

# Core Fixed Income Strategy

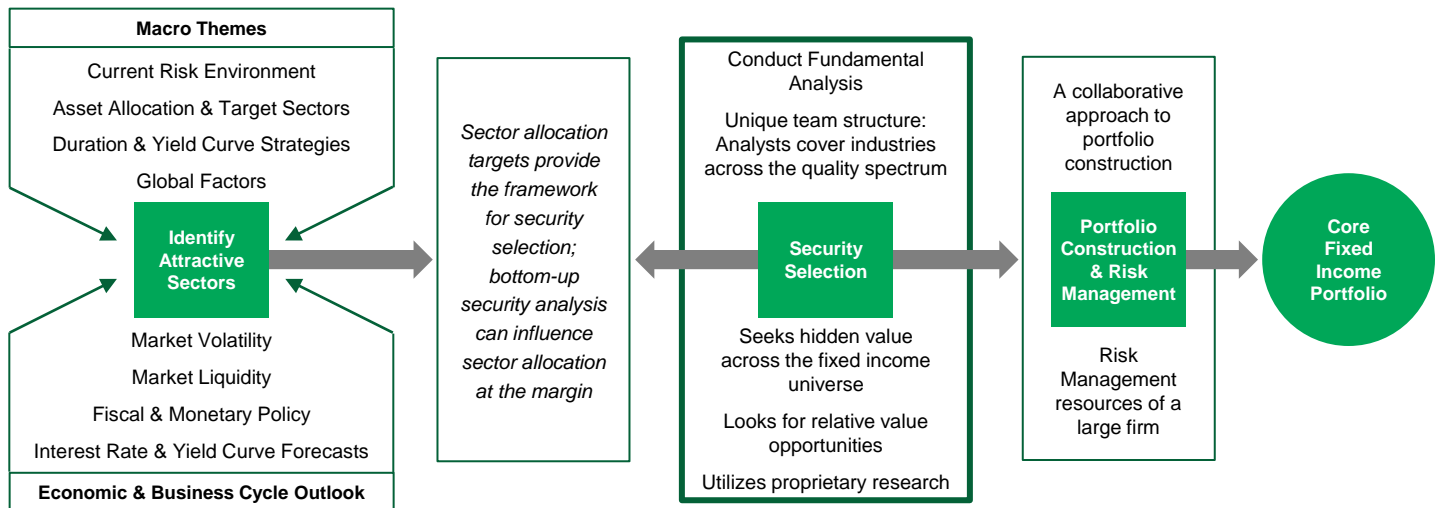
## Investment Philosophy<sup>1</sup>

We believe strong relative performance can be generated through bottom-up active management of sector allocation and issue selection, combined with yield curve positioning. Our disciplined investment process seeks to add value by:

- Following a relative value approach to sector allocation and issue selection
- Engaging in intensive fundamental credit research
- Identifying points on the yield curve with the greatest return potential

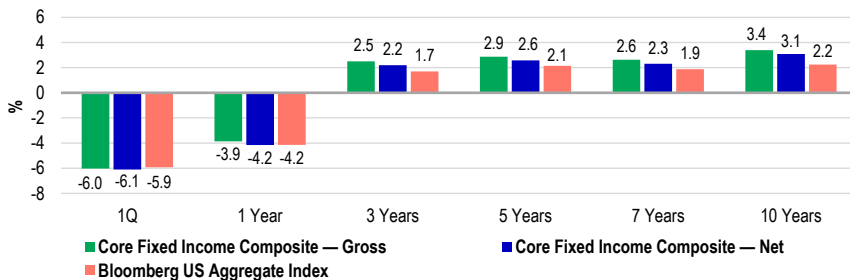
<b>Style:</b>	Core
<b>Strategy Inception:</b>	January 1996
<b>Benchmark:</b>	Bloomberg US Aggregate Bond Index

## Investment Process<sup>2</sup>: A disciplined, fundamental bottom-up approach



## Composite Performance\*

Returns as of March 31, 2022



Calendar Year Returns (%)	2021	2020	2019	2018	2017	2016	2015
Core Fixed Income Composite — Gross <sup>3</sup>	-0.71	9.17	9.15	0.40	4.55	3.60	1.03
Core Fixed Income Composite — Net <sup>3</sup>	-1.01	8.84	8.82	0.10	4.24	3.29	0.73
Bloomberg US Aggregate Index	-1.54	7.51	8.72	0.01	3.54	2.65	0.55

\*Past performance is not indicative of future results. Performance shown is the Manulife Investment Management (US) Core Fixed Income Composite as of March 31, 2022 in USD. Returns greater than one year are annualized.

\*\*Composite Inception date, January 1996

The Core Fixed Income strategy seeks to generate a high rate of total return consistent with prudent risk, through investment in a diversified core strategy of investment grade debt.

The Bloomberg US Aggregate Bond Index represents securities that are US domestic, taxable, dollar-denominated. The index covers the US investment-grade fixed-rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. It is not possible to invest directly in an index.

## Strategy Highlights

### Consistent Long-term Track Record

- Lead portfolio managers have managed the strategy together for 19+ years
- Top quartile performance over 7 and 10 years
- Annualized excess returns of 0.96% since inception of the strategy\*\*

### Sector Allocation & Bottom-Up Security Selection

- True drivers of portfolio performance
- Repeatable process
- Not dependent on predicting the timing of macro and market events

### Collaborative Team Approach

- Effective, constant communication among team

### Physical Bond Portfolio Implementation

- Allows targeted, precise sector & security selection
- Permits yield curve implementation and key rate duration management
- Provides transparency

### Consistent, Competitive Historical Returns with Efficient Use of Risk

- Top quartile Sharpe ratio over 7 and 10 years
- 5-year Up Market Capture of 111.55%, Down Market Capture of 98.02%

Investment Team	Years of Experience
Howard C. Greene, CFA	39
Jeffrey N. Given, CFA	29
Pranay Sonalkar	15
Connor Minnarr, CFA	21

Portfolio Characteristics<sup>4</sup>

	Strategy	Index
Average Rating	Aa3/A1	Aa1/Aa2
Average Coupon (%)	2.93	2.52
Average Life (Years)	8.67	8.71
Yield to Maturity (%)	3.48	2.92
Yield to Worst (%)	3.46	2.92
Effective Duration (Years)	6.51	6.58

Quality (%)<sup>4</sup>

	Strategy	Index
Aaa/AAA	47.72	72.29
Aa/AA	3.08	3.13
A	10.41	11.01
Baa/BBB	35.03	13.57
Ba/BB	0.62	0.00
B	0.02	0.00
Caa/CCC and Below	0.00	0.00
Not Rated	2.78	0.00

## About Manulife Investment Management

Manulife Investment Management is the global wealth and asset management segment of Manulife Financial Corporation. We draw on more than 150 years 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 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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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

Sector Allocation<sup>4</sup>

Sector Allocation (%)	% Market Value		% Duration	
	Strategy	Index	Strategy	Index
<b>US Government</b>	<b>14.05</b>	<b>41.53</b>	<b>34.73</b>	<b>42.54</b>
US Treasuries	12.94	39.52	32.89	40.69
US Agency	0.00	1.34	0.00	0.76
Municipal	1.12	0.67	1.84	1.09
<b>Credit</b>	<b>38.36</b>	<b>24.75</b>	<b>36.24</b>	<b>30.64</b>
IG Corporates	37.65	24.75	35.92	30.64
HY Corporates	0.63	0.00	0.30	0.00
Bank Loans	0.00	0.00	0.00	0.00
Convertibles	0.08	0.00	0.03	0.00
Equities	0.00	0.00	0.00	0.00
<b>Securitized</b>	<b>45.93</b>	<b>29.96</b>	<b>27.43</b>	<b>23.39</b>
Agency MBS	18.17	27.67	14.74	21.80
Non-Agency MBS	4.36	0.00	2.61	0.00
ABS	18.14	0.31	8.64	0.11
CMBS	5.27	1.97	1.45	1.48
<b>Foreign Developed</b>	<b>0.02</b>	<b>2.38</b>	<b>0.00</b>	<b>1.50</b>
Govt & Agency	0.02	1.01	0.00	0.72
Supranationals	0.00	1.37	0.00	0.78
<b>Emerging Markets</b>	<b>1.29</b>	<b>1.38</b>	<b>1.59</b>	<b>1.93</b>
Emerging Markets — USD	1.29	1.38	1.59	1.93
Emerging Markets — Non-USD	0.00	0.00	0.00	0.00

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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