

# Manulife Fundamental Income Fund<sup>1</sup>

Advisor Series • Performance as at March 31, 2024 • Holdings as at February 29, 2024

## Overview

### Overall Morningstar Rating<sup>2</sup>



### Key Facts

**Management Team:** Fundamental Equity Team

**Inception date:** July 3, 2002

**AUM<sup>3</sup>:** \$1.26B

**CIFSC category:** Canadian Neutral Balanced

**Investment style:** Blend

**Distribution frequency<sup>4</sup>:** Monthly

**Distribution yield<sup>5</sup>:** 7.38%

**Positions:** 358

**Management fee:** 1.90%

**MER:** 2.34% (as at 2022-12-31, includes HST)

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

**Fund Status:** Open

**Risk:** Low to Medium









### Fixed Income Characteristics

Average Credit Quality <sup>6</sup>	A/A-	P/E Ratio	20.86
Current Yield	4.73%	P/B Ratio	2.86
Maturity (Years)	11.13	P/CF Ratio	13.86
Effective Duration	7.20	ROE	20.48%
Modified Duration	7.33	Average Market Cap	\$68.37B
Yield to Maturity	5.30%	Dividend Yield	2.33%
Yield to Worst	5.11%		

### Equity Characteristics

P/E Ratio	20.86
P/B Ratio	2.86
P/CF Ratio	13.86
ROE	20.48%
Average Market Cap	\$68.37B
Dividend Yield	2.33%

### Equity Style Box<sup>7</sup>

Large		
Medium		
Small		
	Value	Blend

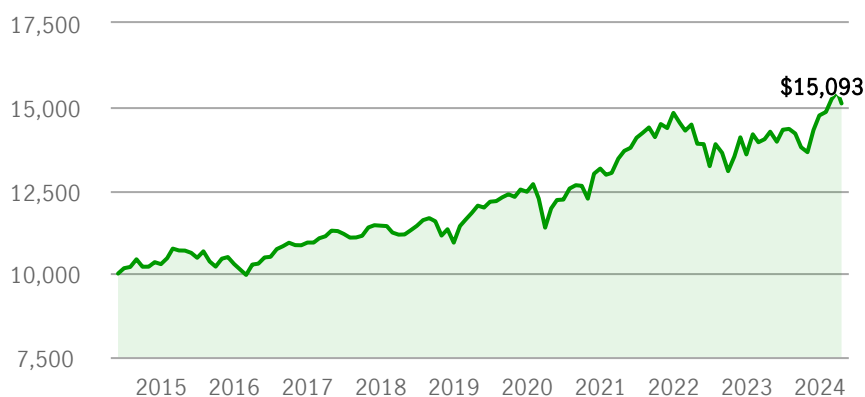
The fund's portfolio is biased toward large-cap blend stocks.

## Why invest?

- Managed by the Fundamental Equity Team
- Aims to deliver a combination of attractive tax efficient monthly income, capital preservation and growth through exposure to the Canadian equity and fixed income space.
- The fund is built based on bottom up company fundamentals favoring companies exhibiting sustainable business models, predictable cash flows and growing dividends that can be returned to investors.

## Performance

### Growth of \$10,000 since inception<sup>8</sup>



### Calendar Returns (%)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
8.33	0.04	6.25	4.62	-4.44	13.94	5.59	12.68	-8.40	8.60

### Compound Returns (%)

1 Mth	3 Mth	6 Mth	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Inception
1.41	4.83	12.07	4.83	10.14	4.74	5.50	4.66	—	—	5.56

Risk Measures (5 yr.)	Standard Deviation (%)	Sortino Ratio	Sharpe Ratio	Alpha	Beta	R-Squared (%)
Fund	9.15	0.93	0.23	0.53	0.94	90.01
Benchmark <sup>9</sup>	9.69	0.81	0.19	—	—	—

## Fund Codes (MMF)

Series	FE	LL2	LL3	DSC	NL
Advisor	3547	3071	3747	3447	—
Advisor - DCA	23547	23071	23747	23447	—
F	—	—	—	—	3647
F - DCA	—	—	—	—	23647
FT6	—	—	—	—	3947
T6	3548	3171	3748	3448	—

DSC/LL2/LL3 load options are available for switches only and are not available for new purchases.

## Management

### Portfolio advisor:

Fundamental Equity Team



Steve Belisle



Roshan  
Thiru

## Top 10 Holdings (%) <sup>11</sup>

1. Toronto-Dominion Bank Com New	2.70
2. Canadian Pacific Kansas City Limited Com	2.68
3. Constellation Software Inc. Com	2.28
4. TMX Group Limited Com	2.21
5. Microsoft Corp. Com	2.05
6. Intact Financial Corporation Com	1.94
7. CCL Industries Inc. Cl B	1.77
8. Brown & Brown Inc. Com	1.75
9. Canadian National Railway Company Com	1.74
10. Elevance Health Inc. Com	1.53

## Annual Distributions <sup>4</sup>

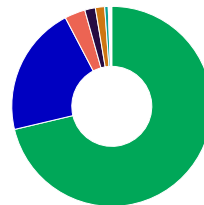
	Income	Dividends	Capital Gains	Return of Capital	Total
2023	\$0.07	\$0.07	\$0.03	\$0.52	\$0.72
2022	\$0.04	\$0.10	\$0.23	\$0.46	\$0.90
2021	\$0.07	\$0.11	\$0.68	\$0.49	\$1.35
2020	\$0.12	\$0.11	\$0.29	\$0.45	\$0.96
2019	\$0.10	\$0.10	\$0.35	\$0.47	\$1.01
2017	\$0.02	\$0.14	\$0.32	\$0.51	\$0.99
2016	—	\$0.06	\$0.31	\$0.60	\$0.97

## Management Fee Reduction Rates <sup>10</sup>

Account/Household Value Tiers	All Qualifying Investments
\$250K+ to \$499K	2.50 basis points
\$500K+ to \$999K	5.00 basis points
\$1M+ to \$4.9M	7.50 basis points
\$5M+ to \$9.9M	10.00 basis points
\$10M+	12.50 basis points

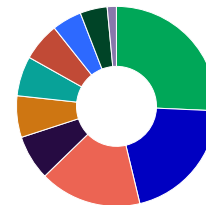
## Portfolio Allocation

### Geographic Allocation (%)



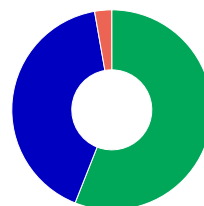
71.30	Canada
21.02	United States
3.33	United Kingdom
1.71	Ireland
1.50	France
0.58	Germany
0.16	Japan
0.14	Luxembourg
0.12	Mexico
0.14	Other

### Sector Allocation (Equities) (%)



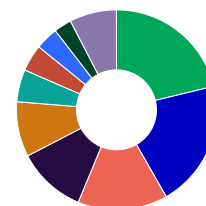
25.72	Financials
20.53	Industrials
16.48	Information Technology
7.26	Health Care
6.72	Consumer Discretionary
6.43	Consumer Staples
6.19	Communication Services
4.79	Energy
4.40	Materials
1.48	Other

### Asset Allocation (%)



55.99	Equities
41.25	Fixed Income
2.76	Cash and Equivalents

### Fixed Income Allocation (%)



21.22	Floating Rate Bank Loans
20.51	Canadian Provincial Bonds
14.53	Canadian Investment Grade Bonds
11.14	Canadian Government Bonds
8.91	Canadian Corporate Bonds
5.22	U.S. Investment Grade Bonds
4.33	U.S. High Yield Bonds
3.68	Canadian Municipal Bonds
2.85	Canadian High Yield Bonds
7.61	Other

## For more information please contact your advisor or visit [manulifeim.ca](https://manulifeim.ca)

1. On May 25, 2018, the Manulife Canadian Opportunities Balanced Fund merged into the Manulife Fundamental Income Fund.
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3. All classes/series combined. Assets as at March 28, 2024.
4. 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 fund facts as well as the prospectus for more information on a fund's distributions policy.
5. Distribution 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 excludes any year-end capital gains distributions paid. Distribution yield should not be confused with a fund's performance or rate of return.
6. The average credit quality (ACQ) rating may change over time. The portfolio itself has not been rated by an independent rating agency. The fund's underlying investments (except for unrated assets) are rated by designated rating organizations. The ratings generally range from AAA (highest) to D (lowest). Unrated bonds, cash and equivalents are not assigned ratings, and are not included in the ACQ. ACQ does not necessarily reflect the credit and default risks of individual holdings and its potential impact on an overall portfolio. The risk of default increases as a bond's rating decreases, so the ACQ provided is not a statistical measurement of the portfolio's default risk because a simple, weighted average does not measure the increasing level of risk from lower-rated bonds. The ACQ may be lower if cash and equivalents are excluded from the calculation. The ACQ is provided for informational purposes only. Derivative positions are not reflected in the ACQ.
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8. The "Growth of \$10,000 invested" chart shows the final value of a hypothetical \$10,000 investment in securities in this class/series of the fund without any withdrawal as at the end of the investment period indicated. This compound growth chart is for illustrative purposes only and is not intended to reflect future values or returns on investment in such securities.
9. The benchmark for this fund is comprised of the 50% S&P/TSX Composite Total Return Index (the "S&P/TSX Index") and 50% FTSE Canada Universe Bond Total Return Index (the "FTSE Index")
10. Investors with a minimum investment in Manulife mutual funds, Manulife Private Mutual Funds and Manulife Private Investment Pools ("Qualifying Investments") of \$250,000, either in a single account or in the aggregate based on the total assets of a financial group, are entitled to receive a reduction in the management fees that apply to their Funds. Such reductions are paid in the form of a distribution to investors (first out of net income and net realized capital gains of the Fund and, thereafter, as a return of capital) and in the form of a rebate to Manulife Corporate Class investors. In both cases, the reductions are automatically reinvested in additional securities of the relevant series. The amount of the distribution or rebate, as applicable, is based on the aggregate amount invested in the Qualifying Investments and begins on the first dollar invested. A financial group includes all accounts belonging to a single investor, their spouse, their respective family members residing at the same address and corporate accounts for which the investor and other members of the financial group beneficially own more than 50% of the corporation's voting equity. Rates that are listed do not include applicable (HST). A basis point (BPS) is a unit that is equal to 1/100th of 1 per cent.
11. Holdings are subject to change. They are not recommendations to buy or sell any security.

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Source for all Data: Data Front, as at March 28, 2024.