

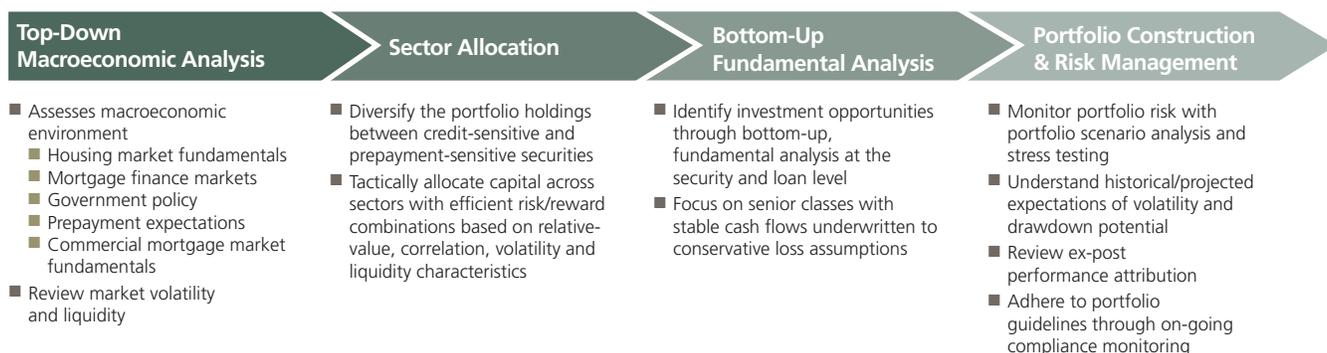
Absolute Return Mortgage Strategy

Investment Philosophy¹

As an active manager seeking risk-efficient excess returns, we like markets that are large, complex and segmented. We believe securitized assets offer interesting sourcing opportunities due to information barriers and limited competition. As a value investor, we seek securities trading below their intrinsic value as a result of market dislocations, supply-demand imbalances, public policy effects, mortgage underwriting practices and issue-specific anomalies.

Strategy Inception:	November 2010
Target Return*:	10%–14%
Expected Volatility:	<10%
Duration:	0.0 +/- 3.0 years

Investment Process²



Composite Performance³

Returns as of March 31, 2015



Return and Volatility Data (%)

	Full Year 2014	Since Inception	Std. Deviation	Worst Return One Month
Absolute Return Mortgage Composite — Net	8.84	9.63	3.19	-2.57
Barclays High Yield Bond Index	2.45	7.58	5.96	-4.00
S&P 500 Index	13.69	15.93	11.45	-7.03
BofA ML LIBOR 3-M Constant Maturity	0.23	0.32	0.04	0.01

Performance shown is the Declaration Management & Research, LLC Absolute Return Mortgage composite as of March 31, 2015. Performance is net of all fees, including any performance fees. The portfolio management team for the Absolute Return Mortgage Strategy are dual employees of Manulife Asset Management (US) LLC and Declaration Management & Research LLC as of April 1, 2012. Past performance is not indicative of future results. Composite inception date, November 1, 2010.

*Target Return is not Guaranteed
Please see the disclosure on page 2 for further detail on the indices.

Strategy Highlights

Experienced Investment Team

- A well-resourced team that has been managing securitized assets since 1989 for institutional investors
- Securitized assets specialist with research capabilities, loan level analysis and trading experience over multiple market cycles

Benefits of Securitized Assets

- The goal of the strategy is to deliver high risk efficient returns which are not closely correlated to high yield bonds, loans or equities

In-depth Loan Level Analysis

- Combines fundamental research with quantitative loan-level loss projections on a wide range of collateral types
- Security selection involves a review of vintage, servicer analysis, issue structure and pricing

Portfolio Managers	Years of Experience
Peter Farley, CFA	20
Bond Griffin, CFA	12
Jeffrey Given, CFA	22

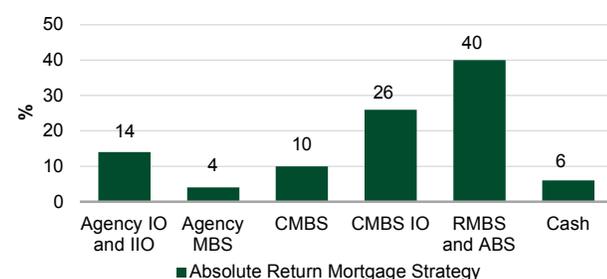
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Portfolio Summary⁴

	Absolute Return Mortgage Strategy
Holdings	135
Leverage (x)	1.79
Cash Yield (%)	7.35
Loss Adjusted Yield (%)	6.38
OAS (bps)	452
Duration (Years)	2.17
Spread Duration (Years)	2.98
Convexity	-2.75

Note: Cash Yield assumes constant OAS on each asset, price decay on IO securities and base case defaults over a one year investment horizon. Loss Adjusted Yield assumes base case defaults and pricing to the forward curve over the full maturity of each holding.

Sector Allocation⁴



Declaration Management & Research LLC ("Declaration") is an SEC registered investment adviser specializing in fixed income management. The firm is a Manulife Asset Management company, indirectly wholly owned by John Hancock Life Insurance Company (USA), a unit of Manulife Financial Corporation. Declaration manages core and alternative investment strategies for institutional investors, wealth management platforms and absolute return vehicles. Declaration claims compliance with the Global Investment Performance Standards (GIPS[®]) and has prepared and presented this report in compliance with the GIPS standards.

The Absolute Return Mortgage composite includes all portfolios primarily invested in Agency MBS, non-Agency MBS and CMBS securities with a return target in the mid to high teens with expected annual volatility (drawdown) of 15% - 20% or less. This strategy employs leverage.

The Barclays US High Yield Bond Index covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMV countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds are also included.

Barclays US High Yield Loans provides broad and comprehensive total return metrics of the universe of syndicated term loans. To be included in the index, a bank loan must be dollar denominated, have at least \$150 million funded loan, a minimum term of one year, and a minimum initial spread of LIBOR+125.

The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. The S&P 500 Index is one of the most widely used benchmarks in US equity performance. It is not possible to invest directly in an index.

The BoA ML 3 Month Constant maturity index is based on the assumed purchase of a synthetic instrument having 3 months to maturity and with a coupon equal to the closing quote for 3-Month LIBOR. That issue is sold the following day (priced at a yield equal to the current day closing 3-Month LIBOR rate) and is rolled into a new 3-Month instrument. The index, therefore, will always have a constant maturity equal to exactly 3 months.

It is not possible to invest directly in an index.

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Correlation Summary⁴

	Absolute Return	Barclays HY Bond	Barclays HY Loan	S&P 500
Absolute Return	1.00			
Barclays HY Bond	0.37	1.00		
Barclays HY Loan	0.34	0.79	1.00	
S&P 500	0.11	0.77	0.67	1.00

Since Inception

Sector Allocation Over Time (%)⁴

	Dec 2010	Dec 2011	Dec 2012	Dec 2013	Dec 2014	Mar 2015
Agency MBS, IO and IIO	64	46	31	21	16	18
RMBS and CMBS	8	49	72	72	77	76
Cash and Other	28	5	-3	7	7	6

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² Portfolio managers may use some or all of the techniques described herein. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

³ Performance is net of fees, including any performance fees. Net performance results reflect the application of the highest incremental rate of the standard investment advisory fee schedule to gross performance results. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. Advisory fees are available upon request and may be found in Part 2A of the Firm's Form ADV. The standard investment advisory fee schedule is 1.00%, plus a performance fee of 20% on returns over the hurdle rate.

⁴ Portfolio characteristics — Holdings, sector weightings, market capitalization and portfolio characteristics are subject to change at any time and are based on a representative portfolio. Holdings, sector weightings, market capitalization and portfolio characteristics of individual client portfolios in the program may differ, sometimes significantly, from those shown. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities and sectors listed.

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