

**MASTERS** Private Account Program  
Investor Guide

Reach for the next level of investing

experienced disciplined  
customized transparent  
knowledgeable

# Choose an investment program that raises the bar

When you choose the Masters Private Account Program you enjoy personalized investment solutions guided by the expertise and knowledge of reputable investment management firms and experienced investment professionals.

It's the sophisticated wealth management strategy you need and expect.

- Achieve your personal investment goals with one or more custom portfolios of individual securities.
- Partner with experienced and reputable portfolio managers and investment firms selected by you and your advisor.
- Active portfolio management helps you stay in line with market moves and opportunities with regular account rebalancing based on the portfolio manager's outlook.
- Stay confident knowing your investment strategies and activities are monitored by Manulife's Investment Management Services team.
- Benefit from a tax-efficient investing approach achieved through targeted securities trading and taking advantage of capital losses.
- All trading instructions are received and acted upon by Manulife Securities' Trade Desk.
- Convenience and transparency of one simple, all-inclusive program fee.



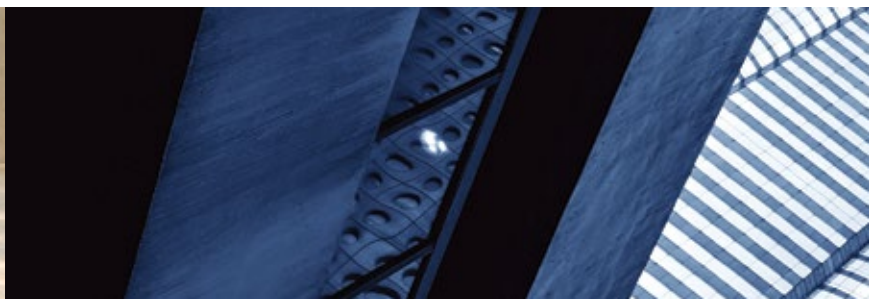
## Rely on the strength of a global leader

When you choose Manulife, you can feel confident your trust is well placed.

For more than 125 years, Canadians have turned to Manulife for the big financial decisions in their lives.

Over the decades, Manulife has built a significant global presence by delivering on the promises we make to our customers and by providing strong, reliable, trustworthy and forward-thinking financial solutions.

Today, Manulife is a leading Canada-based financial services company with principal operations in Asia, Canada and in the United States where we operate under the John Hancock brand.



**125 years** of history

**Ranked 34** in list of world's 500 largest asset managers<sup>1</sup>

**C\$637 billion** in funds under management<sup>2</sup>

**28,800 +** employees worldwide<sup>3</sup>

**\$22 million** in charitable donations (2012)

<sup>1</sup> P&I/Towers Watson, year end 2011. <sup>2</sup> As at June 30, 2014. <sup>3</sup> As at June 30, 2014.

Manulife Securities Incorporated is one of Canada's foremost independent investment dealers and a subsidiary of Manulife. Operating in every province and territory throughout the country, our clients benefit from leading administrative technology, our focus on risk management, and the strength and stability of Manulife.



# Partner with investment professionals that rise above

Experienced and knowledgeable investment professionals perform a vital role in managing your wealth to help achieve your financial goals.

When you choose Manulife Securities' Masters Private Account Program you access and partner with some of North America's premier investment management firms and portfolio managers.

Many of these firms also support large institutional investors, such as major corporations, pension plans and endowments. These investors demand higher levels of investment discipline and strategic investment methods that strive to produce consistent and reliable results. The Masters Private Account Program brings this same level of discipline and asset management expertise within your reach.

## **Manulife Asset Management.**

- Global reach with more than 325 investment professionals in 17 countries and territories around the world
- Uniquely positioned to look beyond domestic markets in search of superior long-term performance and broader diversification
- More than US\$298 billion in assets under management\*
- Investment expertise extends across equity and fixed income asset classes, and alternative investments, such as real estate, timber, farmland, as well as asset allocation strategies
- Delivers comprehensive asset management solutions for institutional investors and investment funds in key markets around the world

## **BEUTELGOODMAN** INVESTMENT COUNSEL

- Dedicated to a value investing strategy with domestic and global equity, balanced and fixed income mandates for pension plans, endowments / foundations, First Nations, corporations and other institutional investors
- Privately owned Canadian organization with part ownership by its employees
- Approximately \$40 billion in assets under management\*
- Founded in 1967

experience  
knowledge



- One of the largest independently owned investment management firms in Canada
- Approximately \$31 billion in assets under management\*
- Operated by 21 entrepreneurial investment professionals focused on delivering both traditional and innovative solutions to clients
- Founded in 1982



- Independent, diversified financial services firm providing investment solutions to institutional and retail investors
- Manages more than \$20 billion in equity, fixed income, and alternative strategies, both globally and domestically\*
- Focused on bottom-up stock selection with an emphasis on strong risk-adjusted returns
- Incorporated in 1962



- Manages pension funds, endowment funds, corporate and private portfolios for clients in North America and overseas
- Primary goal is growing capital for its clients in a low risk manner. The firm's philosophy is founded upon conservative, time proven principles of fundamental investing
- Over \$36 billion in assets under management\*
- Founded in 1955

## MAWER

- An independent investment counseling firm owned entirely by its investment professionals
- Creates broadly diversified portfolios of wealth-creating companies bought at discounts to their intrinsic values
- More than \$20 billion in assets under management\*
- Founded in 1974



- Manages Canadian equity portfolios following a relative value approach
- Manages Sionna Canadian Large Cap Composite with stable history of outperformance and lower standard deviation than the benchmark, as well as downside protection
- Over \$4.5 billion in assets under management\*
- Founded by renown portfolio manager Kim Shannon in 2002

\* As at March 31, 2014

# Create your personal investment strategy

One cornerstone to successful investing is proper asset allocation, or how your assets are divided among various investments.

With a full suite of 17 investment mandates available in the Masters Private Account Program, you can work with your advisor to create a well-diversified portfolio to match your personal investing preferences; from growth to wealth preservation to income.

GROWTH STRATEGIES	
<b>Canadian Equity</b>	<ul style="list-style-type: none"> <li>■ Manulife Canadian Equity</li> <li>■ Beutel Goodman Canadian Equity</li> <li>■ Connor, Clark &amp; Lunn Equity Income &amp; Growth*</li> <li>■ Jarislowsky Fraser Canadian Equity</li> <li>■ Sionna Canadian Equity</li> </ul>
<b>U.S. Equity</b>	<ul style="list-style-type: none"> <li>■ Beutel Goodman American Equity</li> <li>■ Manulife U.S. Large Cap Core Equity</li> </ul>
<b>North American Equity</b>	<ul style="list-style-type: none"> <li>■ Jarislowsky Fraser North American Equity 70/30</li> <li>■ Jarislowsky Fraser North American Equity 50/50</li> <li>■ Mawer North American Equity</li> </ul>
<b>Foreign Equity</b>	<ul style="list-style-type: none"> <li>■ Guardian Global Dividend</li> </ul>
INCOME STRATEGIES	
<b>Fixed Income</b>	<ul style="list-style-type: none"> <li>■ Manulife Canadian Fixed Income</li> <li>■ Manulife Corporate Fixed Income</li> </ul>
GROWTH AND INCOME STRATEGIES	
<b>Balanced</b>	<ul style="list-style-type: none"> <li>■ Manulife Canadian Balanced</li> <li>■ Beutel Goodman Canadian Balanced</li> <li>■ Connor, Clark and Lunn Enhanced Income</li> <li>■ Mawer North American Balanced</li> </ul>

\*Effective November 11, 2016, the Connor, Clark & Lunn Equity Income & Growth mandate is capped to sales to new clients.

direction discipline



## Ongoing monitoring to ensure best-in-class investment firms and strategies

Manulife's Investment Management Services (IMS) team conducts ongoing and comprehensive reviews of the investment firms and strategies in the program. It operates independently and is staffed by analysts and industry professionals whose credentials mirror those of the most respected investment-consulting firms. The IMS team is vital to the ongoing monitoring and oversight process; reviewing and providing consultation on any changes to investment managers in the program.

Through this ongoing monitoring you can feel confident in your investment direction, knowing that the investment firms and their strategies are meeting expected standards and can continue to contribute to achieving your financial goals.

## Active management helps you stay in step with the times

Because economic conditions and investment opportunities shift constantly among different asset classes, countries and business sectors, your investment portfolio may become underexposed or overexposed in certain areas from time to time.

To keep your investment portfolio optimally positioned for current and expected economic times and to capitalize on potential opportunities, the Program's portfolio managers send regular investment strategy adjustments to the Manulife Securities Trade Desk to rebalance your account accordingly.

## Tax matters

Turnover matters, as in too much portfolio turnover can create unwanted tax consequences.

Portfolio managers in the Masters Private Account Program construct portfolios of their best investing ideas. As a result, they tend to remain invested in these companies for the long term.

This approach, coupled with strategic capital loss harvesting, helps ensure that your wealth is managed to generate high after-tax returns.

## Stay informed with easy access to regular account updates

You'll always be up-to-date and informed about your investment progress with a range of reports and real-time information available through the Masters Private Account Program and your advisor.

- **Manulife Securities account statement** – Lists all individual securities held in your account along with your trading activity for the recent period.
- **Annual tax reporting** – You receive a fee summary and may receive a gain/loss report for the year in addition to applicable tax slips based on your account type.
- **Portfolio Review report** – Your advisor can provide you with real-time performance details for your account.

Note: Due to the discretionary nature of the program, trade confirmations are not mailed to you.

# Convenience and transparency in one all-inclusive program fee

One simple, single program fee makes it easy to track the costs associated with your portfolio. The program fee you pay is a percentage of the assets in your account as shown in the following tables:

## Equity and Balanced Mandates

(Minimum initial investment is \$100,000 for Equity mandates and \$150,000 for Balanced mandates)

ASSET LEVEL	MAXIMUM FEE (%)
First \$499,999	2.50
Next \$500,000	2.25
Next \$1,500,000	2.00
Next \$2,500,000	1.75
Next \$5,000,000	1.50
\$10,000,000 +	1.40

## Fixed Income Mandates

(Minimum initial investment is \$100,000)

ASSET LEVEL	MAXIMUM FEE (%)
First \$499,999	1.40
Next \$500,000	1.30
Next \$1,500,000	1.20
Next \$2,500,000	1.15
Next \$5,000,000	1.00
\$10,000,000 +	0.90

A portion of the Masters Program client fee may be tax deductible in certain jurisdictions for investments held in a non-registered account. You are encouraged to seek advice from your legal, tax and/or accounting professionals with respect to the deductibility of your Masters fees, based on your particular circumstances.

## PRICING EXAMPLE

**Investment type:**

Equity model

**Investment amount:**

\$2,000,000

**Client fee rate:**


Minimum

BLENDED CLIENT FEE
1 <sup>st</sup> tier: \$499,999 x 2.25%
2 <sup>nd</sup> tier: \$500,000 x 2.00%
3 <sup>rd</sup> tier: \$1,000,001 x 1.75%
<b>Blended client fee is 1.94%*</b>

\*Plus applicable taxes

## Reduce your program fee by grouping accounts

Multiple accounts held within the same household can be grouped together to qualify for reduced fees. All accounts in the household must have the same client fee payment arrangements (i.e., frequency and payment source).



As your wealth grows, so too does your need for more sophisticated wealth management solutions that help you reach the next level of investing.

The Masters Private Account Program offers you a dynamic opportunity to partner with a trusted financial services company and exceptional investment professionals to create and manage your personal wealth management strategy.

To reach your next level of investing, contact your advisor for more information.



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