

Interim Management Report of Fund Performance

June 30, 2024

Manulife Smart Dividend ETF

This Interim Management Report of Fund Performance contains financial highlights but does not contain either annual or interim financial statements of the Fund. You can get a copy of the annual or interim financial statements at your request, and at no cost, by calling 1 888 588 7999, by writing to us at Manulife Investment Management Limited, 200 Bloor Street East, North Tower, Toronto, Ontario M4W 1E5 or by visiting our website at manulifeim.ca or SEDAR+ at sedarplus.ca. Copies of the Annual Management Report of Fund Performance may also be obtained, at no cost, using any of the methods outlined above. You may also contact us using one of the above methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

A Note about Forward Looking Statements

This Management Report of Fund Performance includes certain statements that are “forward looking statements”. All statements, other than statements of historical fact, included in this Management Report of Fund Performance that address activities, events or developments that the portfolio advisor or sub-advisor, as applicable, expects or anticipates will or may occur in the future, including such things as anticipated financial performance, are forward looking statements. The words “may”, “could”, “would”, “should”, “believe”, “plan”, “anticipate”, “expect”, “intend”, “forecast”, “objective” and similar expressions are intended to identify forward looking statements. These forward looking statements are subject to various risks and uncertainties, including the risks described in the Prospectus of the Fund, which could cause actual

financial performance and expectations to differ materially from the anticipated performance or other expectations expressed. Readers are cautioned not to place undue reliance on these forward looking statements. All opinions contained in forward looking statements are subject to change without notice and are provided in good faith but without legal responsibility. The portfolio advisor or sub-advisor, as applicable, has no specific intention of updating any forward looking statements whether as a result of new information, future events or otherwise, except as required by securities legislation. Certain research and information about specific holdings in the Fund, including any opinion, is based upon various sources believed to be reliable, but it cannot be guaranteed to be current, accurate or complete. It is for information only, and is subject to change without notice.

Management Discussion of Fund Performance

Manulife Investment Management Limited (“Manulife IM Limited” or the “Manager”) is the portfolio advisor (the “portfolio advisor”) for the Manulife Smart Dividend ETF (the “Fund”). Manulife IM Limited has retained the services of Manulife Investment Management (US) LLC to act as the portfolio sub-advisor (the “sub-advisor”) for the Fund.

The views of the portfolio advisor contained in this report are as of June 30, 2024 and this report is not intended to provide legal, accounting, tax or specific investment advice. Views, portfolio holdings, and allocations may have changed subsequent to this date. For current fund information, please call 1 888 588 7999, or visit manulifeim.ca.

Results of Operations

The Fund’s Common Units returned 4.0% for the six-month period ended June 30, 2024, versus a return of 6.1% for the benchmark, the S&P/TSX Composite Total Return Index (the “Benchmark”). The difference in performance of the Common Units relative to their respective benchmark is due to the Fund’s management fees and other miscellaneous factors.

Canadian stocks produced positive returns in the first half of 2024. Although economic growth came in above expectations, declining inflation allowed the Bank of Canada to start cutting interest rates. On June 5, the central bank lowered rates from 5.00% to 4.75% - the first reduction since it began the process of tightening policy in early 2022. With inflation hitting its lowest level in three years, the consensus view as of late June was that several more cuts were in store before year-end.

Energy stocks, which benefited from the general uptrend in crude oil prices, were key contributors to performance. Gold miners also performed well, while financials produced more modest gains. On the other hand, rail stocks lagged amid continued weakness in the North American transportation sector.

Canada, while producing a positive absolute return, failed to keep pace with its global developed-market peers. Canada’s major indexes are heavily tilted toward the value style and away from the types of faster-growing technology stocks that led the way in the period, weighing on relative performance.

The Fund underperformed the benchmark, the S&P/TSX Composite Index throughout the first half of 2024. Stock selection detracted the most from performance but was offset by asset allocation effect contributing positively.

The underperformance at the sector level was attributed in largest part to materials, with information technology and real estate detracting as well. Biggest individual name detractors were overweight positions relative to the benchmark in Open Text Corporation, Great-West Lifeco Inc., and Stelco Holdings, Inc.

The sectors that outperformed were energy, communication services, and financials. Biggest individual name contributors throughout the period were an underweight position relative to the benchmark in Toronto-Dominion Bank, not holding Shopify, Inc., and an overweight in Manulife Financial Corporation.

In recent weeks, various measures of economic activity have receded from their peak levels and are “normalizing” to pre-pandemic levels. In a vacuum, this is the “soft landing” narrative that has been consensus prediction from market experts for much of 2024. However, the term “normalizing” currently means that economic measures are trending lower, or weakening and given that economies tend to function off momentum, economic data could continue to trend lower without something stopping it. The most likely catalyst to stall the negative economic momentum is the U.S. Federal Reserve (“Fed”) lowering interest rates. There have already been interest rate cuts from the European Central Bank, the Bank of Canada, and the Swiss National Bank among others, while the first cuts from the Fed are still awaited. The challenge for the Fed remains that inflation in the U.S. continues to be stickier than the rest of the world and remains above their long-term target. However, as economic data like jobless claims, job openings, services activity, and manufacturing activity are all trending lower, the sub-advisor’s view is that the Fed will react to the downside risks and cut rates multiple times in 2024, and importantly will move towards their 3% target over the next 12 to 18 months. Overall, the sub-advisor remains positive in the near-term but are alert to potential hidden market weakness.

From an asset allocation perspective, while the sub-advisor continues to favor equities over fixed income, this view has shifted toward neutral relative to last quarter. Corporate earnings growth has remained resilient amid a higher interest-rate environment; however, some economic data has softened such as unemployment and GDP growth. Within equity, the United States remains the most resilient global market, underpinned by strong economic growth and corporate earnings. However, marginal improvements in earnings growth in other parts of the world combined with extended valuations within U.S. large-cap stocks have led the portfolio advisor to moderate the magnitude of this overweight. U.S. small caps and European equities are two areas of the market with valuation cushions that bear monitoring should rate cuts in the U.S. take place. Another key market to monitor is China, where the sub-advisor’s view on equities remains a neutral but that view is leaning more positive driven by attractive valuations and a stabilized economy.

On the bond side, positioning remains cautious. With credit spreads at near historically tight levels relative to government bonds there is limited further upside potential from spread tightening. At the same time, minimal spread widening could wipe out the yield advantage, particularly on the investment grade side. Emerging market bonds remain an attractive option given favorable fundamentals and wider spreads relative to U.S. high yield, while leveraged loans also offer favorable spreads, yield, and have already cleared the challenges of higher short-term rates. Finally, as the outlook for equity

markets remains uncertain, alternatives offer an attractive third asset allocation lever to help navigate challenging markets where appropriate.

This fund participates in ongoing reviews of ESG risk factors and incorporates ESG integration where applicable within the mandate.

The Fund's net assets decreased to \$487.4 million during the period from \$502.2 million at the end of December 2023. The decrease in assets during the period can be primarily attributed to net redemptions. The sub-advisor does not believe that redemptions had a material impact on the management of the Fund, since every effort is made to fund redemptions in a manner that optimizes the Fund's composition and positions it for the future.

Recent Developments

There are no anticipated changes to the strategy of the fund. The sub-advisor continues to be optimistic about the prospects of income-oriented products and international equities in the medium and long-term. While remaining optimistic in the long-run benefits of all the factors that this strategy tilts towards, any factor can underperform, particularly in the short-run.

Changes to Composition of Independent Review Committee Members

Mrs. Renée Piette was appointed to the Fund's Independent Review Committee ("IRC") as a member effective March 20, 2024. Effective April 30, 2024, Robert Robson's term of office as a member of the IRC expired. The change in composition of the IRC did not have any material impact on the Fund or its securityholders.

Related Party Transactions

Manager and Portfolio Advisor

Manulife IM Limited, an indirect wholly-owned subsidiary of The Manufacturers Life Insurance Company ("MLI"), is the Manager of the Fund. Manulife IM Limited performs the managerial functions and is responsible for the overall operations of the Fund and provides administrative services to the Fund including, but not limited to, reporting the net asset value of the Fund and its units, preparing all offering documents for the Fund, and providing all services relating to issuing and redeeming units of the Fund. From time to time, Manulife IM Limited may, on behalf of the Fund, enter into transactions or arrangements with or involving other members of the Manulife group of companies, or certain other persons or companies that are related or connected to the Fund.

The portfolio advisor is responsible for all investment advice provided to the Fund including providing investment analysis and recommendations, making investment decisions and arranging for the acquisition and disposition of portfolio investments including all necessary brokerage arrangements. Fees for providing these investment management services are included in the management fee. At its discretion, the portfolio

advisor has engaged the sub-advisor to perform certain portfolio management functions and a portion of the management fee has been paid to the sub-advisor.

The Fund paid approximately \$709,000 in management fees for the period. For more information about the calculation of management fees, please see the *Management Fees* section in this document.

Portfolio Sub-advisor

Manulife Investment Management (US) LLC, an indirect wholly-owned subsidiary of MLI, has been retained as the sub-advisor of the Fund. The sub-advisor provides investment advice to the portfolio advisor. Manulife IM Limited paid approximately \$84,000 (excluding HST) to the sub-advisor for services rendered for the period.

Related Party Investments and Trades

In reliance on a standing instruction issued by the Independent Review Committee (the "IRC"), the Fund bought, held and sold securities of Manulife Financial Corporation ("Manulife") during the period. Manulife is the ultimate parent company of the Manager. At the time of each transaction, after reviewing various investment alternatives, the portfolio advisor and sub-advisor, if applicable, considered the acquisition, ownership and sale of the securities of Manulife to be in the best interests of the Fund. Conditions for reliance on the standing instruction included certification by the Manager that the transactions:

- were proposed by the Manager free from any influence by an entity related to the Manager and without taking into account any consideration relevant to an entity related to the Manager;
- represented the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund;
- were in compliance with the Manager's written policies and procedures relating to the action; and
- achieved a fair and reasonable result for the Fund.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period and for each of the past five years or, if shorter, the periods since the inception of the Fund. The information in the tables below is for the interim period ended June 30, 2024 and for the period from January 1 to December 31 of each year or the inception date to December 31 in the inception period, unless otherwise indicated.

Manulife Smart Dividend ETF

The Fund's Net Assets Per Unit⁽¹⁾ (\$)

Common Units

	June 30, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Net assets, beginning of period	13.05	12.14	12.87	10.37	10.00
Increase (decrease) from operations:					
Total revenue	0.25	0.60	0.62	0.62	0.13
Total expenses	(0.02)	(0.04)	(0.04)	(0.04)	-
Realized gains (losses) for the period	0.15	(0.17)	(0.26)	0.41	-
Unrealized gains (losses) for the period	0.16	1.01	(0.97)	0.55	0.14
Total increase (decrease) from operations⁽²⁾	0.54	1.40	(0.65)	1.54	0.27
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	0.26	0.45	0.41	0.31	-
From capital gains	-	-	0.04	0.22	-
Return of capital	-	-	-	-	-
Total distributions for the period⁽³⁾	0.26	0.45	0.45	0.53	-
Net assets, end of period	13.31	13.05	12.14	12.87	10.37

⁽¹⁾ This information is derived from the Fund's unaudited interim financial statements for the period and the audited annual financial statements.

⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on weighted average numbers of units outstanding over the financial period.

⁽³⁾ Distributions were paid in cash/reinvested in additional units of the Fund, or both.

Ratios and Supplemental Data

Common Units

	June 30, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Total net asset value (000's) ⁽¹⁾ (\$)	487,425	502,243	260,962	72,368	2,592
Number of units outstanding (000's) ⁽¹⁾	36,625	38,500	21,500	5,625	250
Management expense ratio ⁽²⁾ (%)	0.28	0.28	0.28	0.28	0.28
Management expense ratio before waivers or absorptions (%)	0.28	0.28	0.28	0.28	0.40
Trading expense ratio ⁽³⁾ (%)	0.02	0.03	0.04	0.06	-
Portfolio turnover rate ⁽⁴⁾ (%)	38.52	75.64	65.97	71.03	0.01
Net Asset Value per unit ⁽¹⁾ (\$)	13.31	13.05	12.14	12.87	10.37
Closing market price ⁽⁵⁾ (\$)	13.32	13.08	12.13	12.85	10.43

⁽¹⁾ This information is provided as at December 31 of the year shown, unless otherwise noted.

⁽²⁾ Management expense ratio (MER) is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The Fund calculates its MER in accordance with regulatory requirements. The MER excludes any operating expenses waived or absorbed by the Manager, which may be discontinued at any time by the Manager at its discretion without notice. The MER for the period ended June 30, 2024 is a six-month annualized MER and is subject to change due to fluctuations in the average net asset value of the Fund and in the expenses charged to the Fund over the remainder of the financial year. It may differ from the final MER for the year ended December 31, 2024.

⁽³⁾ The trading expense ratio represents total commissions and other portfolio transactions costs expressed as an annualized percentage of daily average net asset value during the period.

⁽⁴⁾ The Fund's portfolio turnover rate indicates how actively the portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a portfolio turnover rate in the period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a portfolio.

⁽⁵⁾ Closing market prices for the Common Units were taken from last trade on June 28, 2024, December 29, 2023, December 30, 2022, December 31, 2021 and December 31, 2020.

Management Fees

The Manager is responsible for the day-to-day management and administration of the Fund. The Manager monitors and evaluates the performance of the Fund, pays for the investment management services of the portfolio advisor and sub-advisor, as applicable, commissions to registered dealers and arranges for the other administrative services required to support the Fund. Other administrative services include: marketing,

advertising, product development, information technology, and general business services. As compensation for its services, the Manager is entitled to receive a management fee, which is calculated daily based on the net asset value of a series of the Fund from the previous trading day and payable monthly.

The following table shows the expenses paid out of the management fee expressed as a percentage of the management fee for the units of the Fund.

Units	Management Fee (%)	Expenses Paid out of the Management Fee (%)	
		Dealer Compensation	Investment Management, Administration and Other
Common Units	0.25	N/A	100.00

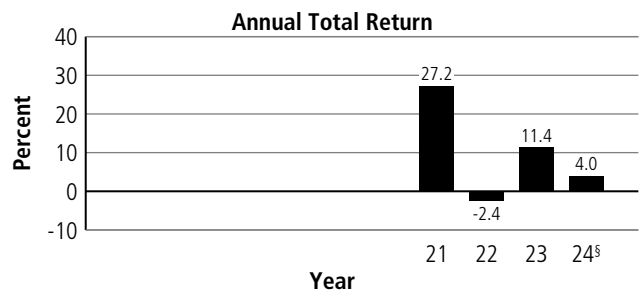
Past Performance

The performance information shown in the *Year-by-Year Returns* assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. The past performance information does not take into account sales, redemption, distribution or other optional charges or income taxes payable by the unitholders that would have reduced returns or performance. How the Fund performed in the past does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The chart shows you the Fund's annual historical return and how it changes each year. Annual return is the percentage change in the value of an investment from January 1 to December 31, unless otherwise noted. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

Common Units



[§] Six-month return from January 1, 2024 to June 30, 2024.

Summary of Investment Portfolio

Asset Allocation (%)

Equities	99.9
Cash and Cash Equivalents	0.8
Other assets less liabilities	(0.7)
Total	100.0

Sector Allocation (%)

Financials	26.4
Energy	16.4
Materials	12.4
Consumer Discretionary	11.3
Industrials	8.9
Utilities	8.6
Consumer Staples	5.4
Information Technology	4.5
Real Estate	3.2
Communication Services	2.8
Cash and Cash Equivalents	0.8
Other assets less liabilities	(0.7)
Total	100.0

Geographic Allocation (%)

Canada	99.9
Cash and Cash Equivalents	0.8
Other assets less liabilities	(0.7)
Total	100.0

Top 25 Holdings*

Issuer	% of Net Asset Value
Manulife Financial Corp.	4.5
Open Text Corp.	4.5
IGM Financial, Inc.	4.5
Pembina Pipeline Corp.	4.5
The Bank of Nova Scotia	4.4
Canadian Tire Corp., Ltd.	4.4
Canadian Imperial Bank of Commerce	4.4
Suncor Energy, Inc.	4.3
B2Gold Corp.	4.3
Fortis, Inc.	4.1
Agnico Eagle Mines Ltd.	4.0
Canadian National Railway Co.	3.9
Canadian Natural Resources Ltd.	3.9
Great-West Lifeco, Inc.	3.9
ATCO Ltd., Class I	3.7
Bank of Montreal	3.7
Dollarama, Inc.	3.5
Alimentation Couche-Tard, Inc.	2.6
Peyto Exploration & Development Corp.	1.5
Quebecor, Inc., Class B	1.3
Magna International, Inc.	1.2
TFI International, Inc.	1.1
Metro, Inc.	1.1
Dream Industrial REIT	1.0
The Toronto-Dominion Bank	1.0
Total	81.3

* All holdings are as at report date June 30, 2024. Actual holdings may differ following this date. Where a Fund holds less than 25 holdings, all holdings have been disclosed.

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. Current quarterly updates are available by calling 1 888 588 7999 or online at manulifeim.ca.

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Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the ETF 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. Manulife ETFs are managed by Manulife Investment Management Limited. Manulife Investment Management is a trade name of Manulife Investment Management Limited. Manulife, Manulife Investment Management, the Stylized M Design, and Manulife Investment Management & Stylized M Design are trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates under license.

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