

Volatility Report Card: Manulife Monthly High Income Fund (Series F)

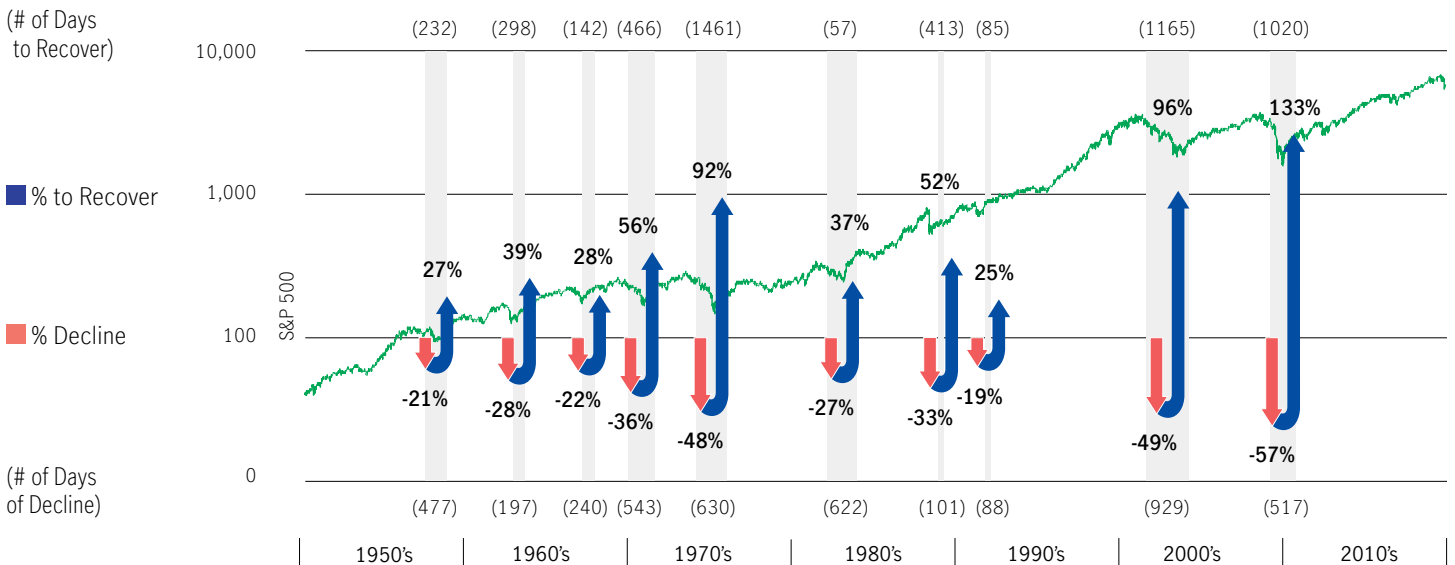
June 30, 2021

The Need for Quality Active Management

There is a lot of noise in the marketplace about the benefits of passive investments, especially in regards 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.

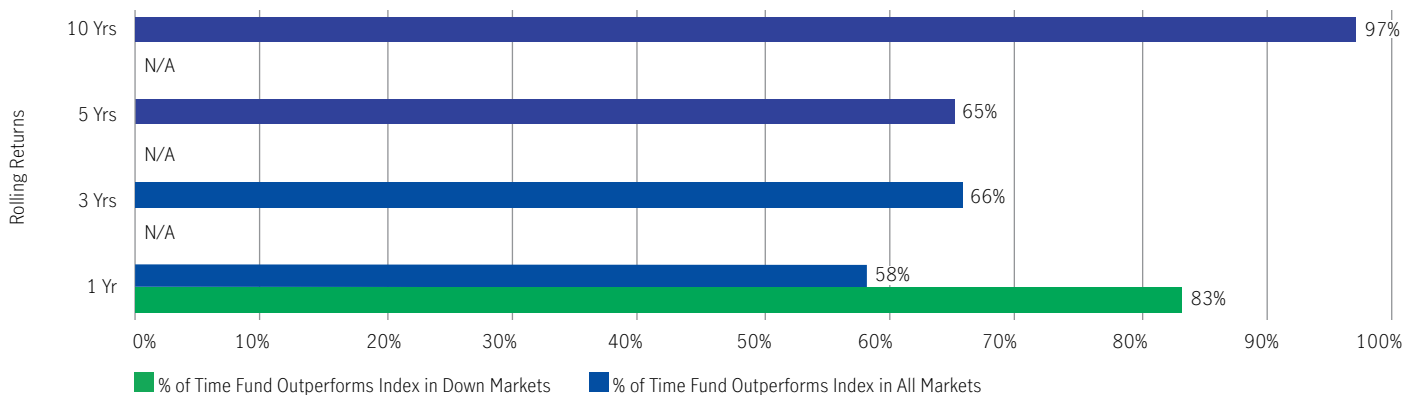
Summary of Report Card found on following pages:

Summary: Manulife Monthly High Income Fund vs. Blended Benchmark: 60% S&P/TSX Composite TR/ 40% FTSE Universe 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 Monthly High Income Fund vs. Blended Benchmark: 60% S&P/TSX Composite TR/ 40% FTSE Universe Index (since Fund Inception*)

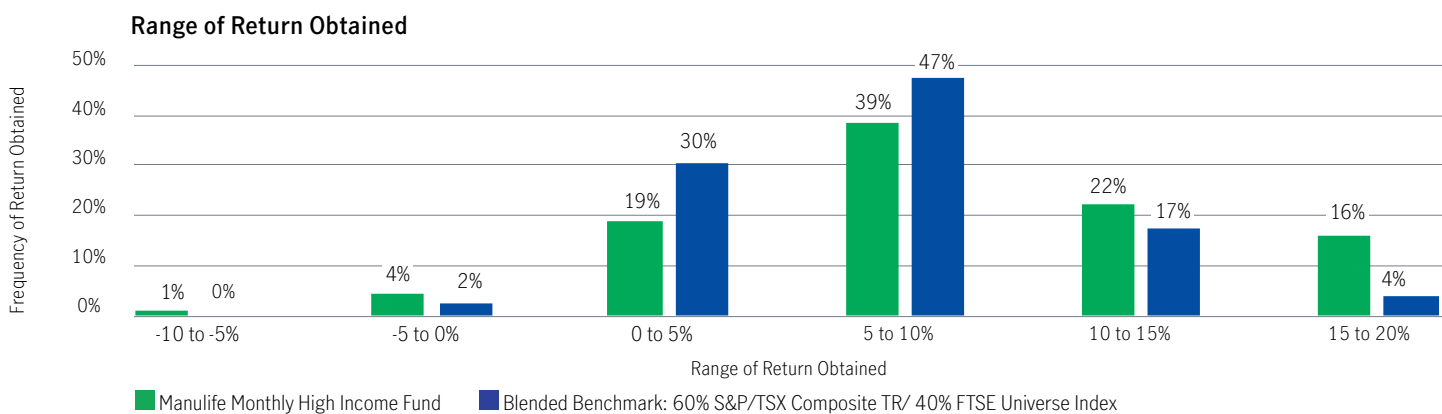
- Historically, during down periods, the Fund has outperformed its benchmark 83% of the time in all 1-year periods.
- Since Fund's inception there has been no negative rolling 3-, 5-, or 10-year periods.
- The Fund has a history of outperforming in all markets 58–66% of the time in all rolling 1-, 3-, and 5-year periods and 97% of the time in all 10-year periods.



*Date of inception: August 17, 2000. Performance start date: January 3, 2001. 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 Monthly High Income Fund vs. Blended Benchmark: 60% S&P/TSX Composite TR/ 40% FTSE Universe Index (Rolling 3 Yr Returns Since Inception*)

- Fund performed negatively 5% of the time vs. 2% for the index.
- Fund had returns above 5%, 76% of the time vs. the index which had returns above 5%, 64% of the time.



Frequency of Rolling Returns—All Time Periods

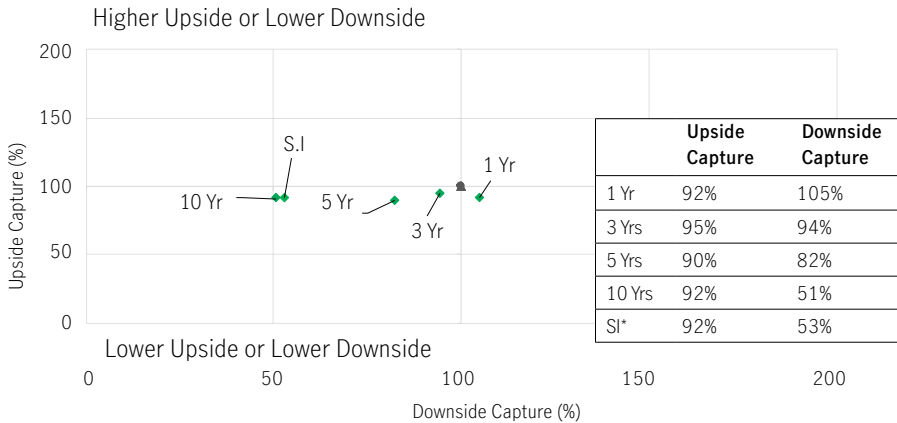
Time Periods	Funds	Frequency of Return Obtained									
		<-15%	-15 to -10%	-10 to -5%	-5 to 0%	0 to 5%	5 to 10%	10 to 15%	15 to 20%	20 to 25%	>25%
Rolling 1 Year	Manulife Monthly High Income Fund	3%	1%	2%	5%	14%	29%	22%	17%	6%	1%
	Blended Benchmark: 60% S&P/TSX Composite TR/ 40% FTSE Universe Index	3%	1%	4%	12%	16%	25%	23%	11%	4%	2%
Rolling 5 Year	Manulife Monthly High Income Fund	0%	0%	0%	0%	26%	38%	33%	4%	0%	0%
	Blended Benchmark: 60% S&P/TSX Composite TR/ 40% FTSE Universe Index	0%	0%	0%	0%	30%	55%	16%	0%	0%	0%
Rolling 10 Year	Manulife Monthly High Income Fund	0%	0%	0%	0%	0%	96%	4%	0%	0%	0%
	Blended Benchmark: 60% S&P/TSX Composite TR/ 40% FTSE Universe Index	0%	0%	0%	0%	21%	79%	0%	0%	0%	0%

*Date of inception: August 17, 2000. Performance start date: January 3, 2001. Past performance is not a guarantee of future performance.

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3. Upside or Downside Capture: 1 Yr, 3 Yr, 5 Yr, 10 Yr, and Since Inception*

- The Fund captured 49% less downside than the index over 10 years.
- On a 1-, 3-, 5-, and 10-year basis, the Fund captured 90% or more upside potential of the Blended Benchmark: 60% S&P/TSX Composite Index/ 40% FTSE Universe Index.



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 Monthly High Income Fund (**Series F**) captured 95% of the returns during up markets and fell 6% (100% – 94%) less during market declines.

*Since Inception date: August 17, 2000. Performance start date: January 3, 2001.
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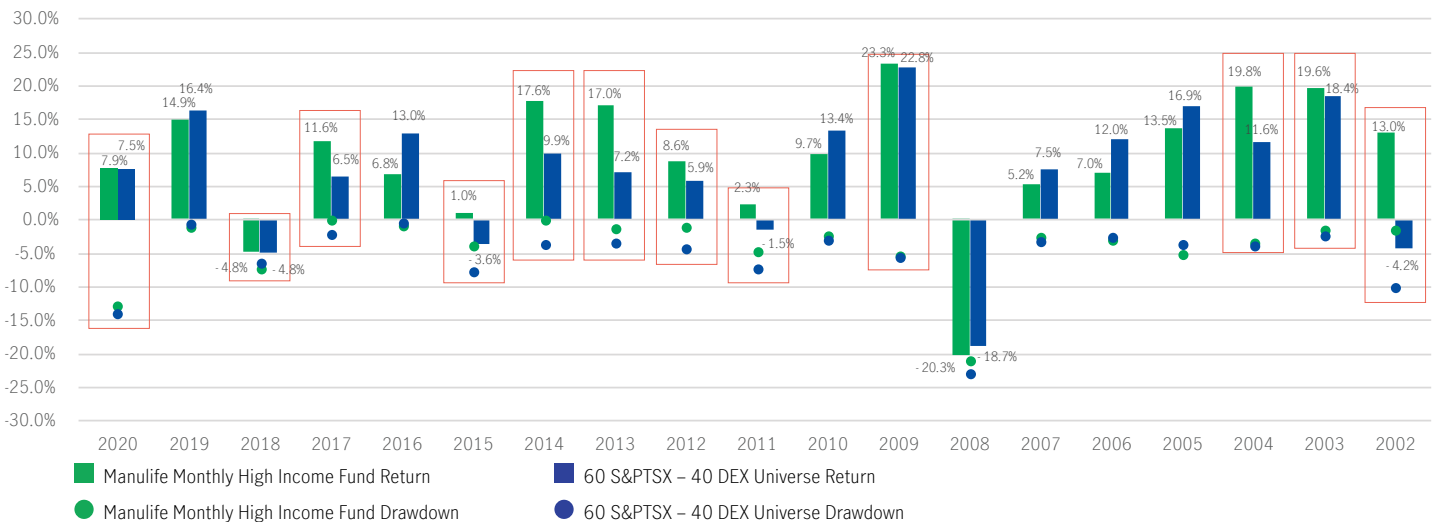
■ Manulife Monthly High Income Fund ■ Blended Benchmark: 60% S&P/TSX Composite TR/ 40% FTSE Universe Index

4. Calendar Year Returns and Max Drawdowns

- Fund outperformed index 11 out of 19 calendar years
- Fund had smaller max drawdowns 15 out of 19 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	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Manulife Monthly High Income Fund Max Drawdown	-12.7	-1.1	-7.3	-0.1	-0.9	-3.8	-0.1	-1.2	-1.2	-4.8	-2.3	-5.4	-20.9	-2.7	-3.1	-5.1	-3.4	-1.5	-1.5
Blended Benchmark: 60% S&P/TSX Composite TR Index/ 40% FTSE Universe Index Max Drawdown	-14.1	-1.2	-6.5	-2.2	-0.5	-7.8	-3.6	-3.4	-4.2	-7.4	-3.1	-5.6	-22.9	-3.1	-2.7	-3.8	-3.8	-2.4	-10.1

Annualized Performance (%)	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	Since Inception*
Manulife Monthly High Income Fund (Series F)	16.1	8.1	7.4	8.5	7.1	9.3
Blended Benchmark: 60% S&PTX Composite TR Index/ 40% FTSE Universe Index	18.2	8.4	7.7	6.2	6.2	-

* Since Inception date: August 17, 2000. Performance start date: January 3, 2001.
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To learn more, contact your advisor or visit manulifeim.ca.

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