



Manulife Real Estate Credit Strategies

Targeted real
estate *credit
solutions* for
a shifting market
landscape

Why real estate credit

Real estate credit can offer a compelling combination of consistent income, downside protection, and thematic exposure in today's volatile market environment. Given valuation resets and elevated macro uncertainty, credit can provide investors the ability to secure attractive yields backed by tangible assets—without the need to time market bottoms.

Balancing risk, liquidity, and consistent yield

Attractive and consistent risk-adjusted returns

Real estate credit has historically delivered lower volatility and more stable performance than real estate equity across market cycles, offering resilience when equity risk premia compress.

Liquidity and shorter durations

Bridge loans and other shorter-term structures can generate predictable income and support flexibility—well-suited for navigating shifting interest rate environments.

Greater alignment of risk and spread

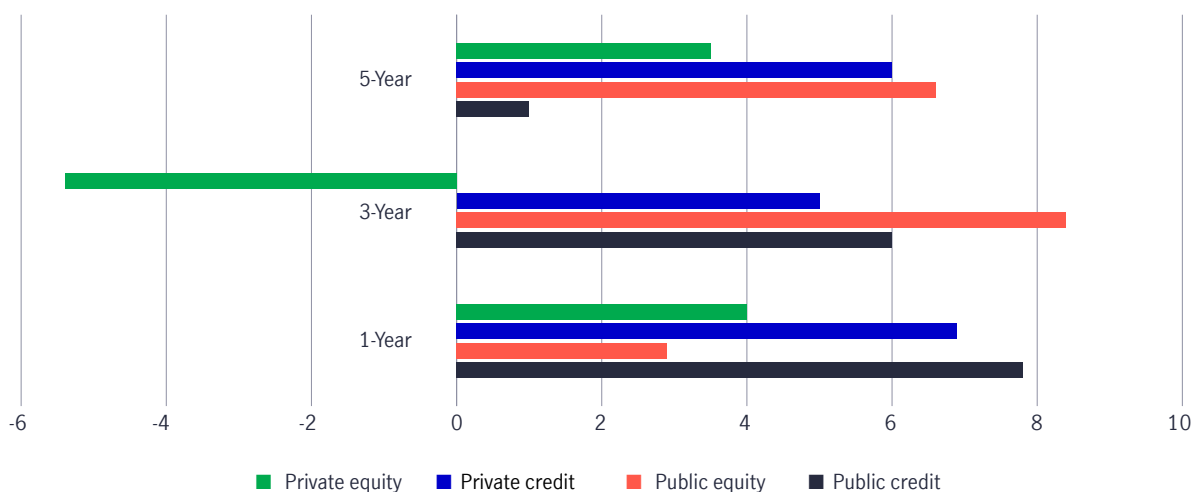
Reset valuations can enable lenders to target high-quality assets in strong locations with enhanced spreads and conservative underwriting.

No need to call the bottom

The credit position in the capital stack provides built-in downside protection, as equity capital absorbs initial losses.

Private real estate credit leads consistently across all other real estate investments

Comparison of CRE credit and equity over recent time horizons



Source: Bloomberg U.S. CMBS Index Return. FTSE NAREIT All Equity REITs. NCREIF / CREFC open-end debt fund aggregate. NCREIF Fund Index Open End Diversified Core. Data for NCREIF NPI refers to the NCREIF Property Index ("NPI") by the National Council of Real Estate Investment Fiduciaries ("NCREIF").



Real Estate Credit is an all-weather investment strategy

Income stability + collateral protection

Real estate credit can produce steady cash yield through interest payments, collateralized by institutional-quality real estate, and offers portfolio diversification. Conservative structures and strong collateral help reduce volatility and preserve capital through market cycles.

High-conviction, thematic lending

Focused exposure where fundamentals are strongest

- **Residential & Industrial:** Supported by consistent demand and durable income characteristics.
- **Selective opportunities across sectors:** Transitional or repositioning assets in prime locations can create opportunities to capture premium yields while managing risk.

Capitalizing on reset valuations

Cap rates have risen meaningfully across property sectors. In U.S. multifamily alone, pricing has corrected ~19% from peak, creating an attractive entry point for credit investors seeking enhanced yields and improved lender protections.

Real estate credit in today's market

Resilience across interest rate scenarios

Real estate credit enables targeted, thematic, geographically diversified exposure, allowing investors to align capital with favorable structural tailwinds—regardless of where rates move.

Disclaimer

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