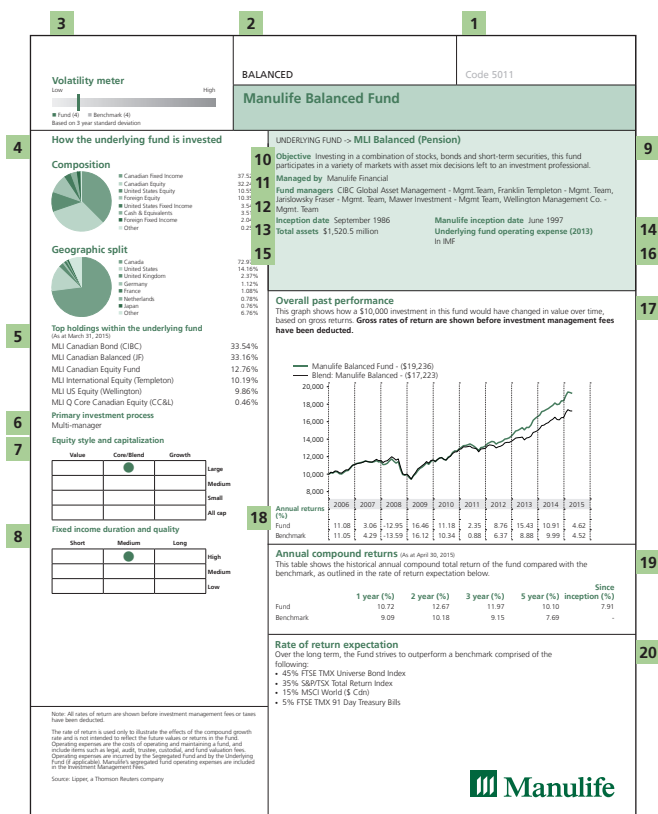


## How to Read Fund Descriptions



### 1. Fund code

Each fund is named using a unique code. Identify a specific fund using its fund code when you select or change your investments.

### 2. Asset class

The types of investments (such as Canadian Equity, International Equity, Fixed Income) that account for the majority of the fund's holdings. Funds are colour-coded by asset class.

### 3. Volatility meter

The volatility meter is a 25-point scale – ranging from low to high – that illustrates the amount that a fund's value is likely to fluctuate. Volatility is based on the standard deviation of monthly returns over a three-year period. Funds in operation for less than three years are rated using the longest time period available. For a fund or underlying fund where return history is less than one year, no volatility rating will appear.

### 4. How the underlying fund is invested

The pie chart shows the types of investments in the underlying fund and the percentage of the overall portfolio they represent.

### 5. Top holdings

Top holdings refers to the individual investments in the underlying fund that comprise the largest percentage of the overall portfolio. This is determined using the percentage weighting of the fund's net market value.

### 6. Primary investment process

Fund managers use a number of approaches to determine the asset allocation of a fund and to select the individual securities it will hold. Some typical approaches:

**Fundamental Bottom-up** – This approach considers the investment merits of individual companies.

**Quantitative** – This technique applies mathematical research and statistical models to identify attractive investments.

**Index** – An indexed portfolio is constructed to mimic the performance of a specific market index. This approach is also known as passive investing.

**Multi-manager** – A multi-manager fund is directed by more than one investment manager and often combines different investment styles or asset classes.

## 7. Equity style and capitalization

This chart displays the primary equity investment style (such as value or growth) the fund manager uses to select securities as well as the 'market capitalization' of securities in the fund. Market capitalization is the total market value of a particular company's outstanding shares. In the context of an investment fund, this term refers to the size of the companies whose stocks are held in the fund. This term only applies to funds with equity – or stock – holdings.

## 8. Fixed income duration and quality

This chart shows the fund manager's target duration (short = 0-5 years, medium = 5-10 years, long = 10+ years) as well as the credit quality of securities in the fund (high = AAA or AA, medium = A or BBB, low = BB or less).

## 9. Underlying fund

Market-based investment options available to group plans usually invest in existing pooled or mutual funds – these are known as the underlying funds. When a contribution is made to a Manulife fund, it's used to purchase units of the corresponding underlying fund.

## 10. Objective

The fund's primary investment goal(s) as determined by the fund manager.

## 11. Managed by

The investment management firm that oversees the fund.

## 12. Fund managers

The lead fund manager(s) responsible for the investment decisions regarding the underlying fund.

## 13. Inception date

The date the underlying fund was made available for purchase.

## 14. Manulife inception date

The date the fund was first available for purchase by Manulife group retirement clients.

## 15. Total assets

The total market value of all the assets invested in the underlying fund as of the specified date.

## 16. Underlying fund operating expenses

Operating expenses are the costs of operating and maintaining a fund, and include items such as legal, audit, trustee, custodial, and fund valuation fees. Operating expenses are incurred by the Manulife fund and by the underlying fund (if applicable).

## 17. Overall past performance

This graph shows how a \$10,000 investment in the fund changed in value over a specified period, and the value of that investment at the end of the period. It also compares this value with the value of the same investment in a related, broadly-based index.

## 18. Annual returns

The performance of the fund over various calendar years. This represents past performance and is not indicative of future results. Unit values fluctuate with the market value of the underlying fund's assets. Gross rates of return mean the investment performance of the fund before Investment Management Fees (IMFs) and applicable taxes are deducted.

An individual who invests in the fund earns a net return after fees. IMFs vary by firm and by plan. Returns shown here represent results for the Manulife fund and/or its underlying fund.

## 19. Annualized compound returns

Returns for a specified period of time expressed as an annualized rate.

## 20. Rate of return expectation

The benchmark that the performance of the fund manager is measured against.

