

Ideal Select Portfolios

Helping you choose a financial path
that's right for you

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.

A man with dark hair and glasses, wearing a dark suit, light blue shirt, and patterned tie, is looking down at a newspaper he is holding. The background is a blurred outdoor scene with other people and trees, suggesting a busy public area like a transit station or a city square.

Contents

- 01** Designed to be an easy solution to a difficult challenge
- 02** Built-in guarantees within segregated funds
- 04** You are who you are. We take that into account
- 05** Choose the protection level that works for you
- 06** Attention to quality helps Ideal Select Portfolios stand out
- 08** Which funds meet the Quality & Choice standards?
- 09** Don't forget the value of diversification
- 10** Ideal Select Portfolios at a glance
- 12** Rest easy with your choice

Designed to be an easy solution to a difficult challenge

When it comes to financial planning, you'll probably appreciate the assistance of an expert navigator. Ideal Select Portfolios are carefully crafted segregated fund solutions designed with ease, protection, and impeccable quality in mind. They offer you access to the growth potential of the markets and funds managed by industry leaders. You may also enjoy the peace of mind that comes with guarantees (at maturity, payout and death) and the knowledge that experts are keeping watch over your portfolio.

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:

- ▶ Your advisor can guide you to a portfolio that suits your investment personality and risk profile. There are five portfolios to choose from
- ▶ Select a segregated fund guarantee protection level. There are two levels to choose from
- ▶ Rest easy knowing your portfolio benefits from ongoing review guided by the Quality & Choice Investment Program. This established program conducts due diligence, monitors performance and fund managers while providing guidance on fund selection
- ▶ Names you know. The portfolios invest in underlying funds managed by respected firms such as Manulife Asset Management Limited, Fidelity Investments, Franklin Templeton Investments, and Invesco Canada
- ▶ Offered by The Manufacturers Life Insurance Company. You can trust us. Over a million Canadians do
- ▶ Easy-to-read statements
- ▶ Simplicity and peace of mind



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

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.

On top of letting you access the growth potential of the markets, segregated funds:

Limit your exposure to market downturns with built-in guarantees at maturity, payout and death. These can protect your money for you or your estate

Let you lock-in gains with resets of your guarantees

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 investment

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.

Privacy

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.

In some provinces such as Saskatchewan, this may not apply as a result of disclosure requirements. As these requirements change from time to time, we suggest you consult your advisor on this.

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
Ideal Select Conservative Portfolio	<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 Select Portfolios family ▶ Aims to generate income and preserve capital
Ideal Select Moderate Portfolio	<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
Ideal Select Growth Portfolio	<p>If you're willing to tolerate more risk in order to aim for 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
Ideal Select Dividend Growth & Income Portfolio	<p>If you're looking for growth and regular income, this portfolio may be for you.</p> <ul style="list-style-type: none"> ▶ The portfolio primarily invests in a diversified mix of funds with a focus on dividend growth and monthly income funds ▶ Aims to achieve long-term capital growth
Ideal Select Aggressive Portfolio	<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 some stability from fixed income exposure ▶ Aims to achieve long-term capital growth

Choose the protection level that works for you

Once you've selected a portfolio, you also need to decide on the guarantee level you wish to have. There are two series available with Ideal Select Portfolios:

Ideal 75/100 Series

- ▶ Consider this series if you want access to the growth potential of the markets, partial capital protection, and full protection to preserve your estate for loved ones
- ▶ Guarantees 75% of your principal at maturity/payout¹, and 100% at death (if you or the person insured are age 80 or over when you buy the series, 75% of your principal is protected at death)

¹The guarantee is payable on the condition that the series has been in force for at least 10 years (for Ideal 75/100 Series) or 15 years (for Ideal 100/100 Series) from the date of the first premium payment, or if resets have occurred, from the last reset date. For the Ideal 100/100 Series, additional premiums that have been in the series for less than 15 years are guaranteed at 75%.

Ideal 100/100 Series

- ▶ Consider this series if you want full capital and estate protection plus access to the growth potential of the markets
- ▶ Guarantees 100% of your principal at maturity/payout¹ and at death – our highest level of protection (if you or the person insured are age 80 or over when you buy the series, 75% of your principal is protected at death)

All our series are available in registered and non-registered savings plans, Tax-Free Savings Accounts, and registered retirement income plans. They're all designed to offer you growth potential along with protection.



Attention to quality helps Ideal Select Portfolios stand out

Ideal Select Portfolios are offered by The Manufacturers Life Insurance Company. The underlying funds are reviewed and selected by the Quality & Choice Investment Program (Q&C), a program running since 2008. An Investment Governance Committee reviews and approves the Q&C team's recommendations. Originally established to oversee institutional client investments, the Quality & Choice Investment Program is now being made available to individual investors through Ideal Select Portfolios.

How it works

Our focus is on:

- ▶ Quarterly portfolio rebalancing, to keep portfolios on target per their risk profile
- ▶ Consulting with the Quality & Choice Investment Program to select funds for each portfolio
- ▶ Maintaining top notch and diversified funds in terms of both asset classes and management styles

Learn about Quality & Choice

This is a robust program that focuses on selecting funds and evaluating them on an ongoing basis to maintain quality. It's built around three core principles:

1. Quality

Does the investment firm adhere to standards of practice which will enable us to service our clients with consistency on an ongoing basis?

2. Choice

Do the funds offer expanded choice by complementing the current fund line-up?

3. Value

Is there a demand for the funds/manager which will enable us to attract substantial assets and offer this product to our clients, through our segregated funds, at an attractive price?



For a fund to even be considered by the Q&C program (and your portfolio) it has to meet each of these criteria.

Once a fund is included in the program, the Quality & Choice process regularly reviews managers and their funds, performing due diligence and governance on an ongoing basis.

What is governance to the power of R³?

The best investment resources go into monitoring funds in the Quality & Choice Investment Program. The process is called R³ which stands for:

Research

Investment experts subject each fund and fund manager to a battery of qualitative and quantitative tests and analyses.

Rigour

Each fund goes under the microscope, where it is subjected to internal, external and executive peer reviews to ensure there are no favourites, no hunches, but just the facts.

Ratings

After each fund passes through the gauntlet of research and review, it gets a report card with the ratings of the funds and their managers. These ratings determine whether or not a fund is retained in the Quality & Choice Investment Program.



The ultimate goal is to ensure that the funds meet exacting quality standards. The best feature is that all the monitoring, testing and review are taken care of.

Which funds meet the Quality & Choice standards?

Funds in each Ideal Select Portfolio are managed by Manulife Asset Management Limited or a select group of third-party managers. Combining funds and fund managers in this way provides an extra layer of protection against market risk, as you benefit from diversity of management style.

About Manulife Asset Management Limited

Manulife Asset Management Limited offers a wide range of investment products.

About the third-party managers

Ideal Select Portfolios may also include (but are not limited to) funds from: Fidelity Investments, Franklin Templeton Investments, and Invesco Canada. The inclusion of these well-known managers brings an added level of diversification through management style.



For more information about the underlying funds making up the portfolios, ask your advisor or visit the "I am an individual" "Ideal Segregated Funds" section at standardlife.ca

Don't forget the value of diversification

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

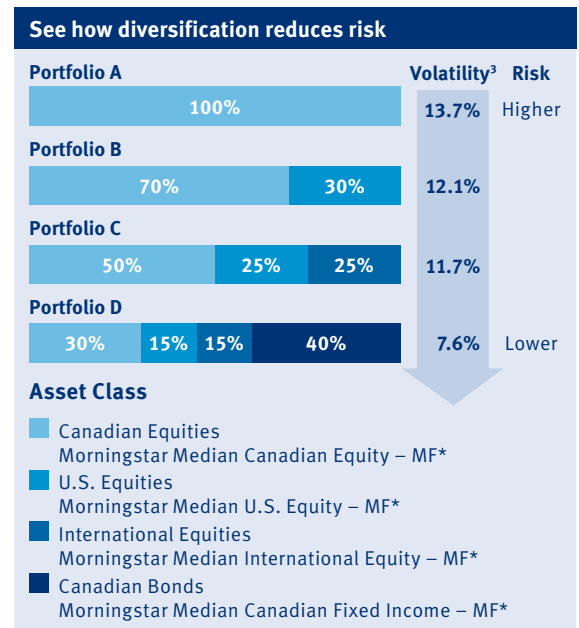
² Over the 25-year period ending September 30, 2013, the portfolios, in the order in which they are presented returned 7.9%, 7.1%, 6.5%, and 6.6% respectively. Returns are annualized, net of fees and in Canadian dollars.

³ Volatility is measured by using the 25-year standard deviation of returns.

During periods of market turbulence, many investors aren't sure where it's best to invest. That's where Ideal Select Portfolios offer an advantage. They invest across many different types of investments – called asset classes – like stocks, bonds and real estate. They also invest in a range of countries in addition to Canada, and in funds from a variety of managers. This diversification can help spread the risk.

The asset allocation within each portfolio depends on its risk rating. So, for example, the Growth Portfolio is weighted towards higher risk asset classes than the 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 volatility over time. Be aware though, even a well-diversified portfolio can still fall in value.

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 usually goes down. Risk is reduced by close to 50% for the diversified portfolio (Portfolio D).²



Source: Morningstar PALTrak September 30, 2013
This is for illustration purposes only. Actual results may vary.

*MF=Mutual Funds

Ideal Select Portfolios at a glance

Ideal Select Portfolios are available on the Ideal Segregated Funds Signature 2.0 Contract.

You can choose between two levels of protection: Ideal 75/100 Series and Ideal 100/100 Series.

The advantages

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
-

Maturity Benefit Guarantee:

- ▶ 75% through Ideal 75/100 Series
 - ▶ 100% through Ideal 100/100 Series
-

Payout Benefit Guarantee on registered retirement income plans protects the income over the lifetime of the series (provided the minimum period is met)

Series-based Maturity Benefit Guarantee means all your premiums are eligible for the guarantee at the same time as your initial premium

Increase your guarantees with resets (refer to Information Folder for details)

Benefit from lower management fees through our Platinum Option (minimum investment of \$250,000 per contract)

Sigma Assistel gives you access to a 24/7 phone resource line for non-financial matters at no additional cost



⁴ 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.

Estate preservation

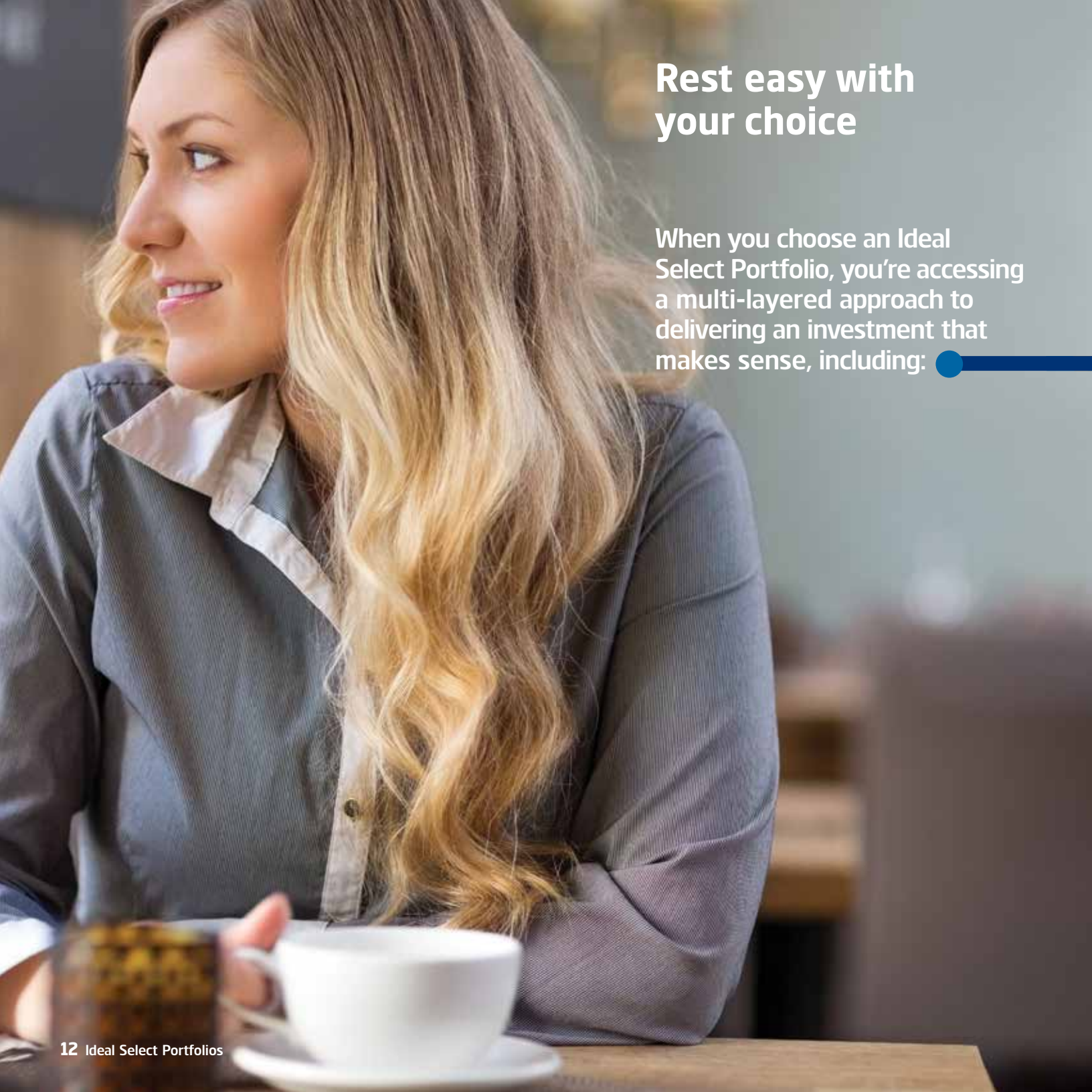
100% Death Benefit Guarantee for full capital protection
(75% if the person insured is age 80 and over at purchase)

Opportunities to bypass probate fees, executor fees and delays⁴

Additional segregated fund benefits

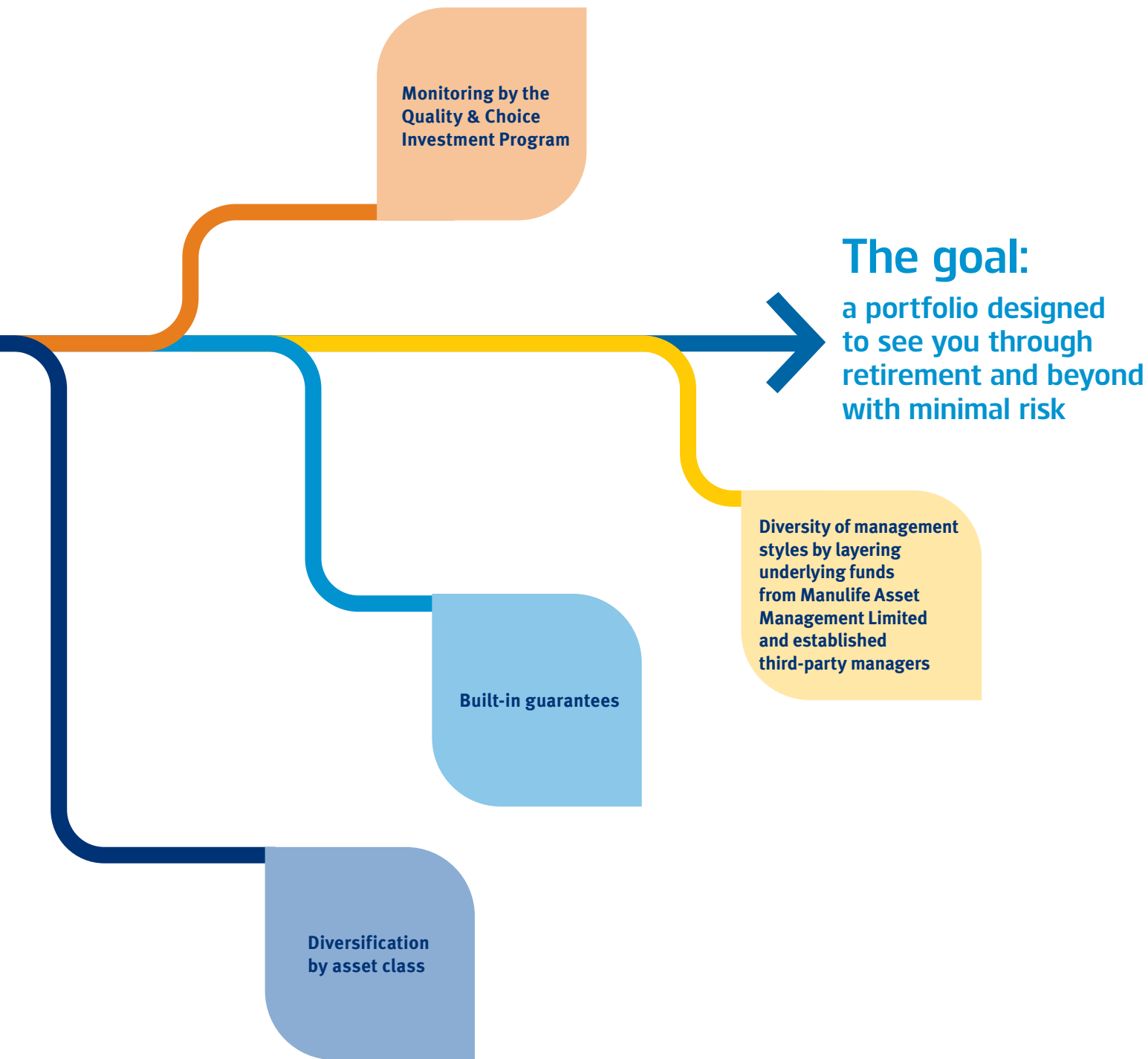
Help protect your assets in the event of a bankruptcy (there are some situations where creditor protection doesn't apply – ask a legal advisor)

The Manufacturers Life Insurance Company is a member of Assuris

A woman with long, wavy blonde hair is shown in profile, looking towards the left. She is wearing a grey button-down shirt over a white collared shirt. She is sitting at a wooden table with a white coffee cup and saucer in front of her. The background is a blurred indoor setting, possibly a cafe or office.

Rest easy with your choice

When you choose an Ideal Select Portfolio, you're accessing a multi-layered approach to delivering an investment that makes sense, including: ●



Retirement Investments

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 (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.

Ideal Select Portfolios are offered on Manulife Financial's Ideal Segregated Funds Signature 2.0 Contract.

A description of the key features and the terms and conditions of Manulife Financial's Ideal Segregated Funds Signature 2.0 is contained in the Information Folder and Contract. Please refer to the section on resets for more information on the rules governing this feature. The information has been simplified for the purposes 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, the Information Folder and Contract will prevail.

Subject to any applicable guarantees, any part of the premium or other amount allocated to an Ideal Segregated Fund 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 Segregated Fund.

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.

©2014 Morningstar Research Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/ or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

The Manufacturers Life Insurance Company

www.standardlife.ca