Manulife Investment Management

# Firm Brochure (Part 2A of Form ADV)

**Manulife Investment Management (US) LLC**

Boston, MA 02116
617-375-1500
www.manulifeim.com

**March 25, 2026**

This brochure provides information about the qualifications and business practices of Manulife Investment Management (US) LLC. If you have any questions about the contents of this brochure, please contact us at the number above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.

Additional information about Manulife Investment Management (US) LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Highly Confidential

# Material Changes

No material changes were made to this Form ADV, Part 2A Brochure since the last amendment dated July 22, 2025.



Highly Confidential

# Table of Contents


I. Advisory Business ..... 4
Advisory Business Overview ..... 4
Participation in Managed Account Programs ..... 5
Discretionary Authority and Assets Under Management ..... 6

II. Fees and Compensation ..... 8
Fees ..... 8
Managed Account Programs Fees ..... 8
Billing Methods ..... 9
Payment for Partial Periods and Fee Refunds ..... 9
Other Fees and Expenses ..... 9

III. Performance-Based Fees and Side-by-Side Management ..... 11

IV. Types of Clients ..... 12
Conditions for Managing Accounts ..... 12
Establishing a New Customer Relationship ..... 12

V. Methods of Analysis, Investment Strategies, and Risk of Loss ..... 13
Investment Risks ..... 13
A. Investment Approaches ..... 13
Equity Strategies ..... 13
Preferred Strategies ..... 14
Fixed Income Strategies ..... 15
Multi-Asset Strategies ..... 16
B. Consideration of Sustainability issues ..... 16

VI. Disciplinary Information ..... 19

VII. Other Financial Industry Activities and Affiliations ..... 20
Sponsor of Limited Partnerships ..... 22
Commodity Trading Advisor ..... 22

VIII. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ..... 23
Code of Ethics ..... 23
Participation or Interest in Client Transactions ..... 23

IX. Brokerage Practices ..... 25
Brokerage Discretion ..... 25
Approved Trading Counterparties ..... 25
Selection of Brokers, Dealers, and Counterparties ..... 25
Affiliated Brokers ..... 26
Cross Transactions ..... 26
Best Execution ..... 26
Research and Other Soft Dollar Benefits ..... 27
Directed Brokerage ..... 29
Trade Aggregation ..... 29
Managed Account Programs ..... 30

X. Review of Accounts ..... 31
Internal Review of Client Accounts ..... 31
Client Reporting ..... 31

XI. Client Referrals and Other Compensation ..... 32

XII. Custody ..... 33

XIII. Investment Discretion ..... 34

XIV. Voting Client Securities ..... 35

XV. Financial Information ..... 38

APPENDIX A ..... 39

APPENDIX B ..... 46




Highly Confidential

# I. Advisory Business

**Advisory Business Overview**

Manulife Investment Management (US) LLC ("we" or "Manulife IM (US)") is a direct subsidiary of John Hancock Subsidiaries LLC, who is a direct subsidiary of John Hancock Life Insurance Company (U.S.A.) ("John Hancock"). John Hancock is an indirect, wholly- owned subsidiary of Manulife Financial Corporation ("Manulife"). Manulife is a Canadian-based publicly- held company that is listed on the Toronto Stock Exchange, New York Stock Exchange, Hong Kong Stock Exchange, and the Philippine Stock Exchange. Manulife IM (US) was organized in 1968 and registered with the SEC as an investment adviser in 1992. Manulife IM (US) is affiliated with several SEC-registered and non-SEC registered investment advisers located both in the U.S. and outside the U.S. (each of which is also a subsidiary or affiliate of Manulife).

Manulife IM (US) is an advisory affiliate of Manulife's global investment management brand referred to as "Manulife Investment Management." Manulife Investment Management provides comprehensive asset management solutions for pension plans, foundations, endowments, financial institutions and other institutional investors worldwide, as well as wealth management and retirement products for affiliates, extending across a broad range of public and private asset classes and other asset allocation solutions. As a global organization with clients and employees located across the world, we have separate legal entities in various jurisdictions who are licensed to offer services in those countries, and together provide a globally integrated business to best meet our clients' needs.

Manulife IM (US) and certain of our affiliates provide investment management and advisory services in the United States under the brand name "Manulife John Hancock Investments".

As of December 31, 2025, Manulife Investment Management managed approximately $561[1] billion globally, of which Manulife IM (US) managed approximately $228 billion.

Manulife IM (US)'s clients are generally institutional, including institutional separate account clients and U.S. and non-U.S. mutual funds sponsored by affiliated parties (referred to collectively as "Sponsored Products"). These Sponsored Products are those in which Manulife IM (US) or its affiliates may serve as general partner or managing member of a limited liability company or other pooled investment vehicle. They include bank maintained collective investment funds and registered investment companies, in which clients of Manulife IM (US) may be solicited to invest. In addition, Manulife IM (US) serves as an adviser or sub-adviser to various accounts for which our affiliates or subsidiaries have contracted to provide investment advisory services. These accounts include, among others, trusts and investment companies organized in jurisdictions outside the United States. We also provide advisory and sub-advisory services to non-affiliated

[1] Source: MFC Statistical Information Package as of 12/31/25. AUM is in USD. AUM includes assets internally managed by Manulife Investment Management on behalf of external clients, the Manulife General Account and other affiliated businesses, but excludes assets under administration. The methodologies used to compile the total AUM are subject to change and may not reflect regulatory AUM as reported on certain affiliates Form ADV. Manulife Investment Management AUMA on 12/31/25, which includes US$553.3 billion assets under management and US$7.1 billion assets under administration. Manulife Investment Management's global investment professional team includes expertise from several Manulife Investment Management affiliates and joint ventures. Not all entities represent all asset classes.



Highly Confidential

investment fund platforms.

Manulife IM (US) is headquartered in Boston, MA and has an investment team in Chicago, IL. Each office provides investment management services in a variety of different platforms including advisory and sub-advisory investment management services provided to certain affiliated and non-affiliated U.S. and non-US investment funds, institutional clients and separately managed account program clients.

For certain investment strategies, to the extent permitted by its investment management agreements, Manulife IM (US) may engage affiliated advisers to provide investment discretion, research, trade execution services or other administrative services for all or a portion of a portfolio. We also utilize the services of certain personnel of our affiliates, as supervised persons under personnel sharing arrangements or other inter-company arrangements entered into with affiliates. Certain of these affiliates have been deemed to be "Participating Affiliates" (as defined herein) of Manulife IM (US). Manulife IM (US) and its affiliates have access to investment research from various subsidiaries and affiliates. Manulife IM (US) and its affiliates provide non-discretionary advisory services in the form of research services to, or receive such from, other affiliated investment managers or financial institutions.

**Participation in Managed Account Programs**

Manulife IM (US) provides investment advisory services to managed account programs ("Managed Accounts") predominately organized by unaffiliated investment advisers and broker-dealers ("Program Sponsors", collectively, Managed Accounts and Program Sponsors are "Managed Account Programs").

The portfolios under Managed Account Programs have a mix of investment objectives that invest in, or create exposure to, a wide variety of financial instruments in different asset classes, including but not limited to listed and unlisted equity and fixed income securities and affiliated and unaffiliated mutual funds and ETFs. We participate in a variety of different Managed Account Programs and provide various levels of investment advisory services pursuant to the specific contractual terms of each respective Managed Account Program. Generally, the types of services range between managing directly each Managed Account Program's client's portfolio on a fully discretionary basis to only providing and periodically updating a model portfolio to the Managed Account Program Sponsors. In addition, in programs in which Manulife IM (US) provides discretionary investment advisory services to a Managed Account Program, such Managed Accounts may be subject to customization from a Managed Account Program client. Such customization can range from instructions to execute all trades with the Program Sponsor to specific securities portfolio restrictions.

In general, Manulife IM (US) participates in three main types of Managed Account Programs: 1) wrap fee; 2) direct managed; and 3) model only.



Highly Confidential

*Wrap Fee*

In many of the Managed Account Programs in which we participate, a client pays a single, all-inclusive fee to the Program Sponsor, covering all services provided, including investment management, brokerage commission, custodial services, record-keeping and reporting. Such Managed Account Programs are commonly referred to as a "wrap fee program." In wrap fee programs, the Program Sponsor recommends Manulife IM (US) as investment adviser to a client of the program, the Program Sponsor pays the management fees on behalf of the client and executes the client's portfolio transactions without additional commission charges.

The wrap fee Program Sponsors and the wrap fee program clients are primarily responsible for ensuring that the services provided by the program and Manulife IM (US) as investment adviser are suitable for the client. Manulife IM (US) does not know whether it is managing a portion or all of the client's assets available for investment and also does not know the complete financial situation of the client. Accordingly, in most cases, Manulife IM (US) relies on the wrap fee Program Sponsor for the overall determination of suitability in selecting us to manage the client's assets.

*Direct Managed*

In a direct managed account, Manulife IM (US) contracts directly with a client to provide investment management services. However, in most cases, the client will also contract directly with a sponsor or registered investment adviser. In these accounts, the client typically pays separately for the services provided, including a separate fee for investment management, custody and brokerage commission.

*Model Only*

Manulife IM (US) also participates in "model only" programs. In these programs, we provide an "investment model" to the Program Sponsor or to another designated third party. For these programs, our primary responsibility is to create a non-client specific, representative model portfolio based on a specified investment strategy and communicate periodic model changes to the Program Sponsor or designated third party. The Program Sponsors have the sole discretion with respect to implementing a model only portfolio.

Managed Account Program clients should note that the level of services provided by Manulife IM (US) depends greatly upon the program, the specific client advisory arrangement, or both, negotiated between the Program Sponsor and the client. Thus, Managed Account Program clients should familiarize themselves with all account documentation provided by the Program Sponsor regarding the specific details and requirements of the program.

**Discretionary Authority and Assets Under Management**

Clients retain Manulife IM (US) on both a discretionary and nondiscretionary basis. When we are retained on a discretionary basis, we have authority to supervise and direct the investments of, and for, the client's account without prior consultation with the client. Pursuant to this discretionary authority, we determine



Highly Confidential

which securities are bought and sold for the account, the total amount of the purchases and sales, the brokers or dealers through which transactions are executed and the commission rates paid to affect the transactions, as applicable. The client may restrict or prohibit transactions in certain types of securities or direct that transactions be affected through specific brokers or dealers.

Some clients retain us on a non-discretionary basis, requiring that portfolio transactions be discussed in advance and executed at the client's direction.

As of December 31, 2025, Manulife IM (US) managed $228,003,022,485 on a discretionary basis and $17,720,838,619 on a non-discretionary basis. Some of Manulife IM (US)'s "non-discretionary" assets include accounts for which Manulife IM (US) provides investment services (for example, in the form of model portfolios) to clients and third party investment managers who are responsible for placing trades in their client accounts, based on such model portfolios (please see "Participation in Managed Account Programs – Model Only" in this Brochure for more information on Manulife IM (US)'s participation in such model-based managed account programs).

In addition, Manulife IM (US) may engage the investment managers that are recommended or included in the Model Portfolios as subadvisors or have other business relationships with such investment managers. Some sponsors and intermediaries to whom Manulife IM (US) provides model portfolios have other business relationships with Manulife IM (US) or its affiliates. For example, certain intermediaries may distribute other funds or products advised by Manulife IM (US) or its affiliates. Any conflicts or potential conflicts of interest are overseen by the Manulife Investment Management Global Operating Committee.



Highly Confidential

# II. Fees and Compensation

**Fees**

Subject to applicable laws and regulations, Manulife IM (US) retains complete discretion over the fees charged to clients, as well as any changes to those fees. Fees generally are non-negotiable; however, non-standard fees may be negotiated or modified considering a client's special circumstances, asset levels, service requirements, or other factors as determined in our sole discretion.

Depending upon circumstances specific to each client, we have agreed to offer certain clients a fee schedule that is lower than that of other comparable clients in the same investment strategy or we may agree to calculate fees based on the aggregate assets of related accounts which provides the benefit of a lower effective fee due to the combined level of assets of the related accounts. We have also agreed to waive all or a portion of our negotiated fee for a given period and have entered into a commitment with certain clients to provide services at the lowest fee available for a particular investment strategy, which fee could be lower than that paid by other comparably situated clients.

Manulife IM (US)'s clients are generally large institutional investors or qualified purchasers, as defined in section 2(a)(51)(A) of the Investment Company Act of 1940. For those individual investors that do not meet the definition of qualified purchasers, there are only a limited number of investment strategies made available through the Managed Account Programs discussed in Item 4. The fee schedules for those strategies are listed in Appendix B.

**Managed Account Programs Fees**

Advisory fees from Managed Account Programs (both Wrap Fee and Direct Managed) are based on a percentage of total assets in a client account or are aggregated across all client accounts in a particular program and similar investment strategy. All fees are negotiable but typically range from 0.29% to .50% of assets under management. Typically, all fees due to Manulife IM (US) are paid directly by the Program Sponsor on a quarterly basis. However, depending on the type of program or account set up, Manulife IM (US) may invoice a client or custodian directly.

Advisory fees from Managed Account Programs (Model Only) vary depending upon Program Sponsor and upon the services requested by the Program Sponsor. They generally range from 0%, where Manulife IM (US) or its affiliates would still derive a financial benefit as further disclosed below, up to 0.40% of assets under management, from which depending upon the provision of services, we allocate a portion of the fee to certain affiliates with employees that provide investment-related services to Manulife IM (US).

In certain model delivery programs, Manulife IM (US) recommends model portfolios some of which are comprised, in whole or in part, of mutual funds and/or ETFs or other products that are advised, sub-advised and/or sponsored by us or an affiliate. In this respect, depending upon the specific model delivery program, the decision to put a client in a model is generally at the sole discretion of the Program Sponsor or their



Highly Confidential

financial adviser. In these cases, Manulife IM (US) and/or our affiliates receive indirect compensation for providing services to the funds in the form of management and other fees. Therefore, Manulife IM (US) has an incentive to use certain affiliated funds, as components of the model portfolios. The fees for those affiliated funds may be higher than fees charged by other funds. Clients should review the brochure provided by the managed account program sponsor for further information regarding the extent to which model portfolios provided by us may include mutual funds and ETFs that are advised by Manulife IM (US) or an affiliate. In addition, Manulife IM (US) is compensated by an affiliate for certain asset allocation services provided to certain intermediaries with respect to the construction of model portfolios.

**Billing Methods**

We bill clients directly for our advisory fee. The specific manner in which we charge fees is established in each client's written agreement with us. Generally, our fees are calculated based upon the average of the net asset account value for the previous three months. Fees are computed and billed either at the close of each calendar month or quarter, in arrears, or quarterly in advance based upon the previous quarter's assets, or as agreed to by clients. Fees may be deducted by a service provider for investment funds that Manulife IM (US) advises or sub-advises.

Our fee structure may vary even within the same investment approach, and we offer different fee structures to different clients; some clients pay asset-based fees, while others, upon request, pay performance-based fees. Some client accounts have fee structures that include elements of both.

The majority of Manulife IM (US)'s clients pay all of their operating expenses. However, certain Manulife IM (US) clients have all-inclusive fee arrangements, pursuant to which Manulife IM (US)'s affiliates pay certain of the applicable client's expenses. Manulife IM (US)'s affiliates' fees for providing these services are negotiated on an individual basis and may vary significantly among clients and investment strategies.

**Payment for Partial Periods and Fee Refunds**

For quarters in which a client's investment management agreement has commenced or terminated, the fee is generally prorated. Prepaid fees, if any, will be refunded on a pro-rata basis upon termination of the agreement.

Regarding mutual funds, Manulife IM (US) or the fund unilaterally may terminate the investment management or sub-advisory agreement after giving written notice (usually 30 days). If the agreement is terminated other than at a month end (or other specified period), fees and expenses will be prorated to the termination date of the agreement. Manulife IM (US) in its sole discretion may agree to waive the 30-day notice requirement.

**Other Fees and Expenses**

In addition to the advisory fees discussed above, clients incur additional fees related to the services we



Highly Confidential

provide. Clients incur fees and expenses charged by the custodian of client assets managed by us, as well as brokerage and other transaction costs associated with securities trades that we order on behalf of the assets in a client's account. Please see the "Brokerage Practices" section in this Brochure for additional information about brokerage and brokerage fees.



Highly Confidential

# III. Performance-Based Fees and Side-by-Side Management

Manulife IM (US) currently manages client assets from which we receive performance-based compensation in addition to a management fee. The performance-based compensation is payable only if the relevant account meets or exceeds client-established performance thresholds. Certain of our portfolio managers provide advisory services both to accounts paying a performance fee, and to accounts paying a traditional asset-based management fee.

The potential to receive a performance-based fee could provide an incentive for Manulife IM (US) and our portfolio managers to favor accounts from which a performance-based fee is received. In addition, a performance-based fee, if received, may result in fees paid to us that are greater than normally paid to investment advisers for similar services.

Our compliance program seeks to manage actual and potential conflicts associated with the contemporaneous management of performance fee accounts and traditional fee accounts. We generally expect that performance fee accounts and traditional management fee accounts that are invested in the same strategy, to participate in investment opportunities at the same time and in an equitable manner. We expect that any such allocation of investment opportunities will be performed on a basis that we believe is fair and equitable and will use all reasonable efforts to ensure that no participating entity or account receives preferential treatment over another.

When an investment opportunity is suitable for more than one investment account, the investment opportunity will generally be allocated pro-rata among such investment accounts based on cash availability, account restrictions, regulatory requirements and other relevant factors.

There can be no assurance, however, that all conflicts associated with the contemporaneous management of these accounts have been addressed in all situations or that the allocation of investment opportunities will not be of an advantage to one client over another.



Highly Confidential

# IV. Types of Clients

Manulife IM (US) manages assets for a variety of institutional and other types of clients, including public and private pension funds, foundations, mandatory provident funds outside the U.S., financial institutions, investment trusts, separately managed account clients, and high net worth individuals. We are affiliated with and serve as investment manager or a sub- adviser to, several fund structures that are sponsored by our affiliates in or outside the U.S. We also sub-advise registered funds, including UCITS, U.S. and Canadian open- and closed-end mutual funds, as well as investment vehicles sponsored by unaffiliated financial institutions. We provide investment advisory services to both ERISA and non-ERISA institutional clients.

We also manage advisory accounts of affiliates. This includes separate account, general account, and pension assets for the John Hancock Life Insurance Company (U.S.A.) and John Hancock Life and Health Insurance Company and general account assets for Manulife (International) Limited.

Complete information about the funds that we manage or sub-advise is disclosed in each fund's prospectus and statement of additional information or other relevant offering documents.

**Conditions for Managing Accounts**

Minimum account size for institutional investors, other than investment companies, generally ranges from $10,000,000 to $50,000,000, depending upon the investment objectives of the account. Managed Account Program clients, depending upon the program type, typically have a minimum account size ranging from $25,000 to $100,000. Manulife IM (US), in its sole discretion will, from time to time, modify the minimum investment amounts.

**Establishing a New Customer Relationship**

When Manulife IM (US) establishes a fiduciary relationship with a client, we ask for information which will allow us to verify the identity of each client and its source of funding. We will maintain records of each client who opens an account or establishes a relationship with us in order to fulfil our requirement to assist the US government in fighting the funding of terrorism and money laundering activities.



Highly Confidential

# V. Methods of Analysis, Investment Strategies, and Risk of Loss

Manulife IM (US) provides asset management services to our clients utilizing a broad range of equity, fixed income, currency and asset allocation approaches. We manage differentiated investment processes and place an emphasis on proprietary fundamental research but may also employ quantitative analysis. Fundamental research focuses on macro and micro analysis of companies, industries, sectors, countries as well as local and global markets. Quantitative analysis focuses on systematic scoring methodologies which establishes a ranking of all securities or instruments in the investment universe. The integration of sustainability risks and opportunities and analysis of sustainability factors are fundamental to our investment approach[2], and Manulife IM (US) looks to consider these factors throughout the due-diligence and decision-making process to the extent that such factors are financially material to the investments. Many of our strategies offer clients the option to incorporate exclusions based on specific environmental or social norms, industry sectors, or companies based on ethical, social, environmental or other considerations. More details can be found in our Sustainable Investing and Sustainability Risk Statement.

Manulife IM (US) relies primarily on internally generated portfolio analysis, research, and proprietary risk metrics. In addition, we utilize investment advice or research provided by certain U.S. and non-U.S. based affiliated investment advisers, some of whom are not registered under the Investment Advisers Act of 1940, as amended ("Advisers Act"). We also supplement our internal research with quantitative and fundamental analysis, created primarily by third parties and utilize available sources such as consultants, industry and governmental authorities and experts in related fields. We utilize trading ideas generated by brokers or others who may be selected to execute the trade, subject to best execution.

**Investment Risks**

The significant methods of analysis, significant strategies, and material risks, for each of our investment strategies are detailed below. With respect to all our investment strategies, investing in securities involves risk of loss that clients should be prepared to bear. The specific risks associated with each investment strategy discussed below are outlined in the discussion. In addition, many of our strategies have the ability to transact in derivatives, including exchange-traded futures and options contracts and we engage in over-the-counter transactions, which include interest rate, total return and credit default swaps as well as currency forwards and options. A more detailed description of each risk can be found in Appendix A, "Glossary of Investment Risks."

## A. Investment Approaches

**Equity Strategies**

Our equity investment strategies utilize a wide array of asset approaches, including investment in growth,

[2] Sustainability factors encompass governance, climate, nature, and people-related matters that are central to measuring the sustainability of investments A sustainability risk refers to any sustainability factor-related event or issue that, if it occurs, could or will have a material negative impact on the value of investments we make for our clients. A sustainability opportunity refers to any sustainability factor-related event or issue that, if it occurs, could or will have a material positive impact on the value of investments we make for our clients.



Highly Confidential

core, value, global, region-specific, international, emerging market and industry/sector-specific securities. Some strategies also include investments focused on sectors, dividend income and/or small, mid and/or large capitalization companies and others may have various thematic objectives (e.g., sustainability, climate change, high dividend). Some of our equity strategies include a fixed income component for a balanced portfolio. We also utilize ADRs/GDRs (American/Global Depository Receipts), fund of funds, ETFs (exchange-traded funds), REITs (Real Estate Investment Trusts), currency hedging strategies and derivative overlays. Many of our strategies incorporate management relative to a benchmark, often a market index and are managed long-only, however some strategies also have the ability to take short positions in securities.

Our approach to research and analysis for our equity strategies vary in accordance with each strategy. Research begins with a fundamental review and analysis of a variety of industry, company and security-specific characteristics. Fundamental review is supplemented by analytic tools such as proprietary valuation screens, and by third- party research and public sources such as company filings. For some strategies, research combines quantitative and qualitative bottom-up fundamental analysis. Other tools, such as valuation models, proprietary forecasting models and judgment techniques are used. In other solutions, an investment team may apply several factor models on a specific index or investment universe in order to isolate a desired exposure (i.e. defensive stocks, high dividend payers, etc.). We also offer passive strategies designed to track the total return performance of various equity index benchmarks.

Principal risk factors that have an impact on the performance of our equity strategies include risks arising from economic and market events, portfolio turnover rates, governmental regulations, local, national and international political events, volatility in the commodities and equity markets, and changes in interest rates and currency values as well as sustainability risk. In addition, with respect to balanced or other multi-asset strategies, fixed income security risks such as credit ratings and changes in interest rates have an additional potential impact on performance. See “Fixed Income Strategies” below.

**Preferred Strategies**

Our preferred strategies aim to create diversified portfolios of various preferred securities (including senior bonds, junior subordinated preferreds, preferred stock, and convertible preferreds). Preferred strategy investments include securities rated below investment grade and unrated securities, as well as fixed rate and adjustable-rate securities and securities issued by foreign issuers (corporate and government). To manage interest rate risk, preferred strategies may engage in exchange-traded interest rate futures or options, as well as over-the-counter interest rate swaps for investment or hedging purposes. Closed end strategies also utilize leverage to increase income levels.

In managing the strategies, the investment team uses a multi-step process to identify and research preferred securities for inclusion in our preferred portfolios. The team generates ideas and strategies based upon its fundamental research. The team conducts meetings and calls with management of companies and maintains extensive credit files on each company. Additionally, third-party research is used selectively.



Highly Confidential

The investment team conducts relative value analysis, examining credit strength and anticipated changes to specific issues. The team seeks to reduce the risk of potential negative credit events through comparative analysis and to structure an optimal portfolio by diversifying across multiple issuers and sectors.

The principal risks associated with investing in a preferred investment strategy include credit risk, call risk, convertible securities risk, derivatives risk, foreign securities risk, interest rate risk, illiquid investments risk, market disruption and geopolitical risk, sector risk, and risks particular to the nature of preferred securities (voting rights, special redemption rights, deferral, subordination, and liquidity) along with sustainability risks.

**Fixed Income Strategies**

Our fixed income investment strategies invest in a broad range of fixed income instruments available from both U.S. and non-U.S. issuers, including those from developed or emerging markets. We have the capability to invest in strategic and tactical global bond market opportunities without limitation to geography, issuer type, quality, maturity, security structure, or currency. Durations range from short-term to long-term, and credit ratings range from investment grade to high yield (and unrated).

Our fixed income strategies include investments across various sectors, such as government, corporate and securitized debt. We also invest in all varieties of fixed-rate and floating-rate securities available across the full spectrum of an issuers' capital structure inclusive of senior and subordinated bonds, bank loans, convertible securities, preferred securities and other types of instruments. In addition to domestic portfolios, we manage multi-currency global, international, emerging markets, regional and single country portfolios. Some strategies are broad in nature and invest across various regions, sectors, qualities and security types, while others have a more limited focus. Some portfolios are managed for total or absolute return; others seek to exceed a market index or custom benchmark or to achieve client specific objectives such as liability management, income generation and capital preservation and others may have various thematic objectives (e.g., sustainability, climate change). Certain strategies can utilize financial leverage. We also offer passive strategies designed to track the total return performance of various fixed income benchmarks. To manage interest rate, credit and currency exposures, many strategies may engage in exchange-traded interest rate and currency futures and options, currency forward contracts, over-the-counter swap and option transactions (including interest rate, total return, credit default and currency swaps and options), or any combination thereof, for investment or hedging purposes.

Our fixed income management teams engage in intensive fundamental research and analysis, both top-down and bottom-up, to assess potential investment opportunities. Some strategies additionally utilize technical and proprietary analytic tools for targeted research.

The principal risks associated with investing in a fixed income investment strategy include economic and market events, government regulations, geopolitical events, credit risk, interest rate risk, and risks associated with credit ratings, counterparties, foreign securities, currency exchange, hedging, derivatives



Highly Confidential

and other strategic transactions, high portfolio turnover, liquidity, mortgage-backed and asset-backed securities, call or prepayment risk, and issuer stability along with sustainability risk factors. The market value of fixed income securities will fluctuate in response to changes in interest rates, currency values and the credit worthiness of the issuer.

**Multi-Asset Strategies**

The overarching design principle of our multi-asset investment strategies is to accommodate investor goals across a broadly segmented spectrum of risk tolerance. Investment strategies encompass three main sub-strategies - risk-based, age-based, and objective-based, which include custom tailored solutions designed to meet distinct client objectives. Our investment team may pursue these strategies through the use of "fund of funds" portfolios, direct investment in securities or derivative securities, such as swaps, futures and options including engaging in shorting securities, or any combination thereof. The investment team may also provide asset allocation direction via a "model portfolio" whereby the investment team delivers a specific asset allocation to a client, typically on a non-discretionary basis.

Our risk-based strategy allocates a pre-determined percentage of assets to underlying funds that are predominantly equity, fixed income, or liquid alternative funds. Our age-based strategy allocates assets to underlying funds such that the strategy's portfolios are designed to become more conservative as they approach their target retirement dates. The portfolios' asset mix changes slowly, yet progressively, along a "glide path." We offer a wide selection of customized, objective-based strategies, structured to meet specified investor objectives. These include growth, income, absolute return, or balanced asset allocation funds. They also include risk management/protection types of strategies as well as pension fund management, outsourced chief investment officer solutions and liability-driven investment solutions, which may include analysis on funded status, asset allocation advice and modeling of liabilities.

Our multi-asset investment management team uses proprietary expected risk and return forecasts along with multiple optimization techniques to determine the appropriate weightings of each asset class to be apportioned to each strategy's portfolios. The team also selects and determines the appropriate weights to the underlying investment vehicles. The investment strategies also invest generally in certain derivative instruments such as swaps futures and options as well as in exchange-traded funds. The magnitude and frequency of shorter-term moves will vary based on the overall objectives of the investment strategy, with a higher frequency of trading in the more dynamically managed portfolios.

Principal risk factors that impact upon the performance of our asset allocation strategies include all the risks associated with the underlying funds and asset classes in which they are invested, in addition to overall asset allocation investment decisions. In addition, the underlying funds' performance may be lower than expected.

## B. Consideration of Sustainability factors

As investors and stewards of client capital, we seek to understand all material factors that may impact the



Highly Confidential

risk and return profile of current and potential investments, including sustainability factors. We believe that consistent analysis of sustainability factors to inform and define the investment process and to gain a more comprehensive understanding of both the risks and medium-to-long-term opportunities arising from these factors helps us to deliver attractive risk-adjusted returns to our clients over the long term.

Our investment teams are empowered to make decisions in line with their respective investment philosophies and client objectives. Each investment team has responsibility for its own investment process, from research through to implementation. The inclusion of material sustainability factors into investment processes aligns with this approach, ensuring that the analysis is relevant and meaningful to each team's investment process. The global heads or Chief Investment Officers of each asset class oversee the investment processes of the individual investment teams, including the sustainable investing approach.

Manulife (IM) US provides investment management services to a diverse range of clients, with a broad spectrum of objectives and guidelines. Some clients seek to incorporate principles into their investment process that may result in the exclusion of certain assets or sectors they believe pose material financial risks, are harmful to society or the broader environment, or are misaligned with their values, ethics, or needs. Manulife (IM) US has developed a Client-directed Exclusions Framework to meet these client requirements, where requested[3].

Exclusions may arise in certain portfolios that Manulife (IM) US creates in response to client requests, such as mandates and segregated accounts with specific value-based or compliance-driven screening criteria. Manulife IM (US) also maintains a cluster munitions policy which prohibits knowing, direct investments in companies that manufacture cluster munitions where we have discretion to do so[4].

Manulife Investment Management is a signatory to the United Nations Principles for Responsible Investment (PRI), and Manulife IM (US)'s approach to responsible investment and integration of sustainability factors where financially material in its investment processes aligns with the principles-based framework of the PRI. The PRI is an independent body which publishes six principles for Responsible Investment by which signatories contribute to a more sustainable global financial system.

In addition, Manulife Investment Management is a signatory to, or member of, other sustainability-related industry initiatives and stewardship codes. As a signatory to these initiatives, we look to consider financially relevant risks and opportunities, including those relating to sustainability issues, where appropriate and consistent with our fiduciary duty to clients. We do not exclude any investments from consideration in our portfolios as a result of our membership of any of these initiatives. Manulife Investment Management maintains independence from these initiatives in determining how to prioritize engagements, how to vote proxies, and investment decision-making at all times.

[3] The Manulife Investment Management Client-directed Exclusions Framework is available on our website.
[4] The Manulife Investment Management Cluster Munitions Policy is available on our website.



Highly Confidential

More details can be found in our Sustainable Investing and Sustainability Risk Statement and our Sustainability Report.



Highly Confidential

# VI. Disciplinary Information

We have no disciplinary information to report.



Highly Confidential

# VII. Other Financial Industry Activities and Affiliations

Manulife IM (US) is affiliated with several SEC-registered and non-SEC registered investment advisers, located both within and outside the U.S. We also are affiliated with and serve as investment manager or a sub-adviser to, many affiliated funds. Many of the funds are registered under the U.S. Investment Company Act of 1940, as amended, while others are registered in certain foreign jurisdictions. We are deemed to be an affiliated person of these funds due to our role as their sub-adviser.

Our key affiliates are as follows:

| | |
|---|---|
| Comvest Advisors LLC | US investment adviser* |
| CQS (UK) LLP | Non-US investment adviser |
| CQS (US) LLC | US investment adviser* |
| John Hancock Distributors LLC | US broker-dealer |
| John Hancock Family of Funds | US registered investment companies |
| John Hancock Investment Management Distributors LLC | US broker-dealer |
| John Hancock Investment Management LLC | US investment adviser* |
| John Hancock Life & Health Insurance Company | US insurance company |
| John Hancock Life Insurance Company (U.S.A.) | US insurance company |
| John Hancock Life Insurance Company of New York | US insurance company |
| John Hancock Personal Financial Services LLC | US investment adviser |
| John Hancock Trust Company LLC | New Hampshire Non-depository Trust Company |
| John Hancock Variable Trust Advisers LLC | US investment adviser |
| Manulife Financial Corporation | Non-US operating insurance company |
| Manulife Investment Management Distributors Inc. | US broker-dealer |
| Manulife Investment Management (Europe) Limited | Non-US investment adviser |
| Manulife Investment Management (Hong Kong) Limited | Non-US investment adviser |
| Manulife Investment Management (Ireland) Limited | Non-US investment adviser |
| Manulife Investment Management (Japan) Limited | Non-US investment adviser |
| Manulife Investment Management Limited | Non-US investment adviser |
| Manulife Investment Management (M) Berhad | Non-US investment adviser |
| Manulife Investment Management (North America) Limited | Non-US investment adviser* |
| Manulife Investment Management Private Markets (US) LLC | US investment adviser* |
| Manulife Investment Management (Singapore) Pte. Ltd. | Non-US investment adviser |
| Manulife Investment Management (Taiwan) Co., Ltd. | Non-US investment adviser |
| Manulife Investment Management Timberland and Agriculture Inc | US investment adviser |
| Manulife John Hancock Brokerage Services LLC | US broker-dealer |
| Manufacturers Life Insurance Company | Non-US insurance company |
| Manulife Life Insurance Company | Non-US insurance company |
| Manufacturers Life Insurance Co. (Phils.), Inc. | Non-US insurance company |

**SEC registered*

Manulife IM (US) has material business relationships with some of our related persons. Often personnel from these entities work together to manage client portfolios and provide related services, including client liaison, investment monitoring, account administration, investment research, and trade execution services. In some circumstances, one affiliate delegates responsibility for providing those services to another. If Manulife IM (US) delegates a function related to a client account to an affiliate, we will notify the relevant client and take steps to ensure that the delegation will comply with applicable laws. All investment



Highly Confidential

management arrangements are conducted on an arms-length basis so as to neither disadvantage nor advantage other clients or related parties.

Manulife IM (US) provides sub-advisory services to certain U.S. registered investment companies advised by its affiliates John Hancock Investment Management, LLC ("JHIM"), and John Hancock Variable Trust Advisers LLC, each a wholly-owned subsidiary of Manulife. We also provide sub-advisory services to certain non-U.S. registered and unregistered investment vehicles advised and/or sponsored by our affiliate Manulife Investment Management Limited ("MIML"), which is also wholly-owned by Manulife.

Manulife IM (US) is related to John Hancock Funds, LLC ("JHF') and John Hancock Distributors, LLC ("JHD"), which are all U.S. registered broker-dealers and wholly-owned by Manulife. JHF is the principal underwriter for certain U.S. registered investment companies for which Manulife IM (US) serves as sub-adviser. JHD is the principal underwriter for John Hancock Trust, a U.S. registered investment company, for which Manulife IM (US) serves as sub-adviser. JHD also acts as a placement agent for privately-offered investment funds advised by affiliates of Manulife IM (US) in the U.S. JHD is a registered broker-dealer under the Exchange Act. John Hancock Life Insurance Company (U.S.A.) acts as insurance agent for the sale of variable annuity contracts or variable life insurance contracts, some of the underlying portfolios are sub-advised by Manulife IM (US).

Certain employees who provide administrative, support and other related services to Manulife IM (US) are employees of affiliates. Some officers of affiliates are also officers of Manulife IM (US). Manulife IM (US) has arrangements with several affiliated non-U.S. registered investment advisers, Manulife Investment Management (Hong Kong) Limited ("Manulife Hong Kong"), MIML, Manulife Investment Management (Singapore) Pte. Ltd. and Manulife Investment Management (Europe) Limited, for the provision of investment advisory, research, trade execution and other administrative services to certain of our U.S. and non-U.S. clients pursuant to participating affiliate agreements. Those affiliated entities are not registered as investment advisers under the Advisers Act and each is deemed to be a "Participating Affiliate" of Manulife IM (US) (as this term has been used by the SEC's Division of Investment Management in various no-action letters granting relief from the Advisers Act's registration requirements for certain affiliates of registered investment advisers). Manulife IM (US) deems certain of those affiliates' employees as "associated persons" of Manulife IM (US) within the meaning of Section 202(a)(17) of the Advisers Act, as our affiliates may, through such employees, contribute to Manulife IM (US)'s investment advisory and investment research process and have access to information concerning which securities are being recommended to Manulife IM (US)'s clients prior to the effective dissemination of such recommendations. Those affiliates also provide other affiliates of Manulife IM (US) certain research relating to securities that are the subject of research concurrently provided to Manulife IM (US). Each Participating Affiliate of Manulife IM (US), has agreed to submit to the jurisdiction of U.S. courts for actions arising under U.S. securities laws in connection with investment advisory activities conducted for Manulife IM (US)'s clients.

Manulife IM (US) provides various services to an affiliated U.S. registered Investment Adviser, Manulife



Highly Confidential

Investment Management (North America) Limited. These services include investment management support, such as trade execution for certain instruments and shared investment research; investment operations services, such as account records maintenance and reconciliation, processing and settling trades with custodians and providing asset valuations; general corporate services, such as office space and facilities, administrative support, information technology, vendor sourcing and corporate accounting; and other related services, such as compliance staff support, investment guideline compliance monitoring and reporting, and support for client and regulatory reporting.

John Hancock Trust Company LLC (the "Trust Company"), is a limited-purpose, non-depository trust company regulated by the New Hampshire Banking Department. The Trust Company provides a range of trust services, including pension advisory, directed trustee, asset management, asset allocation, and account custody and administration. In addition, the Trust Company maintains a series of collective investment funds (the "Commingled Funds") in connection with the trust services it offers to its clients. It acts as trustee, manager, and distributor of the Commingled Funds. The Commingled Funds are exempt from registration under the U.S. Investment Company Act of 1940, as well as under the Securities Act of 1933, both as amended. Manulife IM (US) provides investment management support and related support services, to the Trust Company for the Commingled Funds.

**Sponsor of Limited Partnerships**

Certain related persons of Manulife IM (US) are a general partner of a partnership or a managing member of a limited liability company or other pooled investment vehicle in which clients of Manulife IM (US) may be solicited to invest. These unregistered investment companies invest in a wide variety of interests including securities and derivatives instruments, real estate and other privately-offered funds.

**Commodity Trading Advisor**

Manulife IM (US) is registered with the Commodity Futures Trading Commission ("CFTC") as a commodity trading advisor and may, from time to time, serve as a commodity trading advisor to registered commodity pool operators and commodity pools.



Highly Confidential

# VIII. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

**Code of Ethics**

Manulife IM (US) has adopted a written code of ethics (the "Code of Ethics") designed to prevent and detect personal trading activities that would interfere or conflict with client interests. The Code of Ethics requires that our employees adhere to the highest ethical standards and comply with applicable federal securities laws. Our employees may, from time to time, acquire or sell securities for their personal accounts, which are also purchased or sold for the account of clients. The Code of Ethics generally requires that all transactions in securities by our Investment Access Persons and Regular Access Persons (as each term is defined in the Code of Ethics) and their Household Members (also defined in the Code of Ethics) be cleared prior to execution through compliance department processes. Personal securities transactions also are subject to quarterly reporting requirements, quarterly certification requirements and related compliance obligations. Regarding mutual funds, employees are required to report their transactions in the mutual funds we advise or sub-advise on a post-trade basis. Employees are also required to report any violations of the Code of Ethics that come to their attention.

Clients should be aware that no set of rules can possibly anticipate or eliminate all potential conflicts of interest or ensure exemplary conduct in personal trading or all other matters, and that certain conflicts of interest inevitably exist in performing services such as providing investment advice. Such conflicts of interest, and how we address conflicts, are discussed below.

A copy of our Code of Ethics will be provided to a client or prospective client upon request.

**Participation or Interest in Client Transactions**

Manulife IM (US) or its affiliates may purchase or sell, for the accounts of clients, securities in which Manulife IM (US) or its affiliates have a material financial interest. For example, our employees may incidentally hold in their own securities accounts one or more of the same securities that we also purchase or sell for clients. In addition, we, our affiliates, and our officers and employees (and Household Members as well as those of our affiliates) are able to invest in investment vehicles that we sub-advise including the U.S. registered mutual funds. Personal trading by employees is substantially restricted by our Code of Ethics.

Manulife IM (US) or its related persons may recommend to prospective clients that the client buys or sells interests in the same investment products in which we or our related persons have some financial interest, including ownership, and we or our related persons may own, buy or sell the same securities that they have recommended to clients. For example, one of our affiliates could provide seed capital in connection with the launching of a new strategy or fund. Through this affiliation, we would have a financial interest in the securities recommended to the funds. In addition, we or our affiliates may recommend to investment advisory clients or prospective investment advisory clients, the purchase or sale of the funds. Manulife IM (US) earns a management or sub-advisory fee on the Funds. Certain of our employees also own interests



Highly Confidential

in the funds. Funds containing seed capital will be managed along with other client accounts, and orders for the funds would then be aggregated with orders for other client accounts for purposes of trade execution. Our Code of Ethics and the policies and procedures thereunder are intended to minimize the impact of these and other potential conflicts of interest.

Due to the nature of our clientele, we may, from time to time, trade in investments issued by clients or clients of our affiliates. In all cases, we shall engage in such transactions pursuant to federal securities laws and in keeping with the best interests of our clients on behalf of whom we purchase or sell such investments. To help prevent conflicts of interest, all employees must comply with our Code of Ethics, which imposes restrictions on the purchase or sale of securities for employee accounts and the accounts of certain household members, and seeks to ensure that employees do not personally benefit from any potential market impact due to investment recommendations made on behalf of our advisory clients.



Highly Confidential

# IX. Brokerage Practices

**Brokerage Discretion**

Generally, clients grant us full discretionary authority over securities purchases and sales, subject to the clients' investment objectives, guidelines and restrictions. These are typically established by agreement between Manulife IM (US) and the client, at the time the client account is established.

**Approved Trading Counterparties**

Manulife IM (US) maintains and periodically updates a list of approved trading counterparties. Traders and portfolio managers execute trades only with pre-approved broker-dealer/counterparties. Our Brokerage Practices Committee, through a delegation from our Operating Committee, reviews and approves all broker-dealers/counterparties.

**Selection of Brokers, Dealers, and Counterparties**

In placing orders for purchase and sale of securities and selecting trading counterparties (including banks or broker-dealers) to effect these transactions, Manulife IM (US) seeks prompt execution of orders at the most favorable prices reasonably obtainable. We will consider a number of factors when selecting trading counterparties, including the overall direct net economic result to the client (including commissions, which may not be the lowest available, but which ordinarily will not be higher than the generally prevailing competitive range), the financial strength, reputation and stability of the counterparty, the efficiency with which the transaction is effected, the ability to effect the transaction when a large block trade is involved, the availability of the counterparty to stand ready to execute possibly difficult transactions in the future, and other matters involved in the receipt of brokerage and research services.

Manulife IM (US) periodically prepares and maintains a list of broker-dealer firms that have been deemed to provide valuable research as determined periodically by the investment staff, together with a suggested non-binding amount of brokerage commissions ("non-binding target") to be allocated to each of these research firms, subject to certain requirements. Neither we, nor any client has an obligation to any research firm if the amount of brokerage commissions paid to the research firms is less than the applicable non-binding target.

In seeking best execution, traders have a variety of execution capabilities at their discretion. In addition to trading with full-service broker dealers, our traders may utilize any number of broker sponsored algorithmic strategies to achieve direct market access ("DMA"), as well as electronic crossing networks ("ECNs"). Algorithmic strategies and ECNs give the traders additional opportunities to source natural block liquidity in a more efficient manner. In selecting a broker dealer or trading venue, traders consider the full range of available trading platforms in seeking best execution.



Highly Confidential

**Affiliated Brokers**

Manulife IM (US) does not execute trades or otherwise implement trading strategies through an intermediary that is an affiliated broker.

**Cross Transactions**

Manulife IM (US) does not affect agency cross-transactions (in which our affiliated broker-dealer would act as the broker for both the client and the counterparty to the transaction and receives commissions from the client and the counterparty). Generally, we do not effect cross trades between clients and our affiliates.
In some instances, a security to be sold by one client account may independently be considered appropriate for purchase by another client account. We would seek to effect such a "cross transaction" if it is in the best interests of both clients, consistent with applicable laws and policies and clients' requirements and restrictions. Manulife IM (US) will be guided by Rule 17a-7 of the Investment Company Act of 1940, as amended, in its use of these cross transactions with respect to any U.S. registered Funds, and by other applicable non-U.S. laws and regulations with respect to any non-U.S. Funds. We do not permit client accounts governed by the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), to engage in cross trading.

**Best Execution**

Manulife IM (US) owes a duty to its clients to seek best execution when executing trades on behalf of clients. "Best execution" generally is understood to mean the most favorable cost or net proceeds reasonably obtainable under the circumstances. Manulife IM (US) is not obligated to choose the broker-dealer offering the lowest available commission rate if, in our reasonable judgment, there is a material risk that the total cost or proceeds from the transaction might be less favorable than may be obtained elsewhere, or, if a higher commission is justified by the trading provided by the broker-dealer, or if other considerations dictate using a different broker-dealer. Negotiated commission rates generally will reflect overall execution requirements of the transaction without regard to whether the broker provides other services in addition to execution.

Manulife IM (US) pays higher or lower commissions to different brokers that provide different categories of services. Under this approach, we periodically classify different brokers in different categories based on execution abilities, the quality of research, brokerage services, block trading capability, speed and responsiveness, or other services provided by the brokers. Some examples of these categories include, without limitation, full-service brokers, alternative trading systems, client commission and execution-only brokers.

The reasonableness of brokerage commission is evaluated on an ongoing basis and at least annually on a formal basis.

When more than one broker-dealer is believed to be capable of providing the best combination of price and



Highly Confidential

execution with respect to a particular portfolio transaction, Manulife IM (US) often selects a broker-dealer that furnishes research and other related services or products. The amount of brokerage allotted to a particular broker-dealer is not made pursuant to any binding agreement or commitment with any selected broker-dealer. However, we maintain an internal allocation procedure to identify those broker-dealers who have provided us with effective research and the amount of research provided, and we endeavor to direct sufficient commissions to them to ensure the continued receipt of research that we believe is useful.

**Research and Other Soft Dollar Benefits**

Where Manulife IM (US) manages any or all an account which is subject to the legislation of the European Union, Manulife IM (US) will pay for external research from its own resources. For other accounts, Manulife IM (US) may pay for research and brokerage services with the commission dollars generated by client account transactions (known as "soft dollar benefits"), subject to applicable laws and client direction. Further, we may cause clients to pay commissions, markups or markdowns higher than those charged by other broker-dealers in return for soft dollar benefits.

The research provided may be either proprietary (created and provided by the broker-dealer, including tangible research products as well as access to analysts, traders and issuers) or third-party (created by a third party, but provided by broker-dealer). Proprietary research is generally part of a "bundle" of brokerage and research, with research not separately priced. In the case of third-party research, the cost of products and services is generally more transparent, and payment is made by the broker to the preparer in "hard dollars." We receive both proprietary and third-party research and execution services.

Manulife IM (US) considers three factors with respect to all third-party research and execution services received through soft dollars:

- Whether the product or service is eligible research or brokerage under SEC rules and regulations;
- Whether an eligible product or service provides "lawful and appropriate assistance" in the performance of our investment decision-making responsibilities;
- Whether the amount of the commission paid is reasonable considering the value of the product or service provided by the broker-dealer (viewed in terms of the particular transaction or our overall responsibilities with respect to our client accounts).

Research services currently purchased with soft dollars include: reports on the economy, industries, sectors and individual companies or issuers; introduction to issuers, invitations to trade conferences, statistical information; statistical models; political and country analyses; reports on legal developments affecting portfolio securities; information on technical market actions; and credit analyses.

The overriding consideration in selecting brokers to execute trade orders is the maximization of client profits through a combination of controlling transaction and securities costs and seeking the most effective use of brokers' proprietary research and execution capabilities, while maintaining relationships with those broker-



Highly Confidential

dealers who consistently provide superior service. When we use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, we receive a soft dollar benefit because we do not have to produce or pay for the research, products or services. We have an incentive to select a broker-dealer based on our interest in receiving research or other products or services, rather than over our clients' interest in receiving most favorable execution.

Any research received is used to service all clients to which it is applicable, whether the client's commissions were used to obtain the research. For example, commissions of equity clients may be used to obtain research that is used with respect to fixed income clients. Manulife IM (US) does not attempt to allocate the relative costs or benefits of research among client accounts because we believe that, in the aggregate, the research we receive benefits clients and assists us in fulfilling our duty to all our clients.
We do not enter into any agreement or understanding with any broker-dealer which would obligate us to direct a specific amount of brokerage transactions or commissions in return for such services. However, certain broker-dealers state in advance the amount of brokerage commissions they expect for certain services and the applicable cash equivalent.

We seek to obtain client commission benefits through client commission arrangements in compliance with applicable laws and regulations. Under these types of arrangements, we can request that executing brokers allocate a portion of total commissions paid to a pool of "credits" maintained by the broker that can be used to obtain client commission benefits. After accumulating a number of credits within the pool, we subsequently direct that those credits be used to pay appropriate parties in return for eligible client commission benefits provided by the broker to Manulife IM (US).

In summary, as noted above, we have three types of soft dollar arrangements through which we receive soft dollar benefits:

1. Full-service brokers- in addition to receiving execution services, we also receive a variety of research and related services from these brokers, including, proprietary research reports on companies, markets or investment related reports, meetings with senior management teams of companies, and discussions with the brokers' analysts and market experts.

2. Client commission arrangements ("CCA") - Manulife IM (US) has multiple CCAs with brokers with whom we place equity trades for execution. We generate commission credits with these brokers, which we can use to compensate third party research providers, including other brokers, for research received. The level of compensation to such research providers is determined by the equity portfolio management teams using a quarterly voting process. The number of votes determines the level of compensation paid to a research provider.

3. Soft dollar arrangements- Under soft dollar arrangements, Manulife IM (US) identified research services that we wanted to obtain from a soft dollar broker (the "Broker") (subject to the Broker's approval); the Broker then directly contracted with the research providers for those services. We have no financial or



Highly Confidential

other contractual obligations with the research providers under this arrangement. When we execute equity trades with the Broker, the soft dollars are allocated to a portion of the commission to the research providers.

In 2025 the following were the top ten brokers (in no particular order) from whom we received soft dollar benefits in a manner noted above:

**Top Ten Brokers for 2025**

Citigroup Global Markets
Evercore Group
Goldman Sachs
JP Morgan Securities
Morgan Stanley
Piper Sandler & Co.
RBC Capital Markets
Sanford Bernstein
TD Securities
Virtu Americas

**Directed Brokerage**

Manulife IM (US) does not engage in directed brokerage arrangements. However, we permit clients to direct us to execute transactions using a particular broker-dealer. Certain funds have entered into an arrangement under which, with respect to certain brokerage transactions directed to certain broker-dealers, the funds receive a credit for part of the brokerage commission paid by the fund, which is applied against expenses of the fund.

**Trade Aggregation**

Because investment decisions often affect more than one client, we frequently will attempt to acquire or dispose of the same security for more than one client at the same time. Manulife IM (US), to the extent permitted by applicable law, regulations and advisory contracts, aggregates purchases and sales of securities on behalf of its various clients for which it has discretion, provided that in our opinion, all client accounts are treated equitably and fairly and that block trading will result in a more favorable overall execution. Trades will not be combined when a client has directed transactions to a particular broker-dealer or when we determine that combined orders would not be efficient or practical.

When appropriate, Manulife IM (US) will allocate such block orders at the average price obtained or according to a system that we consider to be fair to all clients over time. Generally speaking, such allocations are made on the basis of proportional capital under management in the respective client accounts.



Highly Confidential

**Managed Account Programs**

*Trading*

For our Managed Account Programs, while we are required to seek best execution for all trading transactions, the arrangement between the Program Sponsors and their clients generally provides for an all-inclusive fee arrangement which includes all execution costs. In most instances, Manulife IM (US)'s trading away from the Program Sponsor would cause the client to pay additional commissions and therefore best execution generally becomes limited to trading with the client's Program Sponsor. Clients of Managed Account Programs should carefully review and discuss their fee arrangement with their Program Sponsor.

For some Managed Account Programs, clients direct us to execute their transactions using a particular broker-dealer. Clients that choose to direct their brokerage, should consider the following: (i) our brokerage placement practices; (ii) they may pay higher commissions on some transactions than might be attainable by us, or may receive less favorable execution of some transactions, or both; (iii) they may forego any benefit from savings on execution costs that we could obtain for our clients through negotiating volume discounts on batched transactions; (iv) they will not be able to participate in an allocation of a new issue if that new issue is provided by another broker; (v) they restrict us from receiving research-related products and services available from other brokers; and (vi) they may not generate returns equal to clients which do not direct brokerage.

*Sequencing Placement of Orders*

We endeavor to treat all Managed Account Program accounts fairly and equitably in communicating orders to sponsors in accordance with client-directed trading instructions or in executing client orders in accordance with the requirements of the particular Managed Account Programs.

In view of the different types of investment advisory services and clients' instructions, we have established a policy and related procedures that we believe are reasonably designed to address the potential conflicts arising from sequencing of order placements and execution among Managed Accounts and other client portfolios in similarly managed strategies. Our general practice is to communicate investment decisions to all affected clients at or about the same time. This entails a rotational method of releasing orders to the sponsoring or other executing brokers consistent with our fiduciary duties.

For Managed Account Programs whereby we are solely responsible for providing a model portfolio, we will employ a separate but similar rotational method. Notification to the Model Program Sponsors will be at or about the same time., , with other sponsors of managed account programs.

From time to time as warranted during abnormal or other market conditions, we will alter or adjust the implementation of trades and/or the rotation in situations in which it feels that a particular order could potentially cause material market impact and/or pose trading liquidity issues. The decision to alter the implementation or the rotation will be made in good faith by each Portfolio Management Team responsible for a particular strategy.



Highly Confidential

# X. Review of Accounts

**Internal Review of Client Accounts**

Each client account is managed by a Manulife IM (US) portfolio management team which is assigned primary responsibility for the day-to-day management and ongoing monitoring of the client account. The portfolio management team's continuous review of a client account includes the review and appropriateness of portfolio holdings and transactions considering the client account's investment objective, guidelines and restrictions within the context of market conditions.

The client accounts are also periodically reviewed by Manulife IM (US)'s designated Chief Investment Officer, the Performance team, and the Investment Risk team. In all cases, accounts are also subject to review by compliance personnel, who monitor account trading on a daily basis utilizing the Firm's order management system that incorporates pre-trade, post-trade, and batch compliance testing across many account restrictions. For example, client accounts are reviewed periodically in order to identify dispersion in performance results of clients in similar strategies. Such performance dispersion, is not of itself dispositive of any client account favoring, as it could legitimately result from factors such as variations in client holdings restrictions, cash flows, trade rotation or client restrictions on Manulife IM (US)' ability to freely select brokers to execute transactions with respect to a particular portfolio (e.g., client-directed brokerage), in addition to certain attributes of a portfolio security or its issuer and/or treatment of the security or issuer by a third-party service provider, or the purchase of a small position to assess the overall desirability of an investment.

**Client Reporting**

On a quarterly and/or monthly basis, Manulife IM (US) furnishes to our clients, or their agents, a summary of written reports of portfolio transactions that were executed during the relevant period, portfolio holdings, characteristics, strategies, performance information, and other requested information about compliance matters. Meetings with clients are held as agreed upon with the client and generally occur annually.

Managed Account Program clients receive account statements from Program Sponsors in accordance with the terms of the particular programs.



Highly Confidential

# XI. Client Referrals and Other Compensation

Manulife IM (US) relies primarily on the efforts of its or its affiliates' internal sales and marketing personnel who are responsible for soliciting and generating new business. Discretionary compensation of such sales and marketing personnel is based in part, on their success in raising assets on behalf of the firm.

Manulife IM (US) has entered into written sales and solicitation agreements with certain affiliated persons or entities for client referrals or introductions. Manulife IM (US) may compensate or may be compensated by its affiliates for client referrals or introductions or placements of interests in separately managed accounts in compliance with applicable law. The material terms of such arrangements will be disclosed to each client or investor, as required by law.

For our Managed Account Programs, Manulife IM (US) may pay the Program Sponsor various fees in connection with the model only program, such as model set up, onboarding and maintenance, operational and support services and data analytics fees, allowing for the delivery of the model portfolio on the Program Sponsor's platform.



Highly Confidential

# XII. Custody

In its role as an asset manager, Manulife IM (US) generally does not have possession, or the authority to control or possess assets held in client accounts. Client assets are held in separate accounts maintained by independent third-party custodians who have been selected by our clients. As a fiduciary, Manulife IM (US) seeks to safeguard client assets against unauthorized access or use. Manulife IM (US) accomplishes this by separating investment management, trading, operations, and client relationship functions and responsibilities. We maintain access controls around the systems used by trading and by portfolio management to ensure that trades are duly authorized. We periodically reconcile records of client funds and securities to the client's custodian records.

Affiliates of Manulife IM (US) sponsor bank maintained collective investment funds and other privately-offered unregistered investment funds. As Manulife IM (US)'s affiliates often serve as the trustee, director, the general partner of, or hold another comparable position with respect to these funds, Manulife IM (US), may be deemed to have custody over those funds and we are required to take additional measures to ensure that client assets are safeguarded.

Clients should carefully review any statement or other reports that they receive from a custodian and compare them to the client reports provided by us.



Highly Confidential

# XIII. Investment Discretion

Clients retain Manulife IM (US) on both a discretionary and nondiscretionary basis. Clients that retain us on a discretionary basis grant us such authority by way of an investment management agreement. As such, we have the authority to supervise and direct the investments of and for those clients' accounts without prior consultation with the client. Pursuant to this discretionary authority, we determine which securities are bought and sold for the account, the total amount of the purchases and sales, the brokers or dealers through which transactions are executed and the commission rates paid to effect the transactions, as applicable. The client may restrict or prohibit transactions in certain types of securities or direct that transactions be effected through specific brokers or dealers.

A few clients retain us on a non-discretionary basis, requiring that Manulife IM (US) also provides investment services (in the form of model portfolios) to clients and third-party investment managers who are responsible for placing trades in their client accounts, based on such model portfolios (please see "Participation in Managed Account Programs – Model Only" in this Brochure for more information on Manulife IM (US)'s participation in such model-based managed account programs).



Highly Confidential

# XIV. Voting Client Securities

Under our discretionary investment management agreements, clients have the option to grant Manulife IM (US) proxy voting authority over securities held in a client account. When clients grant such authority, Manulife IM (US) seeks to vote proxies in the best economic interests of all of its clients for whom it has proxy voting authority and responsibilities, with a view to maximize the economic value of their investments. We believe that our proxy voting policies and procedures are reasonably designed to ensure that proxy voting is conducted in the best interest of clients, and in accordance with our fiduciary duties, applicable rules under the Advisers Act, and fiduciary standards and responsibilities applicable to our ERISA clients. When clients have granted us authority to vote securities in their account, we will vote in accordance with the Manulife Investment Management Global Proxy Voting Policy and Global Proxy Voting Guidelines and clients cannot direct our vote in a particular proxy solicitation. Clients that have not provided us authority to vote securities in their accounts, should reach out to their other service providers. We will not generally provide advice on proxy voting to clients that have not granted us voting authority.

Manulife IM (US) has contracted with an independent third-party service provider to ensure the timely casting of votes, to provide relevant and timely proxy voting research and make voting recommendations to inform our voting decisions, and to keep associated records. Manulife IM (US) has implemented global proxy voting guidelines which set forth our general approach to proxy voting proposals and subject matter for our ESG integrated strategies[5] and also our approach to proxy voting proposals for our thematic strategies[6]. The guidelines are reviewed on a regular basis to ensure broad alignment with the various Manulife Investment Management issue-specific statements. Through the proxy voting execution process, the proxy voting services provider populates initial voting recommendations in accordance with the global proxy voting guidelines. These voting recommendations are generally submitted, processed and ultimately tabulated. Manulife IM (US) retains the authority and operational functionality to submit different voting instructions after these initial recommendations have been submitted based on Manulife IM (US)'s assessment of each situation. As Manulife IM (US) reviews voting recommendations and decisions, as outlined below, Manulife IM (US) may change voting instructions based on those reviews.

Manulife IM actively reviews voting matters on a case-by-case basis, considering both the substance of the proposal and the significance of the holding. Investment teams are empowered to determine which meetings warrant active review, consistent with their investment philosophies and clients' objectives.

Manulife IM (US) investment professionals apply the expertise of individuals across the organization in conducting proxy voting research and providing advice. Any such advice is supplemental to the research and recommendations provided by our proxy voting services provider and review by investment professionals. Manulife IM (US) investment professionals may consult with the sustainability team for

[5] Including ESG integration and quantitative screening.
[6] Including sustainable, sustainable thematic and impact.



Highly Confidential

subject-matter insight and contextual analysis when they consider the facts and circumstances of an individual ballot item. In certain instances, investment professionals also consider AI-powered research tools, supplemental data sources, and other external information to help inform their proxy-voting decisions provided such resources are used appropriately, with sound oversight, and in alignment with Manulife IM (US) policies and stewardship standards. Investment professionals utilize AI-powered tools to assist with voting recommendations and instructions for certain proposals, based on the Manulife Investment Management global proxy voting guidelines and research and parameters provided by Manulife IM (US). After considering all available information, the investment professional will make a voting decision. Where the vote is different from the initial recommendation, the sustainability team will execute the change and record the rationale for the decision.

Except in instances when a Manulife IM (US) client retains voting authority, Manulife IM (US) will instruct custodians of client accounts to forward all proxy statements and materials received in respect of client accounts to the service provider.

Manulife IM (US) clients retain the authority, and may choose, to lend shareholdings. Manulife IM (US), however, generally retains the ability to restrict shares from being lent and to recall shares on loan in order to preserve proxy voting rights and execute proxy votes. Manulife IM (US) will, where feasible, weigh the benefit of casting votes at a given meeting when deciding whether to recall lent shares for voting. Manulife IM (US) is focused in particular on preserving voting rights for issuers where Manulife Investment Management holds 2% or more of an issuer as aggregated across Manulife Investment Management client accounts. Manulife IM (US) has a process in place to systematically restrict and recall shares on a best-efforts basis for those issuers where Manulife Investment Management owns an aggregate of 2% or more across Manulife Investment Management client accounts.

Manulife IM (US) has a fiduciary duty to its clients. We recognize that conflicts of interest may arise in our proxy voting activities, and we seek to identify, disclose, and mitigate potential conflicts in accordance with our fiduciary responsibilities.

We have identified the following potential conflicts of interest related to our proxy voting activities:

- Voting at a company that is the sponsor of one of our institutional clients or where the company otherwise has a material commercial relationship with either Manulife or another member of the Manulife group, and Manulife IM (US) could be unduly influenced by the relationship
- Manulife IM (US) employees could have a material relationship with a company, which could affect voting activities

Manulife IM (US) has implemented processes to prevent and mitigate identified potential conflicts, including:

- Each Manulife IM (US) employee is subject to a global code of ethics and general principles of business conduct, which reinforces fiduciary obligations and reminds employees of the requirement to put the



Highly Confidential

interests of our clients first. Where a material conflict is identified between an employee and a company, the conflict must be disclosed to the employee's manager and our legal/compliance departments as needed to determine if it is appropriate for such employee to influence vote decisions for that company.

- Manulife IM (US) uses an organizational structure that separates reporting lines for the sustainability team and investment professionals from sales and vendor functions in order to minimize real, or potential, conflicts of interest and to help ensure that voting is conducted in the best interest of the underlying clients.
- Voting decisions are executed independently of our parent company, Manulife Financial Corporation, or any of its related entities.

Clients may obtain a copy of the Manulife Investment Management Global Proxy Voting Policy and Global Proxy Voting Guidelines, and information about how we voted proxies during the past fiscal year by contacting their relationship manager at (617) 375-1500. We also have policy information and voting records linked on our website at

https://www.manulifeim.com/institutional/us/en/sustainability.



Highly Confidential

# XV. Financial Information

Not Applicable



Highly Confidential

# APPENDIX A

## Glossary of Investment Risks

**Active management risk.** The adviser's investment strategy fails to produce the intended result.

**Artificial Intelligence risk.** Artificial intelligence technologies, including machine learning and generative artificial intelligence (collectively, "AI Technology"), and their potential future applications, continue to rapidly evolve. We do not use AI Technology to make investment decisions or provide investment advice. However, we do utilize AI Technology to streamline our investment process and enhance certain operational aspects of our business, including certain elements of marketing and sales activities, client reporting, data processing, and certain operational components of compliance monitoring. In addition, we rely on third-party service providers who utilize AI Technology. While we conduct diligence on third-party service providers, we cannot control how they develop or maintain AI Technology.

**Commodity risk.** The market price of commodity investments may be volatile due to fluctuating demand, supply disruption, speculation and other factors

**Convertible securities risk.** The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. In addition, as the market price of the underlying common stock declines below the conversion price, the price of the convertible security tends to be increasingly influenced more by the yield of the convertible security.

**Credit and counterparty risk.** The issuer or guarantor of a fixed-income security, the counterparty to an over-the-counter derivatives contract or a borrower of an account's securities, is unable or unwilling to make timely principal, interest or settlement payments, or otherwise to honor its obligations. Investments in fixed-income securities are subject to varying degrees of risk that the issuers of the securities will have their credit rating downgraded or will default, potentially reducing a fund's share price and income level. U.S. government securities are subject to varying degrees of credit risk depending upon the nature of their support.

**Currency risk.** Currency risk is the risk that fluctuations in exchange rates adversely affect the U.S. dollar value of a client's investments.

**Cybersecurity risk**. With the increased use of technologies, such as mobile devices and cloud-based service offerings and the dependence on the internet and computer systems to perform necessary business functions, Manulife IM (US) and its affiliates are susceptible to operational and information or cybersecurity risks. Cybersecurity breaches are either intentional or unintentional events that allow an unauthorized party to gain access to assets, customer data, or proprietary information, or cause Manulife IM (US) and its affiliates or its service providers to suffer data corruption or lose operational functionality. Intentional cybersecurity incidents



Highly Confidential

include unauthorized access to systems, networks, or devices (such as through “hacking” activity or “phishing”); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cyberattacks can also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on the service providers' systems or websites rendering them unavailable to intended users or via "ransomware" that renders the systems inoperable until appropriate actions are taken. Geopolitical tensions and advancements in artificial intelligence may increase the scale and sophistication of such attacks. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information. A cybersecurity breach could result in the loss or theft of client data or funds, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Cybersecurity incidents could cause Manulife IM (US) and its affiliates or its service providers to incur regulatory penalties, reputational damage, compliance costs associated with corrective measures, or financial loss. They may also result in violations of applicable privacy and other laws. In addition, such incidents could affect issuers of securities in which an investment strategy invests, thereby causing the strategy’s investments to lose value. Cyber-events have the potential to materially affect an investment strategy and Manulife IM (US)’ relationships with accounts, shareholders, clients, employees, products, and service providers. Manulife IM (US) has established risk management systems reasonably designed to seek to reduce the risks associated with cyber-events. There is no guarantee that Manulife IM (US) will be able to prevent or mitigate the impact of any or all cyber-events.

**Derivatives risk**. Hedging and other strategic transactions increase the volatility of an account and, if the transaction is not successful, could result in a significant loss to a client account. Counterparty risk, liquidity risk (i.e., the inability to enter into closing transactions) and risk of disproportionate loss are the principal risks of engaging in transactions involving futures contracts, options, swaps and foreign currency forward contracts. Counterparty risk does not apply to exchange-traded options. Foreign currency forward contracts are also subject to foreign currency risk. The use of derivative instruments (such as options, futures and swaps) could produce disproportionate gains or losses, more than the principal amount invested. Investing in derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments and, in a down market, could become harder to value or sell at a fair price.

**Distressed investment risk.** Many distressed investments, including loans, loan participations, bonds, notes and non-performing and sub-performing mortgage loans, are not publicly traded and involve a substantial degree of risk.

**Economic and market events risk.** Economic data and market events have resulted, and continue to result, in an unusually high degree of volatility in the financial markets, both domestic and foreign. In addition, reduced liquidity in credit and fixed-income markets adversely affects issuers worldwide.

**Emerging markets risk.** The risks of investing in foreign securities are greater for investments in emerging markets. Emerging market countries experience higher inflation, interest rates and unemployment as well as



Highly Confidential

greater social, economic, regulatory and political uncertainties than more developed countries.

**Equity securities risk.** The value of a company's equity securities is subject to changes in the company's financial condition, and overall market and economic conditions.

**Exchange-traded fund ("ETF") risk.** Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track.

**Fixed-income securities risk.** Fixed-income securities are affected by changes in interest rates and credit quality. A rise in interest rates typically causes bond prices to fall. The longer the average maturity of the bonds held in an account, the more sensitive an account is likely to be to interest- rate changes. There is the possibility that the issuer of the security will not repay all or a portion of the principal borrowed and will not make all interest payments.

**Foreign securities risk.** As compared to U.S. companies, there may be less publicly available information relating to foreign companies. Foreign securities also may be subject to foreign taxes. The value of foreign securities is subject to currency fluctuations and adverse political and economic developments. The risks of investing in foreign securities are greater for investments in emerging markets.

**Fund of funds risk.** A fund or account is subject to the performance of the underlying funds in which it invests.

**Greater China risk.** Investments in the Greater China region are subject to special risks, such as less developed or less efficient trading markets, restrictions on monetary repatriation and possible seizure, nationalization or expropriation of assets. In particular, investments in Taiwan could be adversely affected by its relationship with China, and Hong Kong and Chinese markets could be hurt significantly by adverse government actions. A small number of companies and industries represent a relatively large portion of the Greater China market as a whole.

**High portfolio turnover risk.** Actively trading securities can increase transaction costs (thus lowering performance) and taxable distributions.

**Illiquid investments risk.** The difficulties and delays associated with such transactions could result in the inability to realize a favorable price upon disposition, and at times might make disposition of such securities impossible. In addition, an account may be unable to sell other illiquid investments when it desires to do so, resulting in obtaining a lower price or being required to retain the investment.

**Industry or sector investing risk.** The performance of an account or fund that focuses on a single industry or sector of the economy depends in large part on the performance of that industry or sector. As a result, the value of an investment fluctuates more widely than it would in an account or fund that is diversified across industries or sectors.



Highly Confidential

**Inflation-indexed debt securities risk.** Inflation-indexed debt securities are subject to the effects of changes in market interest rates caused by factors other than inflation (real interest rates). There can be no assurance that the inflation index used will accurately measure the real rate of inflation in the prices of goods and services.

**Initial public offerings ("IPO") risk.** IPO shares have a magnified impact on performance of an account or fund and are frequently volatile in price.

**Interest rate risk.** A rise in interest rates typically causes bond prices to fall. The longer the average maturity of the bonds held by an account or fund, the more sensitive it is likely to be to interest- rate changes. The yield earned by an account or fund will vary with changes in interest rates. Changes in interest rates cause adverse effects and volatility in equity prices.

**Investment company securities risk.** A fund bears its own expenses and indirectly bears its proportionate share of expenses of the underlying funds in which it invests.

**Issuer risk.** An issuer of a security performs poorly and, therefore, the value of its stocks and bonds decline. An issuer of securities that are held in an account or fund could default or have its credit rating downgraded.

**Large company risk.** Large-capitalization stocks as a group could fall out of favor with the market, causing an account or fund to underperform investments that focus on small- or medium- capitalization stocks. Larger, more established companies can be slow to respond to challenges and grow more slowly than smaller companies.

**Leverage risk.** The use of leverage magnifies both the favorable and unfavorable effects of price movements in the investments made by an account or fund. To the extent the account or fund is leveraged in its investment operations, it will be subject to substantial risk of loss.

**Lifecycle risk.** There is no guarantee that the adviser will correctly predict the market or economic conditions and, as with other fund investments, you could lose money even if a fund is at or close to its designated retirement year or in its post-retirement stage.

**Liquidity risk.** Exposure exists when trading volume; lack of a market maker or legal restrictions impair the ability to sell particular securities or close derivative positions at an advantageous price.

**Loans (bank loans, floating rate loans, and loan participations) risk.** Investing in loans involves special types of risks, including credit risk, interest-rate risk, liquidity risk and the risks of being a lender.

**Lower-rated fixed-income securities risk and high-yield securities risk.** Lower-rated fixed-income securities



Highly Confidential

and high-yield fixed-income securities (commonly known as junk bonds) are subject to greater credit-quality risk and risk of default than higher-rated fixed-income securities. These securities can be considered speculative and the value of these securities can be more volatile due to increased sensitivity to adverse issuer, political, regulatory, market or economic developments and can be difficult to resell.

**Management of Discretionary and Non-Discretionary Accounts.** The adviser may provide investment advice to advisory clients on either a discretionary or a nondiscretionary basis. For various reasons, nondiscretionary advisory clients may not be able to implement the adviser's recommendations with respect to the allocation or reallocation of assets as quickly as the adviser implements such recommendations on behalf of discretionary advisory clients. In certain cases, due to redemption notice deadlines or other reasons, this may result in non-discretionary advisory clients being unable to act on the adviser's recommendations at the same time the adviser acts on behalf of the discretionary advisory clients. This could cause significant differences in the performance between non-discretionary and discretionary advisory clients with the same or similar investment objectives.

**Market disruption and geopolitical risk.** Events in the financial markets have resulted, and continue to result, in an unusually high degree of volatility in the financial markets, both domestic and foreign. In addition, reduced liquidity in credit and fixed-income markets adversely affects issuers worldwide.

**Medium and smaller company risk.** The prices of medium and small company stocks can change more frequently and dramatically than those of large company stocks.

**Mortgage-backed and asset-backed securities risk.** Different types of mortgage-backed securities and asset-backed securities are subject to different combinations of prepayment, extension, interest-rate and/or other market risks.

**Municipal bond risk.** Municipal bond prices can decline due to fiscal mismanagement or tax shortfalls. Revenue bond prices can decline if related projects become unprofitable. An account or fund may hold bonds that are insured as to principal and interest payments. Because the value of an insured municipal bond depends in part on the claims-paying ability of the insurer, an account or fund would be subject to the risk that the insurer is unable to pay claims filed pursuant to the coverage. An account or fund may hold several investments covered by one insurer, which would increase the exposure to the claims-paying ability of that insurer. In addition, insurance does not guarantee the market value of the insured obligation.

**Natural resources risk.** The natural resources industry can be significantly affected by events relating to international political and economic developments, energy conservation, the success of exploration projects, commodity prices, and taxes and other governmental regulations.

**Non-diversified risk.** Certain funds are not "diversified" within the meaning of the Investment Company Act of 1940. This means they can invest in the securities of a relatively small number of issuers, which results in greater



Highly Confidential

susceptibility to associated risks. As a result, credit, market and other risks associated with a fund's investment strategies or techniques can be more pronounced for these funds than for funds that are "diversified."

**Prepayment risk.** Prepayment risk occurs when the issuer of a security can repay principal prior to the security's maturity. Securities subject to prepayment risk can offer less potential for gains when the credit quality of the issuer improves.

**Real estate securities risk.** Investing in securities of companies in the real estate industry subjects an account or fund to the risks associated with the direct ownership of real estate. Real Estate Investment Trusts ("REITs") involve additional risk factors including poor performance by a REIT's manager, changes to the tax laws, and failure by the REIT to qualify for tax-free distribution of income or exemption under the Investment Company Act of 1940.

**Sector investing risk.** Where an account or fund focuses on a single sector of the economy, its performance depends in large part on the performance of that sector. As a result, the value of investments could fluctuate more widely than it would in an account or fund that is diversified across sectors.

**Short sales risk.** Short sales involve costs and risk. A borrower of securities must pay the lender interest on the security it borrows, and the borrower will lose money if the price of the security increases between the time of the short sale and the date when the borrower replaces the borrowed security.

**Small company risk.** Stocks of smaller companies can be more volatile and less liquid than stocks of larger companies.

**Special risks related to preferred securities.** Generally, preferred security holders have no voting rights with respect to the issuing company unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred security holders have the right to elect a number of directors to the issuer's board. Generally, once all the arrearages have been paid, the preferred security holders no longer have voting rights. In certain varying circumstances, an issuer of preferred securities redeems the securities prior to a specified date. For instance, for certain types of preferred securities, a redemption could be triggered by a change in federal income tax or securities laws. As with call provisions, a redemption by the issuer negatively impacts the return of the security held. Preferred securities can include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. Preferred securities are subordinated to bonds and other debt instruments in a company's capital structure in terms of priority to corporate income and liquidation payments and therefore will be subject to greater credit risk than more senior debt instruments. Preferred securities are typically substantially less liquid than many other securities, such as common stocks or U.S. government securities.

**State/region risk.** Investing heavily in any one state or region increases exposure to losses in securities of that



Highly Confidential

state's or region's issuers.

**State-specific risk.** Where an account or fund invests mainly in bonds from a single state, its performance is affected by local, state and regional factors. These factors include economic or political changes, tax base erosion, state constitutional limits on tax increases, budget deficits and other financial difficulties, and changes in the credit ratings assigned to the state's municipal issuers.

**Sustainability risk.** A sustainability risk refers to any sustainability factor-related event or issue that, if it occurs, could or will have a material negative impact on the value of investments we make for our clients

**Target allocation risk.** From time to time, one or more of the underlying funds of target allocation accounts experience relatively large redemptions or investments due to reallocations or rebalancing of the assets of a portfolio, which could affect the performance of the underlying funds and, therefore, the performance of a fund.

**Target Liability risk.** The return on its investments in one or a combination of the Liability Driven Investment strategies may not perfectly match the return of an investor's (such as a pension plan's) overall liabilities due to reasons that may include, but not be limited to: – the Liability Driven Investment strategies' benchmarks are based on a number of assumptions which are not necessarily identical to an investor's circumstances



Highly Confidential

# APPENDIX B

**Fee Schedule for Manulife IM (US) Strategies Sold to Individuals through Managed Account Programs***

- Fundamental Large Cap Core
- Fundamental Large Cap Value
- Fundamental All Cap Core
- Global Equity ADR
- US Small Cap Core
- US Small Cap Value
- Core Fixed Income
- Core Plus Fixed Income

| [redacted] |
| --- |
| 50 bps |
| |
| [redacted] |
| 50 bps |
| |

**Fees are negotiable and vary based on the Managed Account Program for which a client participates.*



Highly Confidential