

Manulife Yield Opportunities Fund

Your all-in-one income solution



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Times have changed

If you're focused on income, today's investing environment presents significant challenges. Traditional sources of income, such as Guaranteed Investment Certificates (GICs) and bonds, are providing minimal returns. In fact, nearly **30 percent** of the world's investment-grade debt is showing negative yields.¹

¹ Bloomberg, December 2020



Government of Canada Benchmark Bond Yields

Maturity	2 year	3 year	5 year	7 year	10 year	Long term
Yield	0.25%	0.34%	0.81%	0.99%	1.35%	1.77%

As of March 1, 2021.
Source: [Bank of Canada](#)

Guaranteed Investment Certificates

Maturity	1 year	3 year	5 year
Rate	0.3%	0.5%	0.8%

As of March 3, 2021.
Source: [Bank of Canada](#)

While equity markets offer the potential for higher returns, volatility poses a challenge.

Stock market volatility

S&P/TSX Composite Index historical performance

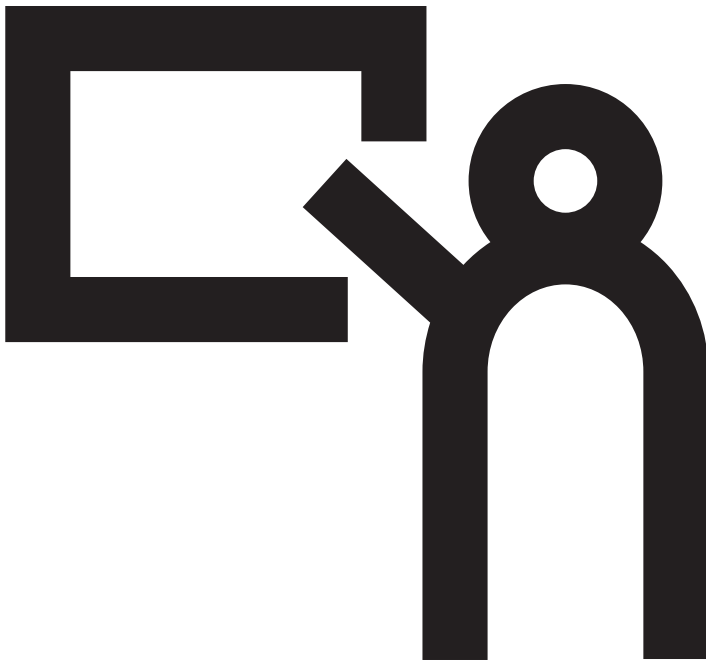


Source: [S&P Dow Jones Indices](#)
The index is unmanaged and cannot be purchased directly by investors.

Our approach

At Manulife, we recognized the challenges facing income investors more than a decade ago. That's why we created the Manulife Yield Opportunities Fund. This fund has the flexibility to invest anywhere in the world, in any sector. Our goal is to provide you with steady income, whatever the source.

The fund is actively managed, which means that the managers can adjust holdings, moving in and out of asset classes to optimize performance in a changing market environment. Our goal is to generate steady income, preserve capital and minimize volatility.



Historical approach



Government
bonds



Dividend equities



Cash

Manulife Yield Opportunities Fund



Government
bonds



Dividend equities



Cash



High-yield bonds



Emerging-market
debt



Floating-rate
loans



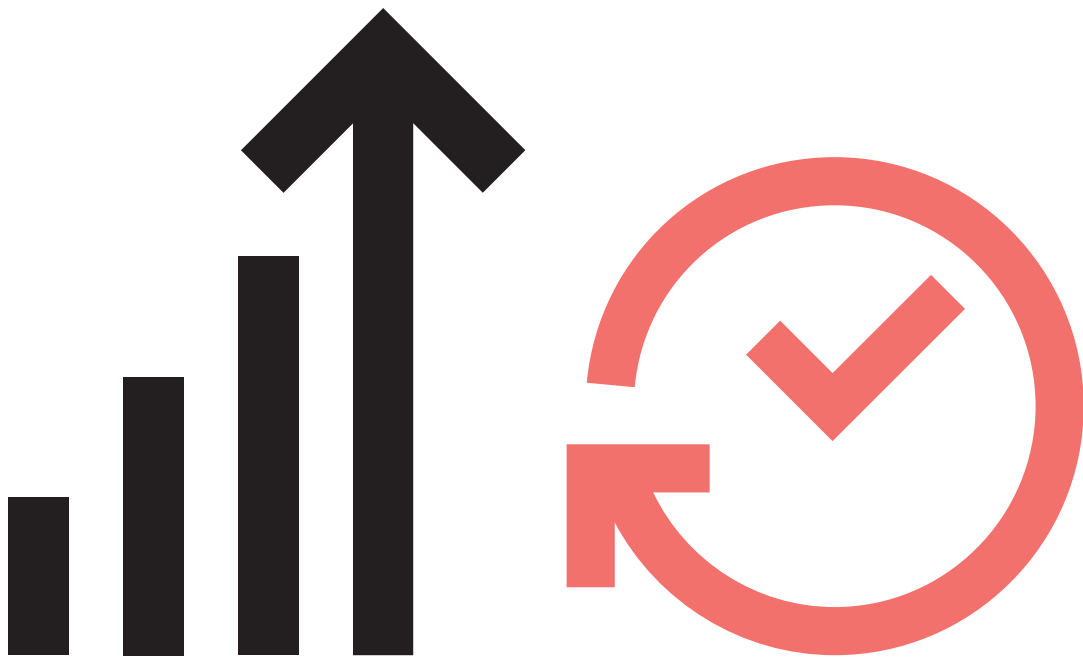
Equities



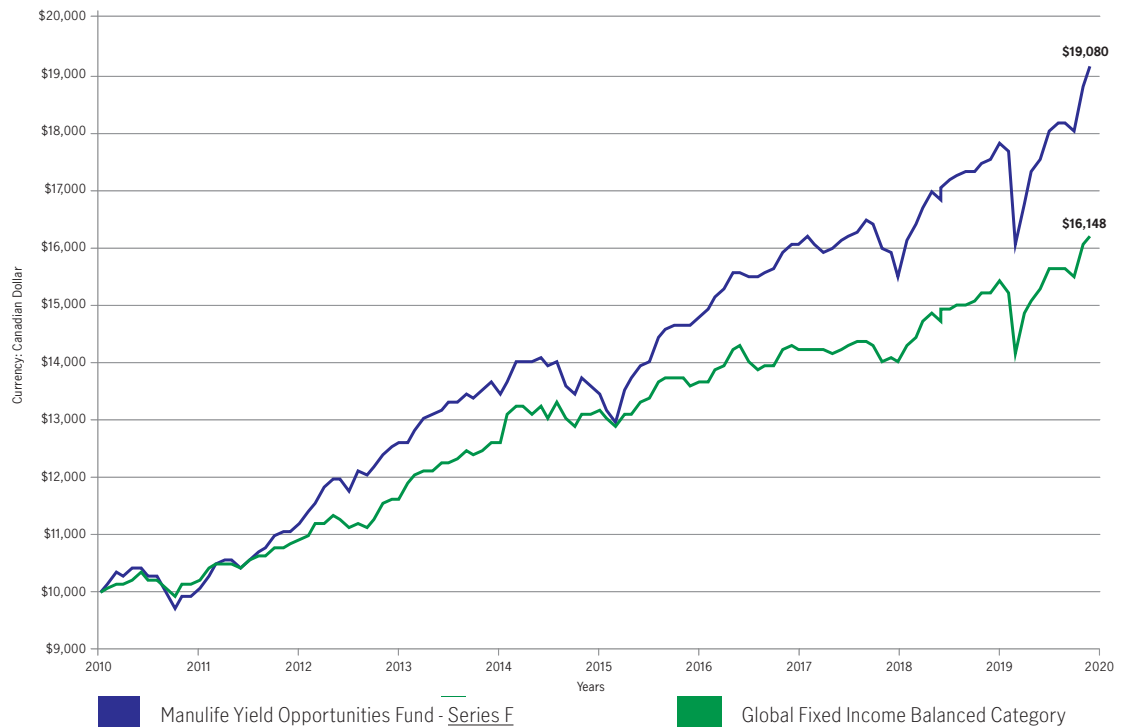
Investment-grade
corporate bonds

A history of steady performance

Ten thousand dollars invested on January 1, 2011, would have grown to more than \$19,000 by the end of 2020.



Growth of \$10,000 over 10 years



Series F is generally designed for investors who have a fee-based or wrap account with their dealer. Series F performance is net of fees and expenses. Advisor Series is also available and includes a 1.00% trailing commission.

Source: Morningstar Direct (Time period: 1/1/2011 to 12/31/2020)

The rate of return shown is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the investment fund or returns on investment in the investment fund. The indices cited are widely accepted benchmarks for investment performance within their relevant regions, sectors or asset classes, and represent non-managed investment portfolios. Although these indices are similar to the fund's objectives, there may be material differences including permitted holdings or investment strategies, which may impact returns. Please refer to the Fund Facts of the fund for more information.

Over the past 10 years, the fund has produced an annualized return of 6.68% and consistently delivered six cents on the dollar in monthly distributions.

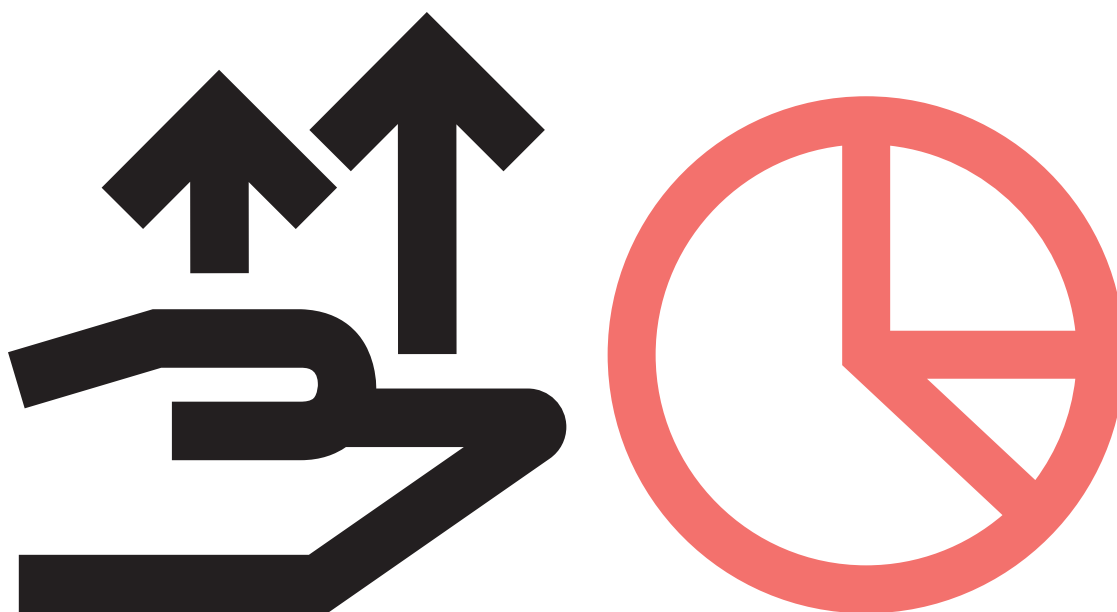
1 year	3 year	5 year	10 year	Since inception*
8.97%	5.98%	7.33%	6.68%	7.05%

Source: Morningstar Direct.

* December 23, 2009. Returns in C\$ as of Dec. 31, 2020. Series F. Series F is generally designed for investors who have a fee-based or wrap account with their dealer. Series F performance is net of fees and expenses. Advisor Series is also available and includes a 1.00% trailing commission. Past performance is no guarantee of future results.

A look under the hood

The Manulife Yield Opportunities Fund takes a multi-sector approach to income generation. Each asset class brings unique benefits to the fund.



Government bonds

Government bonds are debt securities issued by federal, provincial and municipal governments. Investors lend their money to the issuer for a specified time and in return receive regular payments of interest at a specified interest rate.

While returns aren't guaranteed, they are backed by the power of the issuing government, making them a lower-risk investment. They help to reduce the overall risk profile of the Manulife Yield Opportunities Fund.

Investment-grade corporate bonds

Corporate bonds are debt securities issued by incorporated companies. "Investment-grade" means that these bonds are rated BBB (low) or higher, signifying that the issuer is unlikely to default on interest payments.

They provide core stable returns at higher yields than government bonds and cash can offer.

Emerging-market debt

Foreign governments also issue debt securities, and those of emerging nations, such as China and India, offer higher yields than their North American counterparts. These bonds may be issued in local currency as well as dollars, which provides an opportunity for the fund to benefit from currency-exchange fluctuations.

High-yield bonds

High-yield bonds offer to pay investors higher interest because the bond's issuer has a lower credit rating. We spend a lot of time and energy assessing the fundamental quality of the issuing company. Is the management capable? Is the company carrying a lot of debt? How is cash flow being used?

High-yield bonds typically account for a significant portion of total assets because they help us meet our income objectives. Together with floating-rate loans (see below), they are really the foundation of the Manulife Yield Opportunities Fund

Floating-rate loans

With floating-rate loans, the interest rate moves up and down in line with an underlying money market reference rate. We use floating-rate securities to provide diversification and stability. When interest rates in general are rising, this helps to reduce risk for the fund.

Equities

Equities are stocks or shares issued by companies and traded on a stock exchange. The Manulife Yield Opportunities Fund may hold both preferred and common shares.

Preferred shares are usually issued by large, blue-chip corporations. They provide quarterly dividend income, typically at a higher yield than government bonds.

Common shares may generate dividend income too, but primarily we use them to help achieve the fund's secondary goal — long-term capital appreciation. They offer advantageous tax treatment as well. Equities generate capital gains, which are taxed less heavily than the interest produced by the fund's fixed-income holdings.

The team behind the fund

The Manulife Yield Opportunities Fund is managed by a team of experienced managers, each with a special area of expertise.

Average
20+ years
of experience*



More than
C\$30 B
in assets under management*



Head of Canadian Fixed Income

Roshan Thiru, CFA

Portfolio Management

Richard Kos, CFA
Senior Portfolio Manager

Andrew Gretzinger, CFA¹
Portfolio Manager

Altaf Nanji, CFA²
Portfolio Manager

Sivan Nair, CFA
Managing Director and
Senior Portfolio Manager

Credit research

Altaf Nanji, CFA²
Head of Credit Research

Vincent Zheng, CFA
Senior Credit Analyst

Jose Saracut, CFA, FRM
Senior Credit Analyst

Jonathan Crescenzi, CFA
Senior Investment Analyst

Saad Qazi, CFA
Senior Investment Analyst

Trading and money market

Andrew Gretzinger, CFA¹
Portfolio Manager

Faisal Rahman, CFA
Senior Portfolio Manager

John Xin, CFA
Assistant Portfolio Manager

Additional resources

Investment Risk & Quantitative Analytics
Team of 10 analysts led by Peter Mennie

Client Portfolio Management
Team of 10 specialists led by Jeffrey Santerre

US Credit Research
Team of 14 analysts led by Donald Tucker

ESG Research & Integration
Team of 10 analysts led by Peter Mennie

*As at October 1, 2020.

¹ Hybrid role while Andrew transitions his portfolio management duties and assumes role as Head of Canadian Fixed Income Trading.

² Dual role. Altaf serves as portfolio manager on the Canadian Fixed Team as well as the team's Head of Credit Research.

**To learn more, contact your advisor
or visit manulifeim.ca**

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

The payment of distributions is not guaranteed and may fluctuate. If distributions paid by the fund are greater than the performance of the fund, then your original investment will shrink. Distributions should not be confused with a fund's performance, rate of return or yield. You may also receive return-of-capital distributions from a fund. Please consult with your tax advisor regarding the tax implications of receiving distributions. See the fund facts as well as the prospectus for more information on a fund's distributions policy.

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