

Manulife Bank investment loans

Manulife Bank has a variety of leverage loan options for investing in Manulife mutual funds or Manulife segregated funds. Choose the investment loan that's right for you:

■ 100% Loans

Allows you to borrow \$10,000 to \$300,000 without contributing any of your own investments. 100% Loans have a number of attractive features such as no margin calls and the choice of interest-only*, or principal and interest payments.

■ Multiplier Loans

Allows you to borrow \$10,000 to \$1,000,000. Multiplier Loans offer a variety of attractive options, so you create the loan that meets your unique needs.

A Manulife Bank investment loan can make your money work harder and help you achieve your financial goals more quickly.

Want to learn more about leveraged investing?

Additional information about investment loans is available in our brochure "Understanding Investment Leverage" (form number AB0409E).

Your financial advisor can answer any questions you may have about this strategy and help you determine if it could be right for you.

Speak to your financial advisor today and ask how a Manulife Bank investment loan can work for you.

* If you choose interest-only payments and the loan-to-value becomes higher than 125 per cent, we may require you to change to principal and interest payments.

Things you should know

Borrowing to invest may be appropriate only for investors with higher risk tolerance. You should be fully aware of the risks and benefits associated with investment loans since losses as well as gains may be magnified. Preferred candidates are those willing to invest for the long term and who are not averse to increased risk. The value of your investment will vary and is not guaranteed, however you must meet your loan and income tax obligations and repay the loan in full. Please ensure you read the terms of your loan agreement and the investment details for important information.

Manulife Bank of Canada solely acts in the capacity of lender and loan administrator, and does not provide investment advice of any nature to individuals or advisors. The dealer and advisor are responsible for determining the appropriateness of investments for their clients and informing them of the risks associated with borrowing to invest.

For more information,
please visit manulifebank.ca

Manulife Bank



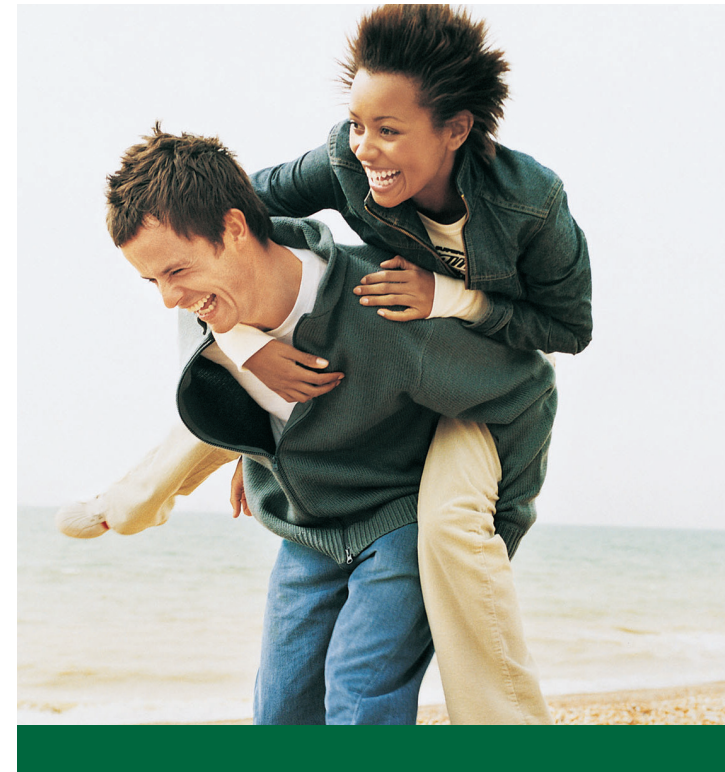
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Manulife Bank



Let our money work for you[®]



INVESTMENT LOANS

For a FREE consultation, click or call:

www.groupenatale.com

info@groupenatale.com

514 996-7227

Harness the power of borrowing to invest

If you invest in mutual funds or segregated fund contracts, you've already put your money to work to help you achieve your financial goals. But is your money working as hard as it could be? A Manulife Bank investment loan can help you harness the power of borrowing to invest and make your money work harder.

What is leverage?

Traditional investing is simple: earn money . . . save money . . . invest money. This is a time-tested strategy. But did you know that your money isn't working as hard as it could be?

With a leverage strategy, your money can work harder for you. Rather than making a series of small contributions over a long period of time, when you take out an investment loan, you invest a larger amount all at once. This allows a much larger investment to grow for your full investment period. Then, instead of making additional contributions to your investment, you make the interest payments on your loan.

Why does it work?

There are two powerful forces driving this strategy:

Compound returns. An investment loan allows a larger amount to grow for longer – which can generate a much larger long-term return.

Tax deductibility.¹ Interest charged on an investment loan is generally tax-deductible. This may reduce the cost of the loan.

¹ The Income Tax Act (Canada) provides the framework for determining federal tax deductibility. Tax laws are subject to change. Readers should consult their own tax and legal advisors with respect to their particular circumstance.

The story of Mike and Liz

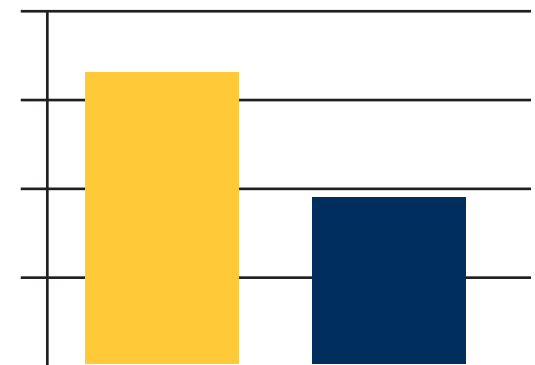
The story of Mike and Liz illustrates the power of leverage.²

Mike and Liz both want to invest to save for a dream vacation in 10 years. Liz diligently makes a lump sum deposit at the end of each year. Mike borrows \$40,000 from Manulife Bank to invest immediately.

Over the next 10 years, Liz contributes \$14,418 to her investment plan and Mike's after-tax cost of borrowing is the same – \$14,418. Both investors earn an 7 per cent return on their investment. After 10 years, they sell their investments, pay their taxes and Mike pays off his loan.

They compare their results and find that even though their cost of investing has been the same, Mike ends up with more than \$14,000 extra to spend on his vacation.

Mike & Liz: Investment value after 10 years



² Assumptions: Liz makes end-of-year contributions equivalent to Mike's net cost of borrowing. Cost of borrowing for Mike is 5.0% annually; loan interest is 100% deductible. Both clients: Annual taxable portion of fund return is 25%, tax rate on income allocations from funds is 25%, marginal tax rate is 40%. All assumptions are for illustration purposes only. Results for Quebec residents may differ.

