



Important client information

Manulife Wealth Inc.

For clients of Manulife Wealth
investment advisors

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A. Relationship disclosure

This Relationship Disclosure contains important information about the products and services we offer, the nature of your account(s) and the manner in which it operates, and our responsibilities to you. You will receive a copy of this Relationship Disclosure when you open your account(s) with a Manulife Wealth investment advisor or before we begin providing advice or trading services to you. If any significant change is made to this Relationship Disclosure, we will provide you with an update.

1 Who we are

(a) Manulife Wealth Inc.

Manulife Wealth Inc. (Manulife Wealth) is dually registered as both an investment dealer and a mutual fund dealer in all of the provinces and territories of Canada, as a derivatives dealer in the province of Quebec and as a member of the Canadian Investment Regulatory Organization (CIRO) and the Canadian Investor Protection Fund (CIPF). Manulife Wealth advisors may be registered as either a mutual fund-dealing representative (mutual fund advisor) or an investment dealer-dealing representative (investment advisor). You are receiving this “Important client information” brochure because you are opening a new account(s) with an investment advisor. Our firm commitment to service excellence, coupled with our expansive product offering, provides clients with options tailored to fit their financial goals and advanced investment needs. If your investment advisor is an agent of Manulife Wealth, Manulife Wealth is irrevocably liable to you for any acts and omissions of your investment advisor with regard to Manulife Wealth business as if the investment advisor were an employee of Manulife Wealth. By continuing to deal with our firm, you accept our offer of indemnity.

(b) Manulife relationships

Manulife Wealth is an indirectly, wholly owned subsidiary of Manulife Financial Corporation (MFC), a financial services group with principal operations in Asia, Canada and the United States. MFC is a publicly traded company with global headquarters in Canada. MFC owns The Manufacturers Life Insurance Company (MLI), a financial services organization offering a diverse range of life and health insurance protection products, estate planning, investment and banking solutions, through a multi-channel distribution network. MLI owns Manulife Wealth and its sister company, Manulife Wealth Insurance Services Inc. (an insurance distribution organization, operating as a national account agency). MLI also owns Manulife Bank of Canada, a federally chartered Schedule I bank, which in turn owns Manulife Trust Company, a federally chartered trust company. Manulife Wealth’s Capital Markets Group provides a full range of financial advisory services to established companies within the Canadian capital markets and may, in the course of normal business operations, act as agent, underwriter or selling group member for certain issuers.

MLI indirectly owns Manulife Investment Management Limited (Manulife Investment Management). Manulife Investment Management is the manager of the Manulife mutual funds and exchange-traded funds. Securities laws require us to obtain your written consent before we can complete a trade for you in a Manulife mutual fund. By signing an acknowledgement at the time of account opening, you acknowledge the relationships described above and you consent to an investment in a Manulife mutual fund or exchange-traded fund.

John Hancock Life Insurance Company (U.S.A.) (John Hancock) is indirectly owned by MFC. John Hancock and its subsidiaries offer a broad range of financial protection products and wealth management services, including open- and closed-end investment funds. In addition, John Hancock Investment Management LLC, an indirect subsidiary of John Hancock, acts as the investment advisor to John Hancock’s exchange-traded funds.

2 Our products and services

As the client of an investment advisor, you have access to a range of investment products, including:

- Stocks and Bonds
- Mutual funds and alternative mutual funds
- Flow-through share limited partnerships
- Closed-end funds and exchange-traded funds (ETFs)
- Alternative investment funds (for qualified investors only)
- High-interest savings accounts, GICs, Principal-protected notes (PPNs) and Principal-at-risk (PAR) notes
- Options (by qualified advisors only)
- Registered plans (RRSPs, RRIFs, TFSA, RESPs, FHSAs and all types of locked-in plans)
- Margin accounts

We offer the following account types to clients of investment advisors:

- Advisory accounts – commission-based
- Advisory accounts – fee-based (our Premier Investment Program)
- Managed accounts:
 - Advisor managed (our Advisor Managed Program)
 - Unified managed (our Apex Unified Managed Account Program)
 - Separately managed (our Masters Private Account Program)

Manulife Wealth is responsible for completing due diligence on, and assessing, products and determining which products to approve. Once a product has been approved, Manulife Wealth will monitor it for significant changes. In addition to this due diligence, your advisor is required to understand the products that are being traded for you or recommended to you, including the structure, features, risks, initial and ongoing costs as well as the impact of those costs on the return on your investment and the type of accounts offered to you. This is known in the securities industry as Know Your Product requirements.

We offer both proprietary products and third-party products. A product is considered a proprietary product if Manulife Wealth is related or connected to the issuer of the security or if Manulife Wealth or one of our affiliates is the investment fund manager or portfolio manager of the issuer of the security (for instance, Manulife mutual funds). The proprietary products we sell are subject to the same due diligence review process as the third-party products that we sell, and our advisors earn the same portion of commission for the sale of proprietary products as they do on the sale of third-party products.

Most of the products we offer can be redeemed or sold in a reasonable amount of time with no restrictions and little to no impact on price; however, we do offer products that may be difficult to redeem or sell. This may be because they are illiquid (not regularly traded), do not permit resale or redemptions, only permit periodic redemptions back to the issuer at specified times and with advanced notice, or have a hold period. This could mean that you need to sell these products at a lower price in order to find a willing buyer, you may be unable to sell the security, you may have to wait for an extended period of time before the security is redeemed, or the security may decrease in value while you wait for it to be redeemed.

A product's resale and redemption restrictions or procedures will be outlined in the product's offering documents. Products that may be difficult to redeem or sell include alternative investment funds and flow-through limited partnerships, labour-sponsored investment funds, GICs, market-linked GICs, principal-protected notes, principal-at-risk notes and new issues prior to their maturity or end of term or during the hold period.

For the Masters Private Account Program and Apex Unified Managed Account Program, Manulife Wealth has engaged third-party and affiliated sub-advisors to make investment decisions. Manulife Wealth is responsible for conducting initial and ongoing due diligence and monitoring of the sub-advisors it has selected for these programs. In collaboration with Manulife's Global Manager Research team, Manulife Wealth conducts a comprehensive review of sub-advisors to determine whether they are suitable for the programs. After a sub-advisor has been selected, we conduct ongoing monitoring, review, and oversight to ensure sub-advisors are meeting expected standards, including compliance with the investment parameters of the mandate(s) set out in our sub-advisory agreement. Manulife Wealth may decide to replace or terminate a sub-advisor in its sole discretion.

We offer new accounts in Nominee Name, and we offer Client Name Registered Education Savings Plans (RESPs) and Registered Disability Savings Plans (RDSPs). We continue to service existing Client Name accounts outside of RESPs and RDSPs. Investments in Nominee Name are held in Fidelity Clearing Canada ULC's name, acting as Manulife Wealth's carrying broker, as agent for your account(s). Investments in Client Name are registered in your name directly on the books and records of the fund company maintained by or on behalf of the manager of the mutual fund.

Introducing/carrying broker arrangement

Fidelity Clearing Canada ULC ("FCC") acts as carrying broker for Manulife Wealth and is our agent for clearing, settlement, recordkeeping and, as required, custodial services provided to your account. As Manulife's agent, FCC will accept, execute and settle trades in compliance with instructions Manulife Wealth provides it on your behalf. FCC will issue confirmation slips, statements of account, reports on client positions held outside of FCC and Manulife Wealth and tax reporting information as our carrying broker. Manulife Wealth is responsible for delivering your cheques and securities to FCC. FCC provides custodial and safekeeping services for your accounts as our carrying broker.

As an introducing broker, Manulife Wealth is responsible for the control and supervision of your transactions, for the suitability of securities purchases and the structure of your portfolio of securities with regard to your financial situation. Manulife Wealth is also responsible for the opening and approval of client accounts. Manulife Wealth and FCC are both responsible for adherence to all applicable by-laws and regulations of CIRO.

Trustee disclosure

TSX Trust Company (the "Trustee") is the trustee of Manulife Wealth's registered plans. The Declaration of Trust that you receive when you open a registered plan is the contract governing your registered plan. The Trustee has appointed FCC as its agent and may appoint other agents to provide services to your registered plans in compliance with the Declaration of Trust.

3 Conflicts of interest

Understanding conflicts of interest

At times, our interests as a financial services firm and those of our representatives may be inconsistent with your interests as our client. We have adopted policies and procedures to assist in identifying and addressing these material conflicts of interest. All material conflicts of interest will be addressed in your best interests and will be disclosed to you in a timely manner. If we cannot effectively address a material conflict in your best interests, or the conflict is otherwise prohibited by law, we avoid it.

We inform you about actual, potential or perceived material conflicts so you can better understand them and assess how they may affect you. Examples of conflicts of interest are when:

- Manulife Wealth, or your advisor, has financial or other interests that are inconsistent with your best interests as a client
- Manulife Wealth, or your advisor, may be influenced to put their own interests ahead of your interests

Conflict of interest disclosure

The following table discloses all of the actual, potential or perceived material conflicts of interest that apply to our relationship with you and explains the nature and extent of the conflict, how the conflict could affect you or be a risk to you, and how we address the conflict.

Conflict of interest	How the conflict affects you	How we address the conflict
Relationship between Manulife Wealth Inc. (“Manulife Wealth”) and other Manulife companies	Manulife Wealth is indirectly, wholly owned by Manulife Financial Corporation (MFC), an international financial services organization. MFC is also the ultimate parent company of Manulife Investment Management Limited, the manager of the Manulife mutual funds and Manulife ETFs, and Manulife Bank of Canada. This common ownership may create the perception that we will act in the best interests of the Manulife group of companies and not in our clients’ best interests.	While the Manulife group of companies, as a whole, earns more revenue when we sell Manulife products over other third-party products, our advisors earn the same portion of commission for the sale of proprietary products as they do on the sale of third-party products. The proprietary products we sell are subject to the same level of selection criteria and product review processes as the third-party products we sell. We are not permitted to purchase Manulife mutual funds, or the securities of related and connected issuers, without your consent. Manulife Wealth’s Capital Markets Group may take investment actions that are beneficial, or adverse, to a related and connected issuer. Our Capital Markets Group will disclose any relationship with the issuer in its offering documents. If you wish to transfer your assets out of Manulife Wealth and into another member of the Manulife group of companies, we will waive our usual fees for transferring your assets as Manulife, as a whole, continues to benefit from you remaining a client.

Conflict of interest	How the conflict affects you	How we address the conflict
<p>Advisor compensation</p>	<p>Our advisors are compensated for the products they sell to you and the advice they provide to you. Different products pay different levels of compensation, and we may be influenced to recommend products with higher compensation.</p> <p>Manulife Wealth offers commission-based and fee-based accounts. The charges and commissions related to your investments and account(s) vary depending on account type, your investments, the type of activity in your account and the programs you choose to participate in. You may pay more or less fees, and your advisor may earn more or less commission, in different account types for similar investments depending on the amount you have invested and the program fees, where applicable, that you and your advisor have agreed to. Fee-based accounts should only be recommended when they are in the best interests of the client, considering the client's trading activity, investment needs and objectives. It is a conflict of interest for an advisor to recommend a fee-based account for a client when it is not in a client's best interests.</p> <p>There is an inherent conflict of interest when Manulife Wealth trades in, or recommends, Manulife products (also referred to as proprietary products) as the Manulife group of companies, as a whole, earns more revenue when we sell Manulife products over other third-party products. This may lead to the perception that our recommendations to buy proprietary products are influenced by factors other than our client's best interest.</p> <p>It is a conflict of interest for dealers, such as Manulife Wealth, to create incentives for advisors to sell certain products over others, or to have sales and revenue targets as this may influence advisors to put their interests ahead of their clients' interests.</p>	<p>Before entering into a transaction, we are required to disclose to you the commissions and other compensation we will receive from the transaction. Our advisors can only sell products that have been reviewed and approved by Manulife Wealth, and we will not approve a product if the costs to the client are not competitive or are abnormally high.</p> <p>Advisors must assess the suitability of different account types and programs and recommend the account type or program that puts the client's interests first. Advisory Services Compliance reviews our accounts and fee schedule documents to ensure that our clients are in suitable account types or programs and are receiving services that support the fees being charged.</p> <p>Our advisors receive the same portion of commission for the sale of proprietary products as they do on the sale of third-party products. The proprietary products we sell are subject to the same level of selection criteria and product review processes as the third-party products we sell. An explanation of the fees associated with different products can be found in Section 10. Manulife Wealth will also waive its annual nominee registered retirement account administration fee for clients who hold \$50,000 or more of Manulife mutual funds across all Manulife Wealth accounts, at the time the annual fee is determined, to reduce the amount that the Manulife group of companies, as a whole, is earning from you. We disclose this Administration Fee waiver to all clients in our "Administration and Service Fees" brochure.</p> <p>We do not have incentives for our advisors to sell certain types of products or the products of certain manufacturers over others, and we do not have annual sales or revenue targets. We have several awards and recognition programs to celebrate our outstanding advisors. Advisor qualification differs by program but is generally based on a combination of the amount of assets they manage and the amount of commissions they generate. Advisory Services Compliance has a process for monitoring advisor compensation levels to identify advisors who may be engaged in inappropriate sales practices to increase their compensation level or to qualify for our awards and recognition programs.</p>

Conflict of interest	How the conflict affects you	How we address the conflict
<p>Referral arrangements</p>	<p>Paid referral arrangements, where an advisor receives compensation for referring a client to another party, are an inherent conflict of interest. The payment of compensation may lead an advisor to make a referral, even when the referral is not in the client's best interests.</p>	<p>Manulife Wealth has referral arrangements in place with various portfolio managers. Manulife Wealth does not generally enter into referral arrangements with non-securities persons or companies. One of the exceptions is our referral arrangement with Manulife Bank of Canada.</p> <p>We also have a referral arrangement in place for mortgage and bank products with Manulife Bank of Canada and its wholly owned subsidiary, Manulife Trust Company. For referrals made to Manulife Bank of Canada, advisors receive a one-time referral fee and may also receive an ongoing referral fee if they meet certain qualifications, as determined by Manulife Bank of Canada, based on referral targets they set for products and product balances.</p> <p>Before referring you to any other party, your advisor is required to ensure that the referral is in your best interests. Before or at the time of referral, your advisor will provide you with a disclosure document outlining important information about the referral arrangement, including the amount of the referral fee that will be paid to your advisor for making the referral (or how the referral fee will be calculated). If you are being referred to a portfolio manager, we may disclose to you the investment management fees you can expect to pay. These investment management fees may be more than what you would pay in commissions and fees as a client of Manulife Wealth and investment management fees will be different depending on the portfolio manager you are referred to. We require your consent before we can refer you and you are not obligated to agree to being referred.</p> <p>Advisors are not permitted to engage directly in paid referral arrangements with non-securities persons or companies.</p>

Conflict of interest	How the conflict affects you	How we address the conflict
Advisor's outside activities	Your advisor must conduct all securities-related business in Canada through Manulife Wealth. If your advisor offers other products and services, these are activities conducted outside of your advisor's registration with Manulife Wealth (known as outside activities). Outside activities can create conflicts of interest if the activity affects the advisor's ability to provide unbiased advice in the best interests of the client, if the advisor earns compensation from the activity, if the activity requires too much of the advisor's time, if it is likely to cause client confusion, or by the nature of the position and the degree of influence the advisor holds.	Manulife Wealth is required to preapprove and monitor all outside activities that our advisors engage in. We consider issues relating to existing or potential conflicts of interest when determining whether to permit an outside activity. Conflicts that cannot be resolved in the client's best interests will not be permitted (meaning the advisor will have to stop engaging in the outside activity or will no longer be registered with Manulife Wealth). Prohibited outside activities include holding a real estate license and acting as a partner, director, or officer of a publicly listed company. Permitted activities include holding an insurance license. Qualified advisors are also permitted to act as investment advisor representatives providing fee-based discretionary advisory services to clients located primarily in the United States through Manulife John Hancock Private Wealth Program, offered by John Hancock Personal Financial Services, LLC. (an indirect, majority-owned subsidiary of MFC). Other outside activities are evaluated on a case-by-case basis considering all existing and potential conflicts. If your advisor offers other products or services, you will be provided an outside activities disclosure form describing the activity(ies). Manulife Wealth makes no representations or warranties and assumes no liability in connection with any outside activities engaged in by your advisor.
Giving and receiving of gifts and business entertainment	When advisors receive gifts, other than gifts of minimal value, from product issuers, mutual fund companies, or referral partners, it creates a potential conflict of interest as the receipt of these benefits may affect, or give the perception that it affects, the advisor's ability to give impartial investment recommendations. Gift giving between the advisor and the client may also give rise to concerns of conflicts of interest, favouritism, or suggest a future obligation of the client or advisor.	Manulife Wealth has policies and procedures in place that prohibit the giving or receiving of gifts or business entertainment of more than a minimal value between advisors and their clients and gifts and promotional items and activities to advisors from product issuers, mutual fund companies or referral partners. Advisors must keep a record of any gift received from, or business promotional item or activity paid for by, a product issuer, fund company or referral partner.
Competing interests of clients	Conflicts of interest may arise between clients as conflicting client priorities and interests make it difficult to resolve all conflicts of interest in the best interests of all clients simultaneously.	Manulife Wealth has policies and procedures in place to address these competing client interests and to ensure they are resolved in a fair and transparent way.

Conflict of interest	How the conflict affects you	How we address the conflict
Client complaints and errors	Manulife Wealth may have a potential conflict of interest when responding to a complaint or correcting an error as we could be influenced to correct the error in our own best interests rather than in the client's best interests.	Manulife Wealth is committed to handling all complaints in a fair and reasonable manner and in accordance with our complaint handling procedures and Trade Correction Policy. We investigate and respond to all client complaints, and if you are not satisfied with our response, you can escalate your complaint to the Ombudsman for Banking Services and Investments or CIRO.
Personal financial dealings with clients	It is a conflict of interest for our advisors to engage in any personal financial dealings with clients as this creates the risk that our advisors are putting their own interests ahead of their clients' best interests.	Our advisors are prohibited from lending money to clients, borrowing money, or receiving a guarantee in relation to borrowing money, or other assets, from clients. Advisors are also prohibited from investing together with clients, for instance, through an investment club or purchasing an asset from clients. Our advisors are also prohibited from having full control or authority over the financial affairs of a client (such as acting as power of attorney, executor, or trustee), except when the client is related to the advisor and the arrangement has been preapproved by Manulife Wealth. These prohibitions are managed through a combination of policies and procedures, training, and ongoing monitoring.
Improper trading practices	It is a conflict of interest for our advisors to engage in unethical or improper trading practices that benefit the advisor but are not in the best interests of the client.	Our advisors are prohibited from engaging in manipulative and deceptive trading activities that give a false or misleading appearance of trading activity or that artificially increase or decrease the ask price or sale price, negatively affecting our clients. Advisors cannot trade based on any material non-public information they become aware of. Our advisors are also prohibited from using their knowledge of client trades for their own benefit, known as frontrunning. These prohibitions are managed through a combination of policies and procedures, training, and ongoing monitoring.
The use of leverage in clients' accounts	Leverage is when you use borrowed money to purchase securities. There is a potential conflict of interest when clients borrow money to invest as this increases the size of their advisors' book of business and results in higher commissions for the advisor. Along with the increased risks that come with using leverage, there are also increased costs associated with borrowing money, which may mean that using leverage is not in the client's best interest.	Before opening a leverage account, clients are provided with a disclosure document explaining the risks of using borrowed money to invest. Advisory Services Compliance reviews all leverage account applications before an account is approved to ensure that leverage is suitable for the client. Advisory Services Compliance also conducts annual reviews after the account is opened to ensure it remains suitable and monitors trends in leverage account openings by advisors to ensure our advisors are opening accounts in the client's best interest.

Conflict of interest	How the conflict affects you	How we address the conflict
<p>Additional ways we may earn revenue from you</p>	<p>FCC may commingle its cash with Manulife Wealth clients' cash positions held in Nominee Name account(s). There is a potential conflict of interest in commingling cash as FCC will earn more interest on this larger amount of cash than it would have without commingling, and FCC will share a portion of the interest it earns with Manulife Wealth.</p> <p>FCC, or a related entity, will carry out a conversion of currency for transactions in currencies other than the currency of your account. FCC, or a related entity, will earn revenue based on the currency conversion and will share a portion of this revenue with Manulife Wealth. This is a conflict of interest as Manulife Wealth will earn revenue based on the currency conversion in addition to commissions or other charges earned on the transaction.</p>	<p>While Manulife Wealth earns a portion of the interest earned by FCC on commingled credit balances, we may also pay our clients interest for credit balances, depending on the current interest rate. Clients are notified in our account statement disclosure that credit balances held in non-registered accounts will not be segregated and may be used by FCC in the conduct of its business. We disclose that FCC and Manulife Wealth earn revenue for the service of foreign exchange transactions in this table and in the Client Account Agreement in this brochure.</p>
<p>Buying and selling new issues</p>	<p>A new issue is a security that is being registered, issued, and sold on the market to the public for the first time. Manulife Wealth sells new issues and, through its Capital Markets Group, may act as an underwriter or selling group member for new issues. Since advisors earn an up-front fee for the sale of new issues in addition to the account fee, there is a conflict of interest when new issues are sold in fee-based accounts.</p>	<p>The sale of new issues or secondary issues in our Advisor Managed Program is prohibited. In our Premier Investment Program, we permit the sale of new issues. Clients are notified by pre-trade disclosure prior to purchasing a new issue that the advisor will earn an up-front fee. This up-front fee is paid to Manulife Wealth by the issuer of the new issue or secondary issue. Advisory Services Compliance supervises our advisors to ensure they are not engaging in frequent buying and selling of new issues to generate additional fees. Advisors are responsible for recommending new issues only when they are in the best interests of the client.</p>
<p>Due diligence conducted by Capital Markets Group</p>	<p>Manulife Wealth's Capital Markets Group, when acting as an underwriter for an issuer, will conduct due diligence on the issuer before the issuer can be approved for Manulife Wealth's product shelf. Since the Capital Markets Group is compensated for acting as underwriter, there is a potential conflict of interest as the Capital Markets Group benefits from approving the issuer.</p>	<p>Manulife Wealth's Liability Committee, which includes representation from Compliance, Product Research, and Legal, will review any issues that are flagged during the Capital Markets Group's underwriting due diligence process and escalate for further due diligence as needed.</p>

Specific to clients in our Managed Account Programs

The following table discloses the actual, potential, or perceived material conflicts of interest that apply to our relationship with you if you open a managed account and explains the nature and extent of the conflict, how the conflict could affect you or be a risk to you, and how we address the conflict.

Conflict of interest	How the conflict affects you	How we address the conflict
<p>Discretion or control over voting rights in managed accounts</p>	<p>If you open a managed account(s), investment decisions will be made for you. In the Advisor Managed Program, investment decisions will be made by your advisor. In the Apex Unified Managed Account Program, a Manulife Wealth portfolio manager approved to provide portfolio management and related investment advisory services for managed accounts will make investment decisions for you. In the Masters Private Account Program, Manulife Wealth relies on third-party or affiliated sub-advisors to make investment decisions for you based on the investment mandate that you agree to. Manulife Wealth will also vote the securities on your behalf. The right to vote securities creates a potential conflict of interest as we could vote securities in our best interests rather than in the best interests of our clients. When voting on behalf of a group of clients, we may also be faced with a voting decision that is in the best interests of some, but not all, clients.</p>	<p>To minimize this conflict of interest, Manulife Wealth has engaged a third-party proxy voting service provider to vote the securities held in our managed accounts. The proxy voting service provider bases its voting decisions on guidelines issued by a leading independent provider of proxy advisory and governance services. While Manulife Wealth retains the discretion to deviate from any recommendation provided by the third-party proxy voting service provider, our usual practice is to defer to them.</p>
<p>Apex Unified Managed Account Program, Masters Private Account Program, portfolio managers, and mandates</p>	<p>The Apex Unified Managed Account Program (Apex) and Masters Private Account Program (Masters) offer clients indirect access to approved sub-advisors to provide investment recommendations. Choosing to include Manulife Investment Management Limited and Manulife Wealth as sub-advisors in these programs creates a conflict of interest as Manulife Wealth and its affiliates receive more total revenue for Manulife mandates than mandates of unaffiliated sub-advisors. Manulife Wealth also conducts (or has an affiliate conduct) initial and periodic reviews of itself, affiliated sub-advisors, and third-party sub-advisors responsible for creating models.</p> <p>For the ETF portfolios mandate, a portion of the assets in the portfolio will be invested in multifactor ETFs, and the remaining assets will be invested in passive ETFs. Manulife Wealth's Portfolio Management Team allocates the portion of assets invested in multifactor ETFs exclusively to Manulife ETFs, rather than third-party multifactor ETFs.</p>	<p>If you open a Masters account, in consultation with your advisor, you will select a sub-advisor and mandate for your Masters account. In Apex, in consultation with your advisor, you may select one or more sub-advisors and mandates, as well as individual mutual funds and ETFs. Your advisor does not earn a higher amount of commission if you choose a Manulife mandate over a third-party mandate.</p> <p>For the ETF portfolios' mandate, while the portion invested in multifactor ETFs will be allocated to Manulife ETFs, the portion invested in passive ETFs will only be invested in third-party, unaffiliated ETFs. We have also capped the maximum percentage that can be allocated to Manulife multifactor ETFs for each of the ETF portfolios.</p> <p>We disclose these conflicts of interest, as well as the maximum percentage caps, to clients in our Masters Private Account Agreement and Apex Unified Managed Account Agreement.</p>

4 Account relationship

The success of our relationship is very important to us. It is important for you to know the various roles, arrangements, and responsibilities that you, your investment advisor, and Manulife Wealth have with respect to your Manulife Wealth account(s), as well as what you can expect with respect to services and costs. Manulife Wealth offers two types of account relationships to clients of investment advisors: advisory accounts and managed accounts. Your advisor will explain the benefits of each type of account relationship so you can make an informed decision.

In either case, your advisor will determine a suitable investment strategy and investments based on your answers derived from the Investment Profile section of your account opening documentation. Your Investment Profile will capture information about you, including your investment objectives, time horizon, and risk tolerance for your accounts (see Section 5 for further details about Know Your Client (or KYC) information).

Each account might serve a different purpose, such as a cash account for taxable investment, RESP for college education savings, and RRSP for tax-deferred investments.

You can refer to the Investment Profile section of your account opening documentation to see the Investment Objectives, Risk Tolerance, and Time Horizons for each of your accounts. Each account will be identified by Account Type (for example, cash or RRSP), Custody of Assets (for example, Nominee Name or Client Name), and fee model (whether the account is advisory (commission-based/fee-based) or managed). Regardless of the type of account that you choose, Manulife Wealth and your advisor are responsible for ensuring that the assets in your account are suitable for you. We have internal policies, procedures, and controls to monitor and assess suitability on an ongoing basis.

Advisory account

In an advisory account relationship, your advisor will give you unbiased advice and recommendations about suitable investments. However, you are responsible for making all investment decisions in your account(s) and must authorize each transaction. An advisory account may be commission-based or fee-based through our Premier Investment Program (see Section 10 for more information about fees). You will only be able to purchase and hold fee-eligible securities in your Premier Investment Program accounts.

Managed account

We offer three types of managed account programs: an advisor managed program (the Advisor Managed Program), a unified managed program (the Apex Unified Managed Account Program), and a separately managed program (the Masters Private Account Program).

Advisor Managed Program

In the Advisor Managed Program, your Manulife Wealth advisor will take into account your best interests as a client first and make investment decisions for you based on the terms you have agreed to in your investment policy statement. Manulife Wealth advisors providing discretionary investment management in the Advisor Managed Program must meet certain proficiency requirements and be registered as portfolio managers with CIRO. This is a fee-based program (see Section 10 and our Client Account Agreement in Section C for more information about fees). Certain securities cannot be purchased in accounts in the Advisor Managed Program, such as equity securities that trade for less than \$1.00 and/or have a market capitalization of less than \$100 million and securities listed on exchanges or alternative trading systems located outside of North America (see Section 10 for more information). You can identify particular investment restrictions or constraints that you wish to apply to your Advisor Managed Program account holdings. Advisor Managed Program accounts are offered in single-currency (Canadian or U.S. dollar account only) or multi-currency (a Canadian dollar account and a separate U.S. dollar account).

Apex Unified Managed Account Program (“Apex”)

In Apex, with the recommendation of your advisor based on your KYC Information (as defined in Section 5 below), you will select the products you wish to hold in your Apex account and the target allocation for each product. If you are the client of a portfolio manager or an associate portfolio manager (“PM”), your PM will have the discretion to select the products that will be held in your Apex account and the target allocation for each product based on your KYC information. Apex account holdings may be invested in one, or a combination, of the following products:

- **Separately managed accounts and AMP PM Models (defined below)** – One or more sub-advisors and mandates may be selected for your Apex account (subject to investment minimums). Manulife Wealth relies on the third-party and affiliated sub-advisors that it has engaged to make investment recommendations for you based on your investment mandate(s) and your KYC Information. Manulife Wealth pays the sub-advisor you select for this service. If you are the client of a PM, your account allocation may include one or more model portfolios of securities based on the recommendations of your PM (“AMP PM Models”).
- **Individual ETFs and mutual funds** – Your Apex account can hold mutual funds and ETFs.

If you are the client of an advisor, you will agree to the selection of products and each product’s target asset allocation and document the allocation of account holdings in your Apex Unified Managed Account Agreement. This becomes the framework within which Manulife Wealth will exercise its discretion to manage your Apex account. The Manulife Wealth Portfolio Management Team will rebalance your Apex account in accordance with the frequency you’ve selected, as documented in your Apex Unified Managed Account Agreement, to ensure it always meets the targeted asset allocations. This may have an impact on the performance of your account as Manulife Wealth may need to sell securities that are performing well to maintain the target asset allocation. You will not be required to authorize rebalancing transactions in your account; however, changes to the target allocation of your account, your account holdings, the sub-advisors and/or mandates, or individual mutual fund and/or ETF holdings will only be made with your consent.

If you are the client of a PM, your initial allocation of account holdings will be documented in your Apex Unified Managed Account Agreement. This becomes the framework within which Manulife Wealth will exercise its discretion to manage your Apex account. Your PM has the discretion to make changes to the target allocation of your account, your account holdings, the sub-advisors and/or mandates, or individual mutual fund and/or ETF holdings based on your KYC Information, without your consent. The Manulife Wealth Portfolio Management Team will rebalance your Apex account in accordance with the frequency you’ve selected, as documented in your Apex Unified Managed Account Agreement, to ensure it always meets the targeted asset allocations. This may have an impact on the performance of your account as Manulife Wealth may need to sell securities that are performing well to maintain the target asset allocation. You will not be required to authorize rebalancing transactions in your account.

This is a fee-based program (see Section 10 and our Client Account Agreement in Section C for more information about fees). The range of products available under Apex is more limited than the range of products that would otherwise be available in other Manulife Wealth account types and may be further limited by the level of assets in your account, as products may have investment minimums. You may allocate cash and securities that you do not want sold to your transition sleeve. These holdings will not be sold or transacted by Manulife Wealth unless you provide verbal instructions to your advisor or PM. Holding cash and securities in the transition sleeve may affect the performance of your Apex account. You will be charged Apex program fees for all cash and securities in your transition sleeve. Apex accounts are only offered in multi-currency (a Canadian dollar account and a separate U.S. dollar account will be opened).

Masters Private Account Program (“Masters”)

In Masters, with the recommendation of your advisor based on your KYC Information, you will select a sub-advisor and a mandate for your account. Manulife Wealth relies on the third-party or affiliated sub-advisor that it has engaged to make investment decisions for you based on the investment mandate you have agreed to and your KYC Information. Manulife Wealth pays the sub-advisor you select for this service. You will not make any day-to-day investment decisions and will not be required to authorize specific transactions in your account. This is a fee-based program (see Section 10 as well as the Client Account Agreement in Section C for more information about fees). The range of products available in Masters is more limited than the range of products that would otherwise be available in other Manulife Wealth account types and may be further limited by the level of assets in your account as products may have investment minimums. Masters is offered in single-currency Canadian and U.S. dollar accounts.

What you can expect from Manulife Wealth

Manulife Wealth’s responsibilities to you include:

- providing you with relationship disclosure information;
- assessing the suitability of investments in your Manulife Wealth account(s) (for more information, please see Section 5);
- for managed accounts, assessing the suitability of a managed account and, if applicable, your investment policy statement (for the Advisor Managed Program) or investment mandate (for the Apex Unified Managed Account Program and Masters Private Account Program);
- providing you with fund facts, prospectuses, offering memoranda, and/or other product disclosure documents where required by law (for advisory accounts only);
- for managed accounts, monitoring the services provided by advisors in the Advisor Managed Program and third-party sub-advisors in the Apex Unified Managed Account Program and Masters Private Account Program for, among other things, compliance with your investment policy statement (for the Advisor Managed Program) or the investment mandates (for the Apex Unified Managed Account Program and Masters Private Account Program);
- supervising advisors and branch managers, and
- handling any complaints regarding its services in a fair and reasonable manner.

As our carrying broker, FCC will:

- report account activity to you through trade confirmations (only for advisory accounts and accounts in the Advisor Managed Program if you have not agreed to waive delivery of trade confirmations), account statements, reports on client positions held outside of FCC and Manulife Wealth, tax reporting, and various other requirements mandated by securities laws and regulations;
- receive, deliver, and provide safekeeping of funds and securities received through Manulife Wealth; and
- issue and receive cheques and deliver and receive securities on Manulife Wealth’s behalf with respect to all transactions directed to FCC.

The success of our relationship is also dependent on your responsibility to:

- provide your advisor with accurate, up-to-date Know Your Client (KYC) information (see Section 5)
- carefully and promptly review all communications from Manulife Wealth or related to your Manulife Wealth account(s), including trade confirmations (only for advisory accounts and for accounts in the Advisor Managed Program if you have not agreed to waive delivery of trade confirmations) and account statements, and promptly inform us of any errors;
- actively participate in the account relationship by asking questions and contacting Manulife Wealth immediately if you are unsatisfied with the handling of the affairs in your account(s); and
- review any and all product disclosure documents, including fund facts, prospectuses, and offering memoranda, provided to you in connection with the investments you make in your account(s) (for advisory accounts only).

5 Suitability and Know Your Client information

Manulife Wealth and your advisor must assess whether investments in your account(s) are suitable for you. This is accomplished by considering a variety of factors related to your investment goals and personal circumstances. These factors are known in the securities industry as Know Your Client (or KYC) information and are described further below.

It is important that you provide Manulife Wealth and your advisor with accurate and up-to-date KYC information so we can assess the suitability of your investments. **You must ensure your KYC information has been accurately recorded on your account opening documentation and subsequent account-related documentation.**

You must also promptly inform your advisor whenever there has been a change in your KYC information.

You will receive a copy of the KYC information we obtain from you when you open your account(s) and when you tell us about any material changes to the information.

We need to know the following KYC information, at a minimum, to guide us in our determination regarding suitability:

- **Your personal circumstances** – includes age, contact information, marital status or family situation, employment information or occupation, and who has a personal financial interest in your account. If the account is opened for a non-individual (for example, a corporation), we will need information about the corporation, including the legal name, address, form of organization and principal business, and who is authorized to provide instructions for the account
- **Your financial circumstances** – includes:
 - **Annual income** – The amount of your annual income from all relevant sources
 - **Net worth** – The total of all your assets (e.g., house, investments) less liabilities (e.g., debt, mortgage)
 - **Liquidity needs** – Considers the extent to which you wish or need to access all or a portion of your investments to meet expenses, financial obligations or to fund major planned expenses
 - **Financial assets** – Includes a breakdown of your financial assets and may include investments that are held outside of Manulife Wealth
 - **Leverage or borrowing to invest** – Whether or not you have borrowed funds to buy your investments
- **Investment knowledge** – Refers to your understanding of investing, investment products, financial markets, their associated risks and limitations and how the level of risk taken affects your potential investment returns. Your investment knowledge will be assessed and categorized as high/sophisticated, good/knowledgeable, average/fair or poor/none
- **Investment needs and objectives** – Includes a discussion of your liquidity needs as well as the financial outcomes you want to achieve with the investments in a particular account. Your investment objectives may include growth, income and capital preservation. Your account will be designated as having one or a combination of these objectives, which can be described as follows:
 - **Growth** – The portion of the account that needs to generate growth of capital over time. Investments can include investment funds that hold equity securities
 - **Income** – The portion of the account that needs to generate regular income. Investments can include bonds, debt securities, dividend-paying equity securities and investment funds that hold these types of securities
 - **Capital Preservation** – The portion of the account that needs to include assets that have a likelihood of maintaining their value over time, including cash or cash equivalents

- **Investment Time horizon** – When you expect to need your investments (e.g., at retirement, to purchase a house, etc.). Your investment time horizon will be assessed based on your liquidity needs, age, investment objectives, risk profile and other personal circumstances. In general, if you have a longer investment time horizon there may be greater flexibility in choosing your investments, whereas if you have a shorter investment time horizon, conservative investments may be your only option
- **Risk Profile** – Your risk profile is determined by taking the lower of (i) your willingness to accept risk (your risk tolerance) and (ii) your ability to withstand financial loss (your risk capacity)
 - **Risk tolerance** – Considers your willingness to accept risk and how comfortable you are with the possibility of losing money on your investments
 - **Risk capacity** – Considers your ability to withstand financial loss in light of your particular circumstances, including your financial circumstances, age, life stage and how much of your total investments an account or investment position represents

The risk rating of the investments in your account(s) must be consistent with your risk profile. Investment risk levels are described as follows:

- **Low risk** – Investments that have historically below-average price volatility and relatively low rates of return. They can usually be redeemed or sold with little or no impact on price and generally include Government of Canada and provincial bonds, as well as investment funds that invest the majority of their assets in these types of investments
- **Medium risk** – Investments that have historically demonstrated average price volatility and average rates of return. They can usually be redeemed or sold in a reasonable amount of time with little or no impact on price and generally include high-quality corporate and foreign bonds, large-cap North American stocks, and investment funds that invest the majority of their assets in these types of investments
- **High risk** – Investments that have historically demonstrated above-average price volatility and high rates of return. They can usually be redeemed or sold in a reasonable amount of time with little or no impact on price. In certain situations, however, they could become unexpectedly difficult to redeem or sell at current market prices. They generally include most high-yield bonds, many small capitalization North American stocks, foreign stocks, and some hedge funds and other alternative investments

Suitability

Our ongoing suitability analysis begins at the time of account opening. We will determine what type of account (e.g., fee-based, commission-based, managed, advisory, etc.) is appropriate for your circumstances. If you have an advisory account, your advisor will make recommendations to you for suitable investments, and you are responsible for making all investment decisions in your account(s). It is important to remember that meeting our suitability determination obligation does not imply or guarantee any particular outcome for your investments.

Before we open an account for you; purchase, sell, deposit, exchange or transfer securities for your account; or take or recommend an investment action for you, your advisor must determine that the action being taken:

- is suitable for you, based on the following:
 - your existing KYC, including the risk level of the account;
 - your advisor's assessment or understanding of the product;
 - your investment portfolio and how the trade would affect the concentration and liquidity in the account and in the product;
 - the cost of the product and its impact on the returns on your investment;
 - the reasonable range of alternative investments and actions available at the time the determination was made, and
- puts your interests first.

When you are making investment decisions, it is important that you consider the following risks:

- **Concentration risk** – When you are invested too heavily in a small number of securities, the lack of diversification can result in higher volatility. Since your account(s) is overly exposed to a small number of securities, your account(s) is more sensitive to changes in the value of those securities.
- **Credit risk** – When you purchase a debt security, it represents borrowed money that must be repaid by the issuer to you (the lender) according to the terms of the debt security. Credit risk is the risk that some issuers may not pay back interest or pay back the principal on schedule, which may result in a loss to you as the lender.
- **Interest rate risk** – The risk that a potential change in interest rates may affect the value of your credit investment, such as a bond or fixed-income product. If you own an investment that pays a fixed interest rate, it may decrease in value if interest rates increase and increase in value if interest rates decrease over the period that you hold the investment.
- **Currency risk** – The risk that changes in the value of the Canadian dollar (as compared to a foreign currency) can affect the Canadian dollar value of securities priced in foreign currencies. This means that if you hold a security priced in a foreign currency, even if the investment increases in value you may still lose money on your investment once the value of the security is converted into Canadian dollars.
- **Equity securities risk** – Equity securities represent an ownership interest in an entity. The entity is affected by general economic and financial conditions both internally and externally. Unlike debt securities, the entity has no obligation to repay you, and your expected return is uncertain. If the entity fails, you may lose all or most of your investment.
- **Foreign investment risk** – This is a risk that securities issued in a country other than Canada may be exposed to additional risks that are unique to that country, such as political risks, economic risks, market or liquidity risks and regulatory risks. These foreign investment risks may cause the investment to fluctuate more in value than Canadian securities.
- **Liquidity risk** – Liquidity refers to how quickly an investment can be bought or sold. Liquidity risk is the risk that you may not be able to convert a security into cash quickly or easily because it isn't regularly traded. As a result, you may have to sell at a lower price in order to find a willing buyer or be unable to sell the security.
- **Specialization risk** – Specialization risk arises when you purchase a security that focuses on a specific type of investment, such as companies in a particular industry or a particular geography. Like concentration risk, the risk is that without diversification, the security will have greater losses if the specialized industry or geography performs poorly.

If an investment is determined to be unsuitable, your advisor will have a discussion with you and may recommend the investment not be purchased or may recommend that it be sold, as the case may be. Your advisor will also consider whether there have been any material changes in your circumstances that should be reflected in your KYC information. If you still wish to purchase an investment that we conclude is unsuitable, we will, on a case-by-case basis, decide whether to proceed with the transaction.

Manulife Wealth and your advisor will ensure that any action taken, recommendation given, or decision made for you is suitable and puts your interests first, including when:

- an order is accepted or a recommendation is made (for advisory accounts);
- you transfer, withdraw or deposit assets into your account(s);
- Manulife Wealth becomes aware of a change in an investment held in your account that could result in the investment or the account no longer satisfying a suitability determination;
- there is a change in your advisor; for Advisor Managed Program accounts, a change in your portfolio manager; or for Masters Private Account Program and Apex Unified Managed Account Program, a change in sub-advisor or mandate;
- Manulife Wealth or your advisor becomes aware of a material change to your KYC information; and
- we review your KYC information with you, which we are required to do at a minimum of every 36 months for advisory accounts and every 12 months for managed accounts.

Manulife Wealth and your advisor will not review the suitability of the investments in your account(s) whenever significant market events occur. However, should you have any questions or concerns regarding the investments in your account(s) in the event of a significant market fluctuation or at any other time, contact your advisor to request a review of your account(s).

If you have a managed account (Advisor Managed Program, Apex Unified Managed Account Program, or Masters Private Account Program), the suitability of your investments will be assessed initially and on an ongoing basis in accordance with the applicable managed account agreement.

Trusted Contact person and Temporary Holds

During the account opening process (or for existing accounts, when meeting with your advisor), we will ask you for the name and contact information of a trusted contact person. A trusted contact person is someone who you authorize us to contact when we have concerns about your mental capacity and ability to make decisions on financial matters or we suspect that someone might be financially exploiting you. We may also contact your trusted contact person for information such as your contact information (after multiple attempts at trying to contact you directly) or the name and contact information of your legal representative (if any). If we need to contact your trusted contact person, we will try to notify you in advance and will only share as much information with your trusted contact person as is necessary for the trusted contact person to be able to help you. Your trusted contact person cannot make investment decisions for your account(s) and does not replace your power of attorney (if any).

We are permitted to place a temporary hold on your account(s) if:

- we believe that financial exploitation has occurred, is occurring, has been attempted or will be attempted and that you have an illness, impairment, disability or aging-process limitation that places you at risk of financial exploitation; or
- we believe that you lack the mental capacity and ability to make decisions on financial matters.

A temporary hold means you will not be able to sell or purchase securities in your account(s) or withdraw or transfer cash out of your account(s). Prior to placing a temporary hold, we are required to:

- document what led us to place (or continue) the temporary hold and review these facts and any new facts on a frequent basis to determine whether continuing the temporary hold is appropriate,
- notify you of the temporary hold and our reasons for placing it as soon as possible, and
- within 30 days of placing the temporary hold, and every 30 days while the temporary hold is in place, either revoke the temporary hold or provide you with notice of our decision to continue the temporary hold and our reasons supporting that decision.

6 Operation of your account(s)

The operation of your Manulife Wealth account(s) is governed by the terms included in your new account application forms and the Client Account Agreement. Depending on the type of account you have or the program in which you are enrolled, your account will also be governed by the terms of supplementary documents as follows:

- for registered plans – the applicable Declaration of Trust;
- for margin accounts – Margin Account Agreement;
- for Premier Investment Program – Premier Investment Program application or Premier Investment Program Fee Agreement form;
- for the Advisor Managed Program – Advisor Managed Program Agreement, Advisor Managed Program Fee Agreement, and your investment policy statement;
- for Apex Unified Managed Account Program – Apex Unified Managed Account Agreement; and
- for Masters Private Account Program - Masters Private Account Agreement.

All applicable agreements and contracts will be provided to you upon the opening of your account(s).

You are responsible for carefully reading and ensuring you understand and agree to all account opening documentation and subsequent account related documentation, prior to signing.

7 Account reporting

Trade confirmations

If you have an advisory account, you will receive a trade confirmation for each trade in your account(s). For trades that are part of an automatic payment plan (PAC), systematic withdrawal plan (SWP), or dollar-cost averaging plan (DCA), you will only receive a trade confirmation for the initial trade and not for subsequent trades. By signing the Apex Unified Managed Account Agreement and/or the Masters Private Account Agreement, you agree to waive the delivery of trade confirmations. For accounts in the Advisor Managed Program, you may have agreed to waive the delivery of trade confirmations through your Advisor Managed Program Agreement or otherwise.

Statement of Account and reports

Client Statement of account

You will receive a statement of account at least once each quarter for each of your Nominee Name accounts and after the end of any month in which a transaction was effected in any account reported on a consolidated statement, except where the only transaction during the month was a dividend transaction. You may also request to receive account statements monthly by contacting your advisor. Your account statement(s) will include details about the activity in your account(s) since your last statement(s), including the opening and closing market value of the account; all deposits, credits, withdrawals and debits in the account during the period; the name, quantity, current market value and total market value of each security position in the account; the total market value of all security positions in the account by asset type; the total market value of all cash; the cost of each security position in the account; the total cost of all cash and security positions in the account; and the name and quantity of each security purchased, sold or transferred and the date of each transaction.

Reports on client positions held outside of FCC and Manulife Wealth

You will receive a quarterly report on your client positions held outside of FCC and Manulife Wealth and after the end of any month in which a transaction was effected in any account reported on a consolidated statement, except where the only transaction during the month was a dividend transaction. This report will include the name, quantity, cost, market value and total market value of each security position in the account; the total market value of all security positions in the account; and the total cost of all security positions in the account.

Annual Account Report

The Annual Account Performance and Annual Account Fees Reports provide an overview of your investments' performance and the fees Fidelity Clearing Canada ULC processed on behalf of Manulife Wealth relating to your account. This information will be delivered to you following your December 31 statement and will help you and your advisor assess your progress toward meeting your investment goals.

Annual Account Performance Report

This report provides information about the average annual rates of return of each of your accounts. The report also shows the change in the value of your accounts and helps to identify how your contributions, withdrawals, and the markets have changed the value of your account. By comparing these numbers with your investment goals, you can assess if you are on plan to meet them. You will not receive a report if the account has less than a full calendar year of performance history.

Annual Account Fees Report

This report identifies the fees received in relation to each of your accounts. Manulife Wealth and your advisor received fees directly or indirectly from you for providing personalized advice and service, managing your account, and handling transactions and the ownership of certain investment products. Fees paid indirectly by other firms, such as fund companies, may be received in the form of commissions to Manulife Wealth. Although you don't pay these directly, they affect you because they may reduce your returns.

Please speak to your Manulife Wealth Advisor if you have questions about these reports.

Tax reporting

FCC will provide all relevant tax reporting on all Manulife Wealth accounts, as required by law.

Information about benchmarks

A benchmark is a point of reference that is commonly used to compare and assess the performance of an investment. It is usually an index of securities of the same or similar asset class and geography (for instance, Canadian stocks are compared against Canadian stocks, U.S. bonds are compared against U.S. bonds). A benchmark's performance represents the returns over time of the select group of securities that forms its index. Benchmark indices are typically owned by specialized firms (for example, Standard & Poor's) that receive real-time and historical data from the source exchange. The most common types of benchmarks are broad-based market indices, such as the S&P/TSX Composite and S&P 500, as these represent a large set of securities on a particular exchange and show how a particular market is generally performing.

Your Manulife Wealth advisor may provide you with information about how the performance of a specific investment strategy, including an investment fund, may compare with the performance of a broad-based securities index or benchmark. This information may be important to you if your account is invested according to the specific investment strategy or if you invest in the specific investment fund. Your advisor may also show you specific benchmark returns to give you a sense of how a particular market has performed over a given period of time. It is important to note that benchmarks reflect the performance of the specific basket of securities, without any fees or charges being taken into account, whereas the performance of the particular investment strategy or investment fund is calculated after fees are deducted.

If you would like information about the performance of a broad-based benchmark index for a specific period of time in order to assess how your account is performing, please contact your advisor.

8 eDelivery of documents and access to account information

You may elect to receive all regulatory documents, such as account statements, reports on client positions held outside of FCC and Manulife Wealth, trade confirmations, and tax receipts, electronically via eDelivery, forgoing the mailing of these documents. Clients must register to use the Manulife Wealth Investor Portal (the “Portal”) to receive documents electronically. At registration, you will be provided with terms and conditions for use of the Portal, including access to Manulife Wealth’s privacy policy to safeguard the confidentiality of your personal information. Please contact your advisor for more information.

9 Procedures regarding handling cash, cheques, and securities

Manulife Wealth and our advisors do not accept cash under any circumstances. You must make all Canadian cheques for investments in your Manulife Wealth account(s) payable to either Manulife Wealth Inc. or Fidelity Clearing Canada ULC. U.S. cheques must be made payable to Fidelity Clearing Canada ULC. Under no circumstances should you leave the name of the payee blank on your signed cheque or make a cheque payable to your advisor, a numbered company or personal holding company. Your physical Securities may be held by FCC as Manulife Wealth’s carrying broker, engaged to provide custodial services for our clients. In cases where securities are temporarily held by Manulife Wealth in safekeeping, Manulife Wealth’s responsibility is limited to exercising the same degree of care exercised by Manulife Wealth in the custody of our own securities. Manulife Wealth and FCC will be responsible for the safekeeping of your securities and credit balances. Manulife Wealth and FCC keep a record of all receipts, deliveries of securities and account positions.

10 Fees and commissions related to your investments and your Manulife Wealth account(s)

Account fees related to servicing your Manulife Wealth account(s)

You will pay account fees in connection with the administration, transfer and termination of your Manulife Wealth account(s). These servicing fees vary depending on the account type, your investments, the type of activity in your account, and the programs you chose to participate in. Your investment returns will be reduced in proportion to the fees that you pay for your investments. Account servicing fees are billed directly to you or your account(s) and are set out in more detail in Manulife Wealth’s “Administration and Service Fees” brochure or your program agreement(s), where applicable.

Interest paid on credit cash balances or charged on amounts owed is based on an interest rate schedule available upon request or at www.manulifewealth.ca. Interest rates are established at a variable rate.

Applicable account costs for Manulife Wealth’s different account types and programs are as follows:

Account type	Description
Commission-based Client Name Registered and non-Registered advisory account	<p>There may be direct costs related to the administration of your Client Name accounts as set out in Manulife Wealth’s “Administration and Service Fees” brochure. There may also be costs related to ancillary services and the buying, selling or holding of securities in these accounts. (For further details, see the “Administration and Service Fees” brochure and the Transaction charges, commissions paid to Manulife Wealth and referral arrangements section below.)</p>
Commission-based Nominee Name Registered and non-Registered advisory account	<p>There may be direct costs related to the administration of your Nominee Name accounts as set out in Manulife Wealth’s “Administration and Service Fees” brochure. There may also be costs related to ancillary services and the buying, selling or holding of securities in these accounts. (For further details, see the “Administration and Service Fees” brochure and the Transaction charges, commissions paid to Manulife Wealth and referral arrangements section below.)</p>
Premier Investment Program (Fee-based advisory account)	<p>Premier Investment Program accounts will be charged a program fee plus applicable taxes for trading, investment advice, account administration and service, and ancillary services. A certain number of commission-free trades are permitted in a 12-month period depending on the market value of the fee-eligible assets held in the account, as outlined in the Premier Investment Program application or Premier Investment Program Fee Agreement (as applicable) that you sign (or signed) on account opening. Mutual fund trades are unlimited and do not count towards your commission-free trade limit. Additional costs may apply for trades executed on international exchanges. Any trades made beyond the allowable limit are subject to current trading commission rates. Only fee-eligible securities can be purchased in Premier Investment Program accounts.</p> <p>The program fee is based on the positive cash balance and market value of fee-eligible investments in your Premier Investment Program account(s). The fee rate and billing frequency applicable to your account(s) are detailed on the Premier Investment Program application or Premier Investment Program Fee Agreement form that you sign (or signed) on account opening.</p> <p>Some of the transaction charges and commissions received from third parties discussed in the following section may also apply to accounts in the Premier Investment Program. The annual fee on a Premier Investment Program account may be more than what would otherwise be paid in a commission-based advisory account.</p>

Account type	Description
<p>Masters Private Account Program (Managed Account)</p>	<p>Accounts in the Masters Private Account Program will be charged a program fee plus applicable taxes for trading, portfolio management, account administration and service, and ancillary services. The program fee is calculated based on the account(s) daily average market value and charged to the account(s) monthly in arrears. The program fee rate and designated accounts are detailed in the Masters Private Account Agreement you sign (or signed) on account opening. You may also be charged for securities transactions executed on international exchanges. The annual fee on a Masters Private Account Program account may be more than what would otherwise be paid in a commission-based advisory account. The minimum account size in the Masters Private Account Program starts at \$25,000 and varies by mandate.</p> <p>Other than ETFs and mutual funds that may charge a management expense ratio (MER) and may incur expenses, the transaction charges and compensation paid to Manulife Wealth, discussed in the following section, do not apply to accounts in the Masters Private Account Program.</p> <p>The Masters Private Account Program is offered in single-currency Canadian and U.S. dollar accounts.</p>
<p>Apex Unified Managed Account Program (Managed Account)</p>	<p>Accounts in the Apex Unified Managed Account Program (“Apex accounts”) will be charged a program fee plus applicable taxes for trading, portfolio management, account administration and service, and ancillary services. The program fee is calculated based on the daily average market value of the assets held in your Apex Accounts and charged to the account(s) monthly in arrears. The program fee rates for designated accounts are detailed in the Apex Unified Account Agreement you sign (or signed) on account opening. You may also be charged for securities transactions executed on international exchanges. The annual fee on an Apex Account may be more than what would otherwise be paid in a commission-based advisory account. The minimum account size in the Apex Unified Managed Account Program starts at \$25,000 and varies by mandate.</p> <p>Other than ETFs and mutual funds that may charge a management expense ratio (MER) and may incur expenses, the transaction charges and compensation paid to Manulife Wealth, discussed in the following section, do not apply to Apex Accounts.</p> <p>Apex Accounts are only available in multi-currency. Based on the expected cash flows into and out of the Canadian dollar account and U.S. dollar account, Manulife Wealth will convert funds as needed at the end of each business day. Since this conversion of currency is based on forecasted cash flows, the actual cash flows required may be more or less than the amount Manulife Wealth converts and may result in a higher amount in foreign exchange fees than necessary. Program fees will be posted and billed to the Canadian dollar account, which will affect the accuracy of the annual performance reporting for the Canadian dollar account and U.S. dollar account.</p>

Account type	Description
<p>Advisor Managed Program (Managed Account)</p>	<p>Advisor Managed Program accounts will be charged a program fee plus applicable taxes for trading, portfolio management, account administration and service, and ancillary services. Additional costs may be charged for securities transactions executed on international exchanges.</p> <p>The program fees are charged based on the positive cash balance and daily average market value of fee-eligible assets held in your Advisor Managed Program account(s). Your program fees and the payment frequency applicable to your account(s) are detailed in the Program Fee Agreement that you sign (or signed) on account opening. There is no minimum account size for Advisor Managed Program accounts; however, there is a minimum annual fee requirement of \$1,500 per household. Some of the transaction charges and commissions from third parties discussed in the following section may also apply to accounts in the Advisor Managed Program. The annual fee on an Advisor Managed Program account may be more than what would otherwise be paid on a commission-based advisory account.</p> <p>Advisor Managed Program accounts are offered in single-currency or multi-currency. For multi-currency accounts, based on the expected cash flows into and out of the Canadian dollar account and U.S. dollar account, Manulife Wealth will convert funds as needed at the end of each business day. Since this conversion of currency is based on forecasted cash flows, the actual cash flows required may be more or less than the amount Manulife Wealth converts and may result in a higher amount in foreign exchange fees than necessary. Program fees will be posted and billed to the Canadian dollar account, which will affect the accuracy of the annual performance reporting for the Canadian dollar account and U.S. dollar account.</p> <p>Certain securities cannot be purchased in accounts in the Advisor Managed Program, such as: equity securities that trade for less than \$1.00 and/or have a market capitalization of less than \$100 million; securities listed on exchanges or alternative trading systems located outside of North America; new issues or secondary issues underwritten by Manulife Wealth; leveraged and inverse ETFs; capital/Class A share component of a split share; flow-through share LPs; options that are not part of a covered call or protective put strategy; mutual funds that are not on FundSERV; labour-sponsored investment funds; private securities; segregated funds; market-linked GICs and principal-protected notes. This list is subject to change. Please contact your advisor if you would like more information.</p>

Transaction fees, commissions paid to Manulife Wealth and referral arrangements

Transaction fees

In addition to the account charges related to servicing your account(s) described above, there may be costs related to buying, selling or switching investment products. The dealer receives fees to cover the transaction costs related to your account(s).

Commissions paid to Manulife Wealth

Manulife Wealth may receive commissions for the advice and services we provide to you on the investments you hold in your account(s). The type and amount of commissions we receive depend on the sales option chosen when the investment product was purchased and may take the form of commission at the time of purchase, ongoing trailing commissions (also known as service fees), or other forms of compensation listed in the chart below.

Transaction charges and commissions paid to Manulife Wealth

Product types						
	Securities listed on stock exchange ¹	Debt securities ²	Options	New issues ³	Investment funds ⁴	Principal-Protected Notes, Principal-At-Risk Notes, and GICs
Transaction charges						
Sales commission – Equities – What you pay Manulife Wealth on equity securities trades. Commissions are subject to a minimum commission charge of the greater of 1% of the principal value of the trade or \$100. Minimum commissions will apply on partial fills except those transacted on the same business day. Commission is calculated in the currency of the executing market. Manulife Wealth reserves the right to pass on the execution costs of high-quantity orders. Additional charges may apply for trades executed on international exchanges	✓					
Debt securities sales commissions – What you pay Manulife Wealth on debt securities trades. Commission rates will vary according to the type of instrument, term to maturity, and face value to a maximum of 1% of the face value of the trade in the currency of the transaction		✓				
Sales commission – Options – What you pay Manulife Wealth on the purchase or sale of options contracts at the rate of \$2.00 CAD (or \$2.50 USD) per contract or \$100, whichever is greater			✓			
Sales commission – Front-end sales charge funds – What you may pay Manulife Wealth on the purchase of mutual funds and deducted from the amount invested at the time of purchase					✓	
Sales commission – Switch fee – What you may pay Manulife Wealth on the net asset value of the funds switched from one investment fund to another					✓	

Product types						
	Securities listed on stock exchange ¹	Debt securities ²	Options	New issues ³	Investment funds ⁴	Principal-Protected Notes, Principal-At-Risk Notes, and GICs
Commissions paid to Manulife Wealth						
Up-front sales commissions – Third parties (such as mutual fund companies, issuers, and sellers) may make a one-time payment to Manulife Wealth based on the amount of your investment. Refer to the fund facts or offering documents for more details				✓	✓	✓
Trailing commission – Third parties may pay Manulife Wealth a portion of the ongoing management fee they collect from the fund as a trailing commission. The trailing commission is paid monthly or quarterly for as long as the investment is held. Refer to the fund facts or offering documents for more details	✓			✓	✓	
Service fee – Some third parties may pay Manulife Wealth a service fee in place of a trailing commission. The service fee is collected by the investment provider on a monthly or quarterly basis for as long as the investment is held. Refer to the fund facts or offering documents for more details					✓	
Investment performance fee – When the performance of a fund exceeds a predetermined threshold, certain funds pay a portion of these excess investment gains to the product issuer in the form of a performance fee. These costs reduce the net asset value of the fund available to unitholders. A portion of the performance fee may be paid to Manulife Wealth. Please refer to the offering documents for more details					✓	

Product types						
	Securities listed on stock exchange ¹	Debt securities ²	Options	New issues ³	Investment funds ⁴	Principal-Protected Notes, Principal-At-Risk Notes, and GICs
Other deductions						
Redemption fee, including deferred sales charge – Charged by a product issuer when all or a portion of an investment is redeemed prior to the expiry of a schedule set by the product issuer. Refer to the fund facts, prospectus, offering memorandum or information statement				✓	✓	✓
Short-term trading fee – Short-term trading by investors may increase portfolio trading costs and may be disruptive to a portfolio manager’s ability to effectively manage an investment fund. A product issuer may charge a fee to deter frequent trading within a specified time period. Refer to the fund facts or offering documents for more information					✓	
Indirect fees and expenses associated with Investment Funds						
Management Expense Ratio (MER) – There are costs that are paid by the fund to the product issuer for the ongoing management of the fund. The MER is the portion of the fund’s assets used to pay these costs each year, expressed as a percentage. These costs are not charged to you directly, but they reduce the net asset value of the fund available to unitholders and will reduce the overall return on your investment. When you receive information about the value of your investments, these fees and expenses have already been taken into consideration. Refer to the fund facts or “Management Report of Fund Performance” for details about specific funds	✓				✓	✓

Product types						
	Securities listed on stock exchange ¹	Debt securities ²	Options	New issues ³	Investment funds ⁴	Principal-Protected Notes, Principal-At-Risk Notes, and GICs
<p>Trading Expense Ratio – The trading expense ratio represents how much trading commissions were incurred to buy and sell investments inside the fund. These costs are paid by the fund to the product issuer and are equal to the total commission expenses incurred divided by the total assets of the fund, expressed as a percentage. These costs are not charged to you directly, but they reduce the net asset value of the fund available to unitholders and will reduce the overall return on your investment. When you receive information about the value of your investments, these fees and expenses have already been taken into consideration. Refer to the fund facts or “Management Report of Fund Performance” for details about specific funds</p>	✓				✓	✓

Referral arrangements

Manulife Wealth has referral arrangements with various firms for which Manulife Wealth may receive a referral fee. Before any services are provided to you under a referral arrangement, details about the referral arrangement, including the referral fees the firm will pay to Manulife Wealth, will be disclosed to you in writing by your advisor.

Notes:

- 1** Securities listed on a stock exchange include common shares, preferred shares, ETFs, closed-end funds, real estate investment trusts, rights, and warrants.
- 2** Debt securities include Government of Canada, provincial and corporate bonds, strip bonds, and all other Canadian over-the-counter bonds, including money market instruments and U.S./foreign-traded bonds.
- 3** New issues are provided through Manulife Wealth's Capital Markets Group and include equity Initial Public Offerings (IPO), secondary offerings, structured product offerings, flow through offerings, specialty product offerings, primary debt offerings, and designated block trades.
- 4** Investment funds include mutual funds, segregated funds, labour-sponsored investment funds, pooled funds, and offering memorandum funds. All fees are subject to applicable taxes.

Manulife Wealth may pay a portion or all of the transaction charges, compensation received from third parties and referral fees we receive to your advisor. Manulife Wealth may also pay a portion of those fees to another registrant of Manulife Wealth.

Prior to accepting any instruction to purchase, sell or switch a security in your advisory account, your advisor will disclose:

- the amount or a reasonable estimate of the related transaction charges,
- whether Manulife Wealth will receive trailing commissions or a service fee while you hold the security in your account, and
- whether there are any investment fund management expense fees or other ongoing fees you may incur in connection with the security.

The charges and commission that you pay for your investments and for your Manulife Wealth account(s) can have a significant long-term impact on your investment returns. Over time, your investment returns compound as you earn income not only on your investment, but also on the returns on your investment. Similarly, the costs you pay for your investments will compound over time since the costs will be deducted from your investments and you will not benefit from potential growth and earning income on this money.

11 Our complaint handling procedure

We want to know if you have any concerns regarding your Manulife Wealth account(s) or your advisor.

Manulife Wealth has specific complaint handling procedures for responding to any client complaints. These complaint handling procedures are set out in the Client Satisfaction and Complaint Resolution section (Section E) of this brochure. When you open your account with us, your advisor will also provide you with a copy of the brochures, “How to Make A Complaint” and “How CIRO protects investors.” These brochures are also available at www.manulifewealth.ca. These brochures will help you understand the regulation of advisors and dealers registered with CIRO, how you can make a complaint, and your options should you not be satisfied with the outcome of our complaint handling process.

12 How to contact us

Manulife Wealth Inc.

Physical address: 1235 North Service Road West, Suite 500, Oakville, Ontario L6M 2W2

Mailing address: Manulife Wealth Inc., P.O. Box 1700 RPO Lakeshore West, Oakville, ON L6K 0G7

Toll-free: 1-855-716-5133

Website: www.manulifewealth.ca

B. Leverage disclosure

Risk of borrowing to invest

Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by the loan's terms remains the same even if the value of the securities purchased declines.

Before borrowing to invest, you should consider, amongst other things:

- your level of comfort with respect to taking risk;
- whether you are investing for the long term or short term;
- that the use of a borrowing-to-invest strategy could result in far greater losses than an investment strategy that does not involve the use of borrowed money;
- the cost of borrowing (i.e., interest payments) and whether you will be able to repay the loan.

Your advisor should discuss with you the risks of borrowing to invest.

C. Client account agreement

This section sets out the terms and conditions that govern Manulife Wealth's relationship with you as the client of an investment advisor and the operation of your Manulife Wealth account(s). Please read this section carefully.

Part A

In consideration of Manulife Wealth Inc. ("Manulife Wealth") opening and servicing one or more accounts for you (individually or collectively, the "Account"), you understand and agree to the following terms and conditions in respect of the operation of the Account:

1 Defined terms

The following terms have the following meanings for the purposes of this Client Account Agreement:

- a. "Applicable Laws" include any applicable statute, regulation, order having the force and effect of law, instruments, by-laws, rules, regulations, policies and customs of applicable Regulatory Authorities.
- b. "Authorized Agent" includes any owners to a joint account, an individual with trading authorization or power of attorney, or a trustee.
- c. "Client Name" means Securities of a mutual fund that are registered in the name of the holder of such Securities and not in the name of the registered dealer acting as agent for that holder of such Securities, directly on the books and records of the mutual fund maintained by or on behalf of the manager of the mutual fund.
- d. "Collateral" means any and all assets, including credit balances held or carried in any Account for any purpose and including any present or future credit balances, dividends, interests, Securities and any other property.
- e. "FCC" means Fidelity Clearing Canada ULC, acting as carrying broker for Manulife Wealth, and is Manulife Wealth's agent for trade execution, clearing, settlement, recordkeeping and custodial services.
- f. "Indebtedness" means all indebtedness of you to Manulife Wealth or FCC, including fees for our managed account programs and fee-based programs and other charges that you owe, and as may be set out in any statement of account or other communication sent to you and including interest on any debit balances, if any, in the Account at that time, any short position and the reasonable costs of collection of payments owed to Manulife Wealth or FCC, including legal fees.
- g. "our", "us" and "we" mean Manulife Wealth, its employees, agents and affiliates.
- h. "Regulatory Authorities" mean any applicable governmental authority, agency, securities commission, self-regulatory organization, including the Canadian Investment Regulatory Organization (CIRO); exchange, market, clearing corporation or association of brokers or dealers; law enforcement or similar authority, whether domestic or foreign.
- i. "Securities" mean equity securities, debt securities, investment fund securities, certain derivative securities, and deposit products, and any other securities or products that Manulife Wealth is permitted to trade in for an Account under Applicable Laws.
- j. "Transaction" means the purchase, sale, or other dealings in Securities in the Account.

2 Applicable Laws

The operation of your Account and each Transaction in your Account is subject to Applicable Laws. Manulife Wealth will only permit Transactions in your Account in those Securities that we are permitted to trade in.

Part B

The following terms and conditions apply to your advisory Account(s) with Manulife Wealth.

1 Operation of the advisory account

- a. Manulife Wealth will accept instructions from you or your Authorized Agent to carry out a Transaction. However, Manulife Wealth may, without notice to you, refuse to carry out instructions for Transactions for any reason and in our sole discretion. FCC may, at the direction of Manulife Wealth, or in its sole discretion, refuse to open or clear an Account or order or clear any account or any order, and to liquidate and close any Account if in its opinion such Account or order represents an unreasonable credit risk or could give rise to a breach of Applicable Laws.
- b. You will indemnify and save Manulife Wealth harmless for any losses or expenses we incur in acting or declining to act on your instructions or instructions from your Authorized Agent.
- c. Manulife Wealth reserves the right to set a time deadline for receipt of instructions from you in order to process a Transaction on that business day. If we receive instructions from you after such deadline on a given business day, your instructions will be carried out on the following business day. Manulife Wealth or FCC may change these time deadlines from time to time, and without notice to you. For further information about our current time deadlines, please contact your advisor.
- d. You will pay or deliver Securities for the settlement of any Transaction in your Account on the day of settlement, or as otherwise directed by Manulife Wealth or its agent, FCC. If you do not pay or deliver Securities for the settlement of any Transaction as required under this Agreement, you will be responsible for any loss sustained by, or costs incurred by, Manulife Wealth or FCC, and Manulife Wealth may, without prior notice to you, do whatever we consider necessary in order to avoid or minimize any potential loss or inconvenience to us or FCC. Any such losses or costs for which you are responsible due to the failed settlement will be considered Indebtedness under the terms of this Agreement.
- e. You will not give instructions to Manulife Wealth to:
 - i. sell Securities that are not owned by you or which you are unable to settle; or
 - ii. purchase Securities where you will not be able to settle such purchase in such form acceptable to Manulife Wealth within the applicable settlement period required by Applicable Laws. Manulife Wealth has the right to instruct FCC to unwind any purchase that is not settled within the applicable settlement period, and you will be responsible for paying any and all costs associated with such unwinding.

2 Execution of orders

You understand and agree that unless Manulife Wealth agrees or requests otherwise, we will not accept instructions sent via electronic mail, text message or any other electronic medium, or provided as a recording such as voicemail.

You are responsible for all instructions given by you or your Authorized Agent. You acknowledge that these instructions are final and that you cannot object to them or any resulting Transaction at a later date. If Manulife Wealth acts on instructions from you, or someone not authorized by you but purporting to be you or an individual authorized by you, you agree to indemnify Manulife Wealth for any loss, liability or expense (including reasonable legal costs) that may arise as a result of Manulife Wealth's compliance with such instructions.

Any change/cancel order you provide us is subject to prior fill and cannot be executed if the original order has already been filled when the change/cancel order is processed. You will be responsible to honour any partial or complete trade that takes place before your change/cancel order is processed. For a complete listing of order types currently offered by Manulife Wealth, please contact your advisor or refer to our most recent Multiple Marketplace Disclosure available at www.manulifewealth.ca.

3 Securities held in client name

Your Client Name holdings of mutual fund securities are registered in the name(s) of the account holder(s) on the books and records of the applicable mutual fund and are not under the direct care and control of FCC or Manulife Wealth. We will report quarterly on Client Name holdings of mutual fund securities in a separate Report on your client positions held outside of FCC and Manulife Wealth and on trade confirmations as required under Applicable Laws.

4 Trade confirmations

Trade confirmations will be delivered to you for each purchase or sale of Securities in your Account, unless you and Manulife Wealth have agreed to otherwise, subject to Applicable Laws. You agree to carefully examine each trade confirmation sent to you, as soon as you receive it, and advise Manulife Wealth, by notice in writing, of any errors or objections within 30 days after the settlement date. If we do not receive this notice, Manulife Wealth will consider the Transaction authorized, correct and complete; you cannot object to it at a later date, and Manulife Wealth will be released from all claims by you in connection with the Transaction or any action taken or not taken by us regarding your Account. Written notice should be addressed to:

Manulife Wealth Inc.

P.O. Box 1700 RPO Lakeshore West,
Oakville, ON L6K 0G7

Part C

The following are general terms and conditions that apply to every Account (advisory or managed).

1 Operation of the account

- a. You will indemnify and save Manulife Wealth harmless for any losses or expenses we incur in acting or declining to act on your instructions for Transactions or instructions for Transactions for your Authorized Agent.
- b. Manulife Wealth is not bound by, and has no responsibility to abide by, the terms of any written, verbal, implied or constructive trust, including any last will and testament, and we will not verify any instructions we receive with any trust document or Applicable Laws.
- c. Your Account will be credited any interest, dividends or other monies received in respect of Securities held in the Account and any monies (net of all charges) received as proceeds from Transactions for the Account, and your Account will be debited any amounts owing, including interest, by you to Manulife Wealth pursuant to this Agreement.
- d. In addition to any applicable fees for our managed account programs or our fee-based account programs, you will pay the administration and service fees relating to the Account, as set out in Manulife Wealth's "Administration and Service Fees" brochure, as amended from time to time. To obtain a copy of the most up-to-date version of the "Administration and Service Fees" brochure, contact your advisor. The administration and service fees that will be payable by you are subject to change at the discretion of Manulife Wealth. You will be notified of any changes in such fees in a manner deemed appropriate in the circumstances, in the sole discretion of Manulife Wealth.
- e. Manulife Wealth and FCC are under no obligation to allow you to trade, or hold in your Account, Securities that are restricted in any way as to trading or transfer, but may do so in their sole discretion and at your sole risk. Manulife Wealth is not liable to you in any way with respect to the processing of the restricted Securities, including any market value movement that may occur during the processing period, regardless of any delays.
- f. Manulife Wealth may record and keep records of all telephone calls relating to general instructions and instructions for Transactions in your Account, including telephone calls between you and Manulife Wealth and between Manulife Wealth and FCC, any mutual fund manager or other dealer to whom a Transaction is directed. You agree that such recordings will be admissible in court or any other legal or regulatory proceeding.

- g. Manulife Wealth will keep records of your instructions. These records will be conclusive and binding on you in any disputes, including in any legal proceedings.
- h. Manulife Wealth may, at any time and without notice to you, discontinue any product or service.
- i. While FCC, acting as Manulife Wealth's carrying broker, performs trade execution, clearing, settlement, recordkeeping and custodial services for Account(s), Manulife Wealth and FCC are jointly responsible for ensuring that all activities performed by FCC on behalf of Manulife Wealth are performed properly and in compliance with relevant CIRO requirements.

2 Your securities and deposits

Your physical Securities may be held by FCC as Manulife Wealth's carrying broker, engaged to provide custodial services for our clients. In cases where Securities are temporarily held by Manulife Wealth in safekeeping, Manulife Wealth's responsibility is limited to exercising the same degree of care exercised by Manulife Wealth in the custody of our own Securities. We may register ownership of your securities in a nominee account held by us, FCC or our agent. In this case, we will credit any dividends, interest and sale proceeds to the nominee account and then transfer them to your account. Manulife Wealth and FCC will be responsible for the safekeeping of your securities and credit balances. Manulife Wealth and FCC keep a record of all receipts, deliveries of securities and account positions.

3 Transaction charges, interest, taxes and other charges

You will pay to Manulife Wealth all applicable commissions and other charges for each Transaction (including any Transaction pursuant to Section 8 below) and applicable fees for our managed account programs and fee-based programs, plus all expenses paid or incurred by Manulife Wealth in order to carry out your instructions or to enforce this Agreement, together with interest, calculated daily and compounded monthly, on any outstanding Indebtedness. These commissions and other charges shall be at Manulife Wealth's prevailing rates. FCC, or entities related to it, may earn revenue from a foreign currency conversion, and Manulife Wealth will receive a portion of that revenue (see Section 4 below).

The interest rates charged by Manulife Wealth are based on an interest rate schedule available upon request or at www.manulifewealth.ca. You waive notice of any and all changes to such rates.

You authorize Manulife Wealth or FCC to deduct from the Account any applicable taxes, including, without limitation:

- a. any Goods and Services Tax and other tax, levy or duty levied upon or calculated with reference to the commission, expenses or other charges payable under this Agreement imposed by any federal, provincial or municipal government, or any of their agents;
- b. withholding taxes arising from U.S. source investments;
- c. withholding taxes arising on payments to non-residents of Canada; and
- d. withholding taxes and any payments to government authorities arising from payments from a registered plan or an Account that was a registered plan that has been de-registered.

Manulife Wealth may debit such commissions, fees for our managed account programs, fee-based programs, charges, expenses, taxes and other charges to the Account, and if you do not have enough cash in your Account, Manulife Wealth may sell Securities in order to settle any of the foregoing.

4 Foreign currency exchange

For Transactions in currencies other than that of the currency of the Account, a conversion of currency may be required and will be carried out by FCC or an entity related to FCC. FCC, or the related entity, will earn revenue based on the currency conversion and will share a portion of this revenue with Manulife Wealth. Unless otherwise specified or agreed to, the currency conversion will take place at a predetermined bid and ask spread based on the prevailing currency rates.

5 Payment of indebtedness

You will promptly pay all Indebtedness when due or on our demand.

6 Collateral

As continuing collateral security for the payment of any Indebtedness, which is now or may in the future be owing by you to Manulife Wealth or FCC, you hereby hypothecate and pledge to Manulife Wealth all Collateral, whether held in any Account in which you have an interest, and whether or not the Indebtedness relates to the Collateral hypothecated and pledged. Whether you reside in Quebec or in the common law provinces and territories, certain rights conferred hereunder to Manulife Wealth by you may not be available to Manulife Wealth. Manulife Wealth is however authorized to exercise any and all rights available to us in the jurisdiction in which you reside. The interest rate applicable to the hypothec shall be the rate of interest designated from time to time by Manulife Wealth to our branches as being our effective rate for determining interest on debit balances in your Account with Manulife Wealth.

7 Use of collateral by Manulife Wealth

So long as any Indebtedness remains unpaid, you authorize Manulife Wealth, without notice, to instruct FCC to use at any time and from time to time the Collateral in the conduct of Manulife Wealth's business, including the right to:

- a. combine any of the Collateral with the property of Manulife Wealth, or by FCC as carrying broker, or other clients or both,
- b. pledge any of the Collateral held in Manulife Wealth's possession, or by FCC, as carrying broker on behalf of Manulife Wealth, as security for our own indebtedness,
- c. loan any of the Collateral to Manulife Wealth for our own purposes, or
- d. use any of the Collateral for making delivery against a sale, whether this sale is for the Account or for Manulife Wealth's own account or for any account in which Manulife Wealth is directly or indirectly interested, or for the account of any other Manulife Wealth client.

8 Elimination or reduction of indebtedness

If (i) you fail to pay any Indebtedness when due; (ii) you fail to provide Manulife Wealth or FCC any required Securities in acceptable delivery form on or before any settlement date; (iii) there is any unsecured or potentially unsecured Indebtedness in the Account; (iv) you die, become bankrupt or insolvent or if any of the Collateral becomes subject to execution, attachment or other process; or (v) you fail to comply with any other requirement contained in this Agreement, then in addition to any other right or remedy to which Manulife Wealth is entitled, Manulife Wealth may, or may instruct FCC to, in our sole discretion, and without notice or demand to you:

- a. apply monies held to the credit of you in any other account with Manulife Wealth (excluding registered Accounts) to eliminate or reduce the Indebtedness;
- b. sell, contract to sell or otherwise dispose of any or all of the Securities and apply the net proceeds therefrom to eliminate or reduce the Indebtedness;
- c. purchase or borrow any Securities necessary to cover any of your short sales or open positions;
- d. cancel any outstanding Transactions (excluding managed Accounts); and/or
- e. otherwise close or restrict your Account or Transactions in your Account.

These rights may be exercised separately, successively or concurrently and at the sole discretion of Manulife Wealth. The failure to exercise any or all of such rights or the granting of any indulgence shall not in any way limit, restrict or prevent Manulife Wealth from exercising such rights at any subsequent time and shall not limit, reduce or discharge any Indebtedness or part thereof. Any Transactions for your Account made by Manulife Wealth or FCC pursuant to Manulife Wealth's exercise of these rights may be made upon any exchange or market or at a public or private sale upon such terms and in such manner as Manulife Wealth deems advisable. If demand is made or notice is given to you by Manulife Wealth, it shall not constitute a waiver of any of

Manulife Wealth's rights to act hereunder without demand or notice. Any and all expenses (including any legal expenses) reasonably incurred by Manulife Wealth in connection with exercising any such rights may be charged to the Account. You remain liable to Manulife Wealth for any Indebtedness remaining following the exercise by Manulife Wealth of any or all of these rights.

You acknowledge that Manulife Wealth's rights to eliminate your Indebtedness are reasonable and necessary for Manulife Wealth's protection, having regard to the nature of securities markets, including their volatility. You further acknowledge that the liquidation of Securities in the Account may have significant tax consequences for you and for which you will be solely liable. Manulife Wealth is not liable in any way to you with respect to the elimination, reduction or discharge of the Indebtedness and/or any action that Manulife Wealth may take as permitted under this Agreement to exercise our rights.

9 Transfers to other accounts

Manulife Wealth may instruct FCC to, at any time and from time to time, take any monies or Securities in the Account and any proceeds from the sale or other disposition of such Securities, to pay or cover any of your obligations to Manulife Wealth, including your obligations in respect of any other Account, whether such account or accounts are a joint account or is an account guaranteed by you.

10 Account reporting

Account statements for each of your Nominee Name accounts will be delivered to you at least quarterly and on a monthly basis if (a) you have effected a Transaction in your Account; (b) there has been a contribution to your Account, cash deposited into your Account or a transfer in or out of your Account; (c) there has been a security modification, other than dividend or interest payments, in your Account; or (d) you have requested monthly statements. If you have multiple accounts that are consolidated for reporting and at least one of those accounts meets the above-mentioned criteria to receive a monthly statement, all of the accounts will be included in the statement package. Your statement will set out all of the activity in your Account for the statement period. An "Annual Account Performance" report and an "Annual Account Fees" report will be sent to you annually. You agree to carefully examine each statement and report sent to you as soon as you receive it. You must advise Manulife Wealth, by notice in writing, of any trade-related errors or objections within 30 days after the settlement date of the trade. For all other errors or omissions, you must advise Manulife Wealth, by notice in writing, within 30 days after receipt of your account statement. If we do not receive notice within the prescribed period, Manulife Wealth will consider the statement or report authorized, correct and complete; you cannot object to it at a later date, and Manulife Wealth will be released from all claims by you in connection with the statement or report or any action taken or not taken by us regarding your Account. Written notice should be addressed to:

Manulife Wealth Inc.

P.O. Box 1700 RPO Lakeshore West,
Oakville, ON L6K 0G7

11 Changes to your information

You will advise Manulife Wealth promptly of any changes to your personal information and investment-related information in connection with your Account as soon as any changes occur. This includes, but is not limited to, changes to your personal and financial circumstances, such as your address, marital status, financial and employment information and changes to your investment knowledge, investment needs and objectives, investment time horizon and risk profile. For a corporate or non-individual entity Account, this includes changes to the directors, officers, beneficial owners and trustees.

You will also advise Manulife Wealth promptly if you or anyone who has trading authority for, control over, a financial interest in, and/or a beneficial ownership in, your Account is or becomes or ceases to be (i) an insider, significant shareholder or reporting insider, or affiliate of a publicly traded company or (ii) a securities professional. For the purposes of this Agreement, a "securities professional" is a partner, director, officer or employee of a member, member firm or member corporation of any stock exchange or a nonmember broker or CIRO dealer.

You will complete and sign any documentation required by Manulife Wealth in connection with these changes in a timely manner. You understand and agree that Manulife Wealth will rely on the information provided by you and you certify that it is current, accurate and complete until you advise us otherwise in writing.

You also understand and agree that Manulife Wealth is unable to provide you with appropriate advice without this current information about you and your Account. You agree that Manulife Wealth has no liability for any misstatement from, or omission by, you of any of your personal information or investment-related information. Manulife Wealth is required to review information related to your investment goals and personal circumstances with you, at a minimum, every 36 months for advisory accounts and every 12 months for managed accounts.

12 Unclaimed property

If your Account or the Securities in your Account become unclaimed property within the meaning of any applicable laws governing unclaimed property or otherwise, Manulife Wealth will adhere to all unclaimed property legislation. To ensure that your Account or the Securities in your Account do not become unclaimed property, always inform your advisor of changes to your personal information, including your address.

13 Capacity

If the account holder(s) is an individual, you represent that you have the power and capacity to enter into this Agreement and perform all obligations under this Agreement and to effect the Transactions contemplated in this Agreement. If you are a married woman, you represent that you are not a “married woman under community of property” under the provisions of the Civil Code of Lower Canada (if you are, your husband must also sign this agreement).

If the account holder(s) is a corporation or other entity, you represent that you have the corporate or other power and capacity to enter into this Agreement, to perform your obligations under this Agreement and to effect the Transactions contemplated in this Agreement and that the execution and delivery of this Agreement have been duly authorized.

14 Notices and communications to you

Any notice or communication to you about your Account(s) may be given by (i) prepaid mail, (ii) electronic mail (email) to any address of record for you with Manulife Wealth, or (iii) personal delivery to you or to the last known address on file. Any such notice or communication shall be deemed to have been received, whether or not you actually received it, (i) if mailed, on the second business day after mailing; (ii) if sent by email, on the day sent; or (iii) if delivered personally, when delivered.

Manulife Wealth will post important information related to our services, this Agreement, Manulife Wealth accounts generally and Manulife Wealth’s “Important Client Information” brochure at www.manulifewealth.ca or on the password-protected Investor Portal. You agree to monitor our website for changes to this information, and you will be deemed to have notice of all communications posted on our website.

Manulife Wealth may charge a fee for delivery of paper account statements, reports on client positions held outside of FCC and Manulife Wealth and/or trade confirmations, in accordance with the “Administration and Service Fees” brochure.

Nothing in this section shall be interpreted as requiring Manulife Wealth to give any notice to you that is not otherwise required to be given by Manulife Wealth under this Agreement or Applicable Laws.

15 Joint accounts

If the Account has been opened in the names of more than one person, whether as joint tenants with rights of survivorship (other than in the province of Quebec), or as “tenants in common” or as held jointly by such persons (each an “Owner” and, collectively, the “Owners”), then the following terms and conditions shall apply:

- a. Manulife Wealth may accept and act upon, or direct FCC to act upon as applicable, instructions, including instructions to make trades or withdraw or transfer money and Securities from the Account, received from any Owner with respect to the operation of the Account as fully and completely as if such Owner had sole interest in the Account. Acceptance of such instructions and the implementation thereof shall be binding upon all of the Owners of the Account. Despite the foregoing, Manulife Wealth shall have the right at any time, in our sole discretion, to require that any instructions be authorized by all Owners of the Account before acting upon any instructions we receive. Manulife Wealth has no responsibility or liability should we choose not to exercise this right.
- b. The Owners hereby jointly and severally (in Quebec, solidarily) indemnify and hold Manulife Wealth harmless against any loss, claim, damages, liability and expenses of any kind whatsoever arising out of Manulife Wealth acting in accordance with Subsection 16(a) or Subsection 16(b) and to promptly pay to Manulife Wealth on demand any and all amounts owing by the Owners to Manulife Wealth or FCC. The cash, Securities and other property held in the Account shall be subject to a lien in favour of Manulife Wealth as security for the discharge of all obligations of the Owners to Manulife Wealth, and Manulife Wealth has the irrevocable authority to deal with the assets in the Account or instruct FCC to deal with the assets in the Account, in such manner as we, in our sole discretion, deem appropriate to satisfy all obligations owing to us.
- c. Manulife Wealth may, or may instruct FCC to, deliver Securities, money or other property relating to the Account to any Owner without attracting any liability and without being required to provide notice thereof to any of the other Owners. Manulife Wealth reserves the right to refuse to, or refuse to direct FCC to, make delivery or payment at any time except to the Owners jointly.
- d. Notices or other communications of any kind in respect of the Account may be sent to any Owner without being required to provide copies thereof to any of the other Owners. All such communications transmitted in such manner shall be binding upon each of the Owners.
- e. Manulife Wealth will provide Account information, including all account statements, reports, notices or other communications of any kind in respect of the Account, to any Owner upon request.
- f. Where the Account has been established for Owners as “tenants in common” or as held jointly by the Owners (including in the province of Quebec):
 - i. unless otherwise designated in writing by all of the Owners to Manulife Wealth, the Owners shall be deemed to be beneficial owners of the assets in the Account in equal shares, and
 - ii. following the death of any of them, providing proof of death is furnished to the satisfaction of Manulife Wealth, the continued conduct of the Account shall be upon the same terms and conditions as contained in this Agreement with beneficial ownership in the share of the deceased Owner vesting in his or her estate or beneficiaries, as applicable.
- g. Where the Account has been established for the Owners as joint tenants with rights of survivorship (in provinces other than Quebec), ownership and control of the assets in the Account vest beneficially in all of them. Upon the death of an Owner, and provided proof of death is furnished to the satisfaction of Manulife Wealth:
 - i. beneficial ownership and control of the assets in the Account shall, from the date of such death, vest solely in the remaining surviving Owner(s), and
 - ii. the continued conduct of the Account shall be by the remaining Owners, if applicable, as joint tenants with rights of survivorship upon the same terms and conditions as contained in this Agreement.
- h. The Owners acknowledge that they have not received or relied upon Manulife Wealth for any legal or tax advice in regard to the Account or the manner in which ownership therein has been established or with respect to the operation thereof. The Owners further confirm that they have obtained independent professional legal and tax advice to ensure that their respective rights, needs and objectives are satisfied.
- i. The Owners also acknowledge that this Agreement will continue to apply when any Owner dies or becomes bankrupt or mentally incompetent.

16 Termination

You may close your Account and terminate this Agreement by notifying Manulife Wealth in writing.

Manulife Wealth may, in our sole discretion, terminate this Agreement and require that you close or transfer your Account to another registered dealer within a reasonable time period. If you fail to do so, Manulife Wealth may, or may instruct FCC to, without notice to you, deliver your Account assets to you or liquidate your Account, pay all outstanding Indebtedness owed to Manulife Wealth and forward any balance to you. You acknowledge that the liquidation of your Account may result in significant tax and other consequences to you.

You accept full responsibility for such consequences and hereby waive any claim or right you have or may have against Manulife Wealth or FCC with respect to the termination of this Agreement and the closure, transfer or liquidation of your Account.

Manulife Wealth reserves the right to close, or direct FCC to close, without notice to you, an inactive or small balance Account with balances equal to, or less than, the Account's closing fee, which may be charged by Manulife Wealth as set out in the Manulife Wealth's "Administration and Service Fees" brochure.

Manulife Wealth will direct FCC to complete any Transaction pending on the day the Account is closed and maintain sufficient assets in the Account to pay for the Transaction. Manulife Wealth is not otherwise obligated to recommend any action with regard to your Account upon termination.

The termination of this Agreement does not release you or Manulife Wealth from any liabilities or obligations that existed before termination, including limitations of liability and indemnification.

17 Amendments

This Agreement may be amended at any time by Manulife Wealth provided Manulife Wealth gives you notice of the amendment. Manulife Wealth is expressly authorized to provide notice of any such amendment to this Agreement by including a notification in your account statement or report on your client positions held outside of FCC and Manulife Wealth or by posting such amendment on Manulife Wealth's website at www.manulifewealth.ca. The first Transaction in the Account following notification of a change to this Agreement constitutes your acceptance of the change as of the effective date set out in the notice of amendment.

If any Applicable Laws or other laws are enacted, made, amended or otherwise changed with the result that any term or condition of this Agreement is, in whole or in part, invalid, then such term or condition will be deemed to be varied or superseded to the extent necessary to give effect to such Applicable Laws or other laws.

18 Responsibility

You will be responsible for any loss, cost or liability (including reasonable legal costs) incurred by Manulife Wealth as a result of your failure to comply with this Agreement.

In addition to any other provisions in this Agreement, Manulife Wealth is not liable for any losses in your Account as a result of:

- a. any reliance by us upon any representations made by you or on your behalf to us;
- b. any failure or delay in receiving your instructions or communications, in processing your Transactions or transferring your cash or Securities elsewhere; or
- c. wars, strikes, cybersecurity events, suspension of trading, market events, government or regulatory rulings or restrictions or any other conditions or events beyond Manulife Wealth's control.

19 Freezing the account

Manulife Wealth may, or may instruct FCC to, freeze your Account without notice to you if required by Applicable Laws or other laws, court order, governmental authority or for any reasonable grounds. This may include, but is not limited to, instances in which there is a dispute as to the entitlement to the assets in your Account, a court order, apparent or suspected fraud, theft, any violation of the terms of this Agreement or any operation of the Account in a manner unsatisfactory to us or that we suspect may be contrary to Applicable Laws or other laws.

20 General

- a. This Agreement shall be construed in conjunction with any other agreements between Manulife Wealth and you in connection with the Account, provided that, to the extent necessary, the terms and provisions of this Agreement shall supersede the terms and provisions of all other agreements with Manulife Wealth, except that this Agreement in no way restricts or limits any other rights that Manulife Wealth may have under any other agreement or agreements with you.
- b. The operation of your Account is governed by the terms of this Agreement and the terms of your new account application form. Depending on the type of Account you have and/or any specialty program you are enrolled in, your Account will also be governed by the terms of the following:
 - i. for the Advisor Managed Program: the Advisor Managed Program Agreement, the Advisor Managed Program Fee Agreement and your investment policy statement;
 - ii. for the Masters Private Account Program: the Masters Private Account Agreement;
 - iii. for the Apex Unified Managed Account Program: the Apex Unified Managed Account Agreement;
 - iv. for the Premier Investment Program: the Premier Investment Program application and/or the Premier Investment Program Fee Agreement (depending on when you opened your Account or updated your Premier Investment Program documentation);
 - v. for registered plans – the applicable Declaration of Trust; and
 - vi. for margin accounts: the Margin Account Agreement (in addition to any applicable specialty program agreement(s) if the margin Account is part of a specialty program).
- c. Each of the provisions contained in this Agreement is distinct and severable. A declaration of invalidity or unenforceability of any part or all of a provision by a court of competent jurisdiction shall not affect the validity or enforceability of the balance of that provision or any other provision in this Agreement.
- d. The headings used in this Agreement are for convenience of reference only and shall not in any way affect its interpretation. In this Agreement, where the singular is used, it shall include the plural.
- e. You shall do all acts or things and execute and deliver all documents or instruments as are necessary or desirable to give effect to all Transactions executed by Manulife Wealth or FCC pursuant to this Agreement.
- f. This Agreement shall enure to the benefit of and shall be binding upon you and Manulife Wealth and our respective heirs, executors, administrators or successors as the case may be. It will continue to apply if you die or become disabled or incompetent.
- g. On notice to you, Manulife Wealth may assign any of our rights, responsibilities and obligations under this Agreement (in whole or in part) to any of our affiliates or third parties without your consent. You may not assign this Agreement.
- h. This Agreement shall, with respect to each separate Account, be governed by and interpreted in accordance with the laws of the jurisdiction in which the Manulife Wealth branch office that services that particular Account is located.
- i. No waiver of any provision of this Agreement shall be considered a waiver of any other provision, or the continuing waiver of the provision(s), so waived. No waiver of any right or obligation or any remedy for breach of any provision of this Agreement will be effective or binding unless made in writing and signed by whoever is purporting to give the waiver.
- j. Whenever this Agreement entitles Manulife Wealth to alternative courses of action, Manulife Wealth shall be entitled to choose any, none or all of such alternatives in our sole and unfettered discretion.

D. Privacy statement

Further information about our privacy practices are posted to www.manulife.ca.

In this Privacy Statement, “you” and “your” refer to the Manulife Wealth account applicant(s). “We”, “us” and “our” refer to Manulife Wealth Inc. and our related affiliates.

Manulife Wealth and FCC will collect, use, and disclose your personal information for the purposes of establishing and managing our relationship with you, providing you with products and services, managing our business, and complying with legal and regulatory requirements.

FCC Privacy Policy is posted to https://clearing.fidelity.ca/content/dam/fcc/en/footer-pdfs-en/fcc_privacy_policy.pdf.

We collect, use, verify and disclose your personal information for identified purposes, and only with your consent, or as permitted or required by law. By applying for an investment account, you give your consent for us to collect, use, and disclose your personal information as set out in this Privacy Statement. Any alterations to the consent must be agreed to in writing by Manulife Wealth.

In certain situations, and depending on the accounts and services you have, Manulife Wealth and FCC may request your consent for additional purposes for collection, use, and disclosure of your personal information.

Why do we collect, use, and disclose your personal information?

For the purposes of establishing and managing our relationship with you, providing you with products and services, managing our business, and complying with legal and regulatory requirements.

What personal information is collected?

Depending on the type of account, we collect specific personal information about you, such as:

- your name, address, citizenship, date of birth, gender, telephone number(s), email address, personal financial records, identification number (including your Social Insurance Number), marital status and information about your spouse where applicable, occupation and employer, financial information such as your annual income, your investment knowledge, investment needs and objectives and risk profile;
- information about how you use our products and services, and information about your preferences, demographics, and interests; and
- other personal information required to administer our business relationship with you.

We use fair and lawful means to collect your personal information.

Where do we collect personal information from?

- Your completed applications and forms
- Interactions between you and Manulife Wealth, such as:
 - Your advisor
 - Manulife Wealth Head Office
 - Manulife Wealth Investor Portal
- From other sources, such as:
 - Your advisor
 - Your authorized representative(s), such as power of attorney
 - Third parties with whom we deal in administering your account(s), now and in the future
 - Public sources, such as government agencies and internet sites

What do we use your personal information for?

- Administering the products and services that we provide and to manage our relationship with you
- Confirming your identity and the accuracy of the information you provide
- Understanding your investment objectives and risk tolerance
- Evaluating your application and to issue and administer the rights under the account
- Understanding more about you and how you like to do business with us
- Analyzing data to help us make decisions and understand our clients better so we can improve the products and services we provide
- Performing audits and investigations and to protect you from fraud
- Determining your eligibility for, and provide you with details of, other products or services that may be of interest to you
- Complying with legal and regulatory requirements, such as tax reporting

Who do we disclose your personal information to?

- Your advisor, authorized employees, agents and representatives of Manulife Wealth or their delegates and affiliates, in the performance of their duties
- Authorized employees of FCC, in the performance of their duties
- Fund companies or other issuers of investments named in any forms completed for your benefit
- Any person or organization that you give consent
- People who are legally authorized to view your personal information
- Service providers who require this information to perform their services for Manulife Wealth or FCC (for example, data processing, programming, data storage, market research, printing and distribution services, credit bureaus and investigative agencies)
- Persons, financial institutions and other parties with whom Manulife Wealth and FCC deal in administering your account(s), now and in the future
- Legal or Regulatory Authorities that require this information

The above-mentioned people, organizations and service providers are both within Canada and in jurisdictions outside Canada. Therefore, your personal information may be subject to interprovincial or cross-border transfers in order to provide services to you and be subject to the laws of those jurisdictions.

Where personal information is disclosed to service providers, service providers are required to protect the information in a manner that is consistent with Manulife Wealth's privacy policies and practices.

How long is your personal information kept?

The longer of:

- the time period required by law and/or by guidelines set for the financial services industry or
- the time period required to administer the products and services we provide.

Withdrawing your consent

You may withdraw your consent for the use of your SIN or Business Number, if applicable, for non-tax administration purposes. You may also withdraw your consent for us to use your personal information to provide you with other services or product offerings, excluding those delivered with your statements or reports.

You may not withdraw your consent for us to collect, use, retain or disclose personal information we need to administer your investments and account(s) unless federal or provincial laws give you this right. If you do so, Manulife Wealth may no longer be able to properly administer your investments or products, and we may treat your withdrawal of consent as a request to close your investment account(s), in which case you may have to pay penalties, if applicable.

If you wish to withdraw your consent, phone our customer care centre at 1-888-MANULIFE (626-8543), or 1-888-MANUVIE (626-8843) in Quebec, or write to the Privacy Officer at the address below.

Accuracy

You will notify us of any change to your contact information. If your information has changed, or if you need to make a correction of any inaccuracies to your personal information in our files, you must promptly inform your advisor in writing.

Access

You have the right to access and verify your personal information maintained in our files and to request any factually inaccurate personal information be corrected, if appropriate. If you have a question, a concern, wish to receive more information about parties who have access to your information or about our privacy policies and procedures, and/or wish to review your personal information in our files, you may send a written request to:

Privacy Officer

Manulife

500 King Street N

Waterloo, ON N2J 4C6

Or by email at:

Privacy_Office_Canadian_Division@manulife.com

Please note the security of email communication cannot be guaranteed. Do not send us information of a private or confidential nature by email.

E. Complaints

Client satisfaction and complaint resolution

At Manulife Wealth, we understand the importance of resolving client complaints. We are committed to considering each complaint carefully and providing a response in a timely fashion with the utmost courtesy. All complaints and personal information, whether collected verbally or in writing, are handled in a professional and confidential manner.

Manulife Wealth is committed to providing high-quality service and products to assist Canadians in making better financial decisions. If clients or prospective clients have any concerns about their account(s) and/or advisor, we want to make sure that these concerns are handled fairly and efficiently. To ensure your concerns are addressed as quickly as possible, please follow the steps set out below.

Let us know

If you have a general inquiry, complaint, or concern about our services or a product, contact Manulife Wealth's Head Office or your advisor. Most problems can be resolved quickly and easily by speaking with your advisor or contacting a Manulife Wealth's call centre representative.

Call us at: 1-800-991-2121

Email us at: Mls_Advisorservices@manulife.ca

Talk to your advisor's branch manager or call centre management

If you are not completely satisfied with your advisor's response or the response you have received from one of our call centre representatives, ask your advisor for his or her Branch Manager's contact information or the manager of the individual you spoke to in our call centre so you can contact that individual.

Still not satisfied?

If you are still not satisfied, you may submit your complaint to the Designated Complaints Officer (DCO) of Manulife Wealth. Please tell us what went wrong, when it happened and what you expect (for example, an account correction, apology, money back, etc.). We can be contacted as follows:

By toll-free fax: 1-866-220-9030

By email: MLS_DCO@manulife.ca

By mail: Manulife Wealth Inc. Compliance Department

Attention: Designated Complaints Officer

P.O. Box 1700 RPO,

Lakeshore West, Oakville, ON L6K 0G7

By toll-free telephone: 1-855-716-5133

What to expect initially

We will acknowledge your complaint in writing within five business days of receiving your complaint. We may ask you to provide clarification or more information to help us resolve your complaint.

Investigating your complaint

Manulife Wealth will gather all relevant and available information and documentation. All complaints will be considered objectively and will not be dismissed based on any predetermined set of factors. Rather, each complaint will be considered on its individual merits.

Our response to you

Manulife Wealth will make every effort to deliver a substantive response to your complaint within 90 days (within 60 days for residents of Quebec).

Our response will include:

- A summary of the complaint
- The results of our investigation
- Our decision to make an offer to resolve the complaint or deny it, and an explanation of our decision
- Options available to you for seeking compensation if you are not satisfied with our response

If Manulife Wealth cannot provide our decision within 90 days, we will inform you of the delay, explain why our decision is delayed, and give you a new date for our decision.

If you are not satisfied with our response

If you disagree with the response to your complaint, Manulife Wealth will make all reasonable and appropriate efforts to address your concerns. If you remain dissatisfied with our complaint resolution process, you can pursue the matter through the following channels:

Ombudsman for Banking Services and Investments (OBSI)

You may be eligible for OBSI's free and independent dispute resolution service if:

- We do not provide our decision within 90 days after you made your complaint; or
- you are not satisfied with our decision.

OBSI's service is available to clients of our firm. This does not restrict your ability to take a complaint to a dispute resolution service of your choosing at your own expense, or to bring an action in court. Keep in mind that there are time limits for taking legal action.

Who can use OBSI?

You have the right to use OBSI's service if:

- your complaint relates to a trading or advising activity of our firm or by one of our representatives;
- you brought your complaint to us within 6 years from the time that you first knew, or ought to have known, about the event that caused the complaint; and
- you file your complaint with OBSI according to the time limits below.

Time limits apply:

- If we do not provide you with our decision within 90 days, you can take your complaint to OBSI any time after the 90-day period has ended.
- If you are not satisfied with our decision, you have up to 180 days after we provide you with our decision to take your complaint to OBSI.

Filing a complaint with OBSI

Contact OBSI by email at ombudsman@obsi.ca, by toll-free telephone at 1-888-451-4519, or by mail to 20 Queen Street West, Suite 2400, P.O. Box 8, Toronto, ON M5H 3R3.

OBSI will investigate

OBSI works confidentially and in an informal manner. It is not like going to court and you do not need a lawyer. During its investigation, OBSI may interview you and representatives of our firm. We are required to cooperate in OBSI's investigation.

OBSI will provide its recommendations

Once OBSI has completed its investigation, it will provide its recommendations to you and us. OBSI's recommendations are not binding on you or us.

OBSI can recommend compensation of up to \$350,000. If your claim is higher, you will have to agree to that limit on any compensation you seek through OBSI. If you want to recover more than \$350,000, you may want to consider another option, such as legal action, to resolve your complaint.

For more information about OBSI, visit www.obsi.ca.

Canadian Investment Regulatory Organization (CIRO)

CIRO is the national self-regulatory organization that oversees all investment dealers and mutual fund dealers in Canada, including Manulife Wealth. You can complain directly to CIRO by:

1. Completing the secure form online at <https://www.ciro.ca/complaint-and-inquiry-submission-secure-form>
2. Completing the complaint form at <https://www.ciro.ca/media/1849/download?inline> and mailing it to 40 Temperance Street, Suite 2600, Toronto, ON M5H 0B4
3. Fax at 1-888-497-6172

You can also contact CIRO by toll-free telephone at 1-877-442-4322 for any questions you may have on making a complaint about an investment dealer or an advisor who works at an investment dealer.

Further information is included in the brochure entitled “How to Make A Complaint: A Guide for Investors,” which is delivered at the time of account opening and upon request.

Arbitration

CIRO has designated two independent arbitration organizations available to clients of Manulife Wealth seeking resolution of a dispute. Further details, including contact information, is included in the brochure entitled “How to Make A Complaint,” which is delivered at the time of account opening and upon request.

For residents of Quebec

If you live in the province of Québec, and you are not satisfied with the outcome or with the examination of a complaint, the Autorité des marchés financiers (“AMF”) can examine your complaint and may offer conciliation and mediation services. If you think you are a victim of fraud, fraudulent tactics or embezzlement, you can contact the AMF to see if you meet the eligibility to submit a claim to the Fonds d’indemnisation des services financiers (“Financial Services Compensation Fund”). Up to \$200,000 can be payable through monies accumulated in the fund for an eligible claim. You can contact the AMF for more information:

1. By telephone at 1-877-525-0337
2. By email at renseignements-consommateur@lautorite.qc.ca
3. By visiting www.lautorite.qc.ca/en/

Other options if you live in Manitoba, New Brunswick and Saskatchewan

Securities regulatory authorities in these provinces can, in certain cases, seek an order that a person or company that has broken provincial securities laws pay compensation to a claimant. These orders are enforced similar to court judgments. For more information, please visit:

- Manitoba: <https://mbsecurities.ca/>
- New Brunswick: <https://www.fcnb.ca/en>
- Saskatchewan: <https://fcaa.gov.sk.ca/>

Legal action

You always have the right to go to a lawyer or seek other ways of resolving your dispute at any time. A lawyer can advise you of your options. There are time limits for taking legal action. Delays could limit your options and legal rights later on.

F. Shareholder communication (for Nominee Name accounts only)

National instrument 54-101 – communication with beneficial owners of securities of a reporting issuer

This section applies to you if you have given instructions to Manulife Wealth to establish your account(s) as a Nominee Name account. In a Nominee Name account, the securities in your account with us are not registered in your name but in the name of FCC (acting as agent for Manulife Wealth). The issuers of the securities in your account may not know the identity of the beneficial owner of these securities.

We are required under securities law to obtain your instructions concerning various matters relating to your holding of securities in your account. The information below will assist you with responding to the section of your new account application form entitled National Instrument 54-101 (the “NI 54-101 Communication section”). Your instructions apply only to issuers of securities governed by Canadian provincial securities laws. You may still be sent securityholder materials of non-Canadian issuers regardless of your instructions.

Disclosure of beneficial ownership information

Securities law permits reporting issuers and other persons and companies to send materials related to the affairs of the reporting issuer directly to beneficial owners of the reporting issuer’s securities if the beneficial owner does not object to having information about it disclosed to the reporting issuer or other persons and companies. Part 1 of the NI 54-101 Communication section of your new account application form allows you to tell us if you **OBJECT** to the disclosure by us to the reporting issuer or other persons or companies of your beneficial ownership information, consisting of your name, address, email address, securities holdings and preferred language of communication. Securities legislation restricts the use of your beneficial ownership information to matters relating to the affairs of the reporting issuer.

If you **DO NOT OBJECT** to the disclosure of your beneficial ownership information, please select the first option on Part 1 of the NI 54-101 Communication section of your new account application form. In those circumstances, you will not be charged with any costs associated with sending securityholder materials to you.

If you **OBJECT** to the disclosure of your beneficial ownership information by us, please select the second option on Part 1 of the NI 54-101 Communication section of your new account application form. If you do this, all materials to be delivered to you as a beneficial owner of securities will be delivered by us and, therefore, the costs associated with this mailing may be passed on to you and charged to your account.

Receiving securityholder materials

For securities that you hold through your account, you have the right to receive proxy-related materials sent by reporting issuers to registered holders of their securities in connection with meetings of such securityholders. Among other things, this permits you to receive the necessary information to allow you to have your securities voted in accordance with your instructions at a securityholder meeting. Objecting beneficial owners will not receive materials unless they or the relevant issuers bear the costs. In addition, reporting issuers may choose to send other securityholder materials to beneficial owners, although they are not obliged to do so. Securities law permits you to decline to receive securityholder materials. The three types of materials that you may decline to receive are:

- a. proxy-related materials, including annual reports and financial statements, that are sent in connection with a securityholder meeting;
- b. annual reports and financial statements that are not part of proxy-related materials; and
- c. materials that a reporting issuer or other person or company sends to securityholders that are not required by corporate or securities law to be sent to registered securityholders.

Part 2 of the NI 54-101 Communication section of your new account application form allows you to receive all materials sent to beneficial owners of securities or to decline to receive the three types of materials referred to above.

If you want to receive **ALL** materials that are sent to beneficial owners of securities, please select the first option in Part 2 of the NI 54-101 Communication section of your new account application form. If you want to **DECLINE** to receive the three types of materials referred to above, please select the second box in Part 2. You may also choose to receive **ONLY** proxy-related materials that are sent in connection with an annual report or special meeting by selecting the third option in Part 2 of the NI 54-101 Communication section of your new account application form.

(Note: Even if you decline to receive the three types of materials referred to above, a reporting issuer or other person or company is entitled to deliver these materials to you, provided that the reporting issuer or other person or company pays all costs associated with the sending of these materials. These materials would be delivered to you through your intermediary if you have objected to the disclosure of your beneficial ownership information to reporting issuers.)

For Advisor Managed Program accounts, Masters Private Account Program accounts and Apex Unified Managed Account Program accounts

Since these accounts are managed on a discretionary basis, regardless of the option you choose in the NI 54-101 Communication section of your new account application form, you will not receive securityholder materials in respect of securities that are purchased for your account(s). You will only receive securityholder materials if required by law, or if you request these materials in writing from Manulife Wealth.

Contact

If you have any questions or want to change your instructions in the future, please contact your Manulife Wealth advisor.

G. Strip bonds and strip bond packages information statement (for Nominee Name accounts only)

Excerpt from:

Investment Industry Regulatory Organization of Canada (IIROC) IIROC (06/2014). Strip Bonds and Strip Bond Packages [Strip bonds and strip bond packages information statement \(iiroc.ca\)](http://iiroc.ca)

We are required by provincial securities regulations to provide you with this Information Statement before you can trade in strip bonds or strip bond packages based on bonds of the Government of Canada, a Canadian province, or certain foreign governments or political subdivisions thereof. Please review it carefully.

Preliminary Note Regarding the Scope of this Information Statement

This information statement relates to strip securities that are based on bonds of the Government of Canada, a Canadian province, or certain foreign governments or political subdivisions thereof. Provincial securities regulations create an exemption from dealer registration and prospectus requirements for these types of securities.

Strip securities may also be based on Canadian corporate bonds. While some of the information in this Information Statement may also be relevant to corporate bond-based strips, corporate bond-based strips are outside the scope of this Information Statement. If you are planning to purchase a strip or strip package based on a corporate Canadian bond, please note that such securities are not governed by the regulations referred to above, but rather, may be subject to certain decisions issued by Canada's securities regulatory authorities exempting certain Canadian corporate bond-based strip securities from various regulatory requirements, including Section 2.1 of National Instrument 44-102 – Shelf Distributions and Section 2.1 of National Instrument 44-101 – Short Form Prospectus Distributions. See e.g. RBC Dominion Securities Inc. et al., (2013), 36 OSCB 3867 (Apr. 8), online: [RBC Dominion Securities Inc. et al. | OSC](http://www.osc.ca)

Pursuant to each such decision, Canadian securities dealers file with the applicable Canadian securities regulatory authorities a short form base shelf prospectus and certain supplements thereto, pursuant to which certain Canadian corporate-bond based strip securities may be distributed on an on-going basis without a full prospectus (the “CARs¹ and PARs² Programme”). For each decision, the applicable shelf prospectus and its supplements may be found on the System for Electronic Document Analysis and Retrieval, or “SEDAR” at www.sedarplus.ca.

Risk and other disclosures relating to securities issued as part of the CARs and PARs Programme are set forth in the shelf prospectus and supplements published on SEDAR, and investors considering purchasing such securities are advised to consult these documents, since considerations unique to securities issued as part of the CARs and PARs Programme are not addressed herein.

¹ CARs are corporate strip bonds comprised of coupon and residual securities.

² PARs are a form of strip bond package where the coupon rate is reduced to current yields, thus allowing the package to be sold at par.

Strip Bonds and Strip Bond Packages (“Strips”)

A strip bond — commonly referred to as a “strip” — is a fixed-income product that is sold at a discount to face value and matures at par. This means the holder is entitled to receive the full face value at maturity. Strips do not pay interest, but rather, the yield at the time of purchase is compounded semi-annually and paid at maturity. Since the return on a strip is fixed at the time of purchase, strips may be a suitable investment where the holder requires a fixed amount of funds at a specific future date.

A strip is created when a conventional debt instrument, such as a government or corporate bond, discount note or asset-backed security (i.e., the “underlying bond”), is separated into its “interest” and “principal” component parts for resale.

Components are fungible and may be pooled together where they share the same issuer, payment date and currency and have no other distinguishing features. The two types of components may be referred to as follows:

- The “coupon”: the interest paying portion of the bond; and
- The “residual”: the principal portion.

A strip bond package is a security comprised of two or more strip components. Strip bond packages can be created to provide holders with a regular income stream, similar to an annuity, and with or without a lump sum payment at maturity.³ By laddering strips with staggered maturities or other payment characteristics, holders can strategically manage their cash flow to meet their future obligations and specific needs.

Strips vs. Conventional Bonds

Strips are offered on a variety of terms and in respect of a variety of underlying bonds, including government bonds issued by the Government of Canada or provincial, municipal and other government agencies, or a foreign government. CARs and PARs are examples of strips derived from high-quality corporate bonds. Some differences between strips and conventional bonds that you may wish to consider include the following:

- strips are sold at a discount to face value and mature at par, similar to T-bills. Unlike conventional interest-bearing debt securities, strips do not pay interest throughout the term to maturity rather, the holder is entitled to receive a fixed amount at maturity. The yield or interest earned is the difference between the discounted purchase price and the maturity value thus, for a given par value, the purchase price for a strip will typically be lower the longer the term to maturity;
- a strip with a longer term to maturity will generally be subject to greater price fluctuations than a strip of the same issuer and yield, but with a shorter term to maturity;
- strips typically offer higher yields over T-Bills, GICs and term deposits, and over conventional bonds of the same issuer, term and credit rating;
- the higher yield offered by strips reflects their greater price volatility. Like conventional bonds, the price of a strip is inversely related to its yield. Thus, when prevailing interest rates rise, strip prices fall, and vice versa. However, the rise or fall of strip prices is typically more extreme than with conventional bonds of the same issuer, term and credit rating. The primary reason for this greater volatility is that no interest is paid in respect of a strip bond prior to its maturity;
- unlike conventional bonds that trade in \$1,000 increments, strips may be purchased in \$1 multiples above the minimum investment amount, thereby enabling a holder to purchase a strip for any desired face value amount above the minimum investment amount; and
- strips are less liquid than conventional bonds of the same issuer, term and credit rating: there may not be a secondary market for certain strips and strip bond packages, and there is no requirement or obligation for investment dealers or financial institutions to maintain a secondary market for strips sold by or through them; as a result, purchasers should generally be prepared to hold a strip to maturity, since they may be unable to sell it—or only able to sell it at a significant loss—prior to maturity.

³ A bond like strip bond package has payment characteristics resembling a conventional bond, including regular fixed payments and a lump-sum payment at maturity. In contrast, an annuity like strip bond package provides regular fixed payments but no lump-sum payment at maturity.

Dealer Mark-ups and Commissions

When purchasing or selling a strip bond or a strip bond package, the prospective purchaser or seller should inquire about applicable commissions (markups or markdowns) when executing the trade through an investment dealer or financial institution, since such commissions will reduce the effective yield (if buying) or the net proceeds (if selling). Investment dealers must make reasonable efforts to ensure the aggregate price, inclusive of any markup or mark-down, is fair and reasonable taking into consideration all reasonable factors. Commissions quoted by investment dealers generally range between \$0.25 to \$1.50 per \$100 of maturity amount of the strip, with commissions typically at the higher end of this range for small transaction amounts, reflecting the higher relative costs associated with processing small trades.

The table below illustrates the after-commission yield to a strip holder with different terms to maturity and assuming a before-commission yield of 5.5%. All of the yield numbers are semiannual. For example, a strip bond with a term to maturity of one year and a commission of 25 cents per \$100 of maturity amount has an after-commission yield of 5.229%. The before commission cost of this particular strip bond will be \$94.72 per \$100 of maturity amount while the after commission cost will be \$94.97 per \$100 of maturity amount. In contrast, a strip bond with a term to maturity of 25 years and a commission of \$1.50 per \$100 of maturity amount has an after-commission yield of 5.267%. The before-commission cost of this particular strip bond will be \$25.76 per \$100 of maturity amount while the after-commission cost will be \$27.26 per \$100 of maturity amount.⁴

Commission or dealer markup amount (per \$100 of maturity amount)	Term to maturity in years and yield after commission or dealer mark-up (assuming a yield before commission of 5.5%)					
	1	2	5	10	15	25
\$0.25	5.229%	5.357%	5.433%	5.456%	5.462%	5.460%
\$0.75	4.691%	5.073%	5.299%	5.368%	5.385%	5.382%
\$1.50	3.892%	4.650%	5.100%	5.238%	5.272%	5.267%

Prospective purchasers or sellers of strips should ask their investment dealer or financial institution about the bid and ask prices for strips and may wish to compare the yield to maturity of the strip, calculated after giving effect to any applicable mark-up or commission, against the similarly calculated yield to maturity of a conventional interest-bearing debt security.

Secondary Market and Liquidity

Strips may be purchased or sold through investment dealers and financial institutions on the “over-the-counter” market rather than on an exchange. Where there is an active secondary market, a strip may be sold by a holder prior to maturity at the prevailing market price in order to realize a capital gain or to access funds. However, liquidity may be limited for certain strip bonds and strip bond packages, and as noted above, investment dealers and financial institutions are not obligated to maintain a secondary market for strips sold by or through them. As a result, there can be no assurance that a market for particular strip bonds or strip bond packages will be available at any given time, and investors should generally be prepared to hold strips to maturity or run the risk of taking a loss.

⁴ The purchase price of a strip bond may be calculated as follows: Purchase Price = Maturity (Par) Value / (1 + y/2)²ⁿ where “y” is the applicable yield (before or after commission) and “n” is the number of years until maturity. For example, the purchase price (per \$100 of maturity value) for a strip bond that has a yield of 5.5% and 25 years until maturity is: 100/(1+0.0275)⁵⁰ = \$25.76.

Other Risk Considerations

Potential purchasers of strips should conduct their own research into the term, yield, payment obligations and particular features of a strip prior to purchase. While not an exhaustive list, you may wish to consider some of the following potential risks:

Credit risk of the issuer – strips represent a direct payment obligation of the government or corporate issuer, thus any change to an issuer’s credit rating or perceived credit worthiness may affect the market price of a strip, and the impact may be more severe than the impact on conventional bonds of the same issuer.

Interest rate risk – if interest rates rise, the market value of a strip will go down, and this drop in market value will typically be more severe than the drop in market value for the corresponding conventional bond from the same issuer for the same term and yield. If interest rates rise above the yield of the strip at the time of purchase, the market value of the strip may fall below the original price of the strip.

Market and liquidity risk – strips are not immune to market or liquidity risks and may have specific terms and conditions that apply in the event of a market disruption or liquidity event. If liquidity is low, it may be difficult to sell a strip prior to maturity and there may be large spreads between the bid and ask prices. There can be no assurance that a market for particular strip bonds or strip bond packages will be available at any given time.

Currency risk – strips may pay out in a currency other than Canadian dollars. Currency fluctuations may enhance, nullify or exacerbate your investment gains or losses.

Component risk – you should ensure that you understand and are comfortable with the underlying components, terms, risks and features of a strip bond or strip bond package prior to purchase. For example, strips may be derived from asset-backed securities or callable or retractable bonds, and may have features such as inflation indexation or structured payments.

Price volatility – strips are generally subject to greater price volatility than conventional bonds of the same issuer, term and credit rating, and will typically be subject to greater price fluctuations in response to changes to interest rates, credit ratings and liquidity and market events. The table below shows the impact that prevailing interest rates can have on the price of a strip. For example, as indicated in the table below, an increase in interest rates from 6% to 7% will cause the price of a 5 year strip bond with a maturity value of \$100 to fall by 4.73%—a larger percentage drop than for a \$100 5 year traditional bond, whose price would fall only 4.16%, assuming the same increase in interest rates.

Market Price Volatility						
Bond Type	Market Price	Market yield	Price with rate drop to 5%	Price change	Price with rate increase to 7%	Price change
6% 5 Year Bond	\$100.00	6.00%	\$104.38	+ 4.38%	\$95.84	- 4.16%
5 Year Strip Bond	\$74.41	6.00%	\$78.12	+ 4.99%	\$70.89	- 4.73%
6% 20 Year Bond	\$100.00	6.00%	\$112.55	+ 12.55%	\$89.32	- 10.68%
20 Year Strip Bond	\$30.66	6.00%	\$37.24	+ 21.49%	\$25.26	- 17.61%

Custodial Arrangements

Due to the high risk of forgery, money laundering and similar illegal activities—and the costs associated with such risks—with physical strips and bearer instruments, most investment dealers and financial institutions will only trade or accept transfer of book-based strips. CDS Clearing and Depository Services Inc. (“CDS”) provides strip bond services, including book-based custodial services for strips and underlying bonds. Custodian banks or trust companies may also create and take custody of strips that are receipt securities, and may permit holders to obtain a registered certificate or take physical delivery of the underlying coupon(s) or residue(s). However, if the holder decides to take physical delivery, he or she should be aware of the risks, including the risk of lost ownership, associated with holding a bearer security which cannot be replaced. In addition, the holder should be aware that the secondary market for physical strips may be more limited than for book-based strips due to the risks involved. Investors in strip components held by and at CDS are not entitled to a physical certificate if the strips are Book Entry Only.

Canadian Income Tax Summary

The Canadian income tax consequences of purchasing strip bonds and strip bond packages are complex. Purchasers of strip bonds and strip bond packages should refer questions to the Canada Revenue Agency (<http://www.cra-arc.gc.ca/>) or consult their own tax advisors for advice relating to their particular circumstances.

The following is only a general summary regarding the taxation of strip bonds and strip bond packages under the Income Tax Act (Canada) (the “Tax Act”) for purchasers who are residents of Canada and hold their strip bonds and strip bond packages as capital property for purposes of the Tax Act. The following does not constitute legal advice.

Qualified Investments

Strip bonds and strip bond packages that are issued or guaranteed by the Government of Canada or issued by a province or territory of Canada are “qualified investments” under the Tax Act and are therefore eligible for purchase by trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts (“Registered Plans”). Depending on the circumstances, strip bonds issued by corporations may also be “qualified investments” for Registered Plans.

Annual Taxation of Strip Bonds

The Canada Revenue Agency takes the position that strip bonds are a “prescribed debt obligation” within the meaning of the Tax Act. Consequently, a purchaser will be required to include in income in each year a notional amount of interest, notwithstanding that no interest will be paid or received in the year. Strips may therefore be more attractive when purchased and held in nontaxable accounts, such as self-directed Registered Plans, pension funds and charities.

In general terms, the amount of notional interest deemed to accrue each year will be determined by using the interest rate which, when applied to the total purchase price (including any dealer mark-up or commission) and compounded at least annually, will result in a cumulative accrual of notional interest from the date of purchase to the date of maturity equal to the amount of the discount from face value at which the strip bond was purchased.

For individuals and certain trusts, the required accrual of notional interest in each year is generally only up to the anniversary date of the issuance of the underlying bond. For example, if a strip bond is purchased on February 1 of a year and the anniversary date of the issuance of the underlying bond is June 30, only five months of notional interest accrual will be required in the year of purchase. However, in each subsequent year, notional interest will be required to be accrued from July 1 of that year to June 30 of the subsequent year (provided that the strip bond is still held on June 30 of the subsequent year).

In some circumstances the anniversary date of the issuance of the underlying bond may not be readily determinable. In these circumstances individual investors may wish to consider accruing notional interest each year to the end of the year instead of to the anniversary date.

A corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary is required for each taxation year to accrue notional interest to the end of the taxation year and not just to an earlier anniversary date in the taxation year.

Disposition of Strip Bonds Prior To Maturity

A purchaser who disposes of a strip bond prior to, or at, maturity, is required to include in the purchaser's income for the year of disposition notional interest accrued to the date of disposition that was not previously included in the purchaser's income as interest. If the amount received on a disposition exceeds the total of the purchase price and the amount of all notional interest accrued and included in income, the excess will be treated as a capital gain. If the amount received on disposition is less than the total of the purchase price and the amount of all notional interest accrued and included in income, the difference will be treated as a capital loss.

Strip Bond Packages

For tax purposes, a strip bond package is considered a series of separate strip bonds with the income tax consequences as described above applicable to each such component of the strip package. Thus a purchaser of a strip bond package will normally be required to make a calculation in respect of each component of the strip bond package and then aggregate such amounts to determine the notional interest accrued on the strip bond package. As an alternative, in cases where the strip bond package is issued at or near par and is kept intact, the Canada Revenue Agency will accept tax reporting that is consistent with reporting for ordinary bonds (i.e., reported on a T5 tax slip as accrued interest where it is matched by cash flow), including no obligation to report premium or discount amortization where the strip bond package is subsequently traded on the secondary market.

Manulife Wealth Inc.

1235 North Service Road West,
Suite 500
Oakville, ON L6M 2W2

Mailing Address:

P.O. Box 1700 RPO Lakeshore West,
Oakville, ON L6K 0G7

Toll-free: 1-800-991-2121

Website: www.manulifewealth.ca