

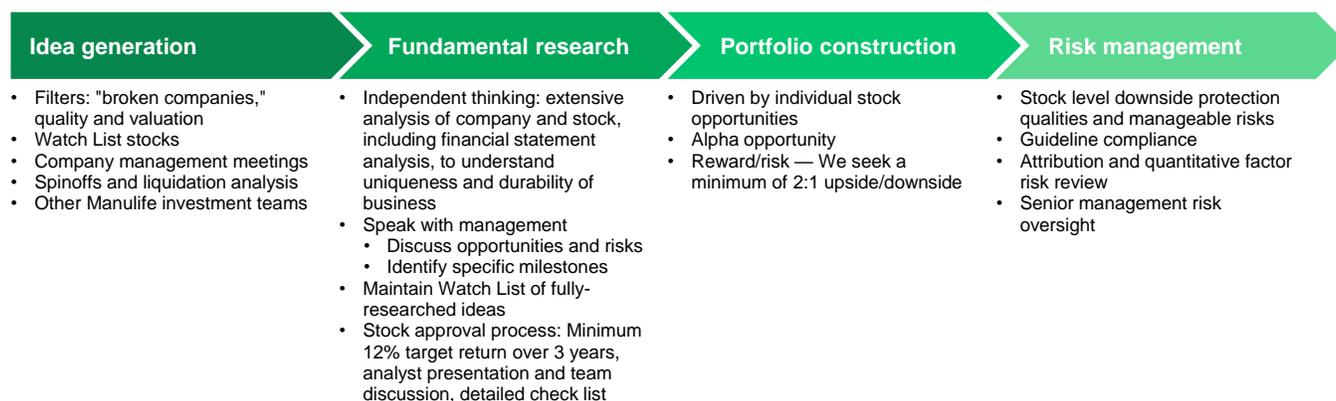
US Small Cap Value Strategy

Investment philosophy¹

We believe that over a market-cycle, fundamentals ultimately prevail. We believe that profitable, high-quality companies provide superior risk-adjusted returns over the long term. We seek small cap companies that have low absolute valuations, strong cash flows and clean balance sheets.

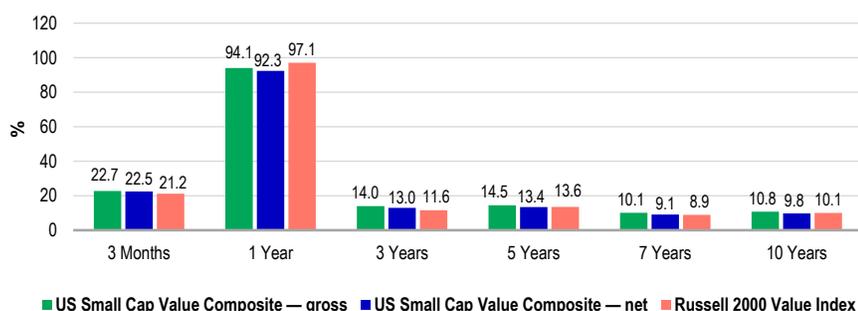
Style:	Value
Strategy Inception:	October 2006
Benchmark:	Russell 2000 Value Index
Number of Holdings:	60–80

Investment process²



Composite performance*

Returns as of March 31, 2021



Calendar year returns (%)

	2020	2019	2018	2017	2016	2015	2014
US Small Cap Value Composite — gross ³	9.66	29.97	-19.10	7.95	35.26	-4.03	1.59
US Small Cap Value Composite — net ³	8.67	28.80	-19.83	6.97	34.04	-4.89	0.68
Russell 2000 Value Index	4.63	22.39	-12.86	7.84	31.74	-7.47	4.22

*Past performance is not indicative of future results. Performance shown is the Manulife Investment Management (US) US Small Cap Value Composite as of March 31, 2021 in USD. Returns greater than one year are annualized. Composite Inception date, October 2006

The US Small Cap Value composite is comprised of accounts which invest in the common stocks of companies with the strongest value characteristics (which are deemed investable) with market capitalizations of less than \$5 billion at time of purchase. The composite consists of accounts managed at another firm prior to 4/1/2013. Performance results from the other firm are linked to results achieved at Manulife Investment Management (US). The fund recently experienced negative short-term performance due to market volatility associated with the COVID-19 pandemic. The Russell 2000 Value Index measures the performance of those companies within the Russell 2000 Index with lower price-to-book ratios and lower forecasted growth values. It is not possible to invest directly in an index.

Strategy highlights

Seasoned and Experienced Investment Team

- Cohesive team of four small cap sector specialists averaging over 25 years of experience, including 15 years investing in small caps, allows for real stock insights within sectors

Quality bias and long-term horizon

- Focus on strong balance sheets and sufficient liquidity
- Valuation framework based on at least a three year time horizon and a minimum requirement of expected upside return

Time split equally between new idea generation and monitoring portfolio stocks

- Pipeline of new ideas driven by combination of valuation and quality
- Frequent contact with companies provides updates on milestones and adherence to investment thesis

Time and market-tested research framework

- Focus on the cause of stock mispricing leads to increased odds of success
- Stock selection drives performance

Investment team	Years of experience
Bill Talbot, CFA	35
Joe Nowinski	29

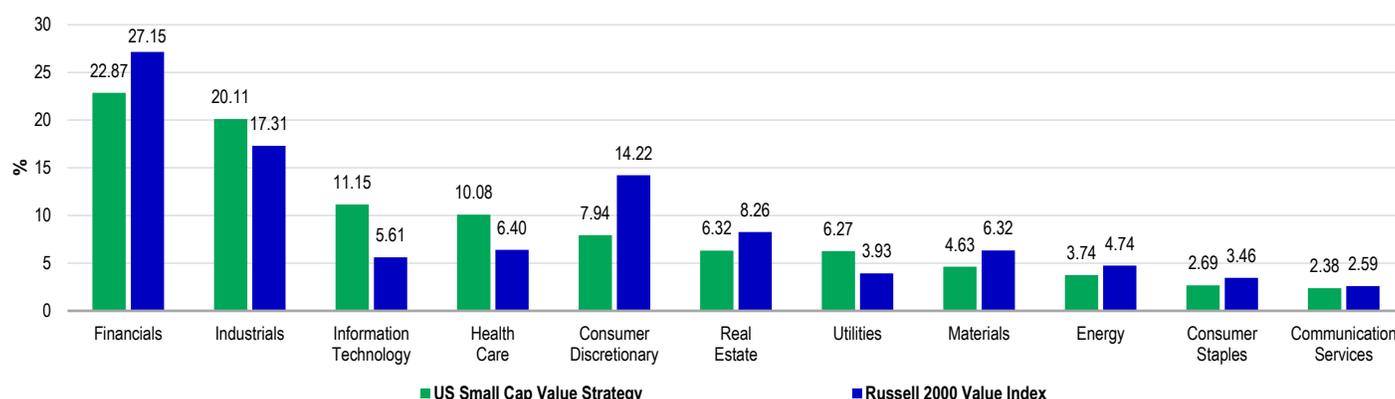
Portfolio characteristics⁴

	US Small Cap Value Strategy	Russell 2000 Value Index
Wtd. Avg. Market Cap (\$M)	4,157	3,082
Median Market Cap (\$M)	4,003	908
Number of Holdings	75	1,500
Price/Book Ratio (x)	2.05	1.70
P/E Ratio (1 yr forward) (x)	17.30	15.32
Debt/Capital (%)	36.63	52.78
Net Debt/EBITDA (%)	272.22	696.98
ROE (%)	8.42	9.51
Active Share (%)	92.52	-

Top ten holdings (%)⁴

	US Small Cap Value Strategy
Moelis & Co.	1.90
Magnolia Oil & Gas	1.89
PDC Energy	1.84
Hub Group	1.76
PGT Innovations	1.75
Blue Bird	1.72
First Hawaiian	1.72
Avient Corporation	1.71
Urban Outfitters	1.71
American Assets Trust	1.67
Totals:	17.68

Sector allocation (%)⁴



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 US Small Cap Value composite is comprised of accounts which invest in the common stocks of companies with the strongest value characteristics (which are deemed investable) with market capitalizations of less than \$2.5 billion at time of purchase. The composite consists of accounts managed at another firm prior to 4/1/2013. Performance results from the other firm are linked to results achieved at Manulife Asset Management (US).

The Russell 2000 Value Index measures the performance of those companies within the Russell 2000 Index with lower price-to-book ratios and lower forecasted growth values. 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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Source for information shown is Manulife Investment Management, unless otherwise noted.

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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 depositary receipts, into a singular holding to accurately present aggregate economic interest in the referenced company.

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