

Money Market Fund (SLI)
Manulife Money Market Fund (Manulife Asset Management)
Manulife Asset Management Ltd.

December 31, 2016

Lead manager(s):	Faisal Rahman	Investment style:	Money Market
Investment objective:	To provide capital preservation and liquidity, while generating income consistent with short-term money market rates, by investing primarily in cash and cash equivalent securities.		
Last meeting date:	Q4 2016	Next estimated meeting date:	Q4 2017
Current rating:	IN GOOD STANDING		

Annual fund performance (%)

	2012	2013	2014	2015	2016	5 yrs
Money Market Fund (SLI)	1.19	1.23	1.25	0.93	0.88	1.10
DEX 91 Day T-Bill TR	1.01	1.01	0.91	0.63	0.51	0.81
Value added (+) / lost (-)	0.18	0.22	0.34	0.30	0.37	0.29
Quartile ranking ⁽¹⁾	3rd	1st	1st	1st	2nd	2nd

Short-term performance analysis

- Year to date, the Fund outperformed its benchmark and ranks in the second quartile relative to its peers.

Long-term performance analysis

- The Fund has outperformed its benchmark in five of the last five years. It added value on a five-year annualized basis and ranks in the second quartile relative to its peers.
- Fund management at Manulife Asset Management (MAM) assumed portfolio management responsibilities of this mandate in September of 2015. The long-term track record of the Money Market capabilities at Manulife Asset Management has been very strong and there are no concerns with the appointment of Faisal Rahman to lead manager of the Fund.
- Fund management at MAM has consistently applied their active trading approach to money market management and there are no concerns with the Fund's long-term performance track record.
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Significant corporate events

Corporate

- In September of 2014, Manulife Financial Corp. announced the acquisition of Standard Life PLC's Canadian operations. This transaction was closed on January 30, 2015, and the company is now part of Manulife.

Fund specific

- In September 2015, as part of the integration process, Faisal Rahman, the current lead of Manulife Asset Management's Money Market Investment team was named the lead manager for the former Ideal Money Market and Standard Life Money Market mandates. Mr. Rahman has been a key member of the Manulife Money Market investment management team for 14 years and has 20 years of industry experience.

⁽¹⁾ Quartile rankings are based on the underlying fund's returns.

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IMS commentary

- The Money Market Fund (SLI) is a mandate that may be invested in numerous liquid holdings which carry characteristics similar to cash equivalent securities, provided the term to maturity of the securities, or term to reset date of the floating rate notes, is less than 1 year. Preservation of capital and liquidity are the Investment Manager's main concern.
- Based on our due diligence, we are confident that the Manager has remained within the stated investment philosophy and style.
- The Fund has shown consistency in adding relative value over the long term, and generally ranks in the higher quartiles when compared to its peers.
- IMS has met with MAM's Money Market Investment team several times over the years and there are no concerns with Mr. Rahman's appointment. The Money Market mandates at MAM have performed strongly under his management.

Conclusion:

- Due to the fact that 1) the Fund has added relative value over the long term, all the while remaining within the stated investment philosophy and style and 2) the Fund generally ranks in the higher quartiles, we continue to rate this Fund In Good Standing.

⁽¹⁾ Quartile rankings are based on the underlying fund's returns.

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