

Volatility Report Card: Manulife Yield Opportunities Fund (Series F)

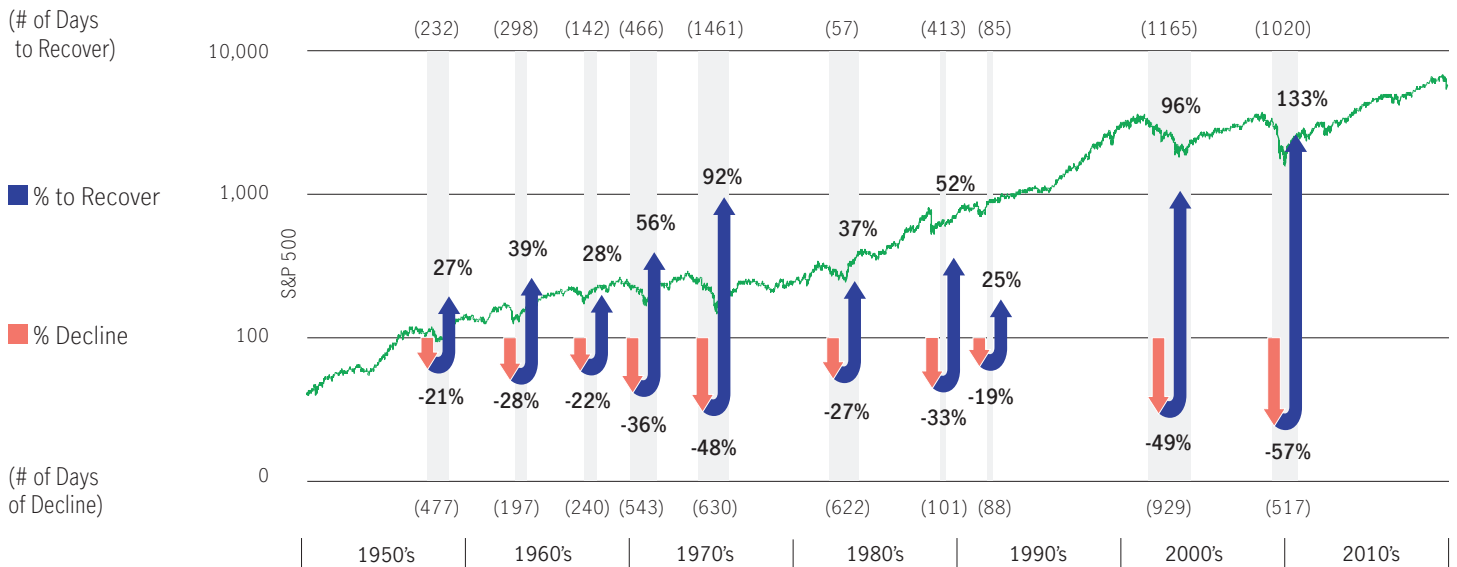
June 30, 2021

The Need for Quality Active Management

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

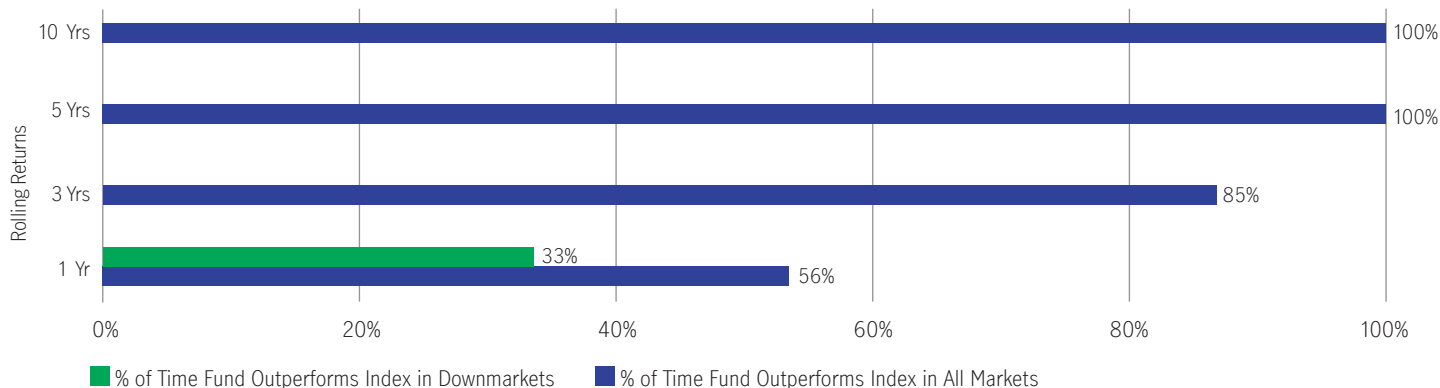
Summary of Report Card found on the following pages:

Manulife Yield Opportunities Fund vs. Blended Index: 75% FTSE Canada Universe Bond Index / 25% S&P TSX Composite TR Index

1	Outperformed Majority of the Time (All Markets) Outperformed Majority of the Time (Down Markets)	<input checked="" type="radio"/> <input type="radio"/>	2	Less Frequent Negative Returns Better Frequency of Positive Returns	<input checked="" type="radio"/> <input checked="" type="radio"/>
3	Better Downside Protection Better Upside Participation	<input checked="" type="radio"/> <input type="radio"/>	4	Better Calendar Year Performance More Smaller Calendar Year Max Drawdowns	<input checked="" type="radio"/> <input type="radio"/>

1. Outperformance: Manulife Yield Opportunities Fund vs. Blended Index: 75% FTSE Canada Universe Bond Index/25% S&P/TSX Composite TR Index (since FundInception*)

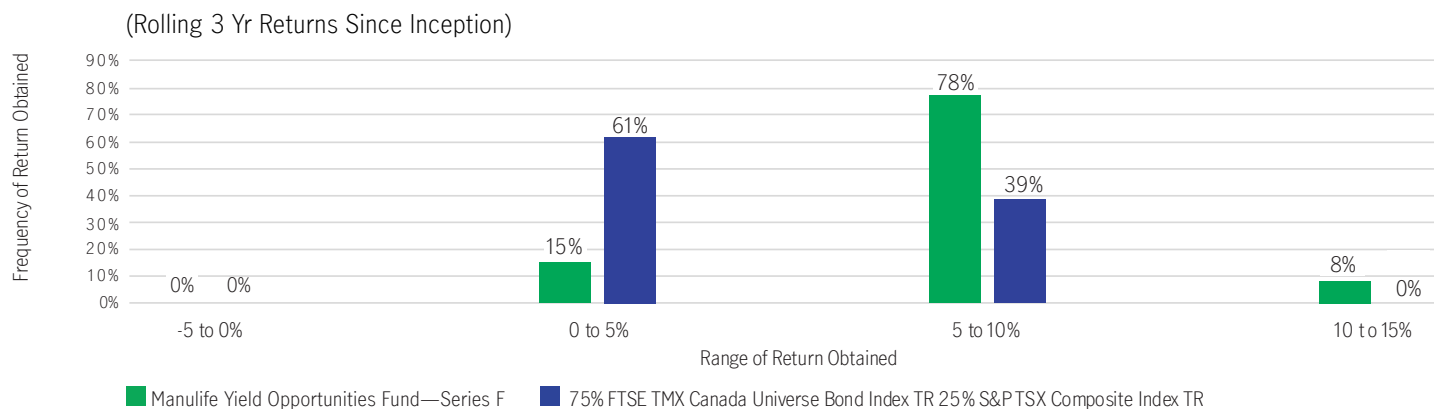
- Historically during down periods, the Fund has outperformed its benchmark 33% of the time in all 1-year periods.
- Since the Fund's inception there has been no negative rolling in the 3-, 5-, or 10-year periods.
- The Fund has a history of outperforming in all markets 56% of the time in all 1-year periods, and 85% of the time in all rolling 3-year periods, and 100% of the time in all rolling 5- and 10-year periods.



*Date of inception: December 23, 2009. 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 Yield Opportunities Fund vs. Blended Index: 75% FTSE Canada Universe Bond Index / 25% S&P/TSX Composite TR Index (Rolling 3-Yr Returns Since Inception*)

- Fund and index have had no negative rolling 3-year performance.
- 85% of Funds returns have been above 5% vs. 39% for the Index.



Frequency of Rolling Returns—All Time Periods

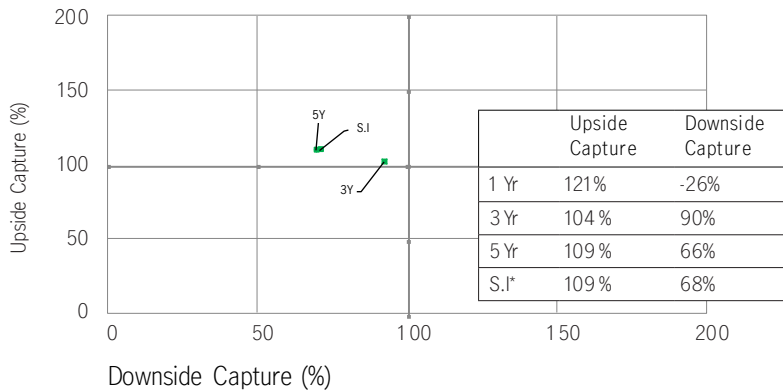
Time Periods	Funds	Frequency of Return Obtained					
		-10 to -5%	-5 to 0%	0 to 5%	5 to 10%	10 to 15%	15 to 20%
Rolling 1 Year	Manulife Yield Opportunities Fund	1%	11%	22%	31%	32%	2%
	Blended Index: 75% FTSE Universe Bond Index/ 25% S&P/TSX Composite TR Index	0%	7%	43%	43%	8%	0%
Rolling 5 Year	Manulife Yield Opportunities Fund	0%	0%	11%	89%	0%	0%
	Blended Index: 75% FTSE Universe Bond Index/ 25% S&P/TSX Composite TR Index	0%	0%	76%	24%	0%	0%
Rolling 10 Year	Manulife Yield Opportunities Fund	0%	0%	0%	24%	0%	0%
	Blended Index: 75% FTSE Universe Bond Index/ 25% S&P/TSX Composite TR Index	0%	0%	15%	9%	0%	0%

*Inception date: December 23, 2009. 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 32% less downside than the index since inception.
- The Fund captured 104% or more of the upside potential of the Index over all time periods measured.

Higher Upside or Lower Downside



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: Since inception, Manulife Yield Opportunities Fund (**Series F**) captured 109% of the returns during up markets and fell 32% (100% – 68%) less during market declines.

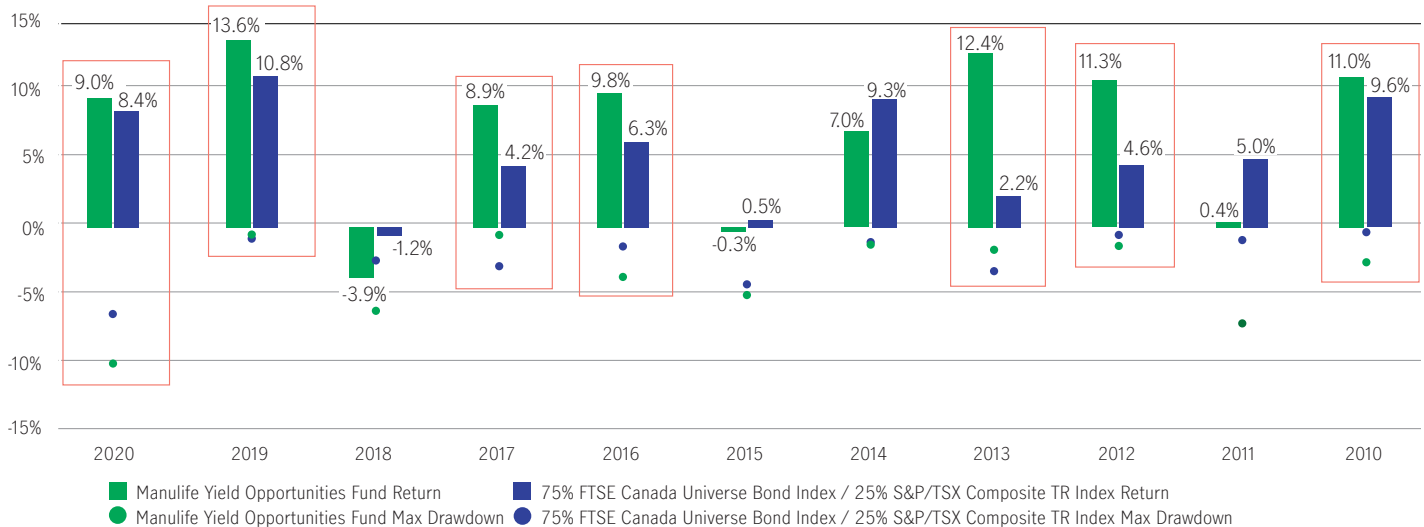
■ Manulife Yield Opportunities Fund—Series F ■ Index: 75% FTSE Canada Universe Bond Index / 25% S&P/TSX Composite TR Index

4. Calendar Year Returns and Max Drawdowns

- Fund outperformed index 7 out of 11 calendar years.
- Fund had smaller max drawdowns 3 out of 11 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
Manulife Yield Opportunities Fund Max Drawdown	-10.0	-0.9	-6.1	-0.5	-3.6	-4.9	-1.2	-1.6	-1.3	-7.0	-2.5
Blended Index: 75% FTSE Universe Index/ 25% S&P/TSX Composite TR Index	-6.7	-0.8	-3.0	-2.5	-1.5	-4.2	-1.6	-3.1	-0.7	-0.8	-0.2

*Inception date: December 23, 2009.
Past performance is not a guarantee of future performance.

Annualized Performance (%)	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception*
Manulife Yield Opportunities Fund - Series F	13.1	7.1	7.2	6.8	7.1
Blended Index: 75% FTSE Canada Universe Bond Index / 25% S&P/TSX Composite TR Index	5.8	6.0	4.8	4.9	-

*As of June 30, 2021. Inception date: December 23, 2009.
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To learn more, contact your advisor
or visit **manulifeim.ca**.

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