

Helping you ease your mind during volatile times

Name, DESIGNATION

Business title
Company name



Timeless principles for investment success



1

Be rational, not emotional



2

Measure performance over time not overnight



3

Missed days means missed opportunities



4

Two powerful tools for managing volatility

1

Be rational, not emotional



Fear mongering in the media



September 15, 2008



September 18, 2008



September 18, 2008

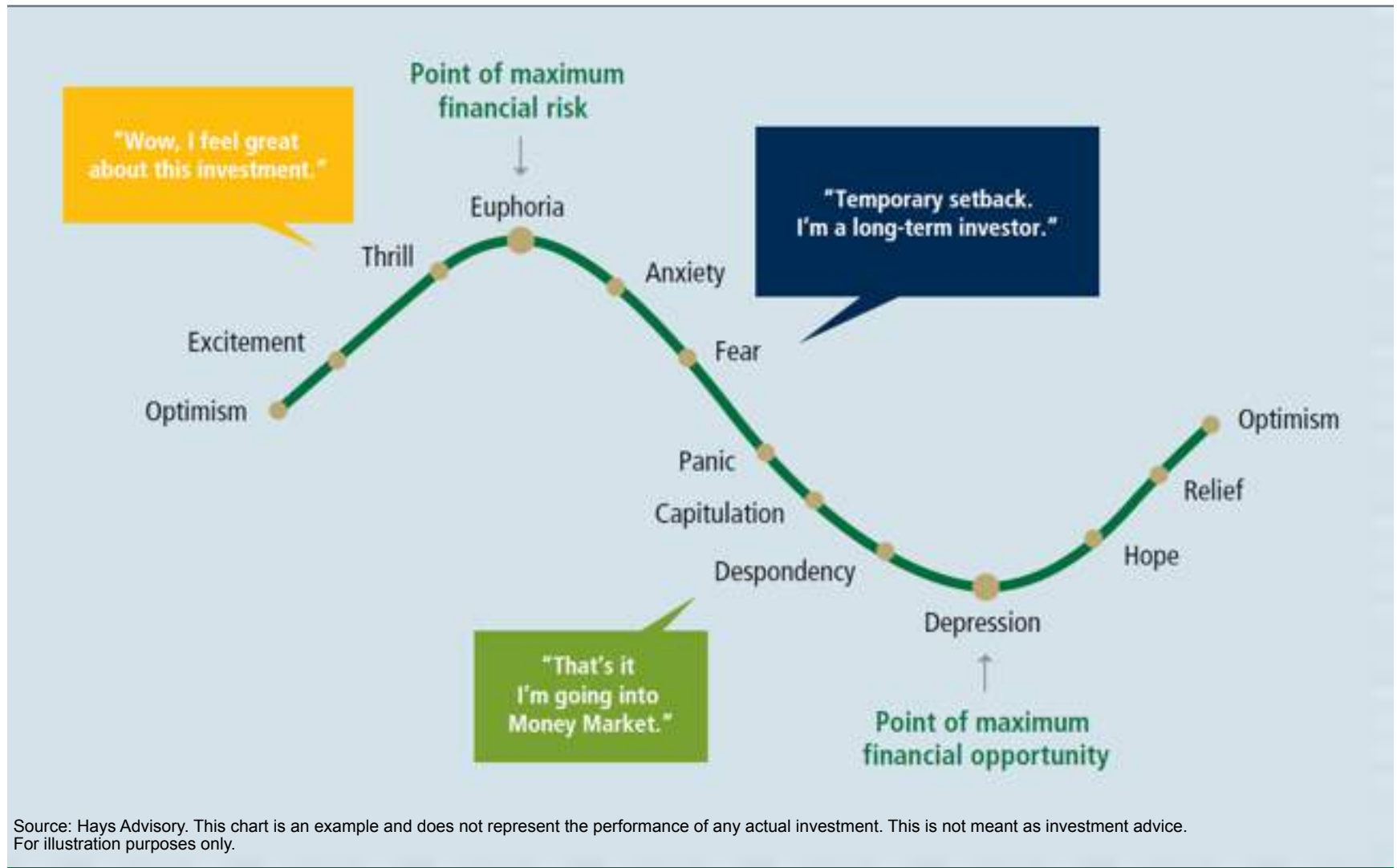


September 19, 2008



September 30, 2008

An investors emotional rollercoaster



Source: Hays Advisory. This chart is an example and does not represent the performance of any actual investment. This is not meant as investment advice. For illustration purposes only.

1 Be rational, not emotional



- In good times, investors are excited and often invest more and ‘buy high’
- When markets turn negative, investors tend to cut their losses and ‘sell low’
- Break out from the greed and fear cycle and remain optimistic

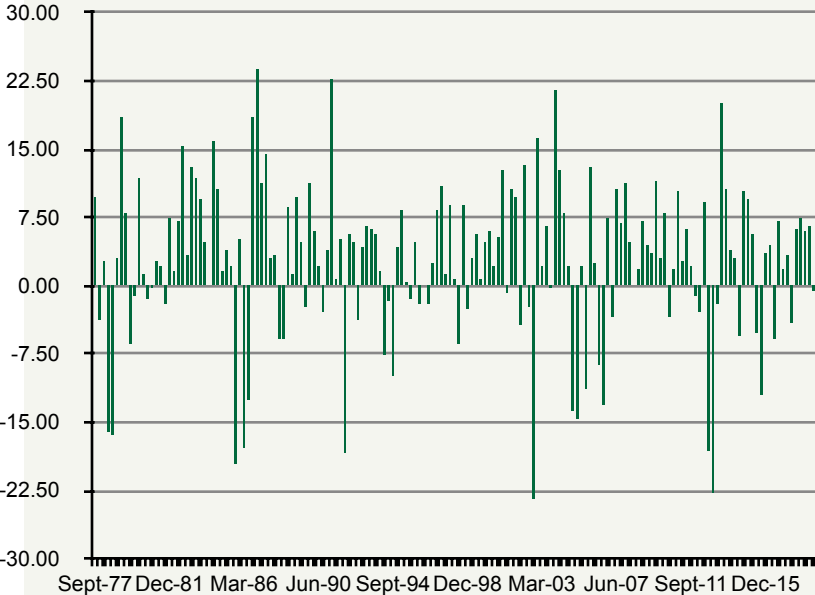
2 Measure performance over time not overnight



Volatility is an illusion

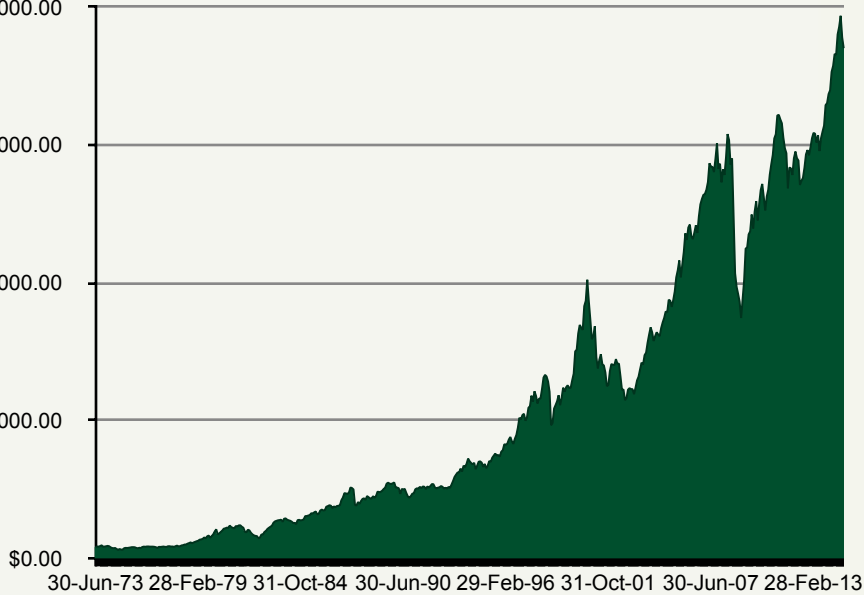
What you saw...

Short-term Volatility:
 Quarterly Returns %
 S&P/TSX Composite Total Return Index



What really happened...

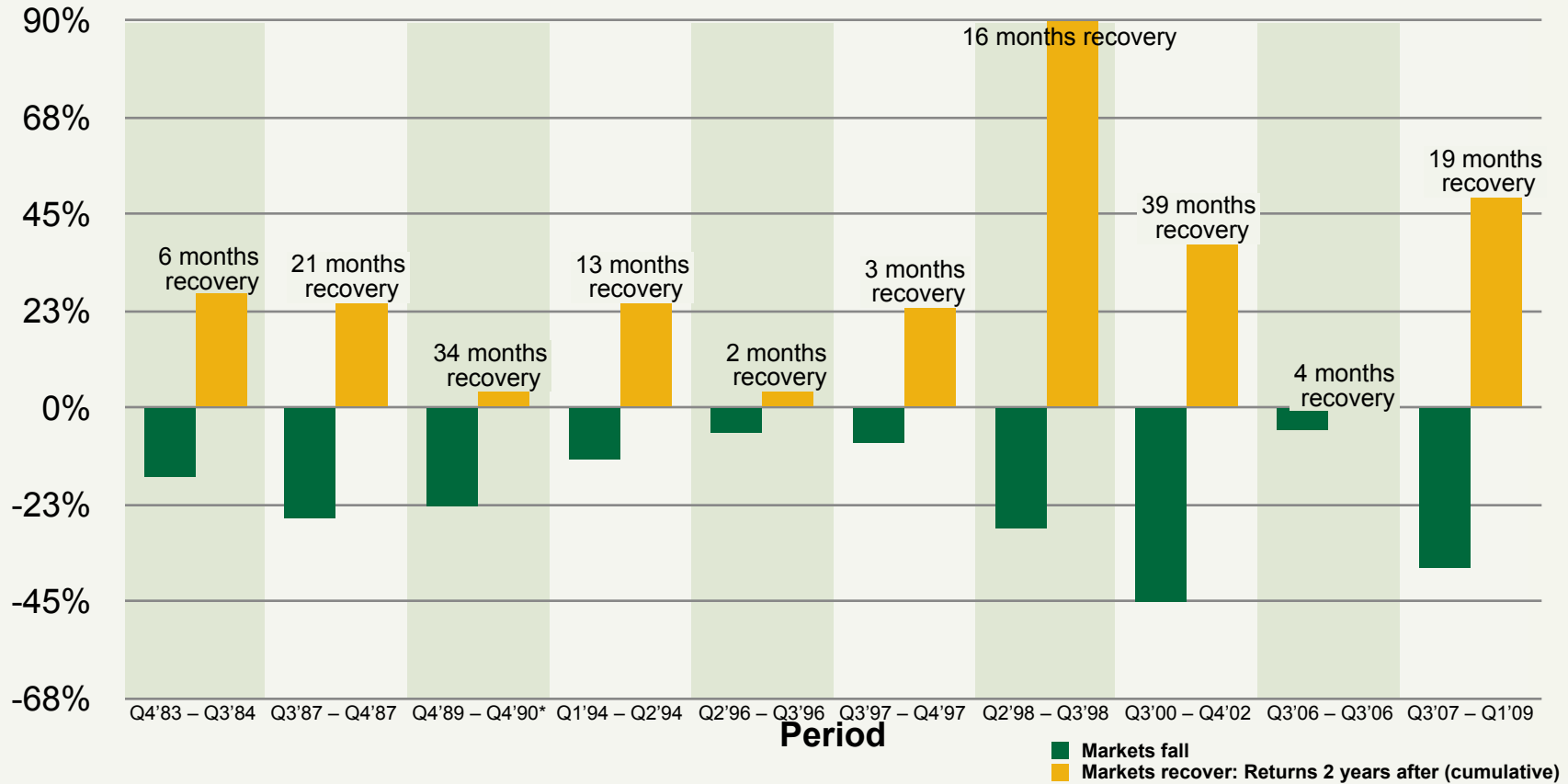
Long-term Growth:
 Growth of \$10,000 invested in
 S&P/TSX Composite Total Return Index



Source: Morningstar, October 31, 2014. Past performance is not indicative of future performance. For illustration purposes only. The index is unmanaged and cannot be purchased directly by investors.

Markets may fall but they never stay down

S&P/TSX Composite Total Return Index crashes: 1983-2009



Source: Manulife Asset Management as of October 31, 2014. For illustration purposes only.

Keep a long-term view

Growth of \$10,000 in S&P/TSX Total Return Index (Jun 1973 – Oct 2014)



Source: Morningstar June 1973 – October 2014. For illustration purposes only. Red circles indicate periods of market decline. Past performance is not indicative of future performance. S&P/TSX Composite Total Return Index is unmanaged and cannot be purchased directly by investors.

2 Measure performance over time, not overnight



- Markets will rise and fall
- Over time markets have always moved higher
- It's important to keep a long term view to avoid missed opportunities

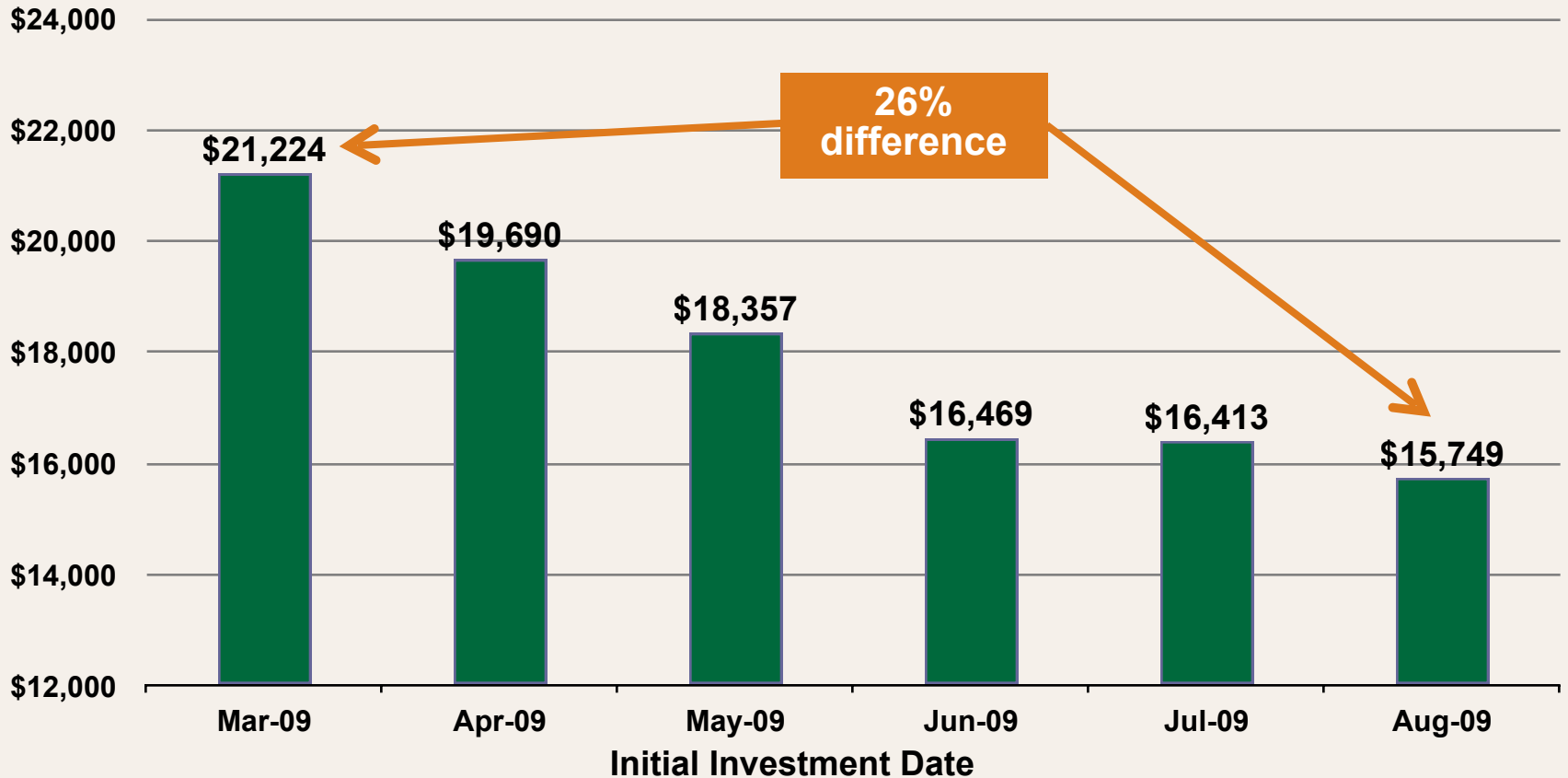
3

Missed days means missed opportunities



Delaying an investment can be costly

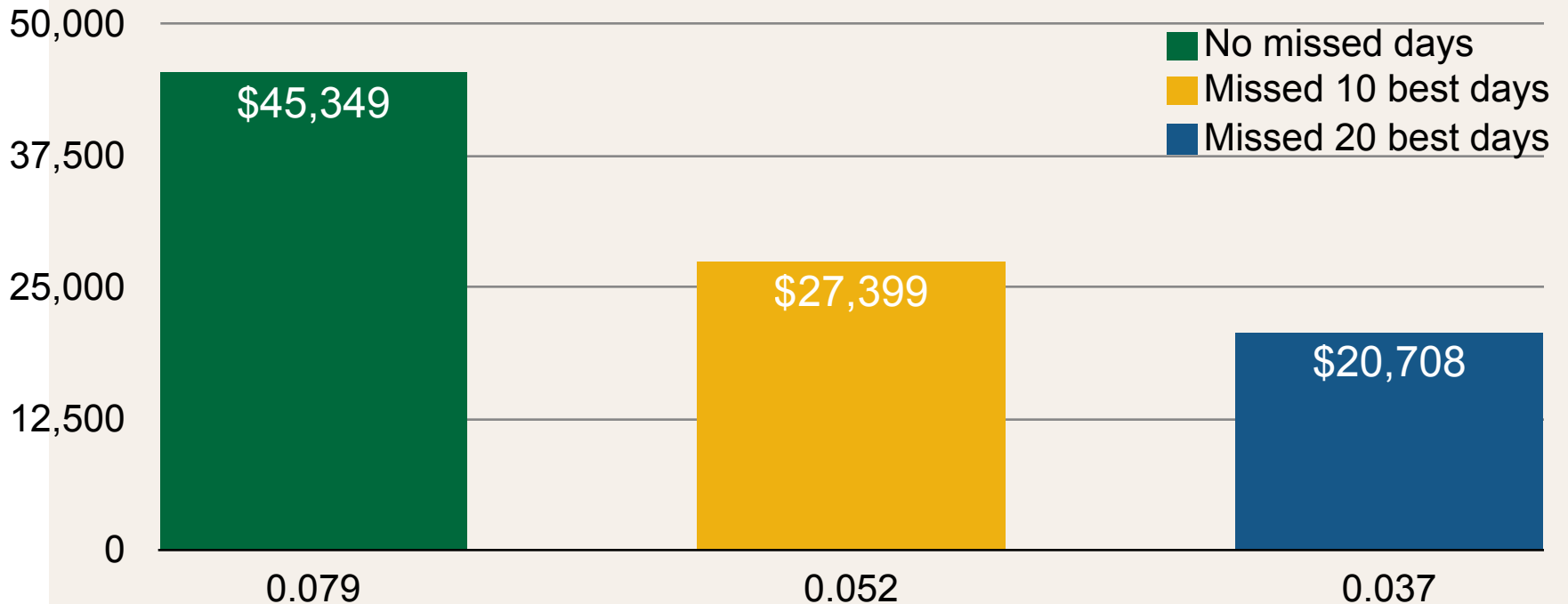
The growth of \$10,000 invested in the S&P/TSX Composite Index



Source: Morningstar, October 31, 2014. For illustration purposes only. Market indices cannot be purchased directly by investors.

Missed investment days can lower returns

Growth of \$10,000 in the S&P/TSX Composite Total Return Index from 1995 to 2014



Average Annual Return

Source: Morningstar, September 30, 2014. For illustration purposes only. The figure represents the average daily return assuming 280 trading days in a year. May not exactly match actual annualized returns due to calculation methodology. Past performance is not indicative of future performance. Index: S&P/TSX Composite Total Return Index. The index is unmanaged and cannot be purchased directly by investors. © 2014 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

3

Missed days means missed opportunities



- Investment success and disappointment can boil down to a few days of being in or out of the markets
- Stay fully invested to avoid missing best investment days; an investor can potentially double their investment









4 Two powerful tools for managing volatility



Diversification

Historical Asset Class Rotation, 1994-2014 (Sept)

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
11.9	33.8	28.4	39.2	38.0	57.2	10.5	8.0	15.3	27.8	16.8	31.2	32.1	18.6	31.1	52.0	17.6	9.5	16.0	41.3	14.0
9.6	20.0	23.6	21.4	34.0	31.7	7.4	7.5	8.0	26.7	14.5	24.1	20.2	9.8	12.0	35.1	13.0	8.3	14.0	35.9	12.2
7.3	18.0	14.6	16.2	29.2	18.4	6.8	3.9	2.6	9.4	7.0	7.3	17.3	5.0	2.4	11.1	9.1	4.6	13.4	23.1	9.7
6.2	17.3	11.8	15.0	22.1	14.4	5.6	3.8	-6.1	5.6	6.9	7.0	15.4	4.2	-2.8	7.4	6.5	1.7	9.2	13.0	8.6
5.6	16.4	10.9	9.7	9.4	6.9	-3.2	-3.6	-7.0	5.3	4.6	2.7	14.6	-7.1	-21.2	3.0	6.2	0.9	7.2	4.3	8.1
-0.2	14.5	6.6	8.4	4.8	4.8	-5.9	-6.4	-12.4	2.9	2.8	2.3	6.2	-7.1	-25.4	0.3	3.9	-2.7	2.2	3.9	6.9
-1.8	7.2	5.4	3.2	-1.6	-1.5	-9.9	-11.3	-20.4	2.5	2.3	1.6	4.1	-7.2	-33.0	-1.7	0.6	-8.7	2.0	1.0	4.8
-4.5	-7.8	4.4	-7.7	-19.9	-10.4	-28.2	-12.6	-22.9	-8.0	1.3	-6.9	3.5	-10.5	-41.4	-9.2	0.0	-16.2	1.0	-2.3	0.7

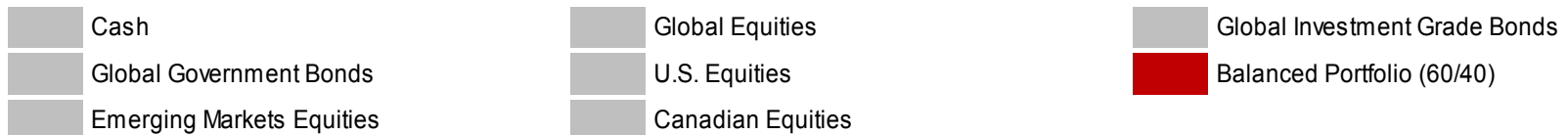
 Cash	 Global Equities	 Global Investment Grade Bonds
 Global Government Bonds	 U.S. Equities	 Balanced Portfolio (60/40)
 Emerging Markets Equities	 Canadian Equities	

Source: Lipper, a Thomson Reuters company, September 30, 2014. All returns are in CAD. For illustration purposes only. Cash is represented by Bank of Canada 3M T-Bill; Global Government Bonds represented by Citi Canada World Government Bond Index TR; Emerging Markets Equities represented by MSCI Emerging Markets TR; Global Equities represented by MSCI World TR; U.S. Equities represented by S&P 500 TR; Canadian Equities represented by S&P/TSX Composite TR; Global Investment Grade Bonds represented by Barclays Capital Global Aggregate Bond Index TR; Balanced Portfolio represented by 60% MSCI World, 40% Barclays Capital Global Aggregate Bond Index. Indices are unmanaged and cannot be purchased directly by investors. Past performance is not indicative of future returns.

Diversification

Historical Asset Class Rotation, 1994-2014 (Sept)

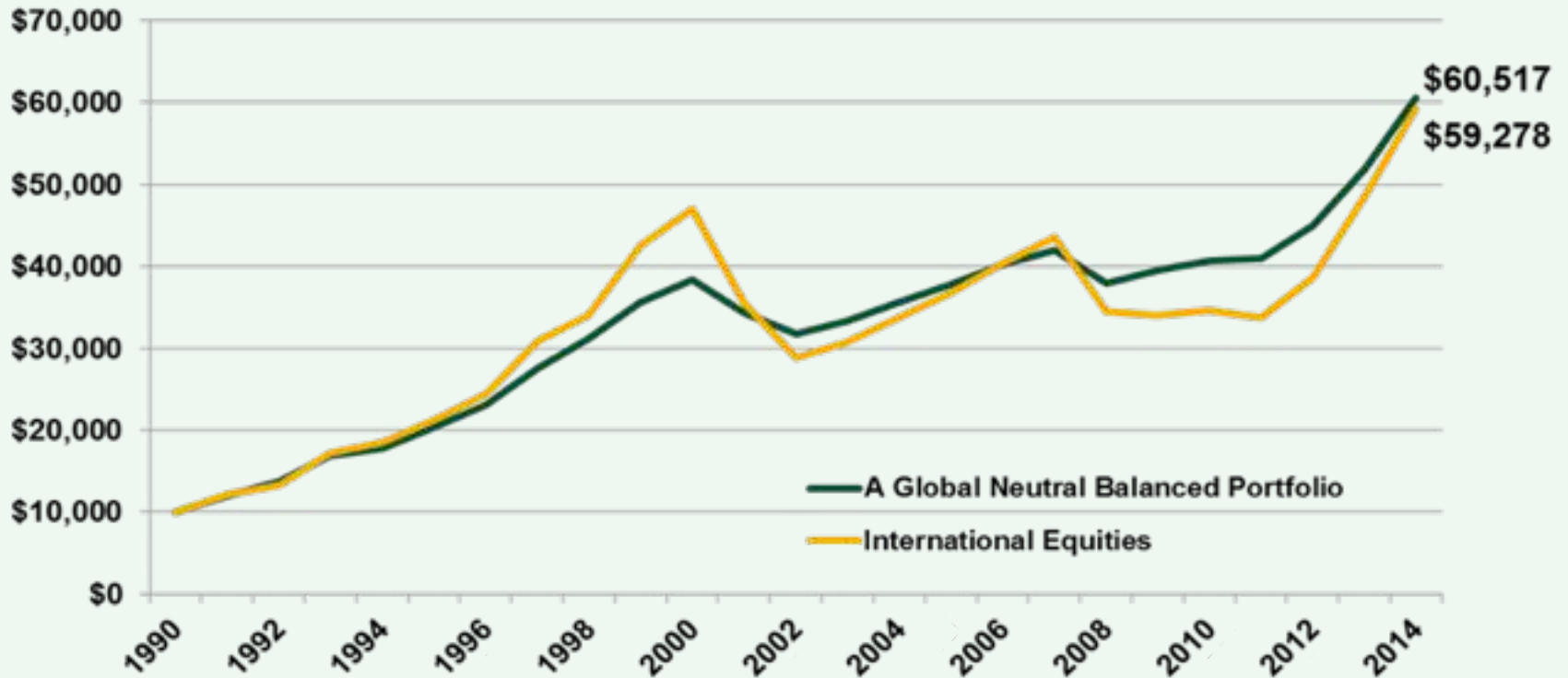
1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014



Source: Lipper, a Thomson Reuters company, September 30, 2014. All returns are in CAD. For illustration purposes only. Cash is represented by Bank of Canada 3M T-Bill; Global Government Bonds represented by Citi Canada World Government Bond Index TR; Emerging Markets Equities represented by MSCI Emerging Markets TR; Global Equities represented by MSCI World TR; U.S. Equities represented by S&P 500 TR; Canadian Equities represented by S&P/TSX Composite TR; Global Investment Grade Bonds represented by Barclays Capital Global Aggregate Bond Index TR; Balanced Portfolio represented by 60% MSCI World, 40% Barclays Capital Global Aggregate Bond Index. Indices are unmanaged and cannot be purchased directly by investors. Past performance is not indicative of future returns.

Diversification

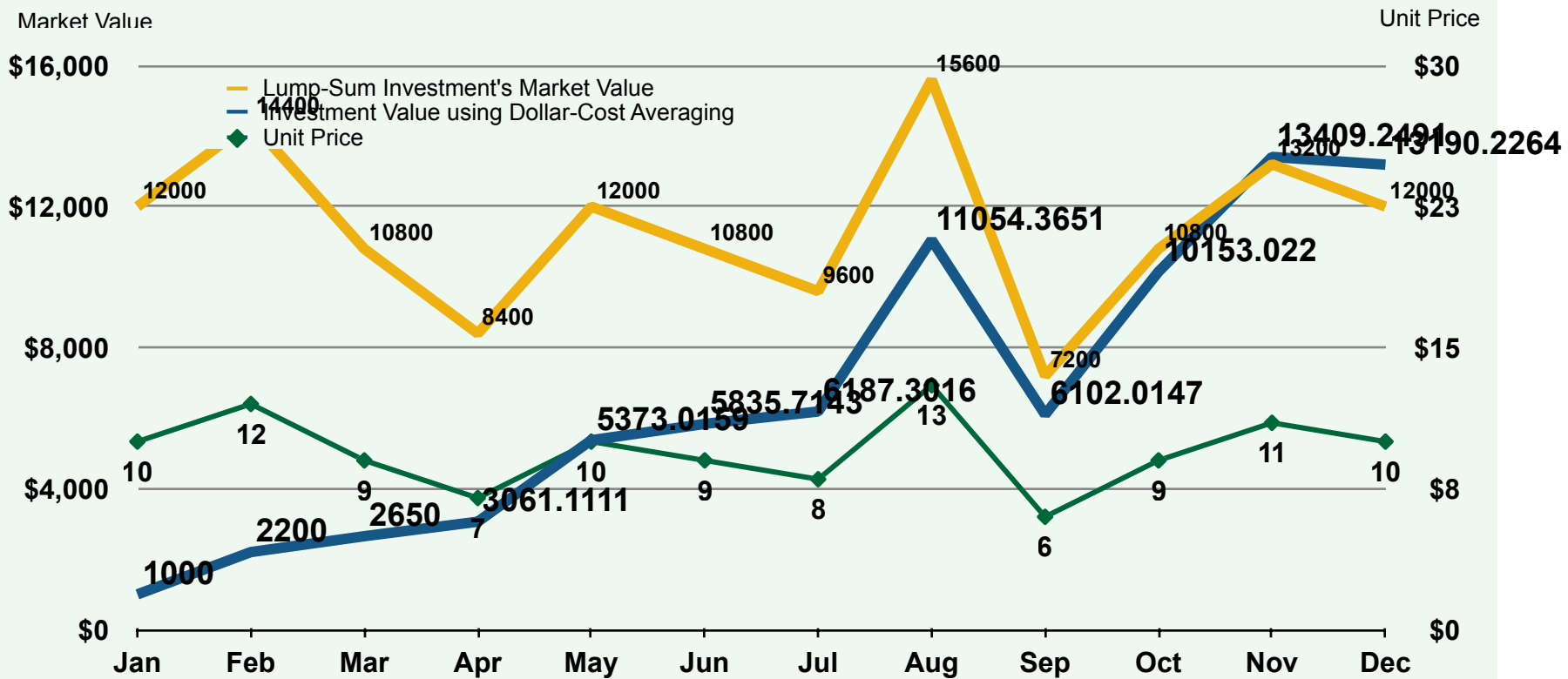
A global neutral balanced portfolio Vs international stocks, 1990 – 2014



Source: Morningstar, September 30, 2014. All returns are in CAD. For illustration purposes only. Market indices cannot be purchased directly by investors. The Global Neutral Balanced Portfolio is represented by 60% MSCI World Total Return Index, 20% FTSE TMX Canada Universe Bond Index, and 20% Barclays Capital Global Aggregate Bond Index. International Equities are represented by MSCI World Total Return Index.

Dollar-cost averaging

12-Month Comparison: \$12,000 Lump-Sum Investment Vs \$1,000 Monthly Investments using Dollar-Cost Averaging



For illustration purposes only. Past performance is not indicative of future performance.

4 Two powerful tools for managing volatility



Manage volatility by diversifying!

- Diversifying across various economies, businesses, countries and popular investment classes can help spread the risk and reduce the potential for underperforming assets

Lower volatility by using the Dollar-cost averaging strategy

- Invests a fixed amount regularly into the same investment over time
- More shares are purchased when prices are low and fewer shares are bought when prices are high
- Reduces the risks associated with making a single lump sum investment at the wrong time.

Timeless principles for investment success

- Be rational, not emotional
- Missed days means missed opportunities
- Measure performance over time not overnight
- Diversification
- A dollar-cost averaging strategy



Thank you



 **Manulife**

Investments



Important information

Manulife Funds and Manulife Corporate Classes are managed by Manulife Investments, a division of Manulife Asset Management Limited.

Manulife, Manulife Investments, the Manulife Investments logo, the Block Design, the Four Cubes Design and Strong Reliable Trustworthy Forward-thinking are trademarks of The Manufacturers Life Insurance Company, and are used by it and its affiliates under license.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in share/unit value and reinvestment of all dividends/distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

© 2014 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

The rates of return shown are used only to illustrate the effects of the compound growth rate and are not intended to reflect the future values of mutual funds or returns on investments in mutual funds.

The views expressed are those of the presenter and are subject to change as market and other conditions warrant.

Information about a portfolio's holdings, asset allocation, or country diversification is historical and is no indication of future portfolio composition, which will vary. Certain research and information about specific holdings in the Fund, including any opinion, is based on various sources believed to be reliable. All overviews and commentary are for information purposes only and are not intended to provide specific financial, investment, tax, legal, accounting or other advice and should not be relied upon in that regard.