

# Manulife Investments offers First Lifetime Guaranteed Minimum Withdrawal Benefit for Canadians

Survey shows older Canadians concerned about funding a longer retirement

Toronto - One of the most popular retirement planning products to hit the Canadian marketplace in years, Manulife Investments' IncomePlus, has been enhanced to offer guaranteed retirement income for life, to address a growing financial concern among older Canadians.

Introduced in October 2006, with sales exceeding \$2 billion in less than one year, IncomePlus is Canada's first Guaranteed Minimum Withdrawal Benefit (GMWB) and now the only GMWB in Canada to offer guaranteed monthly retirement income for life starting after December 31 in the year the investor turns 65. There will be no increase to any IncomePlus fees or fund management expense ratios for the enhanced lifetime IncomePlus benefit.

A recent survey for Manulife Financial found many Canadians are worried about "longevity risk" -- the financial risk associated with the unknowns of life expectancy when planning retirement. These unknowns include how long they'll need to finance their retirement plus whether their savings can withstand inflation through the rest of their lives.

"Life expectancy in retirement actually increases as people age", says Dr. Moshe Milevsky, Associate Professor of Finance at the Schulich School of Business at York University. "In other words, retirees are chasing their ever increasing life expectancy. It's therefore important for people to recognize the longevity risk they face and create a financial management strategy that hedges or insures against the possibility of 30 or more years of retirement."

"We know Canadians are living longer, and three-quarters of those recently surveyed have at least some uncertainty about whether their retirement savings will be enough to provide steady income for the rest of their lives," says J. Roy Firth, Executive Vice President, Manulife Investments. "We are excited to offer Canadians the new IncomePlus – the only GMWB product in Canada to offer payouts for life - providing a unique and innovative solution to longevity risk."

Survey finds retirement savings a concern

A new survey of Canadians aged 40 to 64 shows that Canadians recognize that they will live longer, with 64 per cent expecting they will live to age 85 and 23 per cent to 95. And yet, 76 per cent of respondents could not express with full confidence that their savings would last the length of their retirement.

Retirement Risk Zone

Compounding the risk of longevity in retirement is the Retirement Risk Zone, the period just before and after retirement when a portfolio is most vulnerable to market downturns. IncomePlus offers Canadians protection from the Retirement Risk Zone by providing the

security of guaranteed monthly income, protection from losing the money invested, flexibility, and growth potential. Now IncomePlus provides all of these benefits, but with income guaranteed for life starting after December 31 in the year the investor turns 65.

#### IncomePlus offers security

With IncomePlus, investors receive monthly income while being able to take advantage of stock market growth, flexibility to access their money at any time, and potentially increased income resulting from market value growth to help keep pace with inflation.

With IncomePlus, when markets perform well, the lifetime income guarantee can be reset higher and locked in every three years. However, if markets are lower in a reset year, no reset occurs and the guaranteed income level is maintained.

“With IncomePlus, Canadians don’t have to worry when the markets decline,” explained Firth. “They have built-in income protection from a decline plus the potential to grow their investment when the markets are performing well. Now that protection and potential to grow lasts for their whole life. It’s a win-win scenario.”

#### Getting in early pays off

For investors planning to delay withdrawing retirement income, IncomePlus offers a five per cent bonus on their guaranteed income for every year you don’t make a withdrawal for up to 15 years. This bonus period was increased from 10 years in the original IncomePlus offering. That means Canadians can better plan for retirement knowing that their guaranteed income can increase each year regardless of market conditions.

“A younger 45- or 50-year-old investor who is maybe 15 years away from retirement can realize a minimum 75 per cent increase in their investment guarantee if they don’t touch the money for that period of time. And again, that lifetime income guarantee is protected from a market downturn. We believe the expanded bonus period will be attractive to younger investors,” said Firth.

#### More funds

IncomePlus includes a wide range of funds, offering Canadian and global markets, managed by some of the top fund managers in Canada. New funds have been added from existing fund partners, which include: AIM Trimark Investments, CI Investments, Fidelity Investments, MFC Global Investments, Mackenzie Investments, Franklin Templeton and Alliance Bernstein.

The new IncomePlus will be offered by Manulife Investments through the GIF Select contract beginning on October 22, 2007. For investors who already purchased IncomePlus, the new features will be automatically available beginning December 31, 2007. The new enhancements to IncomePlus are being added with no increase to the current guarantee fees.

#### About Manulife Investments

Manulife Investments is the brand name describing certain Canadian subsidiaries and operating divisions of Manulife Financial Corporation that offer personal wealth management products and services in Canada. As one of Canada's leading integrated financial services providers, Manulife Investments offers a variety of products and services including segregated funds, mutual funds, annuities and guaranteed investment contracts.

#### About Manulife Financial

Manulife Financial is a leading Canadian-based financial services group serving millions of customers in 19 countries and territories worldwide. Operating as Manulife Financial in Canada and Asia, and primarily through John Hancock in the United States, the Company offers clients a diverse range of financial protection products and wealth management services through its extensive network of employees, agents and distribution partners. Funds under management by Manulife Financial and its subsidiaries were Cdn\$410 billion (US\$386 billion) as at June 30, 2007.