

Fund Manager Manulife Asset Management Ltd.

Date March 2017

Notice

Changes to Manulife Asset Allocation Portfolios (GRO, CIO)

Manulife Asset Management's Portfolio Solutions Group has updated its 2017 asset mix target weights for the Manulife Asset Allocation Portfolios. The portfolios have been rebalanced to the new target weights. (Please see table on page two for detailed allocations).

Products Affected

Manulife Asset Allocation Portfolios (GRO, CIO)

Manulife Conservative Asset Allocation
Manulife Moderate Asset Allocation
Manulife Balanced Asset Allocation
Manulife Growth Asset Allocation
Manulife Aggressive Asset Allocation

Impact

Asset Mix

The refreshed target asset mixes are consistent with PSG's updated forward-looking input assumptions. Of note, U.S. equities were reduced in favour of Canadian equities. The International equity target remained the same overall, however the target weight to the Templeton mandate was reduced in favour of the Mawer strategy. In addition, there was a small increase to Emerging Market equities and a slight decrease to Canadian Real Estate. The overall number of underlying funds and benchmarks remain the same.

Performance and Risk Characteristics

The new asset mix and fund changes are in-line with PSG's outlook and with their goal to produce improvement in the risk-adjusted performance of all impacted portfolios.

Closing Remarks

IMS has no concerns with the asset allocation changes or the impact on the expected overall risk-adjusted performance of each portfolio. The portfolios continue to provide broad diversification across a wide range of asset classes and styles.

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Investment Management Services



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Manulife Asset Allocation Portfolios - Target Allocations						
Fund Name	Investment Manager	Conservative	Moderate	Balanced	Growth	Aggressive
Canadian Equity						
Manulife Canadian Large Cap Value Equity Fund	Manulife AM	2.50%	4.50%	6.25%	8.75%	10.75%
Manulife Bissett Canadian Equity Fund	Bissett	1.75%	3.25%	4.75%	6.25%	7.75%
Manulife Canadian Equity Fund	Manulife AM	1.75%	3.25%	5.00%	6.50%	8.25%
Manulife Q Core Canadian Equity Fund	CC&L	1.75%	3.25%	4.75%	6.25%	7.75%
MAM Pooled Canadian Equity Index Fund	Manulife AM	0.75%	0.75%	1.10%	1.35%	1.50%
Manulife Growth Opportunities Fund	Manulife AM	0.00%	0.60%	1.15%	1.75%	2.25%
Manulife Small Cap Value Fund	Foyston, Gordon & Payne	0.00%	0.65%	1.35%	2.00%	2.75%
U.S. Equity						
Manulife US Equity Fund	Wellington Management	1.00%	2.25%	3.50%	4.75%	5.75%
Manulife US Large Cap Value Fund	T. Rowe Price	1.75%	3.25%	5.00%	6.75%	8.00%
MAM Pooled U.S. Equity Index Fund	Manulife AM	2.25%	4.50%	6.50%	8.00%	10.50%
International Equity						
Manulife International Equity Fund	Templeton	1.25%	2.50%	4.50%	6.50%	8.00%
Manulife World Investment Fund	Mawer	2.25%	4.25%	6.75%	9.00%	11.25%
MAM International Equity Index Pooled Fund	Manulife AM	1.50%	3.25%	3.75%	4.75%	6.25%
Emerging Markets Equity						
Manulife Emerging Markets Value Fund	DFA	0.75%	1.75%	2.75%	4.00%	5.00%
Canadian Real Estate						
Manulife Canadian Real Estate Investment Fund	Manulife AM	0.75%	2.00%	2.90%	3.40%	4.25%
Fixed Income						
Manulife Canadian Universe Bond Fund	CIBC AM	2.75%	2.00%	1.00%	0.75%	0.00%
Manulife Canadian Bond Fund	Manulife AM	25.00%	17.25%	10.35%	4.00%	0.00%
MAM Pooled Canadian Bond Index Fund	Manulife AM	7.25%	4.75%	2.00%	0.75%	0.00%
Manulife Fixed Income Plus Fund	AB	14.25%	10.25%	6.25%	2.50%	0.00%
Manulife Canadian Mortgage Investment Fund	Manulife AM	10.75%	7.75%	4.40%	2.00%	0.00%
MAM Strategic Income Pooled Fund	Manulife AM	20.00%	18.00%	16.00%	10.00%	0.00%
	TOTAL	100%	100%	100%	100%	100%

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