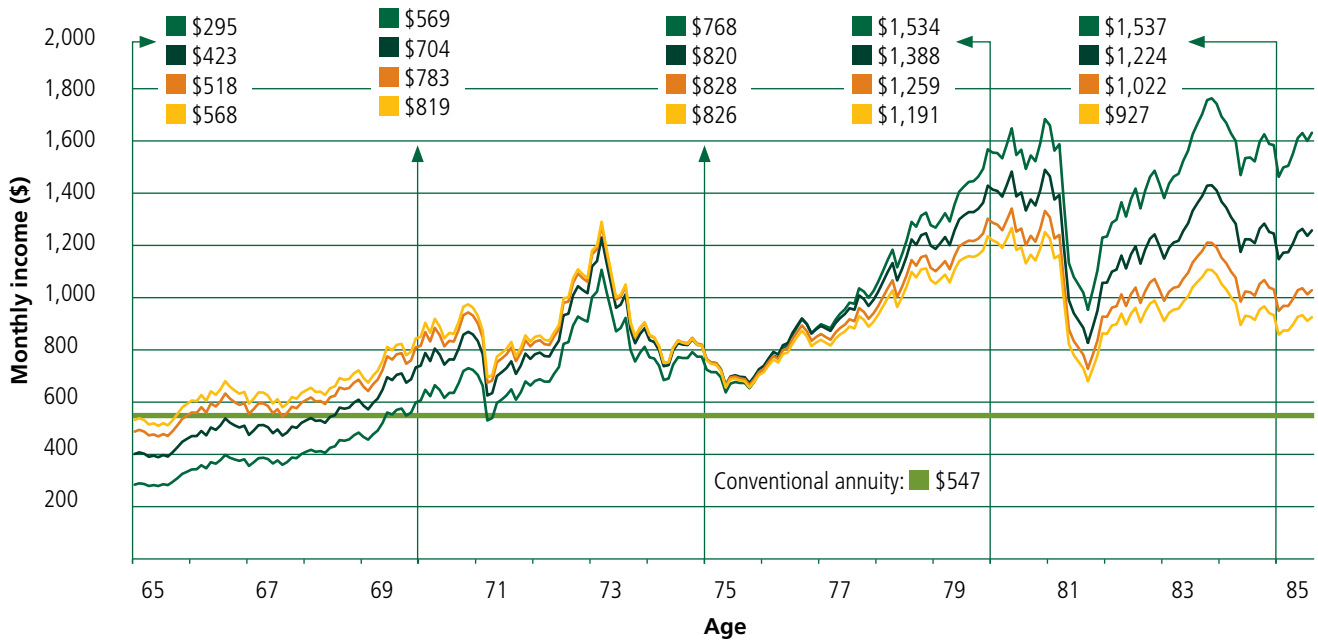


# Performance Annuity payments

What would the Performance Annuity payments look like if history repeated itself today?

Performance from January 1992 to June 2014

100% of premium allocated to the S&P/TSX Composite Index (Total Return)



## Annuity specifications

- Single life male age 65
- \$100,000 premium paid on June 1, 2014
- Annuity commencement date: July 1, 2014

- AIR = 0%
- AIR = 3%
- AIR = 5%
- AIR = 6%
- Conventional annuity

The Anticipated Investment Return (AIR) is the investment return your client "anticipates" when establishing a Performance Annuity policy.

## Performance Annuity

**Performance Annuity** combines a guaranteed base income with a variable portion offering the potential for increased income based on the performance of selected leading market indexes.

For a simple solution, offer your clients our **Performance Annuity profiles: Conservative, Moderate, Growth and Aggressive**. Please refer to form #5883 for complete details on our Performance Annuity profiles. If our 4 profiles don't meet your clients' needs, offer them a **custom Performance Annuity**. Here are the options available:

### Fixed portion

The payment can be level, increasing or indexing to the CPI.

**Variable portion:** up to 100%

**Choice of 4 AIRs:** 0%, 3%, 5% or 6%

An AIR is your client's "anticipated investment return" and it determines the initial annuity payment for the variable portion. If the actual return of the selected investment options is the same as the AIR, the variable portion of the annuity payment stays the same. If the actual return is higher than the AIR, payments will increase; if the actual return is lower than the AIR, payments will decrease.

## Investment options

- Money Market Index – FTSE TMX Canada 91-Day Treasury Bill Index
- Canadian Bond Index – FTSE TMX Canada Universe Bond Index
- Canadian Equity Index – S&P/TSX Composite Index (Total Return)
- U.S. Equity Index – S&P 500 Total Return Index
- Global Equity Index – MSCI World Free Net Index

## Index facts

- A significant portion (approximately 40%) of U.S. equities are included in the Global Equity Index
- No Management Expense Ratios are deducted, therefore, your client gets the benefit of the full investment return
- The Global Equity Index returns are denominated in Canadian dollars, therefore, there is an exchange rate risk

## Adapt to your clients' changing needs

You can later switch investment options, change the AIR and increase the fixed portion of your client's Performance Annuity. Refer to our **Performance Annuity advisor guide** (form # 4771) and **Performance Annuity at a glance** (form # 5892).

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**For more information, please contact your sales team.**

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The Manufacturers Life Insurance Company (Manulife Financial) is the issuer of all Manulife Annuities.

The variable portion of the Performance Annuity premium is invested at the risk of the policyholder. Payments are made for a specified period or for as long as the annuitant is alive. In addition, if the policyholder selected a guaranteed period, payments will be made at least until the end of the guaranteed period. However, the amount of the variable portion of the payments is not guaranteed and will increase or decrease according to fluctuations in the investment options chosen.

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