

Short-term Deposits and GICs

	Short-term Deposits	Guaranteed Investment Certificates
Product overview	Manulife Bank Short-term Deposits allow investors to invest at a fixed rate for less than a year without locking in the deposit.	Manulife Bank GICs are ideal for clients who want an investment with guaranteed growth, a great rate and are willing to “lock-in” for a specified period.
Terms available	30-364 days	1, 2, 3, 4, 5 years
Interest rate	Interest rates are consistently among the top five broker rates. Rates are fixed for the duration of the stated term. Tiered rates are available for larger investments. Rate is pro-rated for the number of days the deposit is active.	Interest rates are consistently among the top five broker rates. GICs feature interest rates that are fixed for the duration of the term.
Tax status	Non-registered, RRSP or RRIF.	Non-registered, RRSP, RRIF or TFSA.
Minimum deposit	\$25,000	\$2,500 \$10,000 if monthly interest is selected
Redemptions	Redeemable prior to maturity. Subject to a \$25 administration fee and no interest paid prior to 30 days. After 30 days, subject to a \$25 administration fee and rate reduction of 1.25%.	Not redeemable prior to maturity. ¹ RRIF GICs: If a scheduled payment is to be funded by a GIC, the amount is taken from the GIC with the lowest rate. This is the only case where RRIF GICs are redeemable prior to maturity.
Interest structure	Interest is paid upon maturity or redemption.	Annual compound interest paid at maturity available for all tax types. Annual, semi-annual and monthly interest available for non-registered only.
Renewal process	<ul style="list-style-type: none"> Indicate maturity instructions on application at time of purchase OR Indicate maturity instructions on renewal notice sent to investor approximately 4 weeks prior to maturity. <p>If maturity instructions are not provided, Manulife Bank will automatically renew the investment for a similar term at the interest rate offered at that time. A 10-business day cancellation option applies. See Operating Agreement for details.</p>	
Statements	Confirmation at time of sale; Maturity Notice	
Rate guarantees	<p>New Deposits</p> <ol style="list-style-type: none"> Mailed documentation and deposit: we guarantee the rate for up to 5 business days from the day the client signs the application.* Local area bank deposit service: we guarantee the rate on the day the investment proceeds are deposited using our local bank deposit service with RBC Royal Bank.* <p>Renewals</p> <p>“Better of” rate guarantee of up to 30 days prior to renewal – based on the greater of:</p> <ol style="list-style-type: none"> The rate promised on the day you contact us²; or The rate on the day of the renewal. <p>RRSP, RRIF and TFSA TRANSFERS to Manulife Bank</p> <p>We will guarantee the posted rate in effect on the date your client signs the application and Transfer Authorization for Registered Investments (AB0164E) for up to 30 days. This allows time for the funds to be received from the relinquishing institution.</p>	
Compensation	20 bps per year of term for short-term deposits. 25 bps per year of term for long-term GICs.	

*Investment instructions must include the Issue date, Term, Maturity date and Fixed interest rate. Manulife Bank must receive the investment instructions and funds on or before the Issue date on the application.

¹ TFSA GICs can be redeemed prior to maturity, subject to market value adjustment and expense recovery fees.

² Rate guarantee may only be booked once during the 30 days prior to the maturity renewal.



Applying for a Manulife Bank Deposit Product

How can I find the current Manulife Bank interest rates?

1. Online at manulife.ca/repsource or manulifebank.ca
2. Call the Advisor Support Centre at 1-800-567-9170. When you call, ask to have rates sent to you – sign up for “Rates by email.”

How do I take advantage of a rate guarantee?

- 1 Check the Manulife Bank GIC rates (Rates by email, Repsource, Cannex, etc.).
- 2 Call 1-800-567-9170 or email mygic@manulife.com to inform us of your client’s maturing GIC/short-term deposit and your desire to obtain a “better of” rate guarantee. Note: The rate guarantee can only be set once in the 30 days prior to the reinvestment date.
- 3 Provide your client’s name, certificate number, maturity date, renewal term and rate.

How do I know what documentation I need to submit?

The application includes instructions outlining all forms and documentation to be submitted.

You will be required to collect certain information from your clients to verify their identity. This is a legislative requirement.

Where can I get the necessary forms?

You can access forms in a number of ways:

1. Repsource – Printable versions can be found on Repsource (manulife.ca/repsource).
2. Manulife Bank Business Development Consultants – Forms can be ordered with the help of local Manulife Bank sales representatives.

Where do I send the application?

All applications can be sent to:
Manulife Bank of Canada
500 King St. North
Waterloo, Ontario, N2J 4C6

What are the market value adjustment and expense recovery fees for TFSA GICs?

Early redemption of Tax-Free GICs prior to maturity is subject to market value adjustment and expense recovery fees. GICs must be redeemed in full; partial redemptions are not permitted. The market value adjustment fee is calculated as follows: market value adjustment fee = amount redeemed x (days to maturity / 365) x (current interest rate for the remaining GIC term length - the locked-in GIC interest rate). If interest rates have declined, the market value adjustment fee will be zero; no market value credit will be applied. The expense recovery fee is calculated as follows: expense recovery fee = amount redeemed x (days to maturity/365) x 1%.

Example: A client purchases a 5-year GIC at a guaranteed rate of 2.00%. With two years (730 days) remaining, the client wants to cash in the GIC. The current two-year interest rate for a GIC is 3.35%. The value of the GIC, prior to redemption is \$10,612.08.

Market value adjustment fee

$$= \$10,612.08 \times (730/365) \times (.0335 - .02)$$

$$= \$10,612.08 \times 2 \times .0135$$

$$= \$286.53$$

Expense recovery fee

$$= \$10,612.08 \times (730/365) \times .01$$

$$= \$10,612.08 \times 2 \times .01$$

$$= \$212.24$$

Total early redemption fee

$$= \$286.53 \text{ (market value adjustment fee)} + \$212.24$$

$$\text{(expense recovery fee)}$$

$$= \$498.77$$

Questions?

For general inquiries, please call 1-800-567-9170.

For more information, please visit repsource.ca

