

**Advisor guide**

# GIF Select InvestmentPlus

**Featuring  
Segregated Funds and  
Guaranteed Interest Accounts**

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Are your clients searching for an attractively priced wealth-building and wealth protection solution with potential creditor protection and estate planning advantages?

Manulife Investment Management's GIF Select InvestmentPlus contract gives investors access to both **segregated funds**, with their wealth building potential, wide range of options, and competitive management expense ratios (MERs), and **Guaranteed Interest Accounts (GIAs)**<sup>1</sup> offering the security of competitive guaranteed interest rates. Both options offer access to attractive estate planning features.

## Facts at a glance

### GIF Select InvestmentPlus

Choice, simplicity, flexibility

#### Segregated Funds

Participate in growth potential of the market.

#### Guaranteed Interest Accounts (GIA) and Daily Interest Account (DIA)

Add additional security with guaranteed rates.

Feature	Segregated Funds	GIAs and DIA
<b>Contract initial deposit minimum</b>	\$2,500 or, for funds and DIA, \$50 monthly pre-authorized chequing (PAC)	
<b>Fund and subsequent deposit minimums</b>	<ul style="list-style-type: none"> <li>\$500 minimum per fund per sales charge option</li> <li>\$2,000 minimum for Manulife Dollar-Cost Averaging (DCA) Program GIF Select<sup>2</sup></li> <li>\$100,000 minimum per fund for Elite pricing<sup>3</sup> (available only to contracts opened on or before October 3, 2014)</li> </ul>	<ul style="list-style-type: none"> <li>\$1,000 per compound Interest GIA term</li> <li>\$5,000 per monthly simple interest GIA term (provided contract minimums are met)</li> </ul>
<b>PAC deposits</b>	Minimum \$50 per fund per sales charge option and DIA once contract minimums are reached	
<b>Maximum deposits</b>	Deposits greater than \$1,000,000 or any subsequent deposit that will cause the market value of the contract to be greater than \$1,000,000 require pre-approval. Contact head office.	
<b>Withdrawals<sup>4</sup></b>	<b>Ad hoc:</b> \$500 minimum per fund per sales charge option as well as \$500 each for each of a GIA and DIA <b>Scheduled:</b> \$100 minimum a month per fund per sales charge option and DIA	
<b>Fund switches or transfers between investment options<sup>4</sup></b>	<b>Ad hoc:</b> \$500 minimum per fund per sales charge option as well as \$500 for each of a GIA and DIA  <b>Scheduled:</b> \$100 minimum a month per fund per sales charge option <ul style="list-style-type: none"> <li>Five free switches per calendar year</li> <li>Switches between funds within a series and within the same sales charge option do not affect any of the guarantees.</li> </ul>	You can transfer between GIAs and the DIA, but not between GIAs. Transfers from segregated funds to GIAs and DIA may be subject to fees and result in tax consequences.
<b>Ability to bypass the estate</b>	Yes	Yes
<b>Potential for creditor protection</b>	Yes	Yes
<b>Waiving redemption fees (surrender charges) upon death</b>	Yes	Yes

<sup>1</sup> A Daily Interest Account (DIA) is also available.

<sup>2</sup> Fund allocation instructions to the destination fund(s) are required within 90 days from deposit. Where instructions are not provided, the investment will be moved to the Manulife High Interest Savings GIF Select Fund and a full commission chargeback will apply.

<sup>3</sup> Available only to GIF Select contracts opened on or before October 3, 2014, Elite pricing deposits of \$1,000,000 or more receive a reduced MER. Minimum investment amounts for Elite pricing can be met by combining investments in certain situations. \$100,000 minimum per fund. Not available for GIA or DIA.

<sup>4</sup> Withdrawals, fund switches, and/or transfers between investment options may be subject to fees and charges, result in tax consequences, and impact segregated fund guarantees. Transfers from the Manulife High Interest Savings GIF Select Fund to a DIA are not allowed. Transfers into or out of F-Class in GIA can happen at any time, but will not impact the interest rate until the term renews. Advisors should review the reinvestment options at time of transfer to assure they accurately reflect their client's needs. F-Class is available through approved distributors only.



Feature	Segregated Funds	GIAs and DIA
<b>Death benefit guarantee</b>	75% of deposit value, reduced proportionally by withdrawals	N/A
<b>Additional guarantee fees</b>	No annual fee outside of the fund MER.	N/A
<b>Maturity guarantee</b>	<ul style="list-style-type: none"> <li>75% of deposits to the applicable series, reduced proportionally by withdrawals</li> <li>Available on December 31 of the annuitant's 100<sup>th</sup> year or earlier where required by legislation</li> </ul>	N/A
<b>Maximum age<sup>5</sup> to deposit</b>		Terms to age 100
Up to age 90	Any available sales charge option	
Over age 90	Deposits are not allowed.	

## Five reasons to talk to your clients GIF Select InvestmentPlus

### 1. Choice and simplicity:

Choose between two types of investment options in the same contract.

- Segregated funds offer a broad selection and access to the growth potential of the markets. Visit [www.manulifeim.ca/SFPprofiles](http://www.manulifeim.ca/SFPprofiles) for fund information.
- The Guaranteed Interest Accounts (GIAs) and a Daily Interest Account (DIA) offer the security of guaranteed rates. Visit [manulifeim.ca/giarates](http://manulifeim.ca/giarates) for rates details.

Holding both options in one contract makes administration easier and allows for consolidated client reporting.

### 2. Flexible access:

**Segregated fund investors** can access their money at any time (fees, surrender charges, or commission chargeback and/or taxes may apply). Available sales charge options: front-end (FE), no-load with chargeback (NL) (2-year schedule), and F-class.

**GIA and DIA investors** enjoy early cashing privileges so they can access their money for an emergency or for other investment opportunities, subject to possible surrender charges (refer to the “surrender charges” section on back page).

Finally, investors can also easily move between segregated funds and GIA and DIA investments—a useful feature as financial needs change and/or during periods of volatility.<sup>6</sup>

<sup>5</sup> Age 71 for locked in plans in jurisdictions that require annuitization at age 80 or latest age to own under the *Income Tax Act* (Canada) for RRSPs, RLSP, LIRA, and certain LIFs.

<sup>6</sup> Withdrawals, fund switches, and/or transfers between investment options may be subject to fees and charges, result in tax consequences, and impact segregated fund guaranteees.

### 3. Creditor protection:

GIF Select InvestmentPlus has the potential to protect an investor's assets from creditors. This feature applies to segregated funds, GIAs and the DIA, and can be ideal for professionals and small business owners looking to help protect personal assets from creditors. Note that having the death benefit bypass your estate—which is possible by naming a beneficiary of the contract—also offers potential protection from estate creditors and will challenges.

### 4. Estate benefits: These features apply to segregated funds, GIAs, and the DIA

Few investment solutions help minimize the trials and tribulations of estate planning the way an insured investment contract can:

- **Speed** – Settling an estate can be lengthy, frequently taking months or even years, if the will is challenged. With a named beneficiary other than the estate, the death benefit proceeds of an insured investment contract can pass directly to the beneficiary and avoid delays.

- **Cost** – Legal, estate administration, and probate<sup>7</sup> fees erode the value of an estate, diminishing the amount of money beneficiaries receive. The proceeds of an insured investment contract can bypass these fees.
- **Privacy** – Bypassing the estate, and therefore probate where applicable, can preserve confidentiality as probate is a matter of public record. Payments made to named beneficiaries of an insurance contract don't flow through the estate and are therefore a private matter.<sup>8</sup>

### Potential savings through bypassing the estate

The following example compares the settlement of proceeds from a typical investment fund with the proceeds from a GIF Select InvestmentPlus contract and illustrates the true benefit of bypassing the estate. The ability to bypass the estate can provide real benefits and help protect the value of an estate.

	Typical Investment Fund (\$)	Segregated fund <sup>9</sup>
Original investment	200,000	200,000
Fair market value in third year	210,000	210,000
Legal, estate administration, and probate fees (5%)	-10,500	N/A
Net proceeds	199,500	210,000

For illustration purposes only. Fees may differ by province. Costs can vary depending on the complexity of the estate and the length of time the assets were held in the investment. Assumes the death benefit guarantee is equal to the greater of 75% of deposits or the market value. Assumes a total of 5% of proceeds for legal, estate administration and probate fees.

### 5. Control:

#### Annuity settlement option

The annuity settlement option can transfer GIF Select proceeds (from segregated funds, GIAs or a DIA) to an annuity automatically on death. The resulting annuity will then make gradual income payments to beneficiaries as specified by your client.

This simple, inexpensive, and effective wealth transfer tool can replace a lump sum death benefit with smaller, scheduled payments while providing savings of legal, estate administration, and probate fees, increased privacy and potential creditor protection.

Unlike trusts, it has no contract preparation costs or annual trustee and accounting fees

and can appeal to most investors whether the inheritance amount will be \$50,000 or \$1 million.

In addition, clients have complete control over the specific annuity terms. They can select an annuity that makes payments, following death, to beneficiaries for the rest of the beneficiaries' lives or for a specific time period.

### Who should invest in GIF Select InvestmentPlus?



**Wealth Builders**



**Wealth Accumulators  
or Accelerators**



**Wealth protectors**

**Plus:** Anyone interested in potential creditor protection and estate planning advantages

**Tip:** Investors who have more than \$100,000 to invest should consider Manulife Private Investment Pools – MPIP Segregated Pools.

<sup>7</sup> The probate process and fees do not apply in Quebec. There is a verification process for non-notarial wills but not for notarial wills.

<sup>8</sup> In Saskatchewan, assets are identified on the application for probate despite the fact that they do not flow through the estate and are not subject to probate fees.

<sup>9</sup> This example uses a segregated fund. Note that the proceeds of GIAs and the DIA can also bypass the estate, but GIAs and the DIA do not have a death benefit guarantee.

## Segregated fund highlights

### Global Manager Research (GMR): i-Watch®

To help ensure effective oversight of our investment line-up, Manulife developed the i-Watch® Investment Watch program. Using careful investment research and analysis to select and monitor fund managers, i-Watch® provides rigorous oversight of the fund management process. Our Global Manager Research (GMR) team is staffed by a uniquely qualified international team of professionals. Using i-Watch®, the GMR team works as consultants to help identify funds and fund managers that, over the long term, have potential to:

- Deliver strong results through the entirety of a market cycle
- Adhere to their value proposition

The i-Watch® process is designed with regular reviews to help ensure that funds offered continue to meet Manulife's standards. Once managers and funds are selected for Manulife's platforms, they're regularly monitored on an ongoing basis.

### Fund managers available with segregated funds

Partner with us and our strategic sub advisory relationships and open the doors to a full range of investment solutions across asset classes and geographies—fixed income, equities, asset allocation, specialty mandates, and alternative strategies—along with a variety of investment styles.

Visit [manulifeim.ca/portfoliomanagement](http://manulifeim.ca/portfoliomanagement) to learn more about our in-house expertise.



## Segregated fund fees and sales charge options available

Management Expense Ratio (MER)	MERs vary by fund. For more details, visit <a href="http://manulifeim.ca/SFprofiles">manulifeim.ca/SFprofiles</a> .
Sales charge	A sales charge may be paid at the time of deposit if the front-end sales charge option is selected. If the no-load with chargeback option is chosen, there is no fee to the client upon surrender. However, the servicing advisor may have to give back a portion of the commission. Refer to sales charge options section for more information.
Other fees	Charges may apply for certain transactions including withdrawals and fund switches. For additional detail, refer to the information folder and contract documentation.
Sales charge options	No-load with chargeback, front-end. F-class available for nominee name accounts.*

\* Segregated funds and GIAs can also be purchased in F-class for fee-based nominee name accounts.

# Guaranteed Interest Accounts and the Daily Interest Account highlights

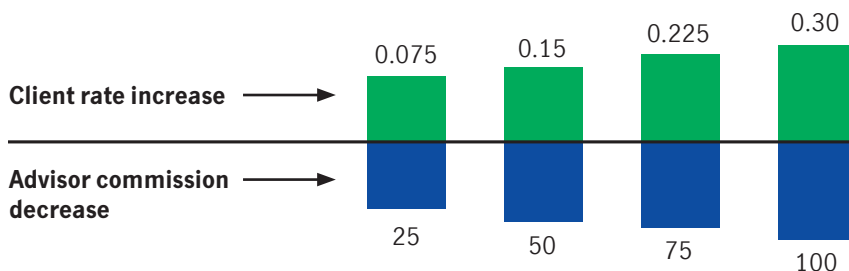
<b>GIA and DIA options available</b>	<ul style="list-style-type: none"> <li>• Daily interest account (DIA)</li> <li>• One-month term</li> <li>• One-year to 10-year terms (full terms only)</li> <li>• Compound and monthly simple interest terms available for all registered and non-registered tax types</li> <li>• Terms offered are only cashable (redeemable).</li> </ul>
<b>GIA reinvestment options</b>	<ul style="list-style-type: none"> <li>• Unless otherwise instructed, each full term will automatically be reinvested for the same interest option, contract option, and term length originally selected, including GIAs in F-Class automatically reinvesting in F-Class.</li> <li>• Funds can also be reinvested in either DIA or a segregated fund.</li> </ul>
<b>Cashability</b>	Early cashing privileges let investors access money in the event of an emergency or for other investment opportunities (surrender charges may apply).
<b>Surrender charges</b>	When investors redeem their money from a GIA before the maturity date, they could be subject to surrender charges made up of a market value adjustment (MVA), and an expense recovery (ER). See back page for the calculations.
<b>Potential tax advantages for non-registered contracts</b>	<ul style="list-style-type: none"> <li>• For people 65 or older, interest from a non-registered GIA may qualify for the annual pension income tax credit and may also be an eligible source of pension income for purposes of income splitting.</li> <li>• Policy year tax reporting delays tax on interest earned for up to one year</li> </ul>
<b>GIA advisor discretion rate</b>	If desired, increase posted term rates with a corresponding reduction in commissions without prior head office approval (not available for DIA).

## Interest rate information

<b>Interest rates*</b>	<ul style="list-style-type: none"> <li>• <a href="http://Manulifeim.ca/giarates">Manulifeim.ca/giarates</a>, subject to change at any time</li> </ul>
<b>Volume bonus</b>	<ul style="list-style-type: none"> <li>• Bonus is based on GIA assets and does not include any segregated fund or DIA assets. Posted rate includes bands and rate including bonus per band.</li> </ul>

Refer to the commission schedule NN0044 for more details.

## GIA advisor discretion rate (%)



\* F-Class in GIAs, where approved by a distributor, offer a rate enhancement for the selected term. Access the fund codes for F-Class through Manulife Investment Management's [online price and performance tool](https://www.manulifeim.ca/giarates) or [manulifeim.ca/giarates](https://www.manulifeim.ca/giarates).

## GIA surrender charges

Surrender charges are made up of a market value adjustment (MVA), and an expense recovery (ER).

The MVA is an interest adjustment charge depending upon the current interest rate environment at the time of withdrawal or transfer.

An expense recovery charge represents a recovery of fees (e.g. commissions) and contract charges (e.g. administrative costs) associated with a GIA that have not yet been fully expensed.

Surrender Charges will be calculated using the formula, MVA (or 0, if a negative MVA) + ER, where:

$$\text{MVA} = A \times T \times (C - G)$$

$$\text{ER} = A \times T \times 1\%$$

A = amount withdrawn

T = time remaining to maturity (in complete months, divided by 12)

G = interest rate on the GIA being withdrawn from

C = current posted base interest rate for a GIA of a like term (identical length and interest option) as the GIA being withdrawn from

There are no surrender charges for DIA.

## Assuris

The Manufacturers Life Insurance Company is a member of Assuris, the not-for-profit organization that protects Canadian policyholders if their life insurance company fails. Details about Assuris' protection are available at [www.assuris.ca](http://www.assuris.ca) or by calling the Assuris Information Centre at 1-866-878-1225.

For more information, please contact your Manulife Investment Management Sales team or visit [www.manulifeim.ca](http://www.manulifeim.ca)

### For advisor use only.

Any amount that is allocated to a segregated fund is invested at the risk of the contractholder and may increase or decrease in value. Withdrawals proportionally reduce maturity and death benefit guarantees. The Manufacturers Life Insurance Company (Manulife) is the issuer of the Manulife GIF Select insurance contract which offers the GIF Select InvestmentPlus Series and is the guarantor of any guarantee provisions therein. Manulife Investment Management is a trade name of The Manufacturers Life Insurance Company. Manulife, Manulife Investment Management, the Stylized M Design, and Manulife Investment Management & Stylized M Design, and i-Watch are trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates under license.

To speak with Manulife Investment Management about segregated funds, call 1-888-790-4387.