



What's the *temperature* of your fund?

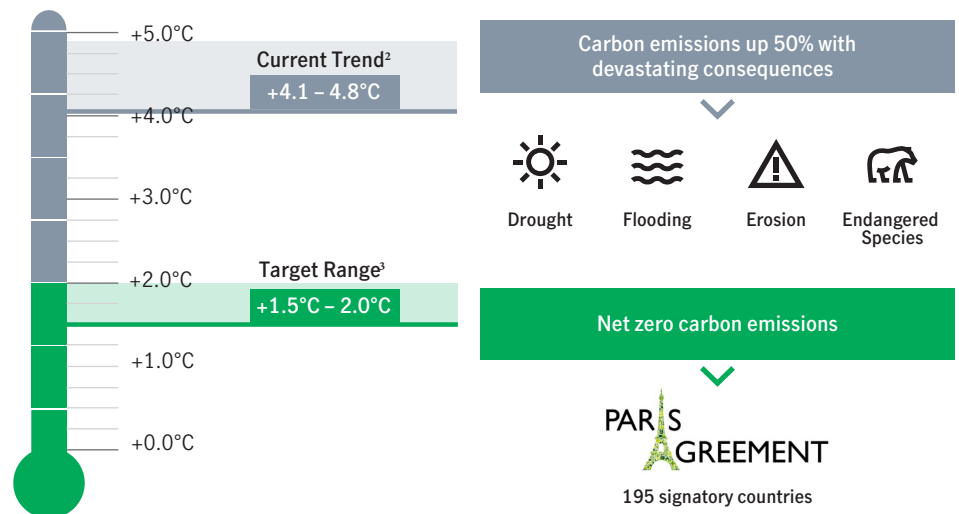
More than three-quarters of Canadian investors want to be informed about responsible investment options, and 78% want to be invested in companies that are helping solve the climate crisis.¹ New *Client Focused Reforms* from the Canadian Securities Administrators suggest advisors ask their clients about their ESG goals and values.

Meanwhile, with countless entries of new products geared toward sustainability and the environment, it's now more important than ever to distinguish fund companies and solutions with true environmental, social, and governance (ESG) capabilities and processes from those that may be *greenwashing*. The keys to differentiating the two are disclosure and measurement.



Investors are increasingly focused on their portfolios' carbon footprints. Are you prepared to offer them true climate-focused solutions?

The reality is that the world's current path isn't sustainable: governments, corporations, and investors need to do their part. Major institutions, pension plans, and endowments have set goals to reduce their portfolios' carbon footprints, seeking out companies that have committed to "net-zero" carbon emissions in support of the objectives of the Paris Agreement to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. Companies who don't follow this path risk divestment, increased regulatory scrutiny, and fines, all of which could ultimately limit shareholder value.



Source: Manulife IM, Intergovernmental Panel on Climate Change (IPCC), as of December 31, 2021.^{2,3}

¹ The 2021 RIA Investor Opinion Survey, which is based on an Ipsos poll of 1,000 individual investors in Canada, found that 78% of respondents agreed "strongly" or "somewhat" that they would like a portion of their investment portfolio to be invested in companies that are providing solutions to reduce carbon emissions. While 77% of respondents said they want their financial services provider to inform them about responsible investments that are aligned with their values, only 27% said they had ever been asked if they were interested. <https://www.riacanada.ca/research/2021-ria-investor-opinion-survey/>

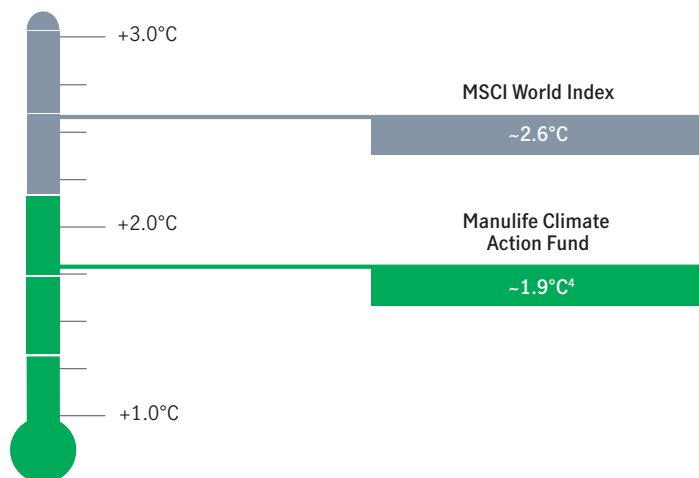
² "Current Trend" refers to estimated global average temperature increase in degrees Celsius by the year 2100 as compared to pre-industrial levels based on Representative Concentration Pathway 8.5 (RCP8.5) taken from Working Group III's contribution to the IPCC's Fifth Assessment Report (AR5).

³ "Target range" refers to Paris Agreement's goal for average global temperature increase by 2100 as compared to pre-industrial levels.

Manulife Climate Action Fund targets companies that have committed to making positive contributions to climate-change mitigation. In fact, some companies have committed to net-negative emissions, meaning they plan to reduce their past carbon impact. We believe this strategy aligns with the goal of an investor seeking to support the Paris Agreement objective to limit global warming.

Our commitment to transparency and accountability with Manulife Climate Action Fund means we actually *measure its temperature* to stay true to our goal of aligning with a 2°C global temperature increase at the most.

So how does Manulife Climate Action Fund stand up to its goals? The temperature of Manulife Climate Action fund currently stands at *approximately 1.9 degrees Celsius*,⁴ aligned with the target range of the Paris Agreement and well below the 2.6-degree temperature increase of the companies in the MSCI World Index.



⁴ As of March 31, 2022. The portfolio temperature is a portfolio weighted-average calculation of how much the underlying companies' activities are expected to contribute towards climate change—delivering a warming scenario (e.g., 3°C, 2°C, 1.5°C, etc.) the companies' activities are aligned with—by 2100, as compared to pre-industrial levels. For companies that have committed to the Science-Based Targets Initiative (SBTi) and have already set a specific temperature target with the SBTi, those temperature targets are used in the calculation. In cases where a company has committed with the SBTi but not set its target yet, 2.0°C is assigned to indicate the commitment. And for companies with an SBTi of “well-below 2.0°C,” their temperature in the portfolio is marked as 1.75°C. In cases where a company doesn't have an SBTi target, the team uses the most recent calculated expected temperature increase provided by MSCI.

True climate leaders—corporations, fund companies, and investors—need to stay true to their goals, and be accountable for their practices and their promises. Manulife Climate Action Fund's temperature is a key source of truth for the fund and its investors.

Are you ready to take action?

Learn about Manulife Investment Management's [commitment to sustainability](#).

Find out more about [Manulife Climate Action Fund](#).

manulifeim.ca/climate

© 2022 Manulife Investment Management. All rights reserved.

We consider that the integration of sustainability risks in the decision-making process is an important element in determining long-term performance outcomes and is an effective risk mitigation technique. Our approach to sustainability provides a flexible framework that supports implementation across different asset classes and investment teams. While we believe that sustainable investing will lead to better long-term investment outcomes, there is no guarantee that sustainable investing will ensure better returns in the longer term. In particular, by limiting the range of investable assets through the exclusionary framework, positive screening and thematic investment, we may forego the opportunity to invest in an investment which we otherwise believe likely to outperform over time.

The opinions expressed are those of Manulife Investment Management as of May 31, 2022 and are subject to change based on market and other conditions. The information and/or analysis contained in this material have been compiled or arrived at from sources believed to be reliable but Manulife Investment Management does not make any representation as to their accuracy, correctness, usefulness or completeness and does not accept liability for any loss arising from the use hereof or the information and/or analysis contained herein. Manulife Investment Management disclaims any responsibility to update such information. Neither Manulife Investment Management or its affiliates, nor any of their directors, officers or employees shall assume any liability or responsibility for any direct or indirect loss or damage or any other consequence of any person acting or not acting in reliance on the information contained herein.

All overviews and commentary are intended to be general in nature and for current interest. While helpful, these overviews are no substitute for professional tax, investment or legal advice. Clients should seek professional advice for their particular situation. Neither Manulife, Manulife Investment Management Limited, Manulife Investment Management, nor any of their affiliates or representatives is providing tax, investment or legal advice. Past performance does not guarantee future results.

This material was prepared solely for informational purposes, does not constitute an offer or an invitation by or on behalf of Manulife Investment Management to any person to buy or sell any security and is no indication of trading intent in any fund or account managed by Manulife Investment Management. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Unless otherwise specified, all data is sourced from Manulife Investment Management.

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. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Manulife Funds are managed by Manulife Investment Management Limited. Manulife Investment Management is a trade name of Manulife Investment Management Limited.

Manulife, Manulife Investment Management, the Stylized M Design, and Manulife Investment Management & Stylized M Design are trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates under license.