

Volatility Report Card: Manulife Dividend Income Fund (Series F)

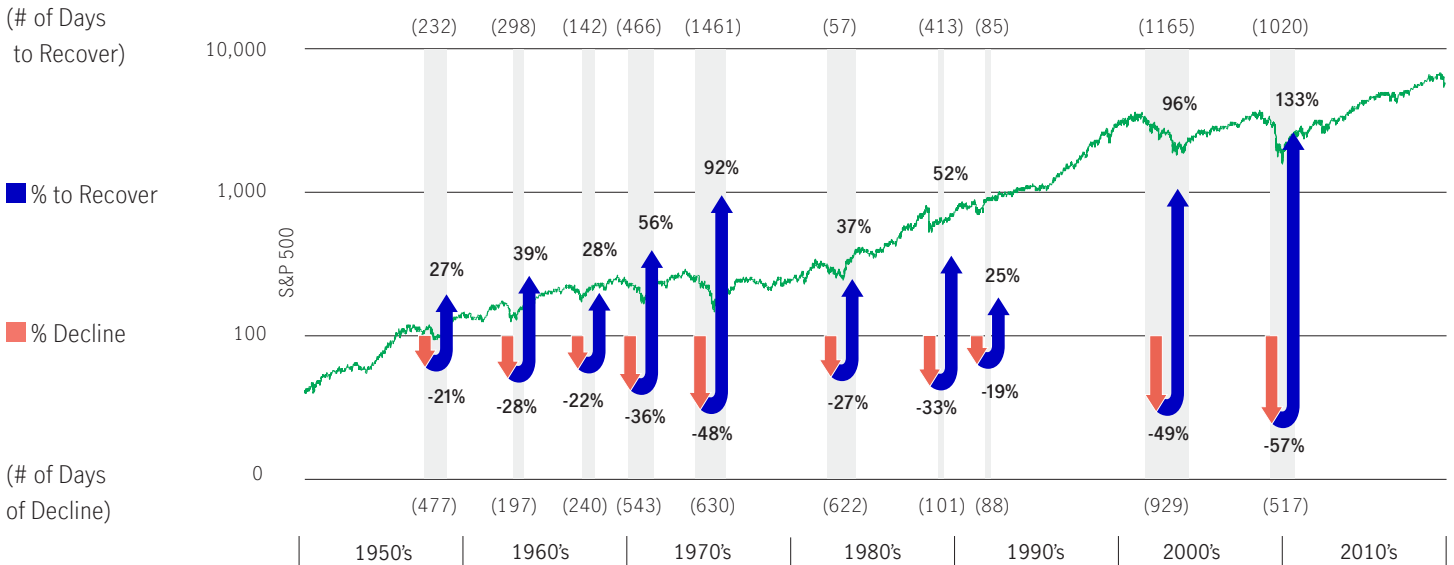
June 30, 2021

The Need for Quality Active Management

There is a lot of noise in the marketplace about the benefits of passive investments, especially in regard to fees charged by active managers, but in periods of volatility, active management can make or break a portfolio because history has shown that portfolios that protect on the downside may outperform over the long term because it takes a larger return to recover from a loss.

For example, with the last bear market, that took place October 2007 to March 2009, the S&P 500 had a loss of 57% which required a return of 133% to breakeven. This took approximately 50 months to breakeven.

S&P 500 Historic Bear Markets & Returns Needed To Breakeven



Ratio Scale: S&P historical time series is plotted on a Logarithmic Scale. Bear Markets are declines of 20% or more from its peak (using official close price) and greater than 30 days (in grey shade). Number of days are in parenthesis.

Bear Markets Period in order corresponding to graph: Aug '56–Oct '57 | Dec '61–Jun '62 | Feb '66–Oct '66 | Nov '68–May '70 | Jan '73–Oct '74 | Nov '80–Aug '82 | Aug '87–Dec '87 | Jul '90–Oct '90 | Mar '00–Oct '02 | Oct '07–Mar '09

Source: Bloomberg & Manulife Investments (\$CAD). Past performance is not a guarantee of future performance. The index is unmanaged and cannot be purchased directly by investors.

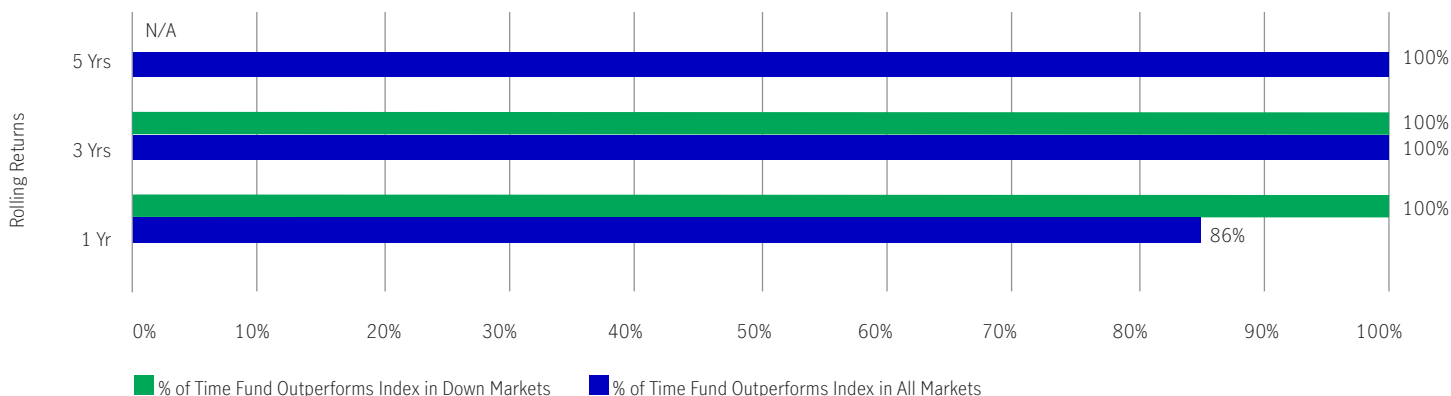
Summary of Report Card found on following pages:

Summary: Manulife Dividend Income Fund vs. S&P or TSX Composite TR Index

| | | | | | |
|----------|--|---|----------|--|---|
| 1 | Outperformed Majority of the Time (All Markets) | ☑ | 2 | Less Frequent Negative Returns | ☑ |
| | Outperformed Majority of the Time (Down Markets) | ☑ | | Better Frequency of Positive Returns | ☑ |
| 3 | Better Downside Protection | ☑ | 4 | Better Calendar Year Performance | ☑ |
| | Better Upside Participation | ○ | | More Smaller Calendar Year Max Drawdowns | ☑ |

1. Outperformance: Manulife Dividend Income Fund vs. S&P or TSX Composite TR Index (since Fund Inception*)

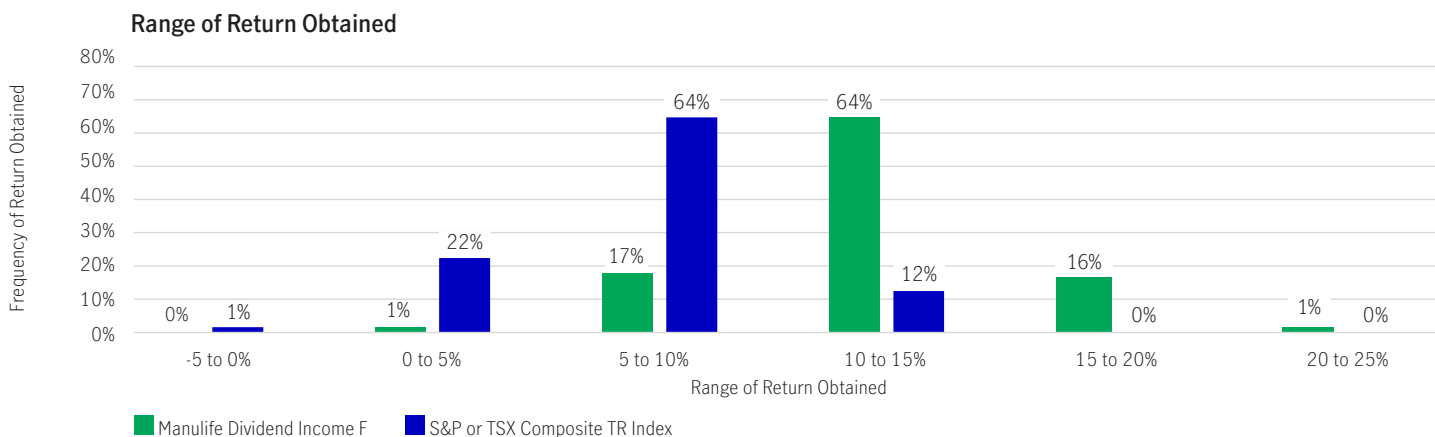
- Historically, during down periods, the Fund has outperformed its benchmark 100% of the time in all 1-year periods.
- Since Fund's inception, there has been no negative rolling 5-year periods.
- The Fund has a history of outperforming in all markets 86% of the time in all 1 year periods and 100% of the time in all rolling 3-year periods and 5-year periods.



*Date of inception: March 22, 2012. Down markets are defined as any period in which the Index is negative. Past performance is not a guarantee of future performance.

2. Frequency of Returns: Manulife Dividend Income Fund vs. S&P or TSX Composite TR Index (Rolling 3-Yr Returns Since Inception*)

- Fund and index have had no negative rolling 3-year performance.
- 82% of Funds returns have been above 10% vs. 12% of Index's.



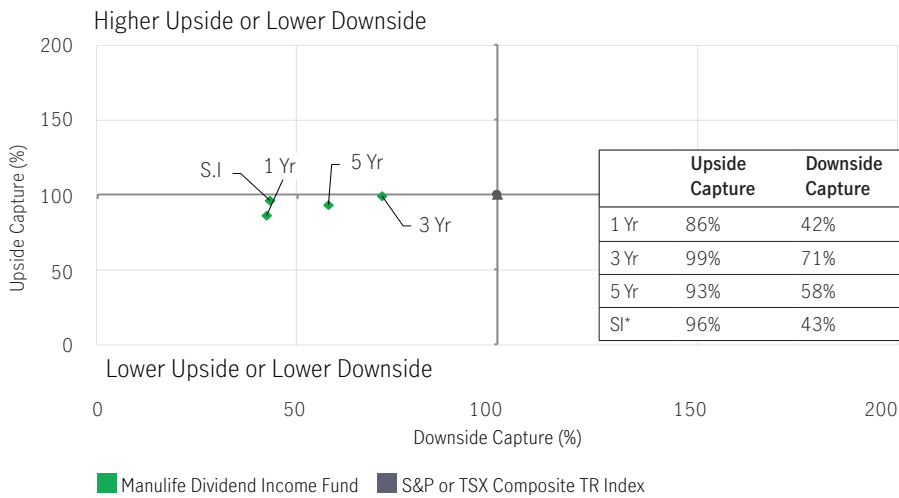
Frequency of Rolling Returns—All Time Periods

| Time Periods | Funds | Frequency of Return Obtained | | | | | | | | |
|----------------|-------------------------------|------------------------------|------------|----------|---------|----------|-----------|-----------|-----------|------|
| | | -15 to -10% | -10 to -5% | -5 to 0% | 0 to 5% | 5 to 10% | 10 to 15% | 15 to 20% | 20 to 25% | >25% |
| Rolling 1 Year | Manulife Dividend Income Fund | 0% | 1% | 4% | 11% | 14% | 23% | 19% | 20% | 5% |
| | S&P or TSX Composite TR Index | 2% | 9% | 11% | 15% | 21% | 24% | 5% | 6% | 3% |
| Rolling 5 Year | Manulife Dividend Income Fund | 0% | 0% | 0% | 0% | 17% | 63% | 19% | 0% | 0% |
| | S&P or TSX Composite TR Index | 0% | 0% | 0% | 19% | 73% | 8% | 0% | 0% | 0% |

*Date of inception: March 22, 2012. Past performance is not a guarantee of future performance.

3. Upside or Downside Capture: 1 Yr, 3 Yr, 5 Yr, and Since Inception*

- The Fund captured 29 to 58% less downside than the index in time periods measured.
- The Fund captured 86% or more upside potential of the index in all time periods measured.



What does upside or downside capture ratio mean?

An upside or downside capture ratio indicates how much of an up (or down) market a portfolio manager captures. For example: On a 3-year basis, Manulife Dividend Income Fund (Series F) captured 99% of the returns during up markets and fell 29% (100% – 71%) less during market declines.

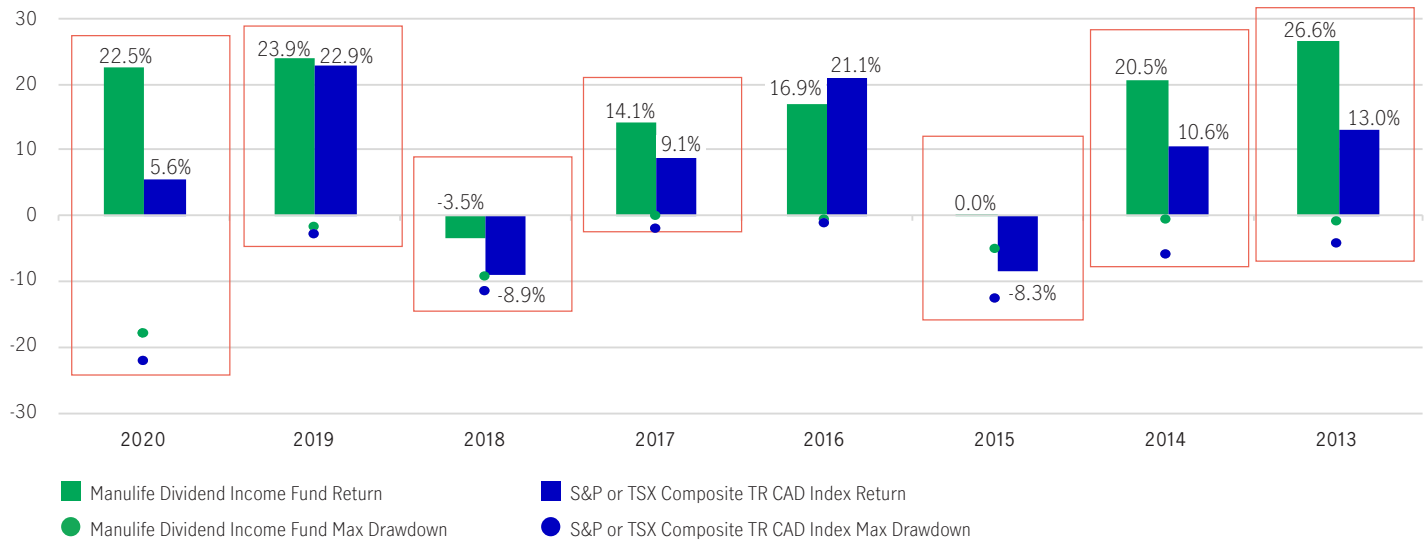
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4. Calendar Year Returns and Max Drawdowns

- Fund outperformed index 7 out of 8 calendar years.
- Fund had smaller max drawdowns 8 out of 8 years.

What is a max drawdown?

A max drawdown is the maximum loss from a peak to trough of a portfolio, within a specified time period (in this case calendar year), before a new peak is attained.



| Calendar Year Max Drawdowns (%) | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|-------|------|-------|------|------|-------|------|------|
| Manulife Dividend Income Fund Max Drawdown | -18.0 | -1.8 | -9.3 | -0.2 | -0.7 | -5.1 | -0.8 | -0.9 |
| S&P or TSX Composite TR Index Max Drawdown | -22.3 | -3.1 | -11.6 | -2.1 | -1.2 | -12.7 | -6.0 | -4.3 |

| Annualized Performance (%) | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | Since Inception* |
|--|------|-------|-------|--------|------------------|
| Manulife Dividend Income Fund (Series F) | 31.9 | 15.8 | 13.9 | - | 14.3 |
| S&P or TSX Composite TR Index | 33.9 | 10.8 | 10.8 | 7.4 | - |

*Since Inception date: March 22, 2012.
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