Manulife Investments

SEGREGATED FUND SOLUTIONS

MANULIFE IDEAL SIGNATURE SELECT™

Get peace of mind even when markets are down

Discover the strategy that can better protect your retirement income in down markets

The Payout Benefit Guarantee, combined with its dollar-for-dollar reductions, works extra hard to manage risk if you are drawing income from a retirement plan. It guarantees that you receive, as income, at least the money you invested (or a portion, depending on the Series you choose). In down markets, our guarantee offers additional protection. Take a look:

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 additional protection. Here's why:

These are point in time examples for illustration purposes only. The guarantee values could vary depending on market conditions. The following examples assume an initial premium of $200,000 and a regular retirement income payment of $25,000.

DOWN MARKET PEFORMANCE

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** **ANNUAL RETURN: -40%**

Payout Benefit Guarantee offering $16,667 more protection

Reduction		
$25,000	Remaining Payout Benefit Guarantee: $175,000	**Dollar-for-dollar**
$41,667	Remaining Maturity Benefit Guarantee: $158,333	**Proportional**

Equal to $\frac{\text{Guarantee amount}}{\text{Market value}} \times$ 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.

FLAT MARKET PEFORMANCE

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** **ANNUAL RETURN: 0%**

Reduction		
$25,000	Remaining Payout Benefit Guarantee: $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 PEFORMANCE

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** **ANNUAL RETURN: 25%**

Reduction		
$25,000	Remaining Payout Benefit Guarantee: $175,000	**Dollar-for-dollar**
$20,000	Remaining Maturity Benefit Guarantee: $180,000	**Proportional**

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.

In down markets, dollar-for-dollar reductions provide more protection than proportional reductions.

For more information, please contact your advisor

Manulife Investments

Ideal 75/75 Series, Ideal 75/100 Series and Ideal 100/100 Series are offered in our Manulife Ideal Signature Select Contract, which is an insurance product. 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 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. We reserve the right to establish a maximum percentage of the Series Value that may be taken as scheduled retirement income payments on a dollar-for-dollar basis. Age restrictions and other conditions may apply.

All charts and illustrations contained in this document are for illustration purposes only. They are not intended to predict or project investment results. A description of the key features and the terms and conditions of Manulife Ideal Signature Select 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 Manulife Ideal Signature Select Information Folder and Contract, the Information Folder and Contract will prevail.

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