

Fund Manager Leith Wheeler Investment Counsel Ltd.

Date January 2017

Notice

Leith Wheeler has revised the Investment Policy Statement (IPS) for the Leith Wheeler Diversified Pooled Fund to allow the investment of up to 5% of the total portfolio in the Leith Wheeler Institutional BB/B High Yield Bond Fund.

Products Affected

Manulife Leith Wheeler Diversified Fund (GRS)

Impact

Process

The Leith Wheeler Institutional BB/B High Yield Bond Fund is a concentrated portfolio of mainly BB and B rated bonds that provides sector diversification. It is a global fund with a focus on U.S. issues due to the limited availability of Canadian issuers. Any U.S. dollar or foreign currency exposure will be hedged back to Canadian dollars.

There has been no change to the asset class benchmark weights within the Diversified Fund. The bond allocation of the Fund will continue to have a Minimum weighting of 25%, a Normal weighting of 35% and a Maximum weighting of 50%.

There are expected to be no changes to the process or strategy of any of the other components of the Fund.

Closing Remarks

Leith Wheeler intends to invest up to 5% of the Fund in the High Yield Bond Fund at the end of Q1 2017. The firm has been building out their Fixed Income expertise and they believe high yield bonds are an attractive addition to the Fund. IMS has met with Fund management for the high yield component and has no significant concerns with this new allocation, particularly as the Fund already offers risk diversification within its balanced fund components. We look to build greater familiarity with the fixed income team responsible for this mandate going forward. We will monitor the situation and will communicate should concerns arise.

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