



Ideal Portfolios

Find your investment comfort zone

Standard Life

Under a Conveyance and Assumption Agreement, The Manufacturers Life Insurance Company assumed all of the liabilities of The Standard Life Assurance Company of Canada.

Ideal Portfolios are built so that it's easy to find the one that matches your attitude towards risk - your investment comfort zone.

Effective July 1, 2015, Manulife Asset Management Accord (2015) Inc. (formerly Standard Life Investments Inc.) was amalgamated with Manulife Asset Management Limited.

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Take steps to balance risk and reward with the built-in guarantees of segregated funds



You brush your teeth, buckle your seat belt, and keep your passwords in a safe place because being risk conscious is part of your day to day life.

Now it's time to take the same approach with your money.

Ideal Portfolios — available in Manulife Financial's Ideal Segregated Funds Signature 2.0 Contract — are segregated funds that invest in underlying mutual funds.¹

This means you can access the growth potential of mutual funds, plus built-in guarantees you can only get with a segregated fund.

¹ Mutual Funds are offered by Manulife Asset Management Limited. Following the amalgamation of Standard Life Mutual Funds Ltd. with Manulife Asset Management Limited, effective July 1, 2015, Manulife Asset Management Limited is now the investment fund manager of the Standard Life mutual funds.

Benefits:

- ▶ A portfolio with an approach to risk that matches yours. We have 5 to choose from. Your advisor will recommend the one that's right for you
- ▶ Built-in guarantees within segregated funds. Choose the level of protection that works for you
- ▶ Offered by The Manufacturers Life Insurance Company
- ▶ Rigorous fund selection process that includes ongoing monitoring and tactical asset allocation by experts
- ▶ Risk allocation based on your comfort level that aims to maximize your potential return over the medium to long term
- ▶ Simplicity and peace of mind

Built-in guarantees within segregated funds can help you keep calm - even when markets aren't

Segregated funds are similar to mutual funds, but with a few important differences

Like mutual funds, they pool the investments of many people, so that the money of all the investors can work together. However, a segregated fund is an insurance contract (technically, an individual variable insurance contract) and you can only buy one from a life insurance company. Segregated funds offer guarantees and features not available with mutual funds.



² In some provinces such as Saskatchewan, this may not apply due to disclosure requirements. As these requirements change from time to time, we suggest that you consult with your advisor on this.

They also offer:

Probate bypass opportunities: Probate is a legal process that certifies a will and transfers assets to heirs. It can be time consuming and expensive, as most provincial governments charge probate fees. Since segregated funds are insurance contracts, they don't flow into the estate if you have a designated beneficiary on your contract.

- ▶ Your beneficiaries receive the money quickly
- ▶ There are no probate fees taken from the value of the estate

Note: This advantage isn't applicable in Quebec, where notarial wills don't need to be probated, and holograph wills and wills made in the presence of witnesses have minimal probate fees.

Privacy²: Once a will is probated, it becomes a publicly available record in the province of residence. Segregated funds with a named beneficiary don't form part of an estate. Your beneficiaries can receive their inheritance quickly and privately.

Potential for creditor protection: If you go bankrupt or are exposed to a lawsuit, having a preferred class beneficiary can protect the money held in a segregated fund from being seized.

If you are a professional or business owner, we suggest that you explore this further.

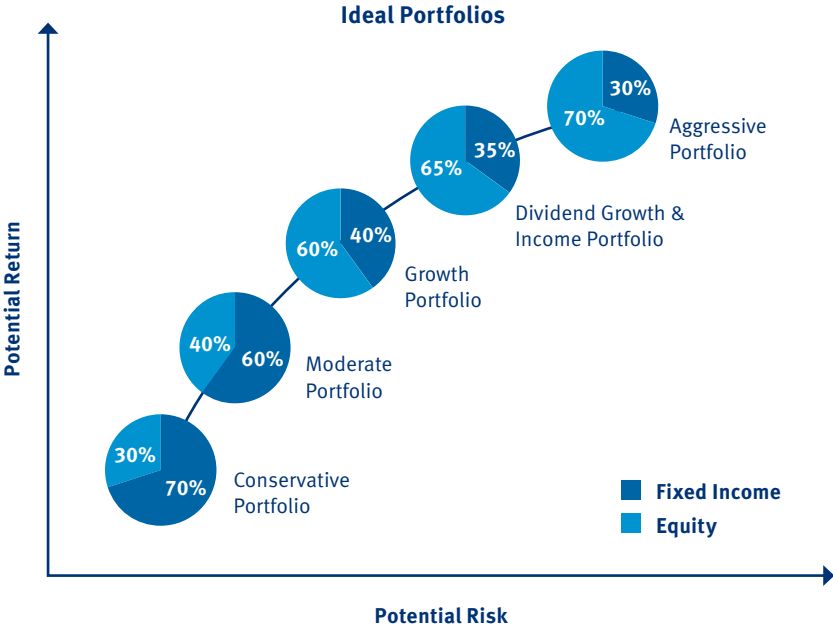


Consult a legal advisor, since there are some circumstances where creditor protection may not apply.

You are who you are. We take that into account.

Selecting the right portfolio is easy. Your advisor will help you complete a questionnaire to determine the portfolio that suits you best.

Portfolio name	Your profile
Conservative	<p>If you place yourself in the “risk averse” camp, this portfolio may be for you.</p> <ul style="list-style-type: none"> ▶ Designed to be the most stable portfolio in the Ideal Portfolios family ▶ Aims to generate income and preserve capital
Moderate	<p>If you’re comfortable with a moderate amount of volatility, this portfolio may be for you.</p> <ul style="list-style-type: none"> ▶ Designed to offer a little more exposure to market ups and downs in return for the potential for higher returns ▶ Aims to generate income and moderate long-term capital growth
Growth	<p>If you’re willing to tolerate more risk in order to aim for potentially higher returns over the long term, this portfolio may be for you.</p> <ul style="list-style-type: none"> ▶ Designed to offer increased potential for capital growth ▶ Aims to generate long-term capital growth and moderate income
Dividend Growth & Income	<p>If you’re looking for growth and regular income, this portfolio may be for you.</p> <ul style="list-style-type: none"> ▶ Focused on dividend growth and monthly income funds ▶ Aims to achieve long-term capital growth
Aggressive	<p>If you’re willing to assume a higher degree of risk, this portfolio may be for you.</p> <ul style="list-style-type: none"> ▶ Designed to offer global diversification with a focus on equity funds ▶ Aims to achieve long-term capital growth



The presented benchmark compositions are for illustration purposes only. Actual composition may vary. Benchmarks are based on the strategic asset mixes of each fund. Please refer to the Tactical Asset Allocation documents for Ideal Segregated Funds Signature 2.0 (7342) and for Ideal Segregated Funds (5651) for each fund’s asset mix.

What makes Ideal Portfolios a smart choice for today's markets?

All portfolios strive to manage risk levels, but they do so in different ways. With the guidance of the primary asset manager of most of the underlying funds, Manulife Asset Management Limited, we adopted the risk-based approach because we believe it is an improvement to the traditional asset allocation approach.

Asset allocation approach

Traditional portfolios are generally built around two principles:

1.

Allocate assets to maximize returns

2.

Diversify assets to minimize risk

Ideal Portfolios

Ideal Portfolios are built around the same two principles as the asset allocation approach but with a subtle, yet significant difference: Attention to risk comes first.

1.

Allocate assets based on their expected risk contribution to the portfolio

2.

Once risk levels are taken into account, allocate assets to maximize returns



Manulife Financial is guided by Manulife Asset Management Limited whose risk centered process is designed to reduce portfolio sensitivity to market swings. Your advisor will help you select the portfolio that is right for you, in part, based on your attitude towards risk. When you invest in that portfolio, you'll be getting a product that is managed and monitored to meet the chosen risk level.





Portfolio construction: A 3-step process

1. Strategic asset allocation

Based on a detailed analysis of how different asset classes might behave in the portfolio and how they are expected to perform with one another, Manulife Asset Management Limited, identifies a strategic asset mix that aims to deliver the highest returns for the specified risk level.

2. Tactical asset allocation

Within the forecasted risk level, Manulife Asset Management Limited aims to improve the performance of the portfolios through tactical asset allocation by taking advantage of shorter term investments and market opportunities.

3. Fund selection and due diligence

Manulife Asset Management Limited aims to choose funds which they believe will perform well and complement each other in the portfolio.

Manulife Asset Management Limited has built ongoing rebalancing and monitoring into the governance framework of the Ideal Portfolios. They do this by regularly reviewing the strategic asset allocation to optimize the expected return of the portfolio. They are continually monitoring the tactical asset allocation in order to take advantage of shorter term investment opportunities.

The result: a portfolio engineered to target the highest potential returns achievable for its forecasted level of risk.



Diversification is on your side

Diversification plays a key role to help reduce overall risk.

In the example below, the portfolio with the least diversification (Portfolio A) has the highest volatility. As asset classes are added and diversification increases, volatility goes down. Risk is reduced by close to 50% for the diversified portfolio (Portfolio D).³

Don't forget to diversify

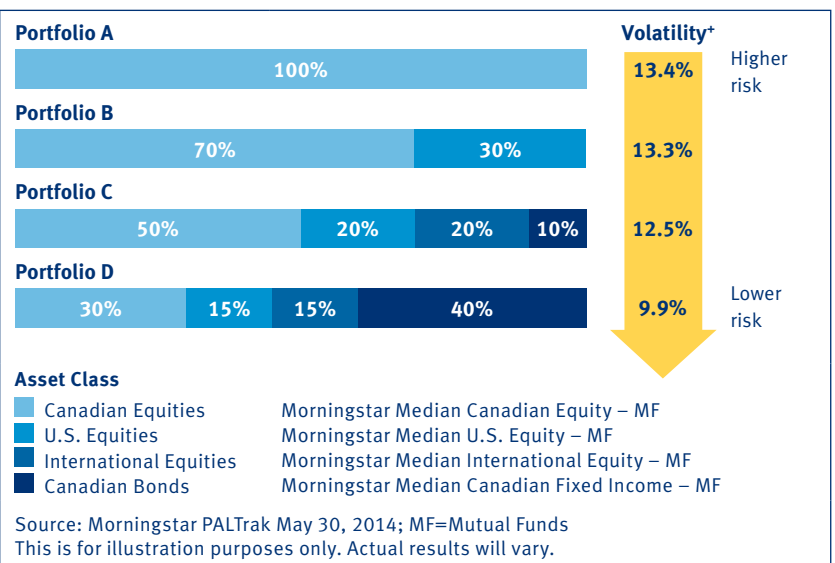
Diversification is a fundamental rule in investing, so you don't have all your eggs in one basket.

That's where Ideal Portfolios can offer you a real advantage. The underlying funds invest across many different types of investments – called asset classes – like stocks and bonds and also invest in a range of countries in addition to Canada. This diversification can help spread the risk.

The asset allocation within each portfolio depends on its risk rating. So, for example, the Ideal Growth Portfolio is weighted towards higher risk asset classes than the Ideal Conservative Portfolio.

Different asset classes respond differently to changes in the economic conditions. Some could go up in value, some down. Spreading your money across asset classes helps smooth out your investment over time. Be aware though, even a well-diversified portfolio can still fall in value.

See how diversification reduces risk



³ Over the 25-year period ending May 30, 2014, the portfolios, in the order in which they are presented, returned 7.4%, 7.1%, 6.9%, 6.8% respectively. Returns are annualized, net of fees and in Canadian dollars.

⁺ Volatility is measured by using the 25-year standard deviation of returns.

Who is looking after my chosen portfolio?

Ideal Portfolios are offered by The Manufacturers Life Insurance Company. Most of the underlying funds are managed by Manulife Asset Management Limited.

Manulife Asset Management Limited offers a wide range of investment solutions backed by a distinctive philosophy, disciplined risk management and shared commitment to a culture of investment excellence

Manulife Asset Management Limited places significant emphasis on rigorous research. They constantly think ahead and strive to anticipate change before it happens, ensuring that clients can look to the future with confidence

Ideal Portfolios may also include funds from Beutel, Goodman & Company Ltd. and Guardian Capital LP to bring an added level of diversification through style.



How does it all come together?

When you invest in an Ideal Portfolio, you're accessing the expertise of Manulife Asset Management Limited

Asset Mix Strategy Committee - Manulife Asset Management Limited

This committee meets every two weeks to review the economy and financial markets

It examines broad economic, fundamental, technical, quantitative market and industry data

The committee recommends an asset mix based on a 12 to 18 month outlook





Ideal Portfolios at a glance

Ideal Portfolios⁴ are available in the Ideal Segregated Funds Signature 2.0 Contract, under the: Ideal 75/100 Series and Ideal 100/100 Series.

Our advantage

- 1.** Payout Benefit Guarantee on registered retirement income plans protects the income over the lifetime of the series (provided the minimum period is met)
- 2.** Dollar-for-dollar reduction of guarantees on registered retirement income plans could leave you or your beneficiaries with more money:
 - Death Benefit Guarantee
 - Payout Benefit Guarantee
- 3.** Maturity Benefit Guarantee:
 - 75% through Ideal 75/100 Series
 - 100% through Ideal 100/100 Series
- 4.** Series-based Maturity Benefit Guarantee means all your premiums are eligible for the guarantee at the same time as your initial premium
- 5.** Increase your guarantees with resets (refer to Information Folder for details)
- 6.** Benefit from lower management fees through our Platinum Option (minimum investment of \$250,000)
- 7.** Sigma Assistel gives clients access to a 24/7 phone resource line for non-financial matters

⁴ Most Ideal Portfolios are also available in the Ideal Segregated Funds Contract. Please refer to the Information Folder for more details.



Estate preservation

1. 100% Death Benefit Guarantee for full capital protection (75% if the person insured is age 80 and over at purchase)
2. Opportunities to bypass probate fees, executor fees and delays⁵

⁵ In Quebec, notarial wills don't need to be probated. Probate fees are minimal for both holograph wills and wills made in the presence of witnesses.

Additional segregated fund benefits

1. Help protect your assets in the event of a bankruptcy (there are some situations where creditor protection doesn't apply – ask a legal advisor)
2. The Manufacturers Life Insurance Company is a member of Assuris

The Ideal Portfolio advantage





Find your investment comfort zone

A portfolio designed to maximize potential returns within a forecasted range of risk

A portfolio with the ability to react quickly to market trends

A portfolio with built-in guarantees and other segregated fund benefits

Active portfolio monitoring and rebalancing

Professional fund selection by experts

The result: a portfolio engineered to target the highest returns achievable for its assigned level of risk.

Find out more

Speak to your advisor.

This document is intended for general information only. It should not be construed as legal, accounting, tax or specific investment advice. Clients should consult a professional advisor concerning their situations and any specific investment matters. While reasonable steps have been taken to ensure that this information was accurate as of the date hereof, The Manufacturers Life Insurance Company's (Manulife Financial) and its affiliates make no representation or warranty as to the accuracy of this information and assume no responsibility for reliance upon it.

Some portfolios may not be available on all load options. Ideal Portfolios are offered on Manulife Financial Ideal Segregated Funds Signature 2.0 Contract. Most Ideal Portfolios are also offered on the Ideal Segregated Funds Contract.

A description of the key features of Manulife Financial's Ideal Portfolios is contained in the Information Folder and Contract. Please consult the Information Folder regarding all conditions relating to guarantees and the reset feature.

The information has been simplified for the purpose of this document, and if there are any inconsistencies between the information presented in this document and the Ideal Segregated Funds Signature 2.0 Information Folder and Contract, or the Ideal Segregated Funds Information Folder and Contract, the respective Information Folder and Contract will prevail. Subject to any applicable death and maturity guarantee, any part of the premium or other amount allocated to an Ideal Portfolio is invested at the risk of the contractholder and may increase or decrease in value according to fluctuations in the market value of the assets of the Ideal Portfolio.

Manulife Financial reserves the right to modify, without prior notice, the tactical asset mix, percentage range and choice of funds as long as the change respects the objectives of the portfolio.

The Manufacturers Life Insurance Company

www.standardlife.ca