

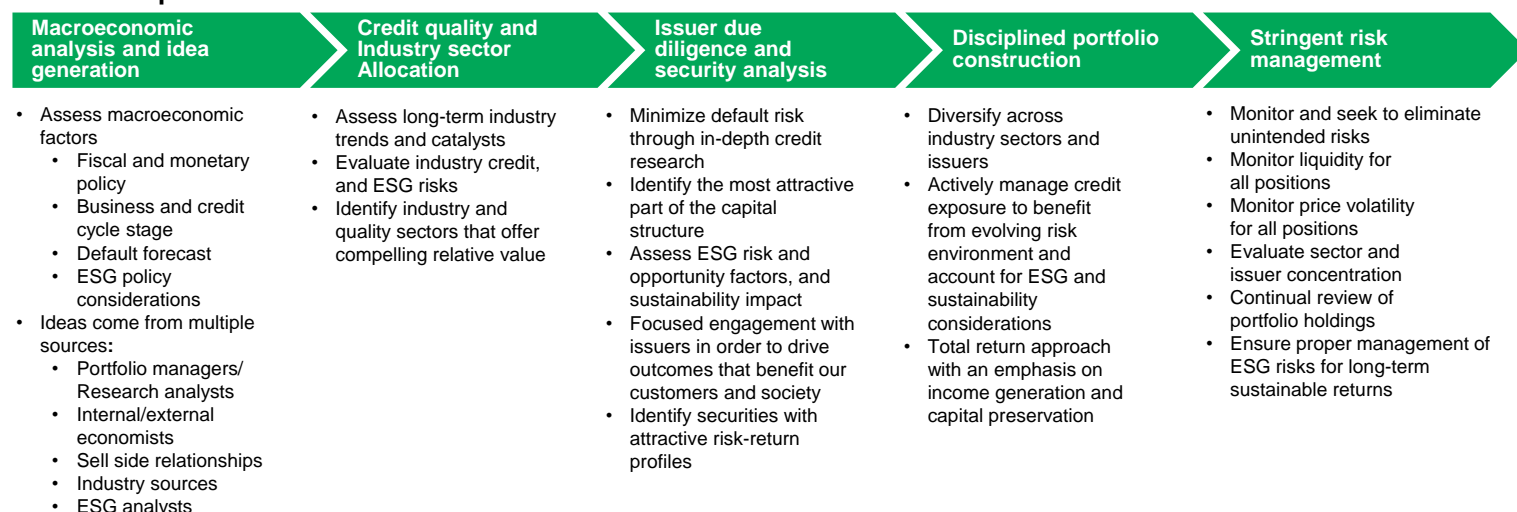
# Canadian Investment Grade Corporate Fixed Income Strategy

## Investment philosophy<sup>1</sup>

We believe that there are ‘pockets of value’ in the Canadian investment grade corporate bond market. Thorough credit and curve analysis enables us to identify and exploit these pockets of value in the pursuit of long-term returns, while minimizing downside risk. Within this conservative framework we apply our creativity to generate innovative investment ideas, and develop state of the art portfolio management techniques, allowing us to remain at the forefront of the investment industry.

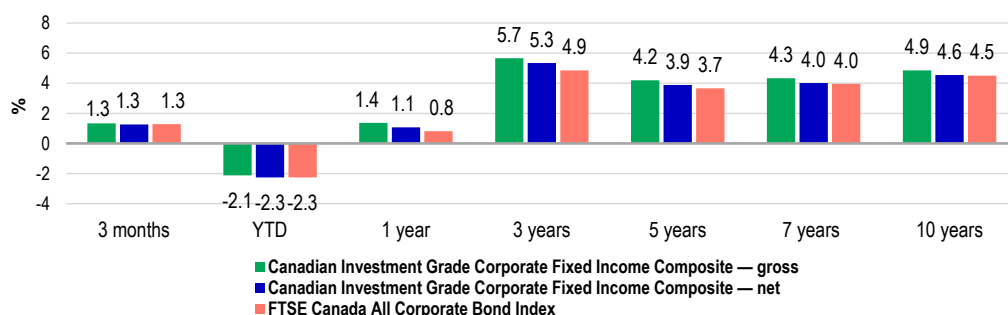
<b>Style:</b>	Credit
<b>Strategy Inception:</b>	April 1, 2000
<b>Benchmark:</b>	FTSE Canada All Corporate Bond Index

## Investment process<sup>2</sup>



## Composite performance\*

Returns as of June 30, 2021



## Calendar year returns (%)

	2020	2019	2018	2017	2016	2015	2014
Canadian Investment Grade Corporate Fixed Income Composite — gross <sup>3</sup>	10.53	8.48	1.16	3.68	3.86	2.64	7.95
Canadian Investment Grade Corporate Fixed Income Composite — net <sup>3</sup>	10.20	8.15	0.86	3.37	3.55	2.33	7.62
FTSE Canada All Corporate Bond Index	8.74	8.05	1.10	3.38	3.73	2.71	7.58

\*Returns greater than one year are annualized. Past performance is not indicative of future results. Performance shown of the strategy is gross of fees and does not include advisory fees and other expenses an investor may incur, which when deducted will reduce returns. Performance shown is the Manulife Investment Management Limited Canadian Investment Grade Corporate Fixed Income composite as of June 30, 2021 in CAD.

## Strategy highlights

- Dynamic and diversified exposure to high quality, attractively valued corporate bonds
- Enhanced total return opportunity through an active approach to credit, sector and security selection
- A deep, experienced investment team, backed by one of North America’s largest global credit research groups

Investment team	Years of experience
Roshan Thiru, CFA	21
Altaf Nanji, CFA	23
Sivan Nair, CFA	18

**Portfolio characteristics<sup>4</sup>**

	Canadian investment grade corporate fixed income	FTSE Canada All Corporate Bond Index
Modified duration (years)	6.46	6.76
Average credit	A-	A
Average yield to maturity (%)	2.16	2.19
Number of holdings	226	1,041
<b>Maturity distribution (%)</b>		
<1 year	6.51	0.00
1–4.99 years	35.68	46.59
5–10 years	32.08	23.26
> 10 year	25.72	30.15

Characteristics data source: Bloomberg PORT

**Credit quality (%)<sup>4</sup>**

	Canadian investment grade corporate fixed income	FTSE Canada All Corporate Bond Index
AAA	4.89*	1.26
AA	4.46	12.18
A	43.30	41.85
BBB	46.36	44.71
BB	0.99	0.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

\*Includes cash and cash equivalents

**Portfolio risk parameters<sup>4</sup>**

Credit quality by security	AAA–BBB
Modified duration	+/- 2 years
Non-corporate bonds*	maximum 20%
Foreign debt	maximum 10%
Corporate issuer exposure	maximum 10%

\* Publicly traded Government of Canada and municipal bonds

**About Manulife Investment Management**

Manulife Investment Management is the global wealth and asset management segment of Manulife Financial Corporation. We draw on more than a century of financial stewardship to partner with clients across our institutional, retail, and retirement businesses globally. Our specialist approach to money management includes the highly differentiated strategies of our fixed-income, specialized equity, multi-asset solutions, and private markets teams—along with access to specialized, unaffiliated asset managers from around the world through our multimanager model.

The Canadian Investment Grade Corporate Fixed Income strategy is meant to be a bond strategy that offers stronger returns, over full market cycles, compared to traditional universe bond strategies by investing primarily in Canadian corporate bonds with average credit ratings of at least BBB- at all times.

The FTSE Canada All Corporate Bond index is comprised primarily of semi-annual pay fixed rate corporate bonds issued domestically in Canada and denominated in Canadian dollars, with an investment grade rating. It is not possible to invest directly in an index.

The indices referenced herein are broad-based securities market indices and used for illustrative purposes only. The indices cited are widely accepted benchmarks for investment performance within their relevant regions, sectors or asset classes, and represent non-managed investment portfolios

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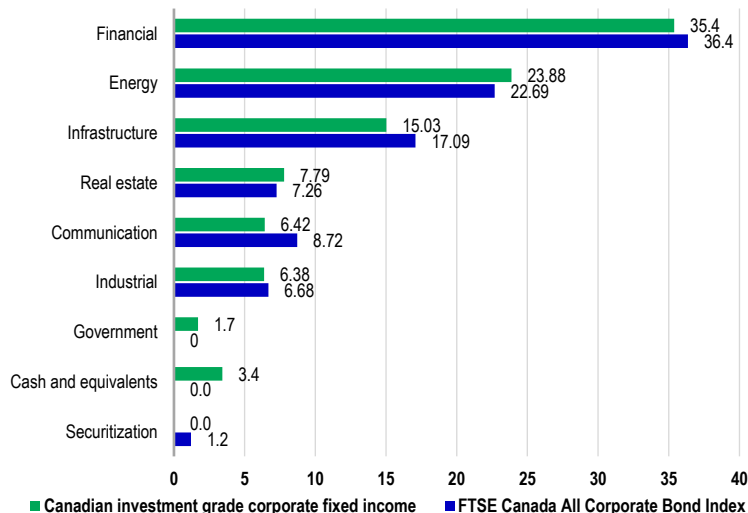
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**Sector allocation (%)<sup>4</sup>**



**Top ten holdings (%)<sup>4</sup>**

Issuer	Coupon	Maturity date	Portfolio
Honda Canada Finance	3.44	May 23, 2025	2.41
AltaGas	2.16	March 16, 2027	2.28
Honda Canada Finance	3.18	August 28, 2023	2.05
Enbridge Gas	2.90	April 1, 2030	1.93
The Walt Disney Company	2.76	October 7, 2024	1.75
Metropolitan life Global Funding I	3.39	April 9, 2030	1.48
TransCanada Pipelines	8.05	February 17, 2039	1.45
Enbridge Pipelines	3.52	February 22, 2029	1.29
First Capital Real Estate	3.90	October 30, 2023	1.29
Heathrow Funding	2.69	October 13, 2027	1.27
<b>Total</b>			<b>17.21</b>

regulations. Further limitations on the availability of the advisory services described herein may be imposed.

Source for information shown is Manulife Investment Management, unless otherwise noted.

1 The material contains information regarding the investment approach described herein and is not a complete description of the investment objectives, risks, policies, guidelines or portfolio management and research that supports this investment approach. There is no guarantee investment objectives will be met. The investment process may change over time.

2 No investment strategy or risk management techniques can guarantee returns or eliminate risk in any market environment.

3 Gross performance results do not reflect the deduction of investment management fees which when deducted will reduce returns and are net of commissions and foreign withholding tax. Net performance results reflect the application of the highest incremental rate of the standard investment management fee schedule to gross performance results. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. Investment management fees are available upon request.

4 Portfolio characteristics — Holdings, sector weightings, market capitalization and portfolio characteristics are subject to change at any time and are based on a representative portfolio. Holdings, sector weightings, market capitalization and portfolio characteristics of individual client portfolios in the strategy may differ, sometimes significantly, from those shown. Top ten holdings information shown combines share listings from the same issuer, and related depository receipts, into a singular holding to accurately present aggregate economic interest in the referenced company.

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