Manulife Investment Management

Factsheet
March 31, 2020

US All Cap Core Strategy

Investment Philosophy[1]

We believe that quality companies with a sustainable competitive advantage and cash flow generation bought at the "right price" should outperform. Patience and a long-term investment horizon allows for the compounding of companies' cash flows.

Style:	Core
Strategy Inception:	January 2011
Benchmark:	Russell 3000 Index
Number of Holdings:	35–75
Expected Tracking Error:	3–6%

Investment Process[2]

Idea Generation

- Proprietary research
- ROIC > Weighted Average Cost of Capital

Fundamental Research

- Competitive advantage validation
- Industry analysis
- Growth drivers
- Financial analysis
- Management team assessment
- Range of value determination
- Stock specific risk consideration

Portfolio Construction

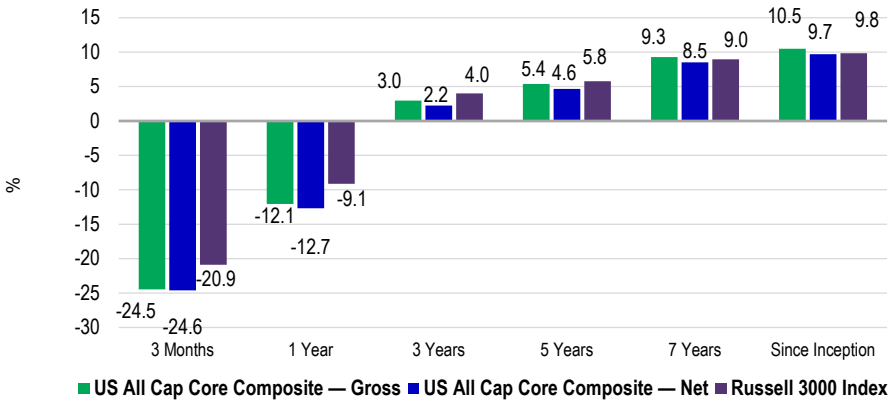
- Range of value analysis
  - Best to worst cases scenarios.
  - Determination of "right price" to pay
- Reward/risk evaluation
- Buy/Sell decision
  - Depressed fundamentals
  - Low valuation
  - Weak sentiment
- Strong active inventory

Risk Management

- Consistently apply range of value analysis across active inventory
- Understand the "right price" to pay
- Monitor portfolio guidelines
- Monitor benchmark-relative risk factors

Composite Performance*

Returns as of March 31, 2020



Calendar Year Returns (%)	2019	2018	2017	2016	2015	2014	2013
US All Cap Core Composite — Gross[3]	37.44	-12.55	28.59	9.18	4.78	10.61	36.84
US All Cap Core Composite — Net[3]	36.48	-13.17	27.69	8.42	4.03	9.83	35.89
Russell 3000 Index	31.02	-5.24	21.13	12.74	0.48	12.56	33.55

Strategy Highlights

Experienced Investment Team

- A well-resourced investment team with lead portfolio managers working together for 16 years

High Quality Bias

- We believe "best of breed" companies tend to outperform over the long haul and may provide superior protection in down markets

Rigorous Construction and Valuation Framework

- Portfolio concentrated in stable growth industries with diverse geographic exposures purchased at the "right price"

Long-term Approach

- Enhancement of shareholder value via compounding of cash flows

Active Inventory of Candidates with Fundamental Value Targets

- Allowance for opportunistic buying and selling

Investment Team	Years of Experience
Emory (Sandy) W. Sanders, Jr., CFA	23
Jonathan White, CFA	23

*Past performance is not indicative of future results. Performance shown is the Manulife Investment Management (US) US All Cap Core Composite as of March 31, 2020 in USD. Returns greater than one year are annualized.
Composite Inception date, January 2011

The US All Cap Core Equity strategy seeks to achieve long-term capital appreciation in excess of the benchmark by investing primarily in quality US equities.

The Russell 3000 Index measures the broad US equity universe representing approximately 98% of the US market. The Russell 3000 is completely reconstituted annually to ensure new and growing equities are reflected. It is not possible to invest directly in an index.

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April 30, 2020

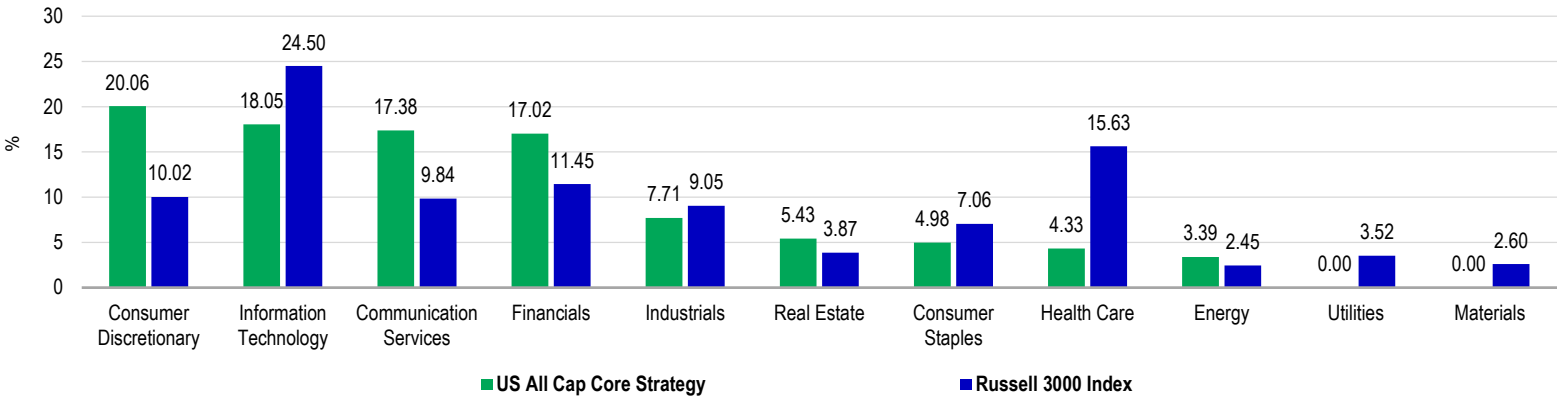
Portfolio Characteristics[4]

	US All Cap Core Strategy	Russell 3000 Index
Wtd. Avg. Market Cap ($M)	308,716	244,274
Median Market Cap ($M)	17,022	1,143
Number of Holdings	50	2,954
Price/Book Ratio (x)	1.80	2.46
P/E Ratio (1 yr forward) (x)	14.09	15.81
Debt/Capital (%)	54.07	47.67
ROE (%)	13.16	14.51

Top Ten Holdings (%)[4]

	US All Cap Core Strategy
Amazon.com	8.57
Apple	7.33
Facebook	6.18
Alphabet	5.33
Lennar	3.96
Citigroup	3.53
Bank of America	3.40
American Tower	3.32
Morgan Stanley	3.06
Liberty Media	3.03
Total	**47.72**

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 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.

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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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