

Simplify Your Practice

Manulife Smart Defensive Equity ETF

Know Your Product

Simplify your practice: Manulife Investment Management Know your product (KYP) Checklist

At Manulife Investment Management, we support advisors by helping to simplify your practice and streamline your client portfolios. To ensure you are on track with 'Know your Product', we've created this simple checklist to make it easy for you to comply with the KYP rules.

The following factors are all important to consider when choosing a product for your clients, specifically a mutual fund or an ETF. This checklist will help you to simplify your practice and to ensure you align yourself with the KYP rules.

Carefully consider the following risk factors:

- Volatility metrics: Standard deviation vs. benchmark and category.
- Upside/downside capture rates.
- Confirming risk versus category.

Fund performance:

- Does the fund's historical return match your client's performance objectives.
- How does the underlying performance compare vs. the category average and other comparable funds.

Fund company best practice:

- Provide a brief summary of the reputation/track record/history of the fund company.

General features:

- Understand the underlying investments and structure.

Fee awareness:

- The product selected does not have to be the lowest cost, as long as the fees charged can be justified with all 'Know Your Product' factors.

Alternatives including Liquid Alternatives:

- Knowing and understanding the risks associated such as the use of leverage/derivatives and short selling.



Please be sure to consult your dealer for its specific policies on KYP.

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Manulife Smart Defensive Equity ETF

ETF • Holdings as at July 13, 2022

Overview

Key Facts

Inception date: November 10, 2021

AUM: \$1.17M

Units Outstanding: 125000

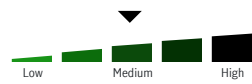
Positions: 77

Management fee: 0.25%

Risk: Moderate

Ticker: CDEF

NAV per unit \$9.33 as at August 12, 2022



Why invest?

- CDEF focusses on investing in companies that demonstrate higher quality and low beta characteristics compared to the broad market index. This combination can reduce equity market sensitivities while providing total return potential by capturing equity market growth.
- In contrast to passively managed ETFs, our managers review fundamental data and quantitative model outputs on a regular basis. Based on this information they can re-allocate assets to higher quality and lower beta stocks to improve outcomes. Paired with a systematic investment process, the fund delivers active management at an attractive management fee level.
- Historically, investors tend to sell as markets fall and buy as markets rise which can hurt overall portfolio growth over time¹. Incorporating CDEF into a portfolio may reduce market sensitivity of an equity portfolio and help investors stay invested and in better position to achieve their goals.

Performance

Performance cannot be shown until one year after the Fund's inception.

Calendar Returns (%)

Performance cannot be shown until one year after the Fund's inception.

Compound Returns (%)

Performance cannot be shown until one year after the Fund's inception.

Management



Geoff Kelley



Ashikhusein
Shahpurwala



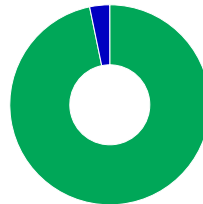
Boncana
Maiga

Top 10 Holdings (%) ¹

1. Thomson Reuters Corporation	2.92
2. Intact Financial Corporation	2.78
3. CGI Inc., Class "A"	2.72
4. Canadian Utilities Limited, Class "A"	2.70
5. METRO Inc.	2.69
6. Loblaw Companies Limited	2.66
7. Hydro One Limited	2.64
8. George Weston Limited	2.62
9. Fortis Inc.	2.58
10. Emera Inc.	2.57

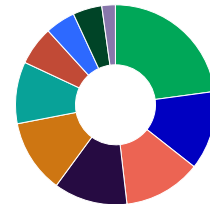
Portfolio Allocation

Geographic Allocation (%)



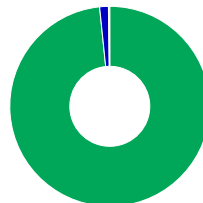
96.77	Canada
3.23	United States

Sector Allocation (Equities) (%)



22.86	Financials
12.75	Utilities
12.56	Industrials
11.91	Consumer staples
11.88	Communication services
10.00	Energy
6.29	Materials
4.85	Information technology
4.70	Real Estate
2.20	Other

Asset Allocation (%)



98.37	Equities
1.42	General cash
0.21	Currency

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

1. Holdings are subject to change. They are not recommendations to buy or sell any security.

Investing involves risks, including the potential loss of principal. There is no guarantee that a fund's investment strategy will be successful. Foreign investing has additional risks, such as currency and market volatility and political and social instability. Large company stocks could fall out of favor, and illiquid securities may be difficult to sell at a price approximating their value. Shares may trade at a premium or discount to their NAV in the secondary market, and a fund's holdings and returns may deviate from those of its index. These variations may be greater when markets are volatile or subject to unusual conditions. Errors in the construction or calculation of a fund's index may occur from time to time. Please see the fund's prospectus for additional risks.

Manulife ETF shares are bought and sold at market price (not NAV), and are not individually redeemed from the fund. Brokerage commissions will reduce returns.

Commissions, management fees and expenses all may be associated with exchange traded funds (ETFs). 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 unitholder that would have reduced returns. Investment objectives, risks, fees, expenses and other important information are contained in the ETF facts as well as the prospectus, please read before investing. ETFs are not guaranteed, their values change frequently and past performance may not be repeated.

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.

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 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.

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Source for all Data: Data Front, as at .

ETF Facts — CDEF

Manulife Investment Management Limited

Manulife Smart Defensive Equity ETF

This document contains key information you should know about Manulife Smart Defensive Equity ETF. You can find more details about this exchange-traded fund (ETF) in its prospectus. Ask your representative for a copy, contact Manulife Investment Management Limited at 1-888-588-7999 or manulifemutualfunds@manulife.com or visit www.manulifeim.com/retail/ca/en/regulatory/etf-facts.

Before you invest, consider how the ETF would work with your other investments and your tolerance for risk.

Quick Facts

Date ETF started: October 25, 2021

Total value on August 31, 2021 *: n/a

Management expense ratio (MER) *: n/a

Fund manager: Manulife Investment Management Limited

Portfolio manager: Manulife Investment Management Limited

Sub-advisor: Manulife Investment Management (US) LLC

Distributions: semi-annual, if any

* This information is not available because the ETF is new.

Trading Information (12 months ending August 31, 2021)

Ticker symbol: CDEF

Average daily volume *: n/a

Exchange: TSX

Number of days traded *: n/a

Currency: Canadian dollars

* This information is not available because the ETF is new.

Pricing Information (12 months ending August 31, 2021)

Market price *: n/a

Net asset value (NAV) *: n/a

Average bid-ask spread *: n/a

For more updated Quick Facts, Trading Information and Pricing Information, visit <https://www.manulifeim.com/retail/ca/en/regulatory/etf-facts>.

What does the ETF invest in?

The ETF seeks to achieve long-term capital appreciation by investing primarily in a diversified portfolio of Canadian securities while also seeking to reduce overall market sensitivity.

The charts below give you a snapshot of the ETF's investments on August 31, 2021. The ETF's investments will change.

Top 10 investments (August 31, 2021)

This information is not available because this ETF is new.

Investment mix (%) (August 31, 2021)

This information is not available because this ETF is new.

How risky is it?

The value of the ETF can go down as well as up. You could lose money. One way to gauge risk is to look at how much an ETF's returns change over time. This is called "volatility". In general, ETFs with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. ETFs with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

No guarantees

ETFs do not have any guarantees. You may not get back the amount of money you invest.

How has the ETF performed?

This section tells you how units of the ETF have performed, with returns calculated using the ETF's net asset value (NAV). However, this information is not available because the ETF is new.

Risk rating

Manulife Investment Management has rated the volatility of this ETF as **Medium**.

Because this is a new ETF, the risk rating is only an estimate by Manulife Investment Management. Generally, the rating is based on how much the ETF's returns have changed from year to year. It doesn't tell you how volatile the ETF will be in the future. The rating can change over time. An ETF with a low risk rating can still lose money.



For more information about the risk rating and specific risks that can affect the ETF's returns, see the "Risk Factors" section of the ETF's prospectus.

Year-by-year returns

This section tells you how units of the ETF have performed in past calendar years. However, this information is not available because the ETF is new.

Best and worst 3-month returns

This section shows the best and worst returns for units of the ETF in a 3-month period. However, this information is not available because the ETF is new.

Average returns

This section shows the value and annual compounded rate of return of a hypothetical \$1,000 investment in units of the ETF. However, this information is not available because the ETF is new.

Trading ETFs

ETFs hold a basket of investments, like mutual funds, but trade on exchanges like stocks. Here are a few things to keep in mind when trading ETFs:

Pricing

ETFs have two sets of prices: market price and net asset value (NAV).

Market price

ETFs are bought and sold on exchanges at the market price. The market price can change throughout the trading day. Factors like supply, demand, and changes in the value of an ETF's investments can affect the market price.

You can get price quotes any time during the trading day. Quotes have two parts: **bid** and **ask**.

The bid is the highest price a buyer is willing to pay if you want to sell your ETF units. The ask is the lowest price a seller is willing to accept if you want to buy ETF units. The difference between the two is called the **bid-ask spread**.

In general, a smaller bid-ask spread means the ETF is more liquid. That means you are more likely to get the price you expect.

Net asset value (NAV)

Like mutual funds, ETFs have a NAV. It is calculated after the close of each trading day and reflects the value of an ETF's investments at that point in time.

NAV is used to calculate financial information for reporting purposes—like the returns shown in this document.

Orders

There are two main options for placing trades: market orders and limit orders. A market order lets you buy or sell units at the current market price. A limit order lets you set the price at which you are willing to buy or sell units.

Timing

In general, market prices of ETFs can be more volatile around the start and end of the trading day. Consider using a limit order or placing a trade at another time during the trading day.

Who is this ETF for?

Investors who:

- are investing for the medium to long term
- want to invest primarily in a diversified portfolio of Canadian securities while also seeking to reduce overall market sensitivity
- are comfortable with medium investment risk (i.e. are willing and able to accept fluctuations in the market value of their investment)

A word about tax

In general, you'll have to pay income tax on any money you make on an ETF. How much you pay depends on the tax laws where you live and whether or not you hold the ETF in a registered plan, such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your ETF in a non-registered account, distributions from the ETF are included in your taxable income, whether you get them in cash or have them reinvested.

How much does it cost?

This section shows the fees and expenses you could pay to buy, own and sell units of the ETF. Fees and expenses – including trailing commissions – can vary among ETFs. Higher commissions can influence representatives to recommend one investment over another. Ask about other ETFs and investments that may be suitable for you at a lower cost.

1. Brokerage commissions

You may have to pay a commission to your brokerage firm every time you buy and sell units of the ETF. Commissions may vary by brokerage firm. Some brokerage firms may offer commission-free ETFs or require a minimum purchase amount.

2. ETF expenses

You don't pay these expenses directly. They affect you because they reduce the ETF's returns. The ETF's expenses are made up of the management fee, certain operating expenses and trading costs. The ETF's annual management fee is 0.25% of the ETF's value. As this ETF is new, operating expenses and trading costs are not yet available.

Trailing commission

The trailing commission is an ongoing commission. It is paid for as long as you own the ETF. It is for the services and advice that your representative and their firm provide to you.

This ETF doesn't have a trailing commission.

3. Other fees

Fee	What you pay
Administrative Fee	An amount as may be agreed to between the Manager and the Designated Broker or a Dealer of the ETF may be charged by Manulife Investment Management, on behalf of the ETF, to offset certain transaction costs associated with an issue, exchange or redemption of the units. This charge does not apply to unitholders who buy and sell their units through the facilities of the TSX.

What if I change my mind?

Under securities law in some provinces and territories, you have the right to cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the prospectus, ETF Facts or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

For more information

Contact Manulife Investment Management or your representative for a copy of the ETF's prospectus and other disclosure documents. These documents and the ETF Facts make up the ETF's legal documents.

Manulife Investment Management Limited

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<https://www.manulifeim.com/retail/ca/en/regulatory/etf-facts>