

Superior strategy for retirement income

DISCOVER THE STRATEGY THAT CAN BETTER PROTECT YOUR RETIREMENT INCOME IN DOWN MARKETS

Ideal Segregated Funds Signature 2.0 offers Payout and Death Benefit Guarantees. They are designed to shine the brightest when markets are gloomy. **The secret?** In down markets, dollar-for-dollar reductions offer superior protection.

WHAT ARE DOLLAR-FOR-DOLLAR REDUCTIONS?	WHAT ARE PROPORTIONAL REDUCTIONS?
They adjust the guaranteed amount by subtracting the amount of money you withdraw as retirement income. Market conditions do not impact the amount. To know by how much the amount of the guarantee has been reduced, you just need to know the withdrawal amount – no more, no less.	They adjust the guaranteed amount by considering prevailing market conditions at the time of the withdrawal. This kind of reduction takes into account the value of the investment before the withdrawal, relative to the amount of the guarantee. If the value of the investment declines significantly, so can the value of the guarantee.

See it in action: Dollar-for-dollar reductions offer superior protection. Here's why:

DOWN MARKET PERFORMANCE	ANNUAL RETURN
In this scenario, Henry and Sarah invest \$200,000 in two separate contracts. Henry's contract uses dollar-for-dollar reductions and Sarah's uses proportional reductions. If markets drop 40% after Henry and Sarah invest, the guarantees become very important. Sarah's investment, with proportional reductions, will see the greatest guarantee reduction, since the market value has dropped to \$120,000.	
MARKET VALUE: \$120,000	GUARANTEE AMOUNT: \$200,000
	-40%
<div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> Payout Benefit Guarantee¹ offering \$16,667 more protection </div>	
Reduction	
\$25,000	Remaining Payout Benefit Guarantee ¹ : \$175,000
\$41,667 ²	Remaining Maturity Benefit Guarantee: \$158,333
	Dollar-for-dollar
	Proportional
² Equal to $\frac{\text{Guarantee amount}}{\text{Market value}} \times \text{Withdrawal amount}$	
In a year with a severe market drop, Sarah's withdrawal of \$25,000 in a contract with proportional reduction reduces the guarantee by \$41,667. Henry's contract with dollar-for-dollar reductions would have been reduced by the exact amount of the withdrawal, no matter what.	

¹ For more information on the Payout Benefit Guarantee please refer to the Information Folder.

These are not consecutive year examples. Each example assumes an initial deposit of \$200,000 and a scheduled retirement income payment of \$25,000.

FLAT MARKET PERFORMANCE		ANNUAL RETURN
The markets remain flat throughout the year and the market value of each investment is still \$200,000 when \$25,000 is withdrawn from each contract at year-end.		
MARKET VALUE: \$200,000	GUARANTEE AMOUNT: \$200,000	0%
Reduction		
\$25,000	Remaining Payout Benefit Guarantee ¹ : \$175,000	Dollar-for-dollar
\$25,000	Remaining Maturity Benefit Guarantee: \$175,000	Proportional
As you can see, in a flat market both strategies work equally well and each contract's guarantees are reduced by \$25,000.		

UP MARKET PERFORMANCE		ANNUAL RETURN
Assuming Henry and Sarah had invested in a rising market, at the end of the year, the market value of either investment would be \$250,000. Since the market value is greater than the guarantee, both Henry and Sarah receive the market value.		
MARKET VALUE: \$250,000	GUARANTEE AMOUNT: \$200,000	25%
Reduction		
\$25,000	Remaining Payout Benefit Guarantee ¹ : \$175,000	Dollar-for-dollar
\$20,000 ²	Remaining Maturity Benefit Guarantee: \$180,000	Proportional
² Equal to $\frac{\text{Guarantee amount}}{\text{Market value}} \times \text{Withdrawal amount}$		
In this scenario, in a rising market, Henry and Sarah receive the market value, and the guarantee amount is not relevant.		

¹ For more information on the Payout Benefit Guarantee please refer to the Information Folder.

When markets are down, dollar-for-dollar reductions help deliver a superior income strategy.

For more information, please contact your advisor



Ideal 75/75 Series, Ideal 75/100 Series and Ideal 100/100 Series are offered on our Ideal Segregated Funds Signature 2.0 Contract, which is an insurance product. The Manufacturers Life Insurance Company is the issuer of the Ideal Segregated Funds Insurance Contract and the guarantor of any provisions therein. A description of the key features and the terms and conditions of Manulife is contained in the Information Folder and Contract. 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. Any amount allocated to a segregated fund is invested at the risk of the contractholder and may increase or decrease in value. Withdrawals proportionally decrease the Maturity and Death Guarantee Values. The Payout and Death Benefit Guarantee decrease dollar-for-dollar for scheduled income taken from registered retirement income plans. All charts and illustrations contained in this document are for illustration purposes only. They are not intended to predict or project investment results. Manulife, Manulife Investments, the Block Design, the Four Cubes Design, Strong Reliable Trustworthy Forward-thinking, are trademarks of The Manufacturers Life Insurance Company and are used by it, and its affiliates under licence.