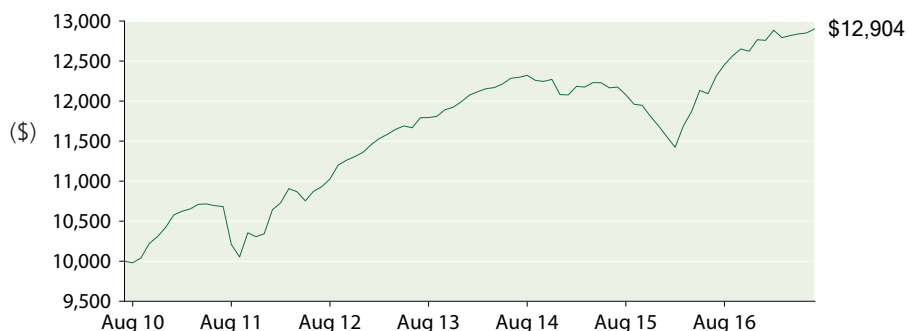


The Fund seeks to mitigate the effects of rising interest rates by investing primarily in floating rate loans, which can potentially perform well in a rising rate environment.

PERFORMANCE

Growth of \$10,000 since inception*



Annual compound returns (%)

	1 mo.	3 mo.	6 mo.	YTD	1 yr.	3 yr.	5 yr.	10 yr.	Since inception
Fund	0.41	0.66	1.14	1.08	4.80	1.62	3.37	–	3.73

Calendar year returns for the Fund (%)

2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
9.23	-3.26	0.72	5.59	9.82	-0.75	–	–	–	–

FUND DETAILS

Inception date: August 19, 2010

AUM: \$219.3 million

Lead manager: Dennis McCafferty

Co-manager: John Addeo

Sub-advisor: Manulife Asset Management (US) LLC

CIFSC category: Floating Rate Loan

Distribution frequency: Monthly

Distribution yield: 3.55%*

Positions: 138

Risk profile: Low to Medium

NAV: \$9.69

MER (audited): 1.73%^o

Management fee: 1.38%

Min. investment: \$500 initial; \$25 PAC

Fund codes (MMF)

Series	FE	LL	DSC	Other
Advisor	4573	4773	4473	–
T	1509	1309	1209	–
F	–	–	–	4673
FT	–	–	–	1009

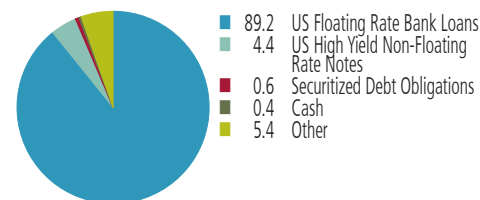
Also available in Dollar-cost averaging fund code.

HOW THE FUND IS INVESTED

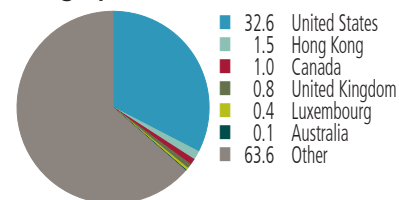
As at June 30, 2017

Top holdings	%
SRCHOV FRN 31-Oct-2019	2.0
CORBION NV FRN 03-Jul-2020	1.5
DONCASTER GROUP LTD 09-Apr-2020	1.5
BAKERCORP INTERNATIONAL INC 0.000% 07-Feb-2020	1.4
TERM B	1.4
Otter Products LLC FRN 03-Jun-2020	1.4
KINDRED HEALTHCARE INC FRN 09-Apr-2021	1.4
Grifols Worldwide Operations USA Inc FRN 23-Jan-2025	1.4
Micron Technology Inc FRN 26-Apr-2022	1.3
UTGR INC 0.000% 10-Jul-2020	1.3
Total	14.6

Credit allocation (%)



Geographic allocation (%)

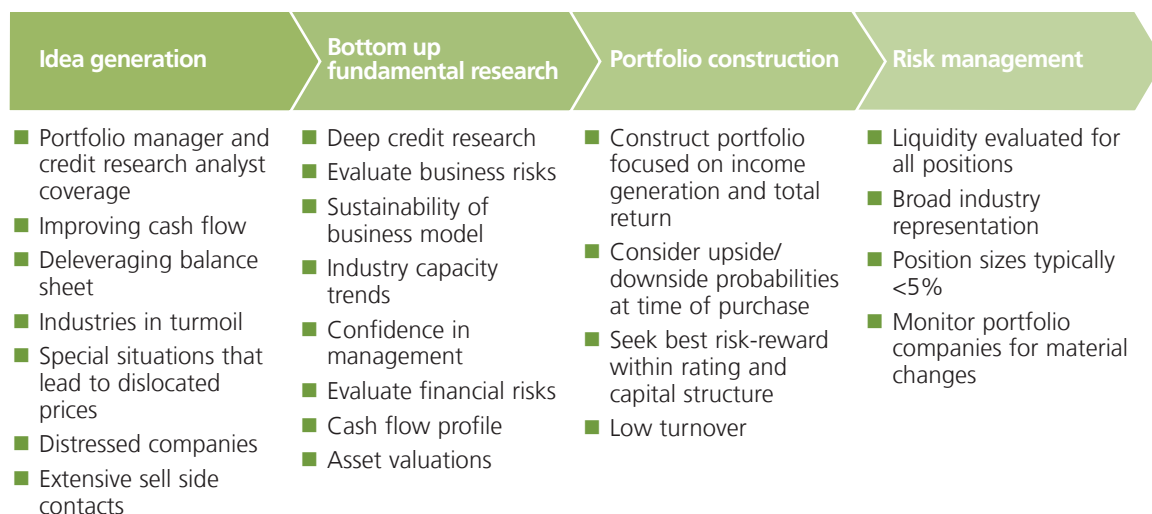


Source for all data: Lipper, a Thomson Reuters company, as at July 31, 2017. *For illustration purposes only. ^oDistribution yield is calculated based on prior 12-month rolling average of paid distributions and using average month-end net asset value, per security. The distribution yield does not include any year-end capital gains distributions paid in addition to the regular monthly distributions. Distribution yield should not be confused with a fund's performance or rate of return. ^oAs of December 30, 2016 (includes HST).

INVESTMENT PHILOSOPHY

The portfolio management team seeks to deliver competitive total returns by using a value approach to identify out-of-favour, undervalued companies with an attractive long-term outlook. By investing in companies where a catalyst for unlocking value and restoring confidence can be identified, with an emphasis on downside risk protection.

INVESTMENT PROCESS



FOR MORE INFORMATION, PLEASE CONTACT YOUR ADVISOR OR VISIT MANULIFEMUTUALFUNDS.CA



Manulife Funds are managed by Manulife Investments, a division of Manulife Asset Management Limited. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund facts as well as the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The rate of return shown is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values or returns on investment. The payment of distributions is not guaranteed and may fluctuate. If distributions paid by the fund are greater than the performance of the fund, then your original investment will shrink. Distributions should not be confused with a fund's performance, rate of return, or yield. You may also receive return of capital distributions from a fund. Please consult with your tax advisor regarding the tax implications of receiving distributions. See the prospectus for more information on a fund's distributions policy. Manulife, Manulife Investments, the Block Design, the Four Cube Design and Strong Reliable Trustworthy Forward-thinking are trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates under licence.