity Commencement Date. The Annuity Commencement Date for the Ideal 75/75 Series, Ideal 75/100 Series, and Ideal 100/100 Series is the Annuitant's 100th birthday. However, prior to reaching the Annuity Commencement Date, you have the option to extend the Annuity Commencement Date beyond 100 years of age.

### Series Maturity Date

The Series Maturity Date is when the Maturity Benefit Guarantee for the series is payable. The Series Maturity Date for the Ideal 75/75 Series is the Annuitant's 100th birthday. You may select a Series Maturity Date provided that it is at least 10 years (Ideal 75/100 Series) or 15 years (Ideal 100/100 Series) from the date of your first premium payment or last reset in the series. In the event that you do not specify a date for non-registered savings, the default Series Maturity Date for the Ideal 75/100 and Ideal 100/100 Series is the Annuitant's 100<sup>th</sup> birthday. However, prior to reaching the default Series Maturity Date, you will have the option to extend the default Series Maturity Date (for all series).

You may change the Series Maturity Date by submitting a written request at least one year prior to both the new Series Maturity Date you are selecting and the Series Maturity Date in effect at the time. Any change is subject to our approval. You will not be allowed to alter the Series Maturity Date to a date that is less than 10 complete years (Ideal 75/100 Series) or 15 complete years (Ideal 100/100 Series) from the date of your first premium payment or last reset date in the series. Any change to the Series Maturity Date can result in a change to the calculation of the Maturity or Payout Benefit Guarantees.

## Maturity Benefit Guarantee

The Maturity Benefit Guarantee for your Ideal 75/75 Series and Ideal 75/100 Series is equal to:

- a) The Series Value, determined on the Valuation Date coincident with or immediately following the Series Maturity Date,

or

- b) 75 percent of the Maturity Guarantee Value;  
whichever amount is greater – on the condition that your series has been in force for a minimum of 10 years from the date of your first premium payment or last reset date, if applicable.

The Maturity Benefit Guarantee for your Ideal 100/100 Series is equal to:

- a) the Series Value, determined on the Valuation Date coincident with or immediately following the Series Maturity Date,

or

- b) 100 percent of the Maturity Guarantee Value; whichever amount is greater – on the condition that there is at least 15 years from the first premium payment date or last reset date to the Series Maturity Date. For additional premiums paid to the series that do not meet the 15-year minimum requirement (i.e. when there is less than 15 years from the premium payment date or last reset date), we will use 75 percent of the additional premiums for the purpose of calculating the Maturity Benefit Guarantee.

**The Series Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

## Death Benefit Guarantee

For your Ideal Segregated Funds Signature 2.0 Contract, if a Successor Annuitant has not been designated, in the event of the death of the Annuitant:

- a) On or before the Series Maturity Date, Manulife will pay the Beneficiary or contractholder, if living, a Death Benefit Guarantee equal to:

- i) the Series Value, determined on the Valuation Date coincident with or immediately following the day Manulife is notified of the death of the Annuitant;

or

- ii) **If the Annuitant was younger than 80 years of age when the first premium was paid into the series:** 100 percent (75 percent for the Ideal 75/75 Series) of the Death Guarantee Value.  
**If the Annuitant was 80 years of age or older when the first premium was paid into the series:** 75 percent of the Death Guarantee Value;

whichever amount is greater.

**The Series Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

On the Valuation Date coincident with or immediately following the day Manulife is notified of the death of the Annuitant, Manulife will transfer the Death Benefit Guarantee into the Ideal Money Market Fund. Upon receipt of all required documentation, the Fund Value of the Ideal Money Market Fund will be paid to the Beneficiary and the contract will be terminated.

- b) After the Annuity Commencement Date, any remaining guaranteed annuity payments will be paid to the Beneficiary or contractholder, if living, as they fall due.

## For residents of Québec

In this contract, all premiums paid become the property of Manulife and are allocated to the Ideal Segregated Funds, which are also owned by Manulife. Manulife has the sole authority to manage these premiums. However, Manulife agrees to distribute premiums among the various Funds according to the selection made by the contractholder.

Unless Manulife receives different instructions prior to your Annuity Commencement Date, Manulife will disburse the annuity as follows:

The first annuity payment will be made one year after your Annuity Commencement Date.

The annuity payments will be level and paid annually for 15 years.

The annual annuity payments will be calculated using the Maturity Benefit Guarantee on the Annuity Commencement Date multiplied by a factor of 66.9444 and divided by 1,000.

e.g.  $(\$100,000 \times 66.944) \div 1,000 = \$6,694.40$

Other types of annuities are available and the type chosen can increase or decrease the factor shown above.

However, Manulife reserves the right to change the calculation factors, provided contractholders receive written notice to this effect 60 days in advance, if the interest rate varies with respect to the official discount rate in effect at the Bank of Canada on June 30, 2007. If the Maturity Benefit Guarantee on the Annuity Commencement Date is less than \$20,000, Manulife also reserves the right to make a lump sum payment.

## Section III – Registered Savings Plans

### General

This contract is subject to the terms of the *Income Tax Act* (Canada) and, where applicable, the *Taxation Act* (Québec). Benefit payments under this contract after the Annuity Commencement Date will meet the requirements pursuant to paragraphs 146(2)(b), (b.1) and (b.2) of the *Income Tax Act* (Canada). This contract does not provide for the payment of a retirement income to you, except by way of equal annual or more frequent periodic annuity payments, pursuant to paragraph 146(3)(b) of the *Income Tax Act* (Canada).

In the event of over-contribution under this contract, we will permit the payment of an amount to you or, in the case of a spousal contribution, to your spouse, where the amount is paid to reduce the amount of tax otherwise payable pursuant to Part X.1 of the *Income Tax Act* (Canada). We reserve the right to charge an administration fee for such payment.

### Assignments

This contract cannot be assigned and no annuity payable to you or your spouse under this contract can be assigned, in whole or in part.

### Free withdrawals

In the first year, you are allowed to withdraw up to 10 percent of the sum of premiums paid under the Contract during the year without incurring any withdrawal charges.

For each subsequent year, you are allowed to withdraw up to 10 percent of the sum of the Fund Values as at January 1 and 10 percent of additional premiums paid under the Contract during the year.

Requests for transfers between different premium allocation options are processed in accordance to our administrative guidelines in effect at that time.

This right is not cumulative and any unused amount of free withdrawals cannot be carried forward to future years.

## Pre-Authorized Debit (PAD) Agreement

This program allows you to pay regular premiums into your Ideal Segregated Funds Signature 2.0 Contract through automatic debit from your bank account. A returned payment due to not-sufficient funds or funds not cleared will cause the PAD agreement to cancel and a new agreement will be required to return to the PAD method of payment.

You may waive the right to receive pre-notification of the amount of the PAD and therefore agree that you do not require advance notice of the amount of PAD(s) before the debit(s) is processed.

You have certain recourse rights if any debit does not comply with this agreement. You have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD agreement. To obtain more information on your recourse rights, you may contact your financial institution, Manulife or visit [www.cdnpay.ca](http://www.cdnpay.ca)

If the contract is corporately owned, then the PAD will be setup as a business PAD.

## Annuity Commencement Date

The first premium payment into your Ideal Segregated Funds Signature 2.0 Contract must be made at least 10 complete years (Ideal 75/75 Series and Ideal 75/100 Series) or 15 complete years (Ideal 100/100 Series) before the Annuity Commencement Date. The Annuity Commencement Date is December 31 of the year in which you reach the legislative age limit for maturing registered retirement savings plans, as prescribed in the *Income Tax Act* (Canada).

## Series Maturity Date

The Series Maturity Date is when the Maturity Benefit Guarantee for the series is payable. The Series Maturity Date for the Ideal 75/75 Series is December 31 of the year in which you reach the legislative age limit for maturing registered savings plans. You may select a Series Maturity Date provided that it is at least 10 years (Ideal 75/100 Series) or 15 years (Ideal 100/100 Series) from the date of your first premium payment or last reset date in the series. In the event that you do not specify a date for the Ideal 75/100 Series and the Ideal 100/100 Series, the Series Maturity Date is December 31 of the year in which you reach the legislative age limit for maturing registered savings plans.

With regards to your registered savings plan maturity (please refer to “Automatic transfer from a Registered Retirement Savings Plan to a Registered Retirement Income Plan” for all impacts on your Maturity, Payout and Death Benefit Guarantees.

You may change the Series Maturity Date of the Ideal 75/100 and the Ideal 100/100 Series by submitting a written request at least one year prior to both the new Series Maturity Date you are selecting and the Series Maturity Date in effect at the time. Any change is subject to our approval and must also conform to the *Income Tax Act* (Canada) and, where applicable, the *Taxation Act* (Québec). You will not be allowed to alter the Series Maturity Date to a date that is less than 10 complete years (Ideal 75/100 Series) or 15 complete years (Ideal 100/100 Series) from the date of your first premium payment or last reset date in the series. Any change to the Series Maturity Date can result in a change to the calculation of the Maturity or Payout Benefit Guarantees.

## Automatic transfer from a Registered Retirement Savings Plan to a Registered Retirement Income Plan

On your Annuity Commencement Date, we will automatically transfer your registered retirement savings plan to a registered retirement income plan. If your Series Maturity Date is equal to your Annuity Commencement Date then we will transfer your savings Maturity Guarantee Value to a registered retirement income plan. For all other situations, we will process the automatic transfer in accordance with our administrative guidelines in effect at that time.

If you wish to have the minimum annual income payment based on your Spouse's age, you must advise Manulife prior to the Annuity Commencement Date, otherwise the minimum will be determined based on your age on the Annuity Commencement Date. The decision as to whose age will be used to determine the annual minimum income payment is irrevocable after the Annuity Commencement Date.

**The Series Value automatically transferred to a registered retirement income plan is not guaranteed and will fluctuate with the Market Value of the assets of each Ideal Segregated Fund both at the time of transfer and, subsequently, under the registered retirement income plan.**

If we do not receive any instructions pertaining to your retirement income payments before December 31 of the year following the automatic transfer, a payment will be made in order to meet the government's required minimum for that year. Minimum payments will be continued every December 31 until we are advised otherwise in writing. Manulife will withdraw the retirement income payments from the Funds in accordance with the default schedule in effect at that time.

### **Maturity Benefit Guarantee**

The Maturity Benefit Guarantee for your Ideal 75/75 and Ideal 75/100 Series is equal to:

a) the Series Value, determined on the Valuation Date coincident with or immediately following the Series Maturity Date;

or

b) 75 percent of the Maturity Guarantee Value;

whichever amount is greater – on the condition that your series has been in force for a minimum of 10 years from the date of your first premium payment or last reset date, if applicable.

The Maturity Benefit Guarantee for your Ideal 100/100 Series is equal to:

a) the Series Value, determined on the Valuation Date coincident with or immediately following the Series Maturity Date;

or

b) 100 percent of the Maturity Guarantee Value;

whichever amount is greater – on the condition that there is at least 15 years from the first premium payment date or last reset date to the Series Maturity Date.

For additional premiums paid to the series that do not meet the 15-year minimum requirement (i.e. when there is less than 15 years from the premium payment date or last reset date), we will use 75 percent of the additional premiums for the purpose of calculating the Maturity Benefit Guarantee.

**The Series Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

### **Death Benefit Guarantee**

For your Ideal Segregated Funds Signature 2.0 Contract, if a Successor Annuitant has not been designated, in the event of the death of the Annuitant:

a) On or before the Series Maturity Date, Manulife will pay the Beneficiary a Death Benefit Guarantee equal to:

i) the Series Value, determined on the Valuation Date coincident with or immediately following the day Manulife is notified of your death;

or

ii) 100 percent (75 percent for the Ideal 75/75 Series) of the Death Guarantee Value

whichever amount is greater.

**The Series Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

On the Valuation Date coincident with or immediately following the day Manulife is notified of your death, Manulife will transfer the Death Benefit Guarantee into the Ideal Money Market Fund. Upon receipt of all required documentation, the Fund Value of the Ideal Money Market Fund will be paid to the Beneficiary and the contract will be terminated.

b) After the Annuity Commencement Date, any remaining guaranteed annuity payments will be paid to the Beneficiary as they fall due. If your spouse is not the Beneficiary, any remaining guaranteed annuity payments will be commuted and paid in a lump sum to the Beneficiary.

## For residents of Québec

In this contract, all premiums paid become the property of Manulife and are allocated to the Ideal Segregated Funds, which are also owned by Manulife. Manulife has the sole authority to manage these premiums. However, Manulife agrees to distribute premiums among the various Funds according to the selection made by the contractholder.

Unless Manulife receives different instructions prior to your Annuity Commencement Date, Manulife will disburse your annuity as follows:

The first annuity payment will be made one year after your Annuity Commencement Date.

The annuity payments will be level and paid annually. The annuity payments will be payable until, but not including, your 90<sup>th</sup> birthday and for your life thereafter.

The annuity payments will be calculated using your Maturity Benefit Guarantee on your Annuity Commencement Date, multiplied by a factor based on your age (at your last birthday) and gender (see table below), divided by 1,000.

e.g. If you are a male aged 69, with a Maturity Benefit Guarantee of \$100,000, at your Annuity Commencement Date, your annual annuity payment would be calculated as  
 $(\$100,000 \times 39.5460) \div 1,000 = \$3,954.60$ .

Factor per \$1,000 of Maturity Benefit Guarantee		
Age (last birthday)	Male	Female
55	25.2120	24.6260
56	25.8750	25.2580
57	26.5750	25.9250
58	27.3170	26.6300
59	28.1030	27.3760
60	28.9370	28.1660
61	29.8240	29.0060
62	30.7680	29.8990
63	31.7760	30.8500
64	32.8520	31.8650
65	34.0040	32.9510
66	35.2400	34.1140
67	36.5690	35.3630
68	38.0000	36.7070
69	39.5460	38.1560
70	41.2190	39.7220
71	41.4310	41.0360

Other types of annuities are available and the type chosen can increase or decrease the factors shown in the table above.

However, Manulife reserves the right to change the calculation factors, provided contractholders receive written notice to this effect 60 days in advance, if the interest rate varies with respect to the official discount rate in effect at the Bank of Canada on June 30, 2007. In addition, if the Maturity Benefit Guarantee on the Annuity Commencement Date is less than \$10,000, Manulife also reserves the right to use a different factor or make a lump sum payment.



## Section IV – Registered Retirement Income Plans

### General

Investments made for the trust governed by this contract will be restricted to the qualified investments pursuant to Subsection 146.3(1) of the *Income Tax Act* (Canada) and will be selected at the sole discretion of Manulife.

### Current minimum requirements

All premiums paid into a registered retirement income plan must come from one or the sources of funds specified in Paragraph 146.3(2)(f) of the *Income Tax Act* (Canada).

Please refer to the administrative rules in effect at the time of the application transaction for minimum requirements.

### Assignments

This contract cannot be assigned and no annuity payable to you or your Spouse under this contract can be assigned in whole or in part.

### Retirement income payments

Manulife will not make any payments under a registered retirement income plan except in accordance with those described in paragraph 146.3(2)(a) of the *Income Tax Act* (Canada).

The type and method of retirement income payments will be as specified by you, provided that:

- the required yearly minimum amount, pursuant to subsection 146.3(1) of the *Income Tax Act* (Canada), is met and
- the required yearly minimum amount does not exceed the maximum amount, as specified by pension regulations, if applicable, except that if the maximum amount is less than the minimum amount then the minimum amount must be paid

The type and method of retirement income payments selected at inception will continue for the lifetime of the contract unless we receive other written instructions from you. Any alteration is subject to our approval and must conform to government regulations. Manulife reserves the right to charge an administration fee for multiple changes to the retirement income payments

in any given year. On December 31 of each year this contract is in force, if the retirement income payments for the year do not meet the minimum amount required, pursuant to the *Income Tax Act* (Canada), a payment will be made to bring payments for the year to the minimum.

### Transfers to another carrier

Upon receipt of your written request for a transfer to another carrier of retirement income plans, in proper form, Manulife will proceed to a partial withdrawal or a total withdrawal. Pursuant to paragraph 146.3(2)(e.1) or (e.2) of the *Income Tax Act* (Canada), Manulife will pay the contractholder the balance of the minimum payment at the time of transfer. The Contract Value may be subject to a withdrawal charge, as described in the *Withdrawal Charge* section. Manulife reserves the right to charge an administration fee in accordance with practices in effect at the time.

**The Contract Value of an Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**

### Free withdrawals

In the first year, you are allowed to withdraw up to 20 percent of the sum of premiums paid under the Contract during the year without incurring any withdrawal charges.

For each subsequent year, you are allowed to withdraw up to 20 percent of the sum of the Fund Values as at January 1 and 20 percent of any additional premiums paid under the Contract during the year.

This right is not cumulative and any unused amount of free withdrawals cannot be carried forward to future years.

Free withdrawals are not applicable on any total or partial withdrawals of your contract for the purpose of transferring funds to another carrier, to another load option or to another product.

### Series Maturity Date (LIF plans only)

If you have a LIF plan, depending on your provincial jurisdiction, your LIF may need to be transferred to an annuity on December 31 of the year in which you reach the age limit for maturity set by government regulation (referred to as the "Series Maturity Date").



## Payout Benefit Guarantee (for Registered Retirement Income Plans)

If your registered retirement income plan remains in force for a minimum period of 10 years (Ideal 75/75 and Ideal 75/100 Series) or 15 years (Ideal 100/100 Series) from the date of your first premium payment or last reset date, if applicable, Manulife guarantees that the amount paid as retirement income payments over the lifetime of your series will be at least 75 percent (Ideal 75/75 Series and Ideal 75/100 Series) or 100 percent (Ideal 100/100 Series) of your Maturity Guarantee Value. For additional premiums paid to the Ideal 100/100 Series that do not meet the 15-year minimum requirement, we will use 75 percent of the additional premiums for the purpose of calculating the Payout Benefit Guarantee. We will use the date of your first premium payment or last reset date, if applicable, in your registered retirement savings plan to determine the 10-year (Ideal 75/75 Series and Ideal 75/100 Series) or 15-year (Ideal 100/100 Series) minimum requirement and we will reduce your retirement income payments to zero for the purpose of calculating your Payout Benefit Guarantee.

**The Series Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

## Death Benefit Guarantee

If you have appointed your Spouse as Successor Annuitant, then on the day that Manulife is notified of your death, the retirement income payments will continue to your Spouse.

If you have not appointed your Spouse as Successor Annuitant, upon your death, payments will cease and Manulife will pay the Beneficiary a Death Benefit Guarantee equal to:

- a) The Series Value, determined on the Valuation Date coincident with or immediately following the day that Manulife is notified of your death,

or

- b) **If you were younger than 80 years of age when you paid your first premium into the series:** 100 percent (75 percent for the Ideal 75/75 Series) of the Death Guarantee Value less the sum of your scheduled retirement income payments since the last reset, if applicable.

**If you were 80 years or older when you paid your first premium into the series:** 75 percent of the Death Guarantee Value, less the sum of your scheduled retirement income payments.  
(Please note that you can only allocate premiums to segregated funds after age 80 if it is permitted by your provincial jurisdiction in the case of a LIF or LRIF).

whichever amount is greater.

**The Contract Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

On the Valuation Date coincident with or immediately following the day Manulife is notified of your death, Manulife will switch the Death Benefit Guarantee into the Ideal Money Market Fund. Upon receipt of all required documentation, the Fund Value of the Ideal Money Market Fund will be paid to the Beneficiary and the contract will be terminated.

## For residents of Québec

In this contract, all premiums paid become the property of Manulife and are allocated to the Ideal Segregated Funds, which are also owned by Manulife. Manulife has the sole authority to manage these premiums. However, Manulife agrees to distribute premiums among the various Funds according to the selection made by the contractholder.

At any time you may choose to convert your retirement income plan to a life annuity. If you elect to convert your retirement income plan to a life annuity, Manulife will disburse your annuity as follows:

The first annuity payment will be made one year after your conversion date.

The annuity payments will be level and paid annually. The annuity payments will be payable until, but not including, your 90th birthday and for your life thereafter.

The annuity payments will be calculated using your Contract Value (net of any applicable withdrawal charges) on your conversion date, multiplied by a factor based on your age (at your last birthday) and gender (see table below), divided by 1,000.

e.g. If you are a male aged 75, with a Contract Value of \$100,000, at your conversion date, your annual annuity payment would be calculated as

$$(\$100,000 \times 52.1360) \div 1,000 = \$5,213.60.$$

Factor per \$1,000 of Contract Value		
Age (last birthday)	Male	Female
55	25.2120	24.6260
56	25.8750	25.2580
57	26.5750	25.9250
58	27.3170	26.6300
59	28.1030	27.3760
60	28.9370	28.1660
61	29.8240	29.0060
62	30.7680	29.8990
63	31.7760	30.8500
64	32.8520	31.8650
65	34.0040	32.9510
66	35.2400	34.1140
67	36.5690	35.3630
68	38.0000	36.7070
69	39.5460	38.1560
70	41.2190	39.7220
71	43.0360	41.4310
72	45.0140	43.2770
73	47.1740	45.2880
74	49.5390	47.4860
75	52.1360	49.8920
76	54.9970	52.5360
77	58.1540	55.4440
78	61.6470	58.6510
79	65.5180	62.1920
80	69.8120	66.1000
81	74.6070	70.4020
82	79.8600	75.1250
83	85.6300	80.2730
84	91.9020	85.8160

Factor per \$1,000 of Contract Value (continue)		
Age (last birthday)	Male	Female
85	98.6100	91.6730
86	105.6040	97.6750
87	112.9180	103.8490
88	120.2890	109.9580
89	127.2680	115.6350
90	133.7900	121.1620

Other types of annuities are available and the type chosen can increase or decrease the factors show in the table above.

However, Manulife reserves the right to change the calculation factors, provided contractholders receive written notice to this effect 60 days in advance, if the interest rate varies with respect to the official discount rate in effect at the Bank of Canada on June 30, 2007. If the Contract Value on the Annuity Commencement Date is less than \$10,000, Manulife also reserves the right to use a different factor or make a lump sum payment.

# Ideal Segregated Funds Signature 2.0 Contract

## Tax-free Savings Account

Any part of the premium or other amount that is allocated to an Ideal Segregated Fund is invested at the risk of the contractholder and may increase or decrease in value.

## Section I – General provisions

This contract is a non-participating contract.

In this contract,

“You” and “your” refer to the Planholder, who is the owner, the Holder and the Annuitant of the Ideal Segregated Funds Signature 2.0 Tax-free Savings Account.

“We”, “our” and “us” refer to The Manufacturers Life Insurance Company, also referred to as “Manulife”.

### Definitions

**Annuitant:** The “Annuitant” is the person insured under the contract. The contract is based on the life of the Annuitant, who is also the Planholder, the Holder, and must be 18 years of age at the time the contract is entered into.

**Beneficiary:** The “Beneficiary” is the person who will receive the Death Benefit Guarantee if the Annuitant dies prior to the end of the contract under the condition that there is no Successor Planholder.

**Business Day:** A “Business Day” is any day on which the Toronto Stock Exchange is open for business.

**Death Guarantee Value:** Prior to any resets<sup>†</sup>, the Death Guarantee Value is equal to the sum of premiums paid less the sum of proportional reductions for prior withdrawals for a particular series.

If a reset has occurred (i.e. the Death Guarantee Value is reset to the Series Value), the Death Guarantee Value is equal to the last reset amount plus the sum of additional premiums paid less the sum of proportional reductions for prior withdrawals since the last reset, for a particular series.

**Distribution:** Distribution under a contract of which an individual is the Holder means a payment out of or under the contract in satisfaction of all or part of the Holder’s interest in the contract.

**Holder:** Holder of a contract means:

- a) until the death of the individual who entered into the contract with the issuer, the individual; and
- b) at and after the death of the individual, the individual’s survivor, if the survivor acquires
  - (i) all of the individual’s rights as the Holder of the contract, and
  - (ii) to the extent it is not included in the rights described in subparagraph (i), the unconditional right to revoke any Beneficiary designation made, or similar direction imposed, by the individual under the contract or relating to property held in connection with the contract.

**Ideal Segregated Fund:** This is a segregated Fund established by Manulife. In the contract, the word “Fund” refers to an Ideal Segregated Fund.

**Information Folder:** The “Information Folder” refers to the *Ideal Segregated Funds Signature 2.0 Information Folder*.

**Maturity Guarantee Value:** Prior to any resets<sup>†</sup>, the Maturity Guarantee Value is equal to the sum of premiums paid less the sum of proportional reductions for prior withdrawals for a particular series.

If a reset has occurred (i.e. the Maturity Guarantee Value is reset to the Series Value), the Maturity Guarantee Value is equal to the last reset amount plus the sum of additional premiums paid less the sum of proportional reductions for prior withdrawals since the last reset, for a particular series.

<sup>†</sup> We reserve the right to modify or withdraw the reset feature from your contract upon prior notice. We also reserve the right to refuse a reset request of your Maturity Guarantee Value. Resets are not applicable to the Ideal 75/75 Series.

**Spouse:** A “Spouse” is a spouse or common-law partner as recognized under the Income Tax Act (Canada).

**Successor Planholder:** A “Successor Planholder” is the individual who was changed to the new Planholder upon the death of the Planholder indicated on the application. Only a spouse or common-law partner, as defined by the *Income Tax Act* (Canada), can be named as Successor Planholder. The new Planholder may designate a subsequent Successor Planholder.

**Switch:** A “switch” is the partial or total reallocation of your premium from an Ideal Segregated Fund within a series and premium allocation option to any other Ideal Segregated Fund(s) within that same series and premium allocation option.

**Transfer:** A “transfer” is the withdrawal of units of a Fund in one premium allocation option, series or plan to acquire units of the same Fund or another Fund in a different premium allocation option, series or plan.

**Valuation Day/Date:** A “Valuation Day/Date” is a Business Day on which the Market Value and Unit Value of an Ideal Segregated Fund are calculated for transaction purposes. The Market and Unit Values of an Ideal Segregated Fund are normally calculated on each Business Day after the TSX closes. However, in some circumstances, Manulife may calculate these values on another day or at another time, at its discretion.

We reserve the right to stop offering any of the series, premium allocation options available within a series, at any time. We also reserve the right to stop offering any of the Funds available within a series, at any time, upon prior notice.

## Annuity

- The annuity payments will be payable to the Annuitant
- The annuity payments will commence on the Annuity Commencement Date, unless otherwise specified herein
- The annuity payments will be level and payable monthly for 10 years and for the life of the Annuitant thereafter
- The annuity payments will be calculated using the Maturity Benefit Guarantee on the Annuity Commencement Date and the then current annuity rates.

The annuity payments will follow the annuity policy provisions in effect at that time.

We reserve the right to change the frequency of the annuity so that the annuity payments meet our minimum annuity payment requirement. In no event will annuity payments be less frequent than once a year.

## Beneficiary

If a Successor Planholder has not been designated, any Death Benefit Guarantee will be paid to the Beneficiary.

If a Successor Planholder has been designated and predeceases the Planholder, the designated Beneficiary, if still living at the death of the Planholder, will receive the Death Benefit Guarantee.

## Contract

The contract is a Tax-free Savings Account, as specified on the application. The entire contract consists of the following:

- Application for Tax-free Savings Account
- Contract provisions for Tax-free Savings Account
- Notice of confirmation
- Fund Fact(s) for the Ideal Segregated Fund(s) you invested in, but **only** for the following elements of a Fund Fact: the name of the contract and of the Ideal Segregated Fund, the Management Expense Ratio, the risk disclosure, the fees and expenses and the right to cancel. The remedies available to you for any error in these elements of a Fund Fact will include reasonable measures by us to correct the error but will not entitle you to specific performance under the contract.

The Fund Facts information is accurate as of the date hereof and complies with the requirements set forth from time to time in the *CLHIA Guidelines on Individual Variable Insurance Contracts Relating to Segregated Funds* and the Quebec guidelines entitled *la Ligne directrice sur les contrats individuels à capital variable afférents aux fonds distincts*.

- Amendments or relevant written agreements made on or after the date of the application

There may be situations where we may no longer offer this contract. In such cases, we will provide you with prior notice and allow you to choose from alternative contracts.

### **Contract registration**

We will file with the minister of national revenue, an election to register this plan, pursuant to section 146.2 of the *Income Tax Act* (Canada) as a Tax-free Savings Account.

### **Alteration of the contract**

In order to be considered valid, any change to the terms of the contract must be submitted to us in writing and approved by one of our authorized signing officers.

### **Loans**

Loans are not available.

### **Currency**

All payments made to or by Manulife under this contract are to be made in Canada, in Canadian currency, unless otherwise stipulated.

### **Evidence**

Manulife reserves the right to require the Annuitant or Beneficiary, as the case may be, to provide, at the appropriate time and at their own expense, proof satisfactory to it of the survival and/or death of the Annuitant and entitlement of the claimant.

### **For residents of Alberta and British Columbia**

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

## **Section I –**

### **a) Ideal Segregated Funds**

This contract allows the Planholder to allocate premiums to the Ideal Segregated Fund(s) available in the different premium allocation options in a series at the time of the premium payment, switch or transfer.

The assets of the Ideal Segregated Funds are held by Manulife on behalf of the Planholder. The Ideal Segregated Funds are not separate legal entities. You do not own any of the assets of nor own an interest in the Ideal Segregated Funds. Rather, units of the selected Ideal Segregated Funds are allocated to your contract for determining the benefits to which you are entitled. As a result, you do not actually own, buy or sell any part of the Ideal Segregated Funds. For ease of understanding, we may use the terms “acquire”, “allocate”, “withdraw”, “switch” or “transfer” to refer to transactions of units within your contract.

Some of Manulife’s Ideal Segregated Funds invest a substantial portion of their assets in underlying funds. In some cases, Manulife Asset Management Limited, one of our affiliates, may be the investment fund manager of an individual variable insurance contract issued by Manulife. Planholders do not own an interest in the underlying funds and are not entitled to any of the rights of the unitholders of the underlying funds. The investment objectives of the underlying funds cannot be changed unless approved by the unitholders of such fund. In such case, Manulife will advise Planholders of changes to the fundamental investment objectives of the underlying funds.

Manulife reserves the right to add, terminate or discontinue offering a Fund within the Ideal Segregated Funds Signature 2.0 Contract. In the event of such changes we will provide you with prior notice.

For more information on the Ideal Segregated Funds, please refer to the Ideal Segregated Funds Signature 2.0 Information Folder and the Ideal Segregated Funds Signature 2.0 Fund Facts, which accompanies this contract. The Information Folder does not form part of the contract.

## Fundamental change

Any one of the following events will trigger a Fundamental change:

- An increase in Management Fees of an Ideal Segregated Fund;
- A change in the fundamental investment objective of an Ideal Segregated Fund;
- A decrease in the frequency with which units of segregated funds are valued; or
- An increase in Insurance Fee by more than the greater of 0.50 per calendar year or 50 percent of the current Insurance Fee.

In the event of a Fundamental change to an Ideal Segregated Fund, Manulife will give you 60 days' written notice. The notice will provide you with the following options:

- Switch into a similar Ideal Segregated Fund not subject to the same change, without charge; or
- Surrender your units of the Ideal Segregated Fund without charges, if a similar Fund is not available.

Please note that we must receive your instructions at least five days prior to the expiry of the notice period or we will proceed with the default option indicated in the written notice.

## Contract Value

The Contract Value is equal to the sum of all the Series Values under your Ideal Segregated Funds Signature 2.0 Contract.

**The Contract Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

## Fund Value

The Fund Value is the individual Planholder's total number of units credited to a Fund multiplied by the corresponding Unit Value established on the Valuation Date coincident with or immediately following the date the Fund Value is determined.

**The Fund Value of each Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**

## Management Fees, Insurance Fees and other expenses

A Management Fee is charged to each Ideal Segregated Fund on the Valuation Date. The Management Fees depend on the Ideal Segregated Fund and premium allocation option chosen. The Management Fees are currently calculated as a percentage of the Market Value of the net assets of the Fund on the date the fee is charged.

Manulife reserves the right to alter the Management Fees at any time, in which case we will provide you with prior notice.

An Insurance Fee is charged to each Ideal Segregated Fund, in addition to the Management Fee. The Insurance Fee is calculated as a percentage of the Ideal Segregated Fund's average daily Net Asset Value and is included in the Management Expense Ratio. The Insurance Fee is associated with the benefits guaranteed under the contract and varies depending on the Ideal Segregated Fund and series selected. Manulife reserves the right to alter the Insurance Fee at any time. An increase by more than the greater of 0.50 per calendar year or 50 percent of the current Insurance Fee will be considered a Fundamental Change. In the event of any increase in Insurance Fees, we will provide you with prior notice. Other expenses incurred in the ordinary course of business relating to the operation of the Ideal Segregated Funds will also be charged to the assets of each respective Fund. These expenses include, but are not limited to, legal, applicable taxes, audit and custodian fees, interest and bank charges, regulatory filing fees and any expenses that may be incurred to preserve the assets or income of the Fund. These expenses vary from year to year and from Fund to Fund. The Management Fees, Insurance Fees and other expenses paid by each Ideal Segregated Fund include the Management Fees paid by the underlying fund(s), where applicable. There is no duplication of Management Fees, Insurance Fees and other expenses. Most of these fees and expenses are subject to federal goods and services tax ("GST") and harmonized sales tax ("HST"). Management Fees and operating expenses payable by the Fund that are subject to GST are subject to the HST. Therefore, the Management Expense Ratio of a Fund may increase as a result of the additional tax payable on these fees and expenses.



## Market Value of Ideal Segregated Funds

The Market Value of each Ideal Segregated Fund will be determined on a Valuation Date. To determine the Unit Value of each Ideal Segregated Fund for trading purposes, the Market Value of an Ideal Segregated Fund's assets will be calculated based on the current price of the securities held in the Segregated Fund. Equity securities listed or traded on a stock exchange are valued at the closing price on the recognized stock exchange on which they are listed or principally traded. Equity securities not traded on the Valuation Date will be valued on the basis of the mean between bid and ask prices on that date. Bonds and asset-backed securities are valued on the basis of the median of the bid and ask quotations obtained from one or more recognized investment dealers. For all Ideal Segregated Funds, short-term notes are recorded at Market Value determined by taking the bid quotation from a recognized investment dealer. Investments in other investment funds not traded on a stock exchange are valued based on the Net Asset Value per unit on the Valuation Date. In all other cases, or if we deem that the foregoing calculation methods do not accurately reflect the fair value of the asset, the Market Value will be the fair market value as determined by us. Valuation for financial statement purposes is as disclosed in the financial statements. The Market Value of each Ideal Segregated Fund will always be determined at least once a month.

## Series Value

The Series Value is the sum of the Fund Values within a Series.

## Unit Value

For each Series (Ideal 75/75, Ideal 75/100 and Ideal 100/100 Series), three separate Unit Values are calculated for each Ideal Segregated Fund. A Unit Value is calculated for the Platinum option and F-Class option separately and another for the remaining premium allocation options (back-end load, low-load and no-load).

The Platinum Unit Values are calculated by dividing the Net Asset Value for this option within the series, by the total number of units outstanding for this option within the series immediately prior to the Valuation Date.

The F-Class Unit Values are calculated by dividing the Net Asset Value for this option within the series, by the total number of units outstanding for this option within the series immediately prior to the Valuation Date.

For all other premium allocation options (back-end load, low-load and no-load ) within a series, the Unit Values are calculated by dividing the Net Asset Value for these combined options within the series, by the total number of units outstanding for these combined options within the series immediately prior to the Valuation Date.

Net assets are equal to the Market Value of the Fund's assets less its liabilities (including Management Fees, Insurance Fees and other expenses).

The Unit Value of an Ideal Segregated Fund increases or decreases with changes in the Market Value of the assets of the Fund and by the reinvestment of net income.

**The Unit Value of each Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**

## Section I –

### b) Processing your instructions

#### Premium payment

You may place your premium allocation instructions through your advisor, who will then forward these instructions to us. If we receive your instructions at or before 4:00 p.m. Eastern Time on a Business Day, we will process them on that day. If we receive your instructions after 4:00 p.m. Eastern Time on a Business Day, we will process them on the next Valuation Day. The number of units of an Ideal Segregated Fund allocated to your contract is determined by dividing the premium by the Unit Value established on the Valuation Day on which your instructions are processed.

If we do not receive instructions or receive incomplete instructions, your premium will be allocated according to the administrative rules in effect at that time.

If you already own an Ideal Segregated Funds Signature 2.0 Contract with us of the same series type and premium allocation type, we will process your request as an additional premium to the existing contract. We will issue only one contract per plan type.



## Rescission rights

You may rescind the purchase of an Ideal Segregated Funds Signature 2.0 Contract and any allocation of premiums made to an Ideal Segregated Fund by sending us written notice requesting the rescission within two Business Days from the date you received confirmation of the purchase of the contract. For any allocation of premiums to a Fund other than those made at the time you purchase your contract, this right to rescind will only apply in respect to the additional allocated premiums, and written notice requesting the rescission must be provided within two Business Days from the date you received confirmation. The Planholder will be refunded the lesser of the amount invested and the value of the Fund on the Valuation Day following the day we received the request for rescission, plus any fees or charges associated with the transaction. A Planholder will be deemed to have received the confirmation five Business Days after it has been mailed by us.

**The value of units of each Ideal Segregated Fund allocated to your contract is not guaranteed and will fluctuate with the Market Value of the assets of the corresponding Fund.**

## Minimum requirements

Minimum requirements refer to minimum premiums and minimum balances to be maintained in your Ideal Segregated Funds Signature 2.0 Contract as defined by Manulife from time to time. Minimum requirements may vary by plan type and premium allocation option. Please refer to the administrative rules in effect at the time of the applicable transaction for minimum requirements.

Manulife may change these requirements from time to time without prior notice to you.

## Switches within Series

A switch is the partial or total reallocation of your premium from an Ideal Segregated Fund within a series and premium allocation option to any other Ideal Segregated Fund(s) within that same series and premium allocation option.

You may place your switch instructions through your advisor, who will then forward your instructions to us. If we receive your instructions at or before 4:00 p.m. Eastern Time on a Business Day, we will process them on that day. If we receive your instructions after 4:00 p.m. Eastern Time on a Business Day, we will process them on the next Valuation Day.

On the applicable Valuation Day, we will withdraw units of the Ideal Segregated Fund you have specified so that the number of units withdrawn multiplied by the Fund's Unit Value equals the amount to be switched from that Fund. We will then allocate the proceeds from the withdrawal to your selected Ideal Segregated Fund(s) and acquire units of the Fund(s) on your behalf. Withdrawal charges do not apply to Fund switches made within the same series and premium allocation options. Fund switches do not affect your series guarantees.

**The value of units withdrawn or acquired to affect a switch is not guaranteed and will fluctuate with the Market Value of the assets of the corresponding Ideal Segregated Fund.**

## Transfers between premium allocation options within the same Series

A transfer between premium allocation options is the withdrawal of units of a Fund in one premium allocation option to acquire units of the same or another Fund in a different premium allocation option within the same series. If we receive your transfer instructions at or before 4:00 p.m. Eastern Time on a Business Day, it will be processed on that day. If we receive your request after 4:00 p.m. Eastern Time on a Business Day, it will be processed on the next Valuation Day. Transfers between premium allocation options may affect your series guarantees. Transfers will be processed in accordance with the administrative rules in effect at the time of the transfers. Withdrawal charges may apply to transfers made between different premium allocation options. All transfers between premium allocation options must respect the minimums and other conditions of the premium allocation selected.

## Transfers between Plans

A transfer between plans is the withdrawal of units of a Fund in one plan to acquire units of the same Fund or another Fund in a different plan. If we receive your transfer request at or before 4:00 p.m. Eastern Time on a Business Day, it will be processed on that day. If we receive your request after 4:00 p.m. Eastern Time on a Business Day, it will be processed on the next Valuation Day. Transfers between plans may affect your guarantees. Transfers will be processed in accordance with the administrative rules in effect at the time of transfers. Withdrawal charges may apply to transfers made to a different plan.

## Transfers between Series

A transfer between series is the withdrawal of units of a Fund in one series to acquire units of the same or another Fund in a different series. If we receive your transfer request at or before 4:00 p.m. Eastern Time on a Business Day, it will be processed on that day. If we receive your request after 4:00 p.m. Eastern Time on a Business Day, it will be processed on the next Valuation Day. Transfers between series may affect your guarantees. Transfers will be processed in accordance with the administrative rules in effect at the time of transfers. Withdrawal charges may apply to transfers made between different series.

## Withdrawals and Withdrawal Value

At any time, you can request the total or partial withdrawal of units allocated to your contract. The Withdrawal Value is equal to the Contract Value less any applicable withdrawal charges. For a partial withdrawal, you must specify the Ideal Segregated Fund(s) from which the requested amount is to be withdrawn.

Withdrawal requests can be made in writing or electronically. If we receive your request at or before 4:00 p.m. Eastern Time on a Business Day, it will be processed on that day. If we receive your request after 4:00 p.m. Eastern Time on a Business Day, it will be processed on the next Valuation Day. You must provide us with all the documents needed to process your withdrawal in accordance with the administrative rules in effect at the time.

The amount to be withdrawn must exceed the minimum withdrawal amount requirement in effect at the time. After a withdrawal, minimum requirements must be met. We reserve the right to charge an administration fee on withdrawals.

**The Withdrawal Value or any portion thereof is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

## Withdrawal charge

Under the no-load option, Platinum no-load option and the F-Class option, there is no withdrawal charge applicable to total withdrawals and partial withdrawals of units held under your contract.

Under the back-end load option and low-load option, a withdrawal charge may be applicable to total and partial withdrawals of the units held under your contract. The withdrawal charge is determined on the Valuation Date coincident with or immediately following the receipt of your withdrawal request.

To determine the withdrawal charge, we first establish how many premiums are being withdrawn and when these premiums were paid. To account for fluctuations in Fund Values, we determine a premium equivalent amount, which is calculated as the amount withdrawn multiplied by the ratio of (1) the sum of premiums paid under your load option to the Ideal Segregated Funds Signature 2.0 Contract and not previously withdrawn and (2) the sum of the Fund Values under your load option. Then, premiums up to the premium equivalent amount are withdrawn in the order in which they were paid, regardless of the Ideal Segregated Fund and Series to which they were allocated or the Ideal Segregated Fund from which the withdrawal is affected. This ensures that premiums with the lowest withdrawal charge rates will be withdrawn first.

The withdrawal charge is calculated as the sum of charges applicable to each premium being withdrawn under your load option. For each premium (up to the premium equivalent amount), the withdrawal charge is equal to the premium multiplied by the charge rate applicable to that premium.

The charge rate applicable to a premium is based upon the number of years that have elapsed since the date of the payment of that premium, and declines over time as set out in the following tables:

Low-load withdrawal charge table	
Number of years since the payment of the premium	Charge rate applicable to the premium (%)
Up to 1 year	3
1 to 2 years	2
2 to 3 years	1
More than 3 years	0

Back-end load withdrawal charge table	
Number of years since the payment of the premium	Charge rate applicable to the premium
Up to 1 year	6
1 to 2 years	5
2 to 3 years	5
3 to 4 years	4
4 to 5 years	3
5 to 6 years	2
6 to 7 years	1
More than 7 years	0

We reserve the right to modify the above charge rate tables and its application, in which case we will provide you with prior notice. Any change we implement will only apply in respect of premiums paid on or after the effective date of the change.

The back-end load and low-load withdrawal charges are waived for the Death Benefit Guarantee.

Free withdrawals are available in all plans. Please refer to the specific contract section for details.

## Section II – Tax-Free Savings Account

### General

This contract is subject to the terms of the section 146.2 of *Income Tax Act* (Canada) and, where applicable, the *Taxation Act* (Québec) as follows:

As required by paragraph

- 146.2(2)(a), the contract will be maintained for the exclusive benefit of the Annuitant
- 146.2(2)(b), no individual other than the Annuitant and Manulife will have rights relating to the amount and timing of withdrawals and the investing of Funds
- 146.2(2)(c), premium payments can only be made by the Annuitant
- 146.2(2)(d), the contract will permit for withdrawals to be made to reduce the amount of tax otherwise payable by the Annuitant under section 207.02 or 207.03 of the *Income Tax Act* (Canada). These sections impose taxes on excess TFSA contributions and TFSA contributions made by the Annuitant while a non-resident of Canada.
- 146.2(2)(e), upon receipt of your written request for a transfer to another carrier of Tax-free Savings Account, in proper form, Manulife will proceed with a partial withdrawal or a total withdrawal. The Contract Value may be subject to a Withdrawal Charge, as described in the withdrawal charge section. Manulife reserves the right to charge an administration fee in accordance with practices in effect at the time.
- 146.2(2)(g) the contract will comply with prescribed conditions. Any issues that may arise in the implementation of the Tax-free Savings Accounts will be dealt with through regulations.

In the event of a withdrawal of an excess-contribution under this contract, we reserve the right to charge an administration fee for such payment.

## Free withdrawals

In the first year, you are allowed to withdraw up to 10 percent of the sum of premiums paid under the Contract during the year.

For each subsequent year, you are allowed to withdraw up to 10 percent of the sum of the Fund Values as at January 1 and 10 percent of additional premiums paid under the Contract during the year.

This right is not cumulative and any unused amount of free withdrawals cannot be carried forward to future years.

Requests for transfers between different premium allocation options are processed in accordance to our administrative guidelines in effect at that time.

## Pre-Authorized Debit (PAD) agreement

This program allows you to pay regular premiums into your Ideal Segregated Funds Signature 2.0 Contract through automatic debit from your bank account.

A returned payment due to not-sufficient funds or funds not cleared will cause the PAD agreement to cancel and a new agreement will be required to return to the PAD method of payment.

You may waive the right to receive pre-notification of the amount of the PAD and therefore agree that you do not require advance notice of the amount of PAD(s) before the debit(s) is processed.

You have certain recourse rights if any debit does not comply with this agreement. You have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD agreement. To obtain more information on your recourse rights, you may contact your financial institution, Manulife or visit [www.cdnpay.ca](http://www.cdnpay.ca).

## Annuity Commencement Date

The first premium payment into your Ideal Segregated Funds Signature 2.0 Contract must be made at least 10 complete years (Ideal 75/75 Series and Ideal 75/100 Series) or 15 complete years (Ideal 100/100 Series) before the Annuity Commencement Date. The Annuity Commencement Date for the Ideal 75/75 Series, Ideal 75/100 Series, and Ideal 100/100 Series is the

Annuitant's 100th birthday. However, prior to reaching the Annuity Commencement Date, you have the option to extend the Annuity Commencement Date beyond 100 years of age.

## Series Maturity Date

The Series Maturity Date is when the Maturity Benefit Guarantee for the series is payable. The Series Maturity Date for the Ideal 75/75 Series is the Annuitant's 100th birthday. You may select a Series Maturity Date provided that it is at least 10 years (Ideal 75/100 Series) or 15 years (Ideal 100/100 Series) from the date of your first premium payment or last reset in the series. In the event that a date is not specified, the default Series Maturity Date for the Ideal 75/100 Series and the Ideal 100/100 Series is the Annuitant's 100th birthday. However, prior to reaching the default Series Maturity Date, you will have the option to extend the default Series Maturity Date (for all series).

You may change the Series Maturity Date by submitting a written request at least one year prior to both the new Series Maturity Date you are selecting and the Series Maturity Date in effect at the time. Any change is subject to our approval. You will not be allowed to alter the Series Maturity Date to a date that is less than 10 complete years (Ideal 75/100 Series) or 15 complete years (Ideal 100/100 Series) from the date of your first premium payment or last reset in the series. Any change to the Series Maturity Date can result in a change to the calculation of the guarantees.

## Maturity Benefit Guarantee

The Maturity Benefit Guarantee for your Ideal 75/75 Series and Ideal 75/100 Series is equal to:

a) the Series Value, determined on the Valuation Date coincident with or immediately following the Series Maturity Date;

or

b) 75 percent of the Maturity Guarantee Value;

whichever amount is greater - on the condition that your series has been in force for a minimum of 10 years from the date of your first premium payment or last reset date, if applicable.

The Maturity Benefit Guarantee for your Ideal 100/100 Series is equal to:

a) the Series Value, determined on the Valuation Date coincident with or immediately following the Series Maturity Date;

or

b) 100 percent of the Maturity Guarantee Value;

whichever amount is greater – on the condition that there is at least 15 years from the first premium payment date or last reset date. For additional premiums paid to the series that do not meet the 15-year minimum requirement (i.e. when there is less than 15 years from the premium payment date or last reset date), we will use 75 percent of the additional premiums for the purpose of calculating the Maturity Benefit Guarantee.

**The Series Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

### Death Benefit Guarantee

For your Ideal Segregated Funds Signature 2.0 Contract, if a Successor Planholder has not been designated, in the event of the death of the Annuitant:

a) On or before the Series Maturity Date, Manulife will pay the Beneficiary a Death Benefit Guarantee equal to:

i) the Series Value, determined on the Valuation Date coincident with or immediately following the day Manulife is notified of your death;

or

ii) **If the Annuitant was younger than 80 years of age when the first premium was paid into the Series:** 100 percent (75 percent for the Ideal 75/75 Series) of the Death Guarantee Value;

**If the Annuitant was 80 years of age or older when the first premium was paid into the Series:** 75 percent of the Death Guarantee Value;

whichever amount is greater.

**The Series Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

On the Valuation Date coincident with or immediately following the day Manulife is notified of the death of the Annuitant, Manulife will transfer the Death Benefit Guarantee into the Ideal Money Market Fund. Upon receipt of all required documentation, the Fund Value of the Ideal Money Market Fund will be paid to the Beneficiary and the contract will be terminated.

b) After the Annuity Commencement Date, any remaining guaranteed annuity payments will be paid to the Beneficiary as they fall due.

### For residents of Québec

In this contract, all premiums paid become the property of Manulife and are allocated to the Ideal Segregated Funds, which are also owned by Manulife. Manulife has the sole authority to manage these premiums. However, Manulife agrees to distribute premiums among the various Funds according to the selection made by the Planholder.

Unless Manulife receives different instructions prior to your Annuity Commencement Date, Manulife will disburse the annuity as follows:

The first annuity payment will be made one year after your Annuity Commencement Date.

The annuity payments will be level and paid annually for 15 years.

The annual annuity payments will be calculated using the Maturity Benefit Guarantee on the Annuity Commencement Date multiplied by a factor of 66.9444 and divided by 1,000.

e.g.  $(\$100,000 \times 66.944) \div 1,000 = \$6,694.40$

Other types of annuities are available and the type chosen can increase or decrease the factor shown above.

However, Manulife reserves the right to change the calculation factors, provided Planholders receive written notice to this effect 60 days in advance, if the interest rate varies with respect to the official discount rate in effect at the Bank of Canada on June 30, 2007. If the Maturity Benefit Guarantee on the Annuity Commencement Date is less than \$20,000, Manulife also reserves the right to make a lump sum payment.











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