Global markets turned to a risk-off mode in March 2026 as rising geopolitical tensions in the Middle East eclipsed earlier optimism about growth and policy support. Equity and fixed-income markets declined as energy price shocks and uncertainty weighed on investor confidence. However, the diversified portfolio construction and income-generation focus supported the Manulife Global Fund – Global Multi-Asset Diversified Income Fund ("GMADI" or "the Fund") in delivering relatively resilient performance (-4%)[1].

Global Multi-Asset Diversified Income Fund (GMADI) update amid recent Middle East developments

In March 2026, we implemented several changes to the Fund's three investment pillars.

Fixed Income Allocation

By design, and in view of the latest US interest rate and inflation expectations, the Fund holds no long-dated US Treasuries. In March, the team added exposure to US high-yield BB-rated* and B-rated* bonds, as well as convertible preferreds, to position for a potential rebound. The most impacted segments within fixed income, such as CCC rated* high-yield bonds and retail preferreds, remain underweight in the portfolio.

Equities Allocation

Within the equity component, we modestly increased the Fund's exposure ahead of the US–Iran ceasefire, focusing on a shift towards growth and artificial intelligence (AI)-related equities, including names in the technology and communication services sectors. The Fund has been underweight technology for some time, and the recent sell-down has offered better entry points and valuations. The Fund is now positioned less underweight in technology and IT names vs the reference MSCI World benchmark. Adding further growth/ technology names also adds more equity beta into the Fund's profile. At the same time, the team trimmed overweight positions in the consumer discretionary sector (due to weaker profitability metrics) and healthcare. Within the healthcare sector, the team rotated away from medical-device and managed-care-related names toward biotech and pharmaceutical leaders. The Fund is less overweight in healthcare than previously. In addition, the team has moved more underweight in financials given private credit risks and the potential to transmit to the broader sector Geographically, we increased the Fund's non-US equity exposure to around 30%, to add further diversification beyond what is a dominant US-focused portfolio – the latter has been beneficial to the Fund given US outperformance over the rest of Developed Markets (DM) and Emerging Markets (EM).

Options Strategy Allocation

With respect to option writing, the Fund has kept the wider strike levels to preserve equity upside participation and may reduce call writing and add long calls to capture rebound potential. The recent wider strikes were implemented to add more equity beta into the portfolio, given the view of a near-term recovery. In practice, like-for-like, the trade-off would have been a reduction in option premium capture for the Fund; however, given that broad volatility increased throughout March, premiums remain

[1] Manulife Investment Management, As of 31 March 2026. Past performance is not indicative of future performance.

* You are advised not to solely rely upon the ratings or rankings disclosed herein in making an investment decision. The ratings or rankings disclosed herein are current; the same may change in the future.

resilient. Overall yields, including option premiums, are higher now than prior to the Middle East conflict.

Going forward, GMADI's portfolio construction remains income-focused, with a global mix of:

(1) global, credit heavy, high-income fixed-income securities with a strong emphasis on spread income, limited rate sensitivity with broad exposure to corporate, financial, EM sovereign and hybrid capital with a significant use of subordinated, perpetual, hybrid and high yield structures – an "Income First" seeking Fixed Income securities, offering consistent and sustainable high single-digit payouts to clients.

(2) high-quality large-cap DM equities with a strong US and Europe core allocation, with select Asia exposure and an emphasis on technology, financials, healthcare, industrials and consumer brands – a blend of growth, quality and defensive characteristics.

(3) dedicated collateral pools of equities and cash to support the harvesting of volatility via a persistent, highly liquid, index-level, covered-call and collateralised put strategy seeking option premium – accepting measured downside risk in exchange for consistent income.

Regardless of near-term market performance or fluctuations in the monetary policy cycle, the Fund seeks to deliver a high and consistent distribution income while maintaining exposure to long-term capital growth opportunities.

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