

FIRM BROCHURE
(Part 2A of Form ADV)

Manulife Asset Management (North America) Limited

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This Brochure provides information about the qualifications and business practices of Manulife Asset Management (North America) Limited (“MAMNA”). If you have any questions about the contents of this Brochure, please contact us at 416-926-6334 and/or Christopher_Walker@manulifeam.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration does not imply a certain level of skill or training.

Additional information about Manulife Asset Management (North America) Limited also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. **Material Changes**

We have no material changes to report.

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Advisory Business

Manulife Asset Management (North America) Limited (“We” or “MAMNA” is a Toronto-based corporation incorporated in January 2003 under the *Canada Business Corporations Act* that started commercial operations in May 2003. We also operate under the names “Manulife Asset Management”, “John Hancock Asset Management”, “John Hancock Asset Management (North America)” and “John Hancock Asset Management a division of Manulife Asset Management (North America) Limited”. Our affiliated registered investment adviser firms may provide investment management services, or may market such services, to affiliated clients also under the “John Hancock Asset Management” name.

We are registered as an investment adviser under the United States Investment Advisers Act of 1940. We provide investment advisory services to non-Canadian clients, mainly affiliated U.S. registered advisers.

We are a wholly-owned subsidiary of The Manufacturers Life Insurance Company (“MLI”), a Canadian life insurance company, which in turn is a wholly owned subsidiary of Manulife Financial Corporation (“Manulife Financial”). Manulife Financial is a leading Canadian-based financial services group with principal operations in Asia, Canada and the United States. For 125 years, clients worldwide have looked to Manulife for strong, reliable, trustworthy and forward-thinking solutions for their most significant financial decisions. Its international network of employees, agents and distribution partners offers financial protection and wealth management products and services to millions of clients around the world. Manulife Financial provides asset management services to institutional customers worldwide as well as reinsurance solutions, specializing in life and property and casualty retrocession. Funds under management by Manulife Financial and its subsidiaries were US\$491 billion as at December 31, 2011. Manulife Financial Corporation trades as ‘MFC’ on the TSX, NYSE and PSE, and under ‘945’ on the SEHK. Manulife Financial can be found on the Internet at www.manulife.com.

We are part of the Manulife Asset Management group of companies. Manulife Asset Management is the global asset management arm of Manulife Financial. Manulife Asset Management and its affiliates provide comprehensive asset management solutions for institutional investors and investment funds in key markets around the world. This investment expertise extends across a full range of asset classes including equity, fixed income and alternative investments such as real estate, timber, farmland, as well as asset allocation strategies. Manulife Asset Management has a network of investment offices throughout North America, Asia Pacific and Europe. As at December 31, 2011 total assets under management were US\$ 208 billion. Additional information about Manulife Asset Management can be found at www.ManulifeAM.com.

Our services are delivered with the support of two service agreements:

- The first is an arrangement with Manulife Asset Management Limited (“MAML”), a Canadian affiliate that provides investment advisory and other services to Canadian investors. MAML provides us with personnel, office space and equipment, including portfolio managers.
- The second is a ‘participating affiliate’ agreement with Manulife Asset Management (Hong Kong) Limited (“MAMHK”), a Hong Kong affiliate that provides investment advisory and other services to Hong Kong investors. Through this agreement, we are able to provide investment advisory services from MAMHK. This service is currently in use for one strategy.

We and our affiliates provide comprehensive asset management services for institutional clients that extend across a full range of asset classes including equity, fixed income, balanced, index and asset allocation strategies.

Our investment expertise focuses on a range of equity and fixed income strategies, as well as money market, index and asset allocation strategies and we offer supervisory services covering these strategies. We limit our investment management services to what is outlined in the client’s investment policy guidelines, fund prospectus and/or statement of additional information documentation.

We do not participate or provide investment management services for any wrap fee programs.

We are retained on a discretionary and non-discretionary basis. For discretionary accounts we have been granted authority to provide continuous and regular supervisory and/or investment management services for client’s account without prior consultation with the client. We determine which securities are purchased and sold for the account, the amount of purchases and sale, the selection of brokers through which transactions are executed and the commissions paid in connection with these transactions.

One client retains us on a non-discretionary basis, requiring that portfolio transactions be discussed in advance and executed at the client’s direction.

As at December 31, 2011, we managed \$95,893,428,389 on a discretionary basis and \$814,104,657 on a non-discretionary basis. Approximately \$73,356,054,636 of our assets under management are co-managed with an affiliate, Manulife Asset Management (US) LLC.

Fees and Compensation

We retain complete discretion over the fees charged to clients, as well as any changes to those fees. Fees are generally non-negotiable, however we reserve the right to negotiate fees depending on special circumstances, types of services provided, the size of the account, the investment style and other account characteristics.

Our basic fee schedule (below) is categorized by our investment strategies. Advisory fees as percentage of our assets under management, generally are applied to the aggregate market value of all assets in the client's account. The fee is paid out of the advisory agreement fee and is not charged directly to the portfolios.

Equity Strategy Fees (as a percentage of assets under management)

Index Strategies

S&P 500 Index		
First \$500M	Over \$500M	
0.020%	0.010%	

S&P 400 Index Russell 2000 Index Wilshire 5000 Index MSCI Small Cap Growth Index		
First \$250M	Next \$250M	Over \$250M
0.040%	0.030%	0.010%

MSCI EAFE Equity Index		
First \$500M	Over \$500M	
0.040%	0.025%	

Greater China Opportunities	1.00%	
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Fixed Income Strategy Fees (as a percentage of assets under management)

U.S. Money Market Trust U.S. Money Market Trust B		
First \$500M	Over \$500M	
0.050%	0.020%	

Core High Yield		
First \$50M	Next \$50M	Thereafter
0.50%	0.45%	0.40%

Asset Allocation Strategy Fees (as a percentage of assets under management)

Asset Allocation	0.0065%	
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Billing Methods

We bill clients directly for our advisory fee. We do not directly debit fees from client accounts. Fees are calculated and payable on a monthly basis in arrears based on the net asset value of units in the clients account for each calendar day. Fees are not prepaid. We do not provide clients the option to be billed in advance or in arrears each calendar quarter. Accounts initiated or terminated during a calendar month are charged a prorated fee.

We do not have fixed termination dates in our investment management agreements, however we generally require at least sixty (60) days written notice from the client to terminate our services.

Other Fees and Expenses

In addition to the advisory fees discussed above, clients may incur additional fee related to the services we provide.

Performance Based Fees and Side by Side Management

We do not manage any accounts, from which we receive performance based compensation nor do we engage in any side by side management of accounts.

Type of Clients

We provide advice to our affiliates, principally as sub-advisor to a number of affiliated mutual fund families that are sponsored by our affiliates, and to certain affiliated insurance companies.

Conditions for Managing Accounts

Minimum account size for institutional investors, other than investment companies generally range from \$10,000,000 to \$50,000,000, depending upon the investment objectives of the account.

Methods of Analysis, Investment Strategies and Risk of Loss

We provide investment supervisory services utilizing a range of equity and fixed income investment strategies, as well as money market, index and asset allocation strategies. Therefore, we use a wide range of research tools and analyses, depending to a large extent on the particular strategy and portfolio manager. Our portfolio managers' methods include macro and micro fundamental research of companies, industries, sectors, countries, local and global markets. The methods employed may also include quantitative securities and investment instrument research which applies security scoring methodology for different factors expected to influence investment performance and risk and establishes a ranking of all securities or instruments in the investment universe. To maximize potential performance for a given level of risk, we may use portfolio construction tools to create optimal portfolios. We may utilize advice or research provided by certain affiliated investment advisers (some of which are not registered under the Advisers Act and are located outside the U.S.) pursuant to sub-advisory agreements, inter-company agreements or other agreements with the affiliates.

We may supplement internal research with quantitative and fundamental analysis, created primarily by third parties. Primary sources include financial newspapers and magazines, access to industry experts, research materials prepared by others, corporate rating services, annual reports, prospectuses, and filings with the SEC. Our investment personnel may also participate in meetings with company management, customers, suppliers and competitors. Analysts attend industry conferences, academic seminars and trade shows to obtain new perspectives.

We may employ any of the following for sources of information and analysis: consultants, industry and governmental authorities, experts in related fields, management consulting firms, specialists to evaluate technical developments, third party models, analysis and research, and internally generated portfolio management reports and risk metrics. We may utilize trading ideas generated by brokers or others. Trades may be executed with the broker that generated the idea, subject to best execution.

Investment Risks

The significant methods of analysis, significant strategies, and material risks, for each of our investment strategies are detailed below. With respect to all of our investment strategies, investing in securities involves risk of loss that clients should be prepared to bear. The specific risks associated with each investment strategy discussed

below are outlined in the discussion. A more detailed description of each risk can be found in Appendix A, “Glossary of Investment Risks.”

A. EQUITY STRATEGIES

1. Index Strategies

S&P 500 Index

Investment Objective

The investment objective of our S&P 500 Index strategies is to approximate the aggregate total return of a broad-based U.S. domestic equity market. The strategies invest in the group of equity securities that are included in the S&P 500 Index. We invest primarily in common stocks that are included in the S&P 500 Index. We may also invest in certain instruments, such as index futures, total return swaps and exchange-traded-funds (ETFs) that we believe have similar economic characteristics as securities that are included in the S&P 500 Index. The S&P 500 Index strategies attempt to match the performance of the S&P 500 Index.

Principal Investment Strategies

The S&P 500 Index strategies do not perform research and analysis and does not seek to form an opinion on individual securities. Instead we attempt to fully replicate the index by buying shares of each company in the index according to its relative weight in the index.

Investment Risks

All investment strategies involve some risks. Investing in our S&P 500 Index strategies involve risks similar to the risks of investing directly in the equity securities included in the S&P 500 Index. Investing in equity securities involves risk that the market value of the securities will fluctuate, sometimes rapidly and unpredictably. The prices of equity securities change in response to many factors including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, investor perceptions and market liquidity. Certain factors may cause a fund that is an index fund to track its target index less closely. For example, we may select securities that are not fully representative of the index, and the fund’s transaction expenses, and the size and timing of its cash flows, may result in the fund’s performance being different than that of its index. Moreover, the fund will generally reflect the performance of its target index even when the index does not perform well.

The strategies main risk factors are listed below in alphabetical order:

Credit and counterparty risk, economic and market events risk, hedging, derivatives and other strategic transactions risk, as well as issuer risk. Each of the risks listed above are further defined in Appendix A, “Glossary of Investment Risks.”

S&P 400 Index

Investment Objective

The investment objective of our S&P 400 Index strategies is to approximate the aggregate total return of mid cap U.S. domestic equity market index. The strategies invest in the group of equity securities that are included in the S&P 400 Mid-Cap Index. We invest primarily in common stocks that are included in the S&P 400 Index. We may also invest in certain instruments, such as index futures, total return swaps and exchange-traded-funds (ETFs) that we believe have similar economic characteristics as securities that are included in the S&P 400 Mid Cap Index. The S&P 400 Index strategies attempt to match the performance of the S&P 400 Mid Cap Index.

Principal Investment Strategies

The S&P 400 Index strategies do not perform research and analysis and does not seek to form an opinion on individual securities. Instead we attempt to fully replicate the index by buying shares of each company in the index according to its relative weight in the index.

Investment Risks

All investment strategies involve some risks. Investing in our S&P 400 Index strategies involve risks similar to the risks of investing directly in the equity securities included in the S&P 400 Mid Cap Index. Investing in equity securities involves the risk that the market value of the securities will fluctuate, sometimes rapidly and unpredictably. The prices of equity securities change in response to many factors including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, investor perceptions and market liquidity. Certain factors may cause a fund that is an index fund to track its target index less closely. For example, we may select securities that are not fully representative of the index, and the fund’s transaction expenses, and the size and timing of its cash flows, may result in the fund’s performance being different than that of its index. Moreover, the fund will generally reflect the performance of its target index even when the index does not perform well. In

addition, share prices of medium and smaller sized companies can change more frequently and more dramatically than those of larger companies.

The strategies main risk factors are listed below in alphabetical order:

Credit and counterparty risk, economic and market event risk, hedging, derivatives and other strategic transactions risk as well as issuer risk. Each of the risks listed above are further defined in Appendix A, “Glossary of Investment Risks.”

MSCI EAFE Equity Index

Investment Objective

The investment objective of our MSCI EAFE Index strategies is to seek to track the performance of a broad-based equity index of foreign companies’ primarily in developed countries and, to a lesser extent, in emerging markets. The strategies invest in the group of equity securities that are included in the MSCI EAFE Index. We invest primarily in securities that are included in the MSCI EAFE Index. We may also invest in certain instruments, such as index futures that we believe will behave in a manner similar to the Index. The MSCI EAFE Index strategies attempt to match the performance of the MSCI EAFE Index.

Principal Investment Strategies

The MSCI EAFE Index strategies focus on the group of equity securities that are included in the MSCI EAFE Index. We invest primarily in securities that are included in the MSCI EAFE Index. We may also invest in certain instruments, such as index futures that we believe will behave in a manner similar to the Index. The MSCI EAFE Index strategies attempt to match the performance of the MSCI EAFE Index.

Investment Risks

All investment strategies involve some risks. Investing in our MSCI EAFE Index strategies involve risks similar to the risks of investing directly in the equity securities included in the MSCI EAFE Index. Investing in equity securities involves the risk that the market value of the securities will fluctuate, sometimes rapidly and unpredictably. The prices of equity securities change in response to many factors including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, investor perceptions and market liquidity. Certain factors may cause a fund that is an index fund to track its target index less closely. For example, we may select securities that are not fully representative of the index, and the fund’s transaction expenses, and the size and timing of its cash flows, may result in the fund’s performance being different than that of its index. Moreover, the fund will generally reflect the performance of its target index even when the index does not perform well. In addition,

an investor will be subject to foreign securities risk. As compared to U.S. companies, there may be less publicly available information relating to foreign companies. Foreign securities may be subject to foreign taxes. The value of foreign securities is subject to currency fluctuations and adverse political and economic developments. Investments in emerging market countries are subject to greater levels of foreign investment risk.

The strategies main risk factors are listed below in alphabetical order:

Credit and counterparty risk, economic and market event risk, hedging, derivatives and other strategic transactions risk as well as issuer risk. . Each of the risks listed above are further defined in Appendix A, “Glossary of Investment Risks.”

Wilshire 5000 Total Market Index

Investment Objective

The investment objective of our Wilshire 5000 Total Market Index strategy is to seek to approximate the aggregate total return of a broad U.S. domestic equity market index. The strategy invests in the group of equity securities that are included in the broad U.S. domestic equity market index. We invest primarily in a representative sample of the securities that are included in the Wilshire 5000 Total Stock Market Index. We may also invest in securities that we believe as a group will behave in a manner similar to the Index. The Wilshire 5000 Total Market Index strategy attempts to match the performance of the Wilshire 5000 Total Market Index.

Principal Investment Strategies

The Wilshire 5000 Total Market Index strategy does not perform research and analysis and does not seek to form an opinion on individual securities. Instead we attempt to match the performance of the index by holding a representative sample or subset of the benchmark index referred to as an optimized portfolio. The risk characteristics of the optimized portfolio match those of the benchmark in terms of sector composition and certain other factors.

Investment Risks

All investment strategies involve some risks. Investing in our Wilshire 5000 Total Market Index strategy involves risks similar to the risks of investing directly in the equity securities included in the Wilshire 5000 Total Market Index. Investing in equity securities involves the risk that the market value of the securities will fluctuate, sometimes rapidly and unpredictably. The prices of equity securities change in response to many factors including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, investor perceptions and market liquidity.

Certain factors may cause a fund that is an index fund to track its target index less closely. For example, we may select securities that are not fully representative of the index, and the fund's transaction expenses, and the size and timing of its cash flows, may result in the fund's performance being different than that of its index. Moreover, the fund will generally reflect the performance of its target index even when the index does not perform well. In addition, large-capitalization stocks as a group could fall out of favor with the market, causing the fund to underperform investments that focus on small- or medium-capitalization stocks. Larger, more established companies may be slow to respond to challenges and may grow more slowly than smaller companies. Conversely, share prices of medium and smaller sized companies can change more frequently and more dramatically than those of larger companies.

The strategy's main risk factors are listed below in alphabetical order:

Credit and counterparty risk, economic and market event risk, hedging, derivatives and other strategic transactions risk as well as issuer risk. Each of the risks listed above are further defined in Appendix A, "Glossary of Investment Risks."

Russell 2000 Index

Investment Objective

The investment objective of our Russell 2000 Index strategies is to seek to approximate the aggregate total return of a small cap U.S. domestic equity market index. The strategies invest in the group of equity securities that are included in the broad small cap U.S. domestic equity market index. We invest primarily in a representative sample of the securities that are included in the Russell 2000 Index. We may also invest in securities that we believe as a group will behave in a manner similar to the Index. The Russell 2000 Index strategies attempt to match the performance of the Russell 2000 Index.

Principal Investment Strategies

The Russell 2000 Index strategies do not perform research and analysis and does not seek to form an opinion on individual securities. Instead we attempt to match the performance of the index by holding a representative sample or subset of the benchmark index referred to as an optimized portfolio. The risk characteristics of the optimized portfolio match those of the benchmark in terms of sector composition and certain other factors.

Investment Risks

All investment strategies involve some risks. Investing in our Russell 2000 Index strategies involve risks similar to the risks of investing directly in the equity securities included in the Russell 2000 Index. Investing in equity securities involves the risk that the market value of the securities will fluctuate, sometimes rapidly and unpredictably. The prices of equity securities change in response to many factors including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, investor perceptions and market liquidity. Certain factors may cause a fund that is an index fund to track its target index less closely. For example, we may select securities that are not fully representative of the index, and the fund's transaction expenses, and the size and timing of its cash flows, may result in the fund's performance being different than that of its index. Moreover, the fund will generally reflect the performance of its target index even when the index does not perform well. In addition, share prices of medium and smaller sized companies can change more frequently and more dramatically than those of larger companies.

The strategies main risk factors are listed below in alphabetical order:

Credit and counterparty risk, economic and market events risk, hedging, derivatives and other strategic transactions risk, as well as issuer risk. . Each of the risks listed above are further defined in Appendix A, "Glossary of Investment Risks."

MSCI Small Cap Growth Index

Investment Objective

The investment objective of our MSCI Small Cap Growth Index strategies is to seek to approximate the aggregate total return of a small cap U.S. domestic equity market index. The strategies invest in the group of equity securities that are included in the MSCI Small Cap Growth Index. We invest primarily in a representative sample of the securities that are included in the MSCI Small Cap Growth Index. We may also invest in securities that we believe as a group will behave in a manner similar to the Index. The MSCI Small Cap Growth Index strategies attempt to match the performance of the MSCI Small Cap Growth Index.

Principal Investment Strategies

The MSCI Small Cap Growth Index strategies do not perform research and analysis and does not seek to form an opinion on individual securities. Instead we attempt to match the performance of the index by holding a representative sample or subset of the benchmark index referred to as an optimized portfolio. The risk characteristics of the

optimized portfolio match those of the benchmark in terms of sector composition and certain other factors.

Investment Risks

All investment strategies involve some risks. Investing in our MSCI Small Cap Growth Index strategies involve risks similar to the risks of investing directly in the equity securities included in the MSCI Small Cap Growth Index. Investing in equity securities involves the risk that the market value of the securities will fluctuate, sometimes rapidly and unpredictably. The prices of equity securities change in response to many factors including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, investor perceptions and market liquidity. Certain factors may cause a fund that is an index fund to track its target index less closely. For example, we may select securities that are not fully representative of the index, and the fund's transaction expenses, and the size and timing of its cash flows, may result in the fund's performance being different than that of its index. Moreover, the fund will generally reflect the performance of its target index even when the index does not perform well. In addition, share prices of medium and smaller sized companies can change more frequently and more dramatically than those of larger companies.

The strategies main risk factors are listed below in alphabetical order:

Credit and counterparty risk, economic and market event risk, hedging, derivatives and other strategic transactions risk as well as issuer risk. . Each of the risks listed above are further defined in Appendix A, "Glossary of Investment Risks."

2. Greater China Opportunities

Investment Objective

The investment objective of our Greater China Opportunities strategy is to seek long-term capital appreciation. The strategy invests in the equity securities of companies located in China, Hong Kong or Taiwan (Greater China). 3

Principal Investment Strategies

The Greater China Opportunities Strategy takes an active approach in identifying both country and stock investment opportunities. We believe that country selection is an important component in adding value through the different phases of the global/regional economic cycle. The country allocation is predominately influenced by macroeconomic

analysis and thematic considerations ('top-down'). Regarding macroeconomic analysis, we seek to understand key economic drivers through interpreting government decisions on monetary, and fiscal policy, and the resulting impact on inflation. We also have a thematic framework in use to analyze the relationships between the region and the rest of the world. The importance of macroeconomic research is based on our belief that economies are cyclical in nature with some markets outperforming others during different phases of the country's economic cycle. The 'top-down' element also aids us in identifying the better performing sectors associated with the development of each country's economy.

Top-down is employed in conjunction with the identification of individual stock investment opportunities ('bottom-up'). 'Bottom-up' stock selection combines fundamental analysis and quantitative research. Our fundamental analysis identifies financially sound companies with clearly defined business plans and favorable operating environments. We conduct on-the-ground research by visiting companies and discussing development strategy with management. Our goal is to select the best companies based on industry leadership, management strength, and financial position. Regarding individual stock analysis, we place equal emphasis on growth prospects and valuations, along with management quality and liquidity conditions.

To compliment our fundamental research on individual companies, we have developed stock screens using quantitative analysis to identify stocks, which are expected to outperform against the benchmark. Our quantitative analysis is based on multifactor models back-tested using specialized software tools.

Companies passing our fundamental assessment criteria and quantitative screens become eligible as potential holdings.

Our investment style focuses on country research complemented by fundamental stock selection analysis. The importance of macro research is based on our belief that economies are cyclical in nature with an outperforming asset class corresponding to each phase of the cycle. The 'top-down' research is then followed by 'bottom-up' analysis of valuation indicators to determine the attractiveness of investments across the region.

We take an active approach in identifying both country and stock investment opportunities. The country allocation is predominately influenced by macroeconomic analysis and thematic considerations ('top-down') versus the identification of individual stock investment opportunities ('bottom-up').

Investment Risks

Investing in securities of companies located in the Greater China region are subject to special risks, such as less developed or less efficient trading markets,

restrictions on monetary repatriation and possible seizure, nationalization or expropriation of assets. In particular, investment in Taiwan could be adversely affected by its relationship with China, and Hong Kong and Chinese markets could be hurt significantly by adverse government actions. A small number of companies and industries represent a relatively large portion of the Greater China market as a whole.

The strategy's main risk factors are listed below in alphabetical order:

Active management risk, equity securities risk, foreign securities risk, emerging markets risk, currency risk, Greater China risk, high portfolio turnover risk, initial public offerings (IPO's) risk, medium and smaller company risk, as well as non-diversified risk. Each of the risks listed above are further defined in Appendix A, "Glossary of Investment Risks."

B. FIXED INCOME STRATEGIES

Core High Yield

Investment Objective

The investment objective of our Core High Yield strategy is to seek total return, consisting of a high level of current income and capital appreciation. The strategy seeks to outperform the Merrill Lynch High Yield Master II Constrained Index over a full market cycle (typically defined as 3-5 years).

The strategy predominantly invests in debt securities issued by high yield issuers in North America. The strategy invests in high yield issuers within the Merrill Lynch High Yield Master II Constrained Index.

Principal Investment Strategies

The Core High Yield strategy combines top-down (i.e., interest rate, yield curve and sector) analysis with bottom-up fundamental research. Top-down, macroeconomic research is used to develop a thesis on interest rate direction and to determine the duration target versus the benchmark. Once the investment team has established how to best position the portfolio along the yield curve, the team then seeks to generate investment ideas by screening the bond universe through a blend of sector and security analysis.

Fundamental research is an essential element of the team's investment process. The team draws from data, research and analysis generated by the firm's fixed income analysts. Analysts perform intensive research on corporate and securitized issues,

assessing both qualitative and quantitative factors. Qualitative factors include quality of corporate management, company/industry positioning, verification of market conditions with suppliers and competitors, among others. Quantitative factors pertain primarily to comprehensive financial statement analysis and asset valuation on corporate credits. Analysts also analyze trends within sectors, seek improving credit situations, search for supply/demand imbalances and mis-pricing opportunities, and research complex and new security structures unfamiliar to the market. The team regularly meets with company management to ensure a comprehensive understanding of each issue. Analysts are directly responsible for following credits within their respective sectors, and for interpreting changes and anticipating new information.

In the portfolio construction phase of our investment process, the team analyzes and selects issues that:

- Are in undervalued bond market sectors
- Have attractive yield curve positioning
- Offer best relative value opportunity

Buy decisions are driven by the presence of the above criteria. If we feel strongly about two of the criteria, we may either monitor the company or buy a small position. If we feel strongly about two or three of the above criteria, we will typically take a larger position size.

Investment Risks

Investing in high yield debt securities involves the risk that the market value of the securities will fluctuate, sometimes rapidly and unpredictably. The prices of high yield debt securities change in response to many factors including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, investor perceptions and market liquidity.

The strategy's main risk factors are listed below in alphabetical order:

Active management risk, credit and counterparty risk, economic and market events risk, fixed-income securities risk, hedging, derivatives and other strategic transactions risk, issuer risk, liquidity risk, lower-rated fixed-income securities risk and high-yield securities risk, municipal bond risk, state/region risk. Each of the risks listed above are further defined in Appendix A, "Glossary of Investment Risks."

U.S. Money Market

Investment Objective

The investment objective of our U.S. Money Market strategies is to obtain maximum current income consistent with preservation of principal and liquidity. The strategies invest only in U.S. dollar denominated securities issued by U.S. and foreign companies; U.S. and foreign banks; U.S. and foreign governments; U.S. agencies, states and municipalities; and international organizations such as the World Bank and the International Monetary Fund.

Principal Investment Strategies

The U.S. Money Market strategies use an active, disciplined management approach. The strategies do not sacrifice credit quality for the sake of added yield. In general, in US treasury bills at the long end of the yield curve are purchased during periods of market weakness and are traded on market strength. This results in capturing realized gains for the portfolios.

Corporate paper could be, but is not typically, purchased for a maximum maturity of three to six months. The product is used in this way to add yield pick-up. In addition, the strategies can add yield pick-up and duration with the purchase of longer maturity securities with a maximum maturity of 13 months.

The investment philosophy of the U.S. Money Market strategies is that long term outperformance comes from focusing on an active disciplined approach to yield curve management and risk containment via credit analysis and issuer selection.

The strategies hold a combination of Floating-Rate Notes, Commercial Paper, US T-Bills and Residuals, and Government and/or Corporate Short-Terms securities (maturing in 13 months or less).

Sector weights are driven by market conditions, relative spread levels, stage of the economic cycle, and credit analysis. With respect to credit and quality constraints for “investable” assets, commercial paper must have a minimum A1 rating by S&P, and a minimum P1 rating from Moody’s. Floating-rate notes, if permitted, must have a minimum A-Low rating.

Investments in the corporate names are limited to 5% per issuer. The maximum average weighted term to maturity of the strategies cannot exceed 60 days. The weighted average life cannot exceed 120 days.

Investment Risks

Investing in U.S. Money Market securities involves the risk that the market value of the securities will fluctuate, sometimes rapidly and unpredictably. The prices of money market securities change in response to many factors including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, investor perceptions and market liquidity.

The strategies main risk factors are listed below in alphabetical order:

Changing distribution levels risk, fixed-income securities risk, foreign securities risk, and issuer risk. Each of the risks listed above are further defined in Appendix A, “Glossary of Investment Risks.”

C. ASSET ALLOCATION STRATEGIES

Our risk-based strategies normally invest a pre-determined percentage of their assets in underlying funds that invest primarily in equity securities, and a pre-determined percentage in underlying funds that invest primarily in fixed-income securities (the “Portfolio(s)”). The Portfolios are designed to provide investors across different risk tolerance segments with a single investment option that simplifies the asset allocation and fund selection process. The Portfolios are based on the idea that investors will continue to re-evaluate their risk appetite over time and choose the Portfolio that is right for their own personal situation.

Our age-based strategies normally invest all of their assets in underlying funds using an asset-allocation strategy that automatically becomes more conservative until its target retirement date. The Portfolios are designed for investors expecting to retire within pre-defined dates. The portfolios with dates further in the future invest more aggressively, and the asset mix changes slowly – along a “glidepath” – becoming more conservative as the retirement date approaches. As a Portfolio approaches its target date, the allocation gradually migrates to more conservative, fixed-income funds.

We also offer a wide selection of customized objectives-based asset allocation strategies which are structured to meet specific investor objectives. These may include income, absolute return and balanced asset allocation funds.

While our risk-based, age-based and objectives-based Portfolios are focused on different types of investors, they are built using a similar underlying philosophy and process, described in the following section.

Portfolio Construction Process

There are four main steps involved in the design of fund-of-fund portfolios. The Portfolio Solutions Group (“PSG”) management team at John Hancock Asset Management, a division of Manulife Asset Management (“Management Team”) first selects the asset classes and underlying funds for potential inclusion in the portfolios. Next, the team works to find the appropriate weightings to each asset class using multiple optimization techniques (e.g. resampled Mean Variance Optimization and/or Alpha vs. Tracking Error). In the third step, the Management Team determines the appropriate mix of managers to fit each portfolio. In the fourth and final step, the team continually monitors the economic environment and investment markets to determine if any changes are needed, and to keep the portfolios up-to-date and consistent with their respective investment policies and objectives.

Risk

The Portfolios may invest in various underlying funds that as a group hold a wide range of equity type securities in their funds. These include small, mid and large-capitalization stocks, domestic and foreign securities (including emerging market securities), and sector holdings such as utilities and science and technology stocks. Each of these underlying funds has its own investment strategy that, for example, may focus on growth stocks or value stocks or may employ a strategy combining growth and income stocks and/or may invest in derivatives, such as options on securities and futures contracts. Certain of these underlying funds focus their investment strategy on fixed-income securities, which may include investment grade and below investment grade debt securities with maturities that range from short to longer term. The fixed-income underlying funds collectively hold various types of debt instruments, such as corporate bonds and mortgage backed, floating rate notes, government issued domestic and international securities (including emerging market debt securities).

All investment strategies involve some risks. Each Fund’s performance depends on the Management Team’s skill in determining the strategic asset class allocations, the mix of underlying funds and the performance of those underlying funds. The underlying funds’ performance may be lower than the performance of the asset class which they were selected to represent. Each Fund is subject to the same risks as the underlying funds in which it invests, which include the following: stocks and bonds can decline due to adverse issuer, market, regulatory or economic developments; foreign investing, especially in emerging markets, has additional risks, such as currency and market volatility and political and social instability; the securities of small-capitalization companies are subject to higher volatility than larger, more established companies; and high-yield bonds are subject to additional risks, such as increased risk of default.

Each Target Date portfolio’s name refers to the approximate retirement year of the investors for whom the portfolio’s asset allocation strategy is designed. The portfolios with dates farther off initially allocate more aggressively to stock funds. As a portfolio approaches and passes its target date, the allocation will gradually migrate to more

conservative, fixed-income funds. The principal value of each portfolio is not guaranteed and you could lose money at any time, including at, or after, the target date.

Disciplinary Information

There have been no reportable legal or disciplinary events against the Company or its management persons.

Other Financial Industry Activities and Affiliations

As discussed above, our services are principally delivered to our affiliates, and we have material arrangements with Manulife Asset Management Limited (re provision of personnel, equipment and facilities) and Manulife Asset Management (Hong Kong) Limited (re provision of advice on certain foreign mandates).

We are affiliated with several SEC registered and non-SEC registered investment advisers, located in both the U.S. and outside the U.S. We also are affiliated with and serve as a sub-adviser to a number of Funds. The majority of such Funds are registered under the U.S. Investment Company Act of 1940. Our key affiliates are as follows:

John Hancock Family of Funds	US registered investment company complex
John Hancock Distributors LLC	US broker-dealer
John Hancock Funds, LLC	US broker- dealer
John Hancock Advisers, LLC	US investment adviser
John Hancock Investment Management Services, LLC	US investment adviser
John Hancock Life Insurance Company (U.S.A.)	US insurance company
John Hancock Life & Health Insurance Company	US insurance company
John Hancock Life Insurance Company of Vermont	US insurance company
Manulife Asset Management (US) LLC	US investment adviser
Manulife Asset Management Limited	non US investment adviser

Manulife Asset Management (Hong Kong) Limited	non US investment adviser
Manulife Asset Management (Europe) Limited	non US investment adviser
The Manufacturers Life Insurance Company	non US insurance company
Manulife Canada Ltd.	non US insurance company
Declaration Management & Research LLC	US investment adviser
Hancock Natural Resource Group, Inc.	US investment adviser
Manulife Asset Management Trust Company LLC	New Hampshire Nondepository Trust Company
Manulife Real Estate Funds (Canada) Inc.	non US General Partner of Real Estate Funds
Manulife Financial Corporation	non US non-operating insurance company

We have material business relationships with some of our related persons. In particular, we provide sub-advisory services to certain U.S. registered investment companies advised by John Hancock Advisers, LLC (“JHA”) and John Hancock Investment Management Services, LLC (“JHIMS”), wholly owned subsidiaries of Manulife Financial. We also provide sub-advisory services to certain U.S. registered insurance companies advised by John Hancock Insurance Company of Vermont (“JHICOV”), John Hancock Life & Health Insurance Company (“JHLH”) and John Hancock Life Insurance Company (“JHLICO”), who are also wholly owned by Manulife Financial.

All investment management arrangements are conducted on an arms-length basis so as to neither disadvantage nor advantage other clients or related parties.

MAMNA is related to John Hancock Funds, LLC (“JHF”) and John Hancock Distributors, LLC (“JHD”), which are all U.S. registered broker-dealers and wholly-owned by Manulife Financial. JHF is the principal underwriter for certain U.S. registered investment companies for which Manulife AM (US) serves as sub-adviser. JHD is the principal underwriter for John Hancock Variable Insurance Trust (“JHVIT”), formerly John Hancock Trust, a U.S. open end management investment company for which we serve as a sub-adviser with respect to certain series of the trust.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

We have adopted a written Code of Ethics designed to prevent and detect personal trading activities that may interfere or be in conflict with client interests. The Code of Ethics requires that our employees adhere to the highest ethical standards and comply with applicable federal securities laws. Our employees may from time to time acquire or sell securities for their personal accounts which may also be purchased or sold for the account of clients. The Code of Ethics generally requires that all transactions in securities by our Investment Access Persons and Regular Access Persons (as each term is defined in the Code) and their spouses be cleared prior to execution through compliance department processes. Personal securities transactions also are subject to quarterly reporting requirements, annual certification requirements and related compliance obligations. Regarding mutual funds, employees are required to report their transactions in the mutual funds we advise or sub-advise on a post-trade basis. Employees are also required to report any violations of the Code of Ethics that come to their attention.

Clients should be aware that no set of rules can possibly anticipate or eliminate all potential conflicts of interest or ensure exemplary conduct in personal trading or all other matters, and that certain conflicts of interest exist when providing investment advice.

A copy of our Code can be provided to any client or prospective client upon request.

Participation or Interest in Client Transactions

We do not buy or sell securities for ourselves or maintain proprietary accounts. From time to time, a client portfolio may purchase a security in which a related person of may have an ownership interest or a related person may purchase a security that is held in the client account. For example, our employees may incidentally hold in their own securities accounts one or more of the same securities that we also purchases or sells for clients. Due to this potential conflict of interest, personal trading by employees is substantially restricted by our Code of Ethics. Personal trading of employees and their related persons are monitored by the Compliance department.

MLI and certain of its subsidiaries distribute investment products to which they may receive management, advisory and related fees for services provided. Such products and relationships are disclosed to clients in offering documents in accordance with applicable laws, rules and regulations governing the sale of such products. Certain MLI subsidiaries are also clients of MAMNA and we may from time to time advise other clients to buy securities which are held by related clients and vice versa.

Brokerage Practices

Brokerage Discretion

We generally are granted full discretionary authority over securities purchases and sales, subject to the client's investment objectives, guidelines and restrictions. We place orders for the purchase and sale of securities with the primary objective of obtaining the most favorable overall results for the client. All investment objectives, guidelines and restrictions are established by agreement between the Company and the client at the time the account is established and generally may only be amended by mutual agreement.

Approved Trading Counterparties

We maintain a list of approved trading counterparties that are used to facilitate transactions. The list of counterparties is updated and reviewed at a minimum on an annual basis. Portfolio managers are only allowed to execute securities transactions through approved broker-dealers/counterparties. A request to add a new broker-dealer/counterparty may be initiated at any time and must flow through the proper approval process.

Selection of Brokers, Dealers, and Counterparties

When placing orders for purchase and sale of securities and/or selecting trading counterparties to effect these transactions, we seek prompt execution of orders at the most favorable prices reasonably obtainable. We will consider a number of factors when selecting counterparties to implement transactions, price, dealer spread or commissions (if any), including the financial strength, reputation and stability of the counterparty, the efficiency with which the transaction is effected, the size of the transaction, the availability of the counterparty to stand ready to execute possibly difficult transactions in the future, and other matters involved in the receipt of brokerage and research services.

In seeking best execution, portfolio managers take reasonable care to obtain the best available price for the client in the relevant market at the time of the transaction. The determinative factor is not always the lowest possible commission price but whether the transaction represents the best qualitative execution for the client's account. In selecting a broker, dealer or trading venue, traders consider the full range of available trading platforms in seeking best execution.

Affiliated Brokers

We do not execute trades or otherwise implement trading strategies through an intermediary that is an affiliate.

Cross Transactions

We do not effect agency cross-transactions, nor do we effect cross trades between clients and our affiliates.

Best Execution

Our fundamental policy is to comply with our fiduciary duty to clients and seek to obtain the most advantageous execution terms reasonably available under the circumstances (Best Execution) with respect to trade orders placed on behalf of our clients with various dealers.

Best Execution is a process and we therefore regularly monitor our trade executions to assess our effectiveness and of the dealers that we use. In seeking Best Execution for our clients, we consider a number of elements, such as price, speed of execution, certainty of execution and the overall cost of the transaction.

Trading for our clients can only be conducted through approved dealers. We perform a thorough review of a dealer's financial strength and regulatory history before the dealer can be qualified for use. The factors considered when selecting a broker-dealer on any given trade include their ability to source liquidity, provide anonymity; willingness to commit capital, trading experience and reputation.

We negotiate a commission rate schedule with broker-dealers in advance based on the various types of trade execution that we expect we will require for our clients. This negotiation takes into consideration the overall level of services provided by the dealers. Under this approach, we periodically may classify different brokers in different categories based on execution abilities, the quality of research, brokerage services, block trading capability, speed and responsiveness, or other services provided by the brokers. Some examples of these categories may include, without limitation, full service brokers, alternative trading systems, client commission and execution-only brokers.

Research and Other Soft Dollar Benefits

The majority of our commission arrangements with broker dealers are in the form of bundled services where the dealer provides us with their proprietary research along with trade execution services. The dealer's proprietary research services typically include sector and company research reports, economic reports, analyst calls, meetings with company management, analyst meetings, sales calls and financial models. We also use third party research services provided to us by third party vendors. We obtain these research services using client commissions in a manner designed to comply with applicable securities regulations. While the commissions on these trade executions are paid by our clients' accounts, the research services are provided to us, by third party vendors and thus benefit our clients indirectly, through their impact on investment

performance. We request dealers to accrue cash balances for payment of qualified third party research services through client commission arrangements. Given the diversity of the investment styles in our firm, it is difficult to link a particular transaction directly to the research services obtained through client commission arrangements. Therefore some research services benefit all of our clients as a whole, while others primarily benefit a portion of our clients. As a result of these difficulties we do not track benefits from any particular research service to a specific client account.

We would consider three factors with respect to all third-party research and execution services received through soft dollars:

- Whether the product or service is eligible research or brokerage under SEC rules and regulations;
- Whether an eligible product or service actually provides “lawful and appropriate assistance” in the performance of our investment decision-making responsibilities.
- Whether the amount of the commission paid is reasonable in light of the value of the product or service provided by the broker-dealer (viewed in terms of the particular transaction or our overall responsibilities with respect to our client accounts).

Directed Brokerage

We do not engage in directed brokerage arrangements, unless instructed to do so by a client.

Trade Aggregation

Because investment decisions often affect more than one client, we frequently will attempt to acquire or dispose of the same security for more than one client at the same time. To the extent permitted by applicable law, regulations and advisory contracts, we may aggregate purchases and sales of securities on behalf of its various clients for which it has discretion, provided that in our opinion, all client accounts are treated equitably and fairly and that block trading will result in a more favorable overall execution. Trades will not be combined when a client has directed transactions to a particular broker-dealer or when we determine that combined orders would not be efficient or practical.

Review of Accounts

Client accounts are frequently reviewed by portfolio manager(s) responsible for rendering investment advice on such accounts. Reviews are performed either on a regular or periodic cycle to evaluate the accounts for performance and compliance with

client investment policies, guidelines, restrictions and regulatory requirements. The receipt of any meaningful information relating to the economic and/or market environment, individual companies or industries or factors that affects its client's investment objectives could prompt immediate review of each account affected by these developments. Accounts are also routinely reviewed by Compliance staff for compliance with applicable client investment policies, guidelines, restrictions and regulatory requirements.

Account statements for each account advised or sub-advised by the Adviser are delivered to clients on a monthly and/or quarterly basis or more frequently if requested. Monthly or quarterly compliance reports are also sent to clients which includes holdings and performance data and other related information regarding the portfolios.

Client Referrals and Other Compensation

From time to time, we may enter into an agreement which provides cash compensation to solicitors who secure clients on our behalf. Generally such an agreement:

1. provides the solicitation activities to be engaged in by the solicitor on our behalf and the compensation to be received therefrom;
2. contains an undertaking by the solicitor to perform their duties under the agreement in a manner consistent with our instructions and the provisions of regulatory rule;
3. requires that the solicitor, at the time of any solicitation activities for which compensation is paid or to be paid by us, provide the client with a current copy of our Form ADV Part 2 and this solicitation disclosure statement.

MAMNA has a written solicitation agreement with its affiliate, Manulife Asset Management (US) LLC ("MAMUS"), to act a solicitor and secure clients on behalf of MAMNA. MAMUS receives anywhere between five (5) to twenty-five (25) percent of the fee paid directly to us from a client.

Custody

The Company does not have custody over client's investment assets.

Investment Discretion

Clients retain MAM (NA) on a discretionary basis and grant us such authority by way of their investment management agreement with us. As such, we have the authority to supervise and direct the investments of and for those clients' account without prior consultation with the client. Pursuant to this discretionary authority, we determine which

securities are bought and sold for the account, the total amount of the purchases and sales, the brokers or dealers through which transactions are executed and the commission rates paid to effect the transactions, as applicable. The client may restrict or prohibit transactions in certain types of securities or direct that transactions be effected through specific brokers or dealers.

Voting Client Securities

Under our discretionary management agreements, we generally have the authority to vote proxies related to securities held by a client in a manner that is in the best interest of the client. We believe that our proxy voting policies and procedures are reasonably designed to ensure that proxy voting is conducted in the best interest of clients, and in accordance with our fiduciary duties, applicable rules under the Investment Advisers Act of 1940, and fiduciary standards and responsibilities applicable to our ERISA clients. In the ordinary course, proxies generally will be voted to maximize the monetary value of each portfolio's holdings. We believe that this approach is in the best interests of our clients.

MAM (NA) may from time to time delegate certain proxy advisory and voting administration responsibilities to an independent third party service provider, ISS to assist it with proxy voting matters. ISS specializes in the proxy voting and corporate governance area and provides a variety of proxy advisory and voting administration services.

MAM (NA) engages Institutional Shareholder Services Inc. ("ISS") as its proxy voting agent to:

1. research and make voting recommendations or, for matters for which MAM (NA) has so delegated, to make the voting determinations;
2. ensure that proxies are voted and submitted in a timely manner;
3. handle other administrative functions of proxy voting;
4. maintain records of proxy statements received in connection with proxy votes and provide copies of such proxy statements promptly upon request;
5. maintain records of votes cast; and
6. provide recommendations with respect to proxy voting matters in general.

While each portfolio manager may rely on ISS research and recommendations in casting votes, each portfolio manager has the discretion to deviate from any recommendation provided from ISS on general policy issues or specific proxy proposals, in accordance with our proxy policies and procedures that may be in effect from time to time.

We may also retain other proxy voting services in place of, or in addition to, ISS from time to time without further notice to clients.

Clients may obtain a copy of our proxy voting policies and procedures, a summary of ISS policies and procedures, and information about how we voted proxies during the past fiscal year by contacting Christopher Walker at Christopher_Walker@manulifeam.com.

Financial Information

MAM (NA) has no financial obligation that impairs its ability to meet contractual and fiduciary responsibilities to clients, and has not been the subject of a bankruptcy proceeding.

Appendix A

Glossary of Investment Risks

Active management risk: The sub adviser's investment strategy may fail to produce the intended result.

Changing distribution levels risk: the amount of distributions paid by the fund generally depends on the amount of income and/or dividends received by the fund on the securities it holds.

Commodity risk: Commodity investments involve the risk of volatile market price fluctuation of commodities resulting from fluctuating demand, supply disruption, speculation and other factors.

Credit and counterparty risk: The issuer or guarantor of a fixed-income security, the counterparty to an over-the-counter derivatives contract or a borrower of a fund's securities may be unable or unwilling to make timely principal, interest or settlement payments, or otherwise to honor its obligations. Funds that invest in fixed-income securities are subject to varying degrees of risk that the issuers of the securities will have their credit rating downgraded or will default, potentially reducing a fund's share price and income level.

Economic and market events risk: Events in the financial markets have resulted, and may continue to result, in an unusually high degree of volatility in the financial markets, both domestic and foreign. In addition, reduced liquidity in credit and fixed-income markets may adversely affect issuers worldwide.

Equity securities risk: The value of a company's equity securities is subject to changes in the company's financial condition, and overall market and economic conditions.

Exchange-traded funds risk: Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track.

Fixed-income securities risk: Fixed-income securities are affected by changes in interest rates and credit quality. A rise in interest rates typically causes bond prices to fall. The longer the average maturity of the bonds held by the fund, the more sensitive the fund is likely to be to interest-rate changes. There is the possibility that the issuer of the security will not repay all or a portion of the principal borrowed and will not make all interest payments.

Foreign securities risk: As compared to U.S. companies, there may be less publicly available information relating to foreign companies. Foreign securities may be subject to foreign taxes. The value of foreign securities is subject to currency fluctuations and adverse political and economic developments. Investments in emerging-market countries are subject to greater levels of foreign investment risk.

Greater China risk: Investments in the Greater China region are subject to special risks, such as less developed or less efficient trading markets, restrictions on monetary repatriation and possible seizure, nationalization or expropriation of assets. In particular, investment in Taiwan could be adversely affected by its relationship with China, and Hong Kong and Chinese markets could be hurt significantly by adverse government actions. A small number of companies and industries represent a relatively large portion of the Greater China market as a whole.

Hedging, derivatives and other strategic transactions risk: Hedging and other strategic transactions may increase the volatility of a fund and, if the transaction is not successful, could result in a significant loss to a fund. In addition, the use of derivative instruments (such as options, futures and swaps) could produce disproportionate gains or losses, more than the principal amount invested. Investing in derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments and, in a down market, could become harder to value or sell at a fair price.

High portfolio turnover risk: Actively trading securities can increase transaction costs (thus lowering performance) and taxable distributions.

Index management risk: Certain factors may cause a fund that is an index fund to track its target index less closely. For example, a sub adviser may select securities that are not fully representative of the index, and the fund's transaction expenses, and the size and timing of its cash flows, may result in the fund's performance being different than that of its index. Moreover, the fund will generally reflect the performance of its target index even when the index does not perform well.

Initial public offerings risk: IPO shares may have a magnified impact on fund performance and are frequently volatile in price. They can be held for a short period of time causing an increase in portfolio turnover.

Investment company securities risk: The fund bears its own expenses and indirectly bears its proportionate share of expenses of the underlying funds in which it invests.

Issuer risk: An issuer of a security may perform poorly and, therefore, the value of its stocks and bonds may decline. An issuer of securities held by the fund could default or have its credit rating downgraded.

Large company risk: Large-capitalization stocks as a group could fall out of favor with the market, causing the fund to underperform investments that focus on small- or medium-capitalization stocks. Larger, more established companies may be slow to respond to challenges and may grow more slowly than smaller companies. The market capitalization of a company is based on its market capitalization at the time the fund purchases the company's securities. Market capitalizations of companies change over time.

Liquidity risk: Exposure exists when trading volume, lack of a market maker or legal restrictions impair the ability to sell particular securities or close derivative positions at an advantageous price.

Master limited partnerships risk: Investing in MLPs involves certain risks related to investing in the underlying assets of the MLPs and risks associated with pooled investment vehicles. MLPs holding credit-related investments are subject to interest-rate risk and the risk of default on payment obligations by debt securities.

Medium and smaller company risk: The prices of medium and smaller company stocks can change more frequently and dramatically than those of large company stocks. For purposes of the fund's investment policies, the market capitalization of a company is based on its market capitalization at the time the fund purchases the company's securities. Market capitalizations of companies change over time.

Non-diversified risk: Overall risk can be reduced by investing in securities from a diversified pool of issuers, while overall risk is increased by investing in securities of a small number of issuers. Investments in a non-diversified fund may magnify the fund's losses from adverse events affecting a particular issuer.

Real estate securities risk: Investing in securities of companies in the real estate industry subjects a fund to the risks associated with the direct ownership of real estate.

S&P 500 Index risk: An investment in the fund involves risks similar to the risks of investing directly in the equity securities included in the S&P 500 Index.