

Investment Policy Statement

Manulife Invesco EQV European Equity Segregated Fund

Investment Objective

Unless otherwise noted, the investment objective of the Underlying Fund is the same or substantially similar as the segregated fund objective.

This Fund seeks to produce strong capital growth over the long term; it invests mainly in equities focusing on companies located in Europe, including Eastern European countries and the Commonwealth of Independent States (countries of the former Soviet Union). The Fund may, from time to time, invest in companies located in other countries, generally in the Mediterranean region.

Investment Strategy

This Fund will invest in units of the Invesco EQV European Equity Fund, a mutual fund trust, or a substantially similar fund (the “Underlying Fund”).

The investment strategy of the Underlying Fund is that the portfolio management team applies a rigorous bottom-up fundamental investment approach to analyze the quality and value of individual companies to determine whether or not to invest in them. There is no attempt to mirror the composition of the Underlying Fund’s benchmark index.

The Underlying Fund may invest in equities of companies located in the emerging markets.

The portfolio management team looks for companies that:

- Are quality businesses that possess sustainable competitive advantages that provide opportunities for long-term growth
- Have strong management teams that are strong capital allocators and efficient operators
- Are believed to be attractively priced in relation to their intrinsic value

As part of a comprehensive assessment of a company’s intrinsic value, the portfolio management team uses a variety of valuation methods and will typically review a company’s financial information, competitive position and its future prospects. The portfolio management team may also meet with the company’s management and take into account general industry and economic trends. The portfolio management team will then compare the intrinsic value that it has placed on the company against its current market price, and will consider investing where the market price is sufficiently lower than the value that the portfolio management team has determined.

As part of the Underlying Fund’s investment process, the portfolio management team may also consider both qualitative and quantitative environmental, social and/or governance (ESG) factors they believe to be material to understanding a company’s fundamentals, and assess whether any ESG factors pose a material financial risk or opportunity to the company and determine whether such risks are appropriately reflected in the company’s valuation. This analysis may involve the use of third-party research as well as proprietary research. Consideration of ESG factors is just one component of the portfolio management team’s assessment of companies eligible for investment and the portfolio management team may still invest in securities of companies that may be viewed as having a high ESG risk profile. The ESG factors considered by the portfolio management team may change over time and one or more factors may not be relevant with respect to all companies eligible for investment.

The portfolio management team will typically sell a security under the following conditions: (a) where the price of the security increases to a level that the portfolio management team considers to be at or near its intrinsic value, (b) where there are more attractive opportunities, or (c) where the original investment thesis for a company is no longer valid.

The portfolio management team responsible for the cash portion of the Underlying Fund may, in its discretion, invest some or all of the cash assets directly in money market instruments or other short-term debt securities. The Underlying Fund may invest the cash portion of its assets in securities of money market funds that are managed by us or one of our affiliates or associates. In making this investment decision, the portfolio management team considers a number of factors, including the Underlying Fund’s requirement for a Canadian- or U.S.-dollar-denominated short-term investment and the yield or return to the Underlying Fund.

The Underlying Fund may use derivatives, such as options, forwards and futures, for the purposes described below. The Underlying Fund may seek to hedge against potential loss. Please visit invesco.ca for summary information on the Underlying Fund’s currency hedging positions, if any.

The Underlying Fund may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets or to gain exposure to other currencies. If used for non-hedging purposes, options will represent no more than 10% of the net assets of the Underlying Fund.

Any use of derivatives will be consistent with the investment objectives of the Underlying Fund and will comply with the requirements of Canadian securities regulation, as altered by the exemption granted to permit the Underlying Fund to use as cover, when the Underlying Fund holds a long position in a standardized future or forward or is entitled to receive payments under a swap, a right or obligation to sell an equivalent quantity of the underlying interest of the standardized future, forward or swap.

The Underlying Fund may rely on the decisions granting exemptive relief from certain provisions of NI 81-102. For a detailed description of these decisions, see Investment restrictions starting on page 100 of the Prospectus for the Underlying Fund.

In anticipation of, or in response to, adverse market conditions, for cash management purposes, for defensive purposes, for purposes of a merger or other transaction, or where the portfolio management team is otherwise unable to identify attractive investment opportunities, the Underlying Fund may hold all or a portion of its assets in cash, money market instruments, securities of affiliated money market funds, bonds or other debt securities. As a result, the Underlying Fund may not be fully invested in accordance with its investment objectives and, in a rising market, there could be a negative impact on performance relative to other fully invested mutual funds with similar objectives.

In the management of its portfolio, the Underlying Fund may use repurchase and reverse repurchase transactions, although the Underlying Fund does not currently expect to use such transactions. The Underlying Fund may also enter into securities lending agreements. These transactions will only be made with parties that are considered to be creditworthy and where the transactions should earn the Underlying Fund additional returns. For a description of repurchase and reverse repurchase transactions and securities lending agreements, and the strategies used by the Underlying Fund to reduce the risks associated with these transactions, please see the discussion under Risk factors - Repurchase and reverse repurchase transactions and securities lending risk on page 97 of the Prospectus for the Underlying Fund.

Risks

Where a segregated fund invests in units of an underlying fund, the segregated fund may be exposed to the risks associated with the Underlying Fund. Unless otherwise noted, the risks associated with investing in units of the underlying fund is the same or substantially similar as the risks of investing in the segregated fund. For a comprehensive disclosure of the risks of investing in the segregated fund, refer to the simplified prospectus or other disclosure documents of the underlying fund.

Where can I get more information or help?

For more information, please read the Information Folder and Contract, or you may contact us at:

Manulife
500 King St. N
Waterloo, ON N2J 4C6

www.manulifeim.ca

Canada, Outside of Quebec
1-888-790-4387

Quebec & French Business
1-800-355-6776

For information about handling issues you are unable to resolve with us, contact the OmbudService for Life and Health Insurance at 1-800-268-8099 or on the web at www.olhi.ca.

For information about additional protection that is available for all life insurance contractholders, contact Assuris, a company established by the Canadian life insurance industry. See www.assuris.ca for details.

For information regarding how to contact the insurance regulator in your province, visit the Canadian Council of Insurance Regulators website at www.ccir-ccrra.org.

Manulife Investment Management

Manulife Investment Management is a trade name of The Manufacturers Life Insurance Company. The Manufacturers Life Insurance Company (Manulife) is the issuer of insurance contracts containing Manulife segregated funds and the guarantor of any guarantee provisions therein.

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