



Canadian Equity Index Fund (SLI)
Manulife Canadian Equity Index Fund (Manulife Asset Management)
Manulife Asset Management Ltd.

December 31, 2016

Lead manager(s): Brett Hryb **Investment style:** IndexIndex

Investment objective: To provide returns which closely track the total return of the S&P/TSX Composite Index by investing primarily in equities with the intention of replicating the composition of the Index.

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
Canadian Equity Index Fund (SLI)	7.17	13.01	10.86	-8.27	21.14	8.33
Canadian Equity Index Fund Benchmark (SLI)	7.19	12.99	10.55	-8.31	21.08	8.26
Value added (+) / lost (-)	-0.02	0.02	0.31	0.04	0.06	0.07

Short-term performance analysis

- The Fund respected its short term tracking error expectations and has performed in-line versus the S&P/TSX Composite Index.
- The Fund's objective is to track the total return of the S&P/TSX Composite which it has consistently met. There are no concerns.

Long-term performance analysis

- The Fund respected the long term tracking error expectations with performance within 10 bps of the TSX in four of the last five calendar years. There are no concerns with the Fund's long-term performance track record.

Significant corporate events

Corporate

- In September 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 October 2015, as part of the integration process, head of MAM's passive equity team Brett Hryb was named lead manager for the former Standard Life Canadian and US Equity Index mandates. Mr. Hryb has been leading the Manulife Passive Equity team since June of 2014.

IMS commentary

- The Canadian Equity Index Fund (SLI) is a Canadian equity mandate that closely reproduces the composition of the S&P/TSX Composite Index. The manager will invest directly in all of the individual security issues included in the Index and weighted to match each issue's weight on the Index. The fund is expected to replicate the returns of its stated benchmark.
- Based on our due diligence, we are confident that the manager has remained within the stated investment philosophy and style.
- IMS has met with the Manulife Asset Management team that has assumed portfolio management responsibilities for the Canadian and US Equity Index Funds at Manulife and has no significant concerns. The team has a long-term history in successfully managing index Funds within those asset classes and IMS is confident that the changes will not have a negative impact on the portfolio.

Conclusion:

- Due to the fact that the Fund has respected both its short and long term tracking error objective, IMS continues to rate this Fund In Good Standing.

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

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