

Alternative fund Investment professional fact sheet

John Hancock Diversified Macro Fund

A: JDJAX C: JDJCX I: JDJIX R6: JDJRX

Objective

Long-term capital appreciation

Strategy summary

Morningstar: Macro Trading

Benchmark: ICE BofA 0-3 Month U.S. Treasury Bill Index

Strategy inception: 7/29/2019

Total net assets: \$1.05 b

Average Holding Period: 8-10 weeks

Investment Universe: 55 futures and FX forwards markets

Volatility Target: 8%

Maximum Individual Market Exposure: 5%

Maximum Substrategy Exposure: Two of the four strategies cannot be greater than 66% of the portfolio

Substrategy Exposure Range: 5%-45% for each substrategy, but over time equal-weighted

Strategy

Quantitative and systematic

Pursuing diversified sources of returns through algorithmic long and short positions in carry, fundamental, trend, and value strategies

Multi-asset universe

Trading futures and foreign exchange instruments across 55 global markets for stocks, bonds, currencies, and commodities

Active risk management

Aggregating the output of underlying signals to diversify and optimize exposure across markets, sectors, and trading styles

Managed by



1 For each managed product, including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts, with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return that accounts for variation in a fund's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes. The top 10.0% of funds in each category, the next 22.5%, 35.0%, 22.5%, and bottom 10.0% receive 5, 4, 3, 2, or 1 star(s), respectively. The overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. The rating formula most heavily weights the 3-year rating, using the following calculation: 100% 3-year rating for 36 to 59 months of total returns, 60% 5-year rating/40% 3-year rating for 60 to 119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. Star ratings do not reflect the effect of any applicable sales load. **Morningstar's extended performance** rating is calculated by adjusting the historical total returns of the oldest share class to reflect the fee structure of a younger share class, and then compounding the combined record of actual and adjusted performance into the 3-, 5-, and 10-year time periods necessary to produce Morningstar Risk-Adjusted Returns and a Morningstar Rating. Extended performance ratings do not affect actual Morningstar ratings; the overall ratings for multi-share class funds are based on actual performance only or extended performance only. Once a share class turns 3 years old, the overall Morningstar Rating will be based on actual ratings only. Adjusted historical performance is only an approximation of actual returns, and Morningstar's calculation methodology may differ from those used by other entities. Past performance does not guarantee future results.

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Investment process

Seeking absolute returns across different market environments

The fund is designed to provide investors with a diversified global portfolio, generating alpha from four distinct underlying trading strategies with the objective of generating a diversified source of return across a variety of market conditions while targeting an annualized volatility of approximately 8%.

Key tenant of the portfolio is diversification

The investment philosophy for this directional long/short strategy is anchored in the importance of portfolio diversification across asset classes, global markets, and investment strategies.

Systematic approach to managing the strategy

The subadvisor's research team takes a scientific, data-driven approach to establish return forecasts across a broad range of asset classes globally through developing, implementing, and maintaining systematic strategies. It uses fundamental and price-based indicators to generate macro fundamental forecasts across global markets.

Balanced approach to portfolio construction

The fund is generally intended to have a low correlation to the equity and bond markets and may be characterized as macro or multi-asset in nature.

Risk management focuses on the correlation and diversification profile

A proprietary risk overlay utilizes short term cross correlations of markets and sectors to actively diversify exposure across individual markets and sectors and control portfolio risk. The return profile of the strategy reflects a low correlation to traditional markets as well as alternative strategies.

Morningstar ratings™ 1

Macro Trading

	Overall	3 year	5 year	10 year
Class I	★★★★	★★★★	—	—
Class A	★★★	★★★	—	—
Number of funds	68	68	61	29

Overall rating is based on 3-, 5-, and 10-year Morningstar Risk-Adjusted Returns and accounts for variation in a fund's monthly performance. Other share classes may be rated differently. Hollow stars indicate Morningstar's extended performance rating.

Quarterly commentary³

Highlights

- The fund generated modest gains overall in the first quarter of 2023 despite increased short-term volatility in March.
- Most notably, the sustained directional move in fixed income that had persisted for more than a year reversed sharply.
- These types of severe reversals are very difficult for directional strategies to navigate, but the fund was able to mitigate losses in March and retain year-to-date gains due to its diversified composition and active risk management.

Market review and outlook

Global financial markets delivered gains during the first quarter. The year began with a surge in investor optimism amid hopes that the U.S. Federal Reserve (Fed) and other central banks were on the verge of ending their tightening cycles and moving toward a neutral policy. Sentiment deteriorated in February as persistent inflation fueled concerns that the Fed and other banks would in fact need to continue raising interest rates.

While the focus during March was almost exclusively on the banking sector, other themes continue to be meaningful, including the geopolitical backdrop due to the conflict between Russia and Ukraine and ongoing tensions between the United States and China. Post-COVID-19 reopening in China also continues to affect markets. This confluence of themes combined with the shock caused by the banking collapse underscore the importance of active risk management.

Despite difficult market conditions during March, we continue to believe that the current environment should be constructive for quantitative and discretionary macro strategies.

Contributors and detractors

The fund got off to a strong start in 2023 and finished the quarter with overall gains despite the sharp reversals in March that were challenging for directional strategies. The fund was short in fixed income and long in equities heading into March, which had been profitable positions on a year-to-date basis through February, but the unprecedented reversal in March offset some of the previous gains in these sectors. The fund had normal levels of risk heading into March, but the magnitude of the moves in bonds and short-term rates was very difficult for directional strategies to navigate. The systems reduced position sizes in a significant manner in reaction to the increased market volatility. The fund fared well relative to other directional strategies, given its more diversified composition.

The fund generated gains in equities from long positions in European and Japanese benchmark indexes. Long equity positions were driven by the underlying macro, trend, and value substrategies.

In fixed income, profits resulted from evolving positions on the long end of the yield curve in the United States during the first two months of the quarter. However, some of the gains were given back in March following the major reversal in markets triggered by the collapse of several banks, including Silicon Valley Bank. Positions in fixed income were affected by all of the underlying strategies during the first quarter.

The fund produced modestly positive performance in currencies, as losses from short exposure to the Australian dollar versus the U.S. dollar were more than offset by gains from long exposure to the Mexican peso and U.S. dollar. The carry and value substrategies were primarily responsible for long U.S. dollar positions.

The fund experienced losses in commodities, primarily due to positions in precious metals and various energy markets. Losses were partially offset by gains from positions in natural gas. Positioning in precious metals and energy was primarily influenced by a combination of signals from the underlying strategies throughout the quarter.

Portfolio changes

We made no significant changes to the fund during the quarter.

This commentary reflects the views of the named portfolio managers and is subject to change as market and other conditions warrant. No forecasts are guaranteed. This commentary is provided for informational purposes only and is not an endorsement of any security, mutual fund, sector, or index. The subadvisor, the advisor (John Hancock Investment Management LLC), and their affiliates, employees, and clients, may hold or trade the securities mentioned in this commentary. Diversification does not guarantee a profit or eliminate the risk of a loss.

³ The Hang Seng Index (HSI) is a free-float market capitalization-weighted stock market index in Hong Kong. It is not possible to invest directly in an index.

Morningstar rankings²

Class I vs. Macro Trading

Quartile	Rank/number of funds			
	1 year	3 year	5 year	10 year
1st	21 of 75			
2nd		20 of 68		
3rd				
4th				
Percentile rank	25%	33%		

Average annual total returns⁴

	Qtd	Ytd	1 yr	3 yr	5 yr	10 yr	Life of fund	Life of fund date
Class I without sales charge	0.89	0.89	2.53	5.94	—	—	2.63	7/29/19
Class A without sales charge	0.90	0.90	2.27	5.67	—	—	2.36	7/29/19
Class A with sales charge	-4.15	-4.15	-2.80	3.87	—	—	0.93	7/29/19
ICE BofA 0-3 Month U.S. Treasury Bill Index	1.09	1.09	2.61	0.91	—	—	1.10	—
Macro trading category	-0.42	-0.42	-2.66	3.81	—	—	—	—
Expense ratios⁵		Gross		Net (what you pay)			Contractual through	
Class I		1.40%		1.39%			7/31/2024	
Class A		1.65%		1.64%			7/31/2024	

The past performance shown here reflects reinvested distributions and the beneficial effect of any expense reductions, and does not guarantee future results. The sales charge for Class A shares, reflects the maximum sales charge of 5.0%. For Class I shares, there is no sales charge. Returns for periods shorter than one year are cumulative, and results for other share classes will vary. Shares will fluctuate in value and, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance cited. For the most recent month-end performance, visit jhinvestments.com.

Calendar year returns⁶

Class I without sales charge

	2019	2020	2021	2022
Diversified Macro Fund	0.00	-2.23	-2.20	12.29
ICE BofA ML 0-3 Month US Treasury Bill Index	0.00	0.54	0.05	1.53
Macro trading category	0.00	4.62	4.40	-2.28

Geographical Exposure⁷

	%
LONG	
Asia	0.17
Australia/New Zealand	0.00
Canada	0.00
Eurozone	11.18
Japan	0.55
Latin and South America	3.19
Scandinavia	0.00
Switzerland	0.00
United Kingdom	14.72
United States	11.70
SHORT	
Asia	0.00
Australia/New Zealand	6.27
Canada	14.23
Eurozone	5.33
Japan	0.15
Latin and South America	0.00
Scandinavia	0.05
Switzerland	9.04
United Kingdom	8.99
United States	23.07
NET	
Asia	0.17
Australia/New Zealand	-6.27
Canada	-14.23
Eurozone	5.84
Japan	0.40
Latin and South America	3.19
Scandinavia	-0.05
Switzerland	-9.04
United Kingdom	5.73
United States	-11.37
GROSS	
Asia	0.17
Australia/New Zealand	6.27
Canada	14.23
Eurozone	16.51
Japan	0.70
Latin and South America	3.19
Scandinavia	0.05
Switzerland	9.04
United Kingdom	23.71
United States	34.76

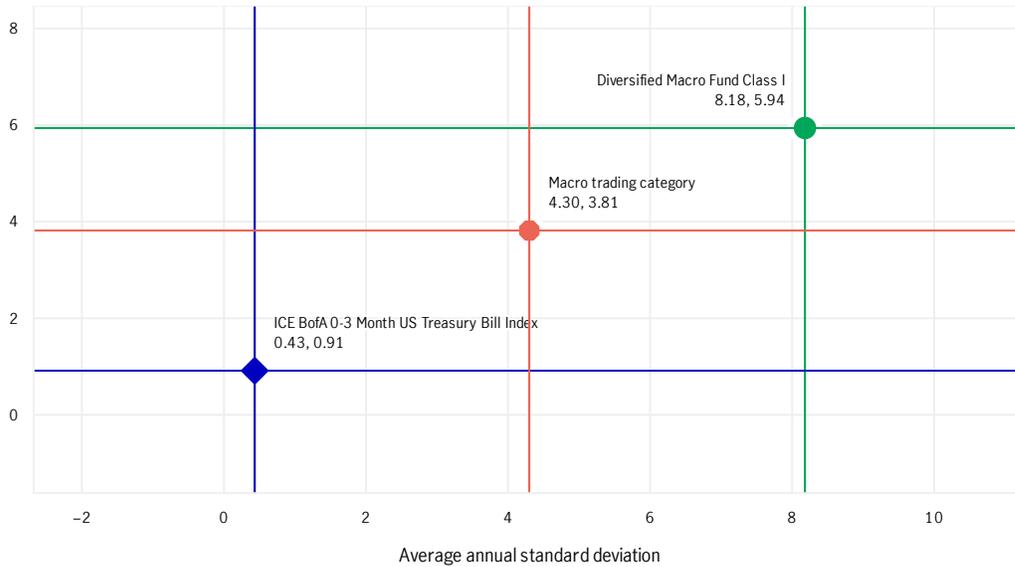
2 Rankings are based on total return and do not account for sales charges. Percentile ranks are based on absolute rank within specific fund categories and time periods. Within a category, all funds' percentile rankings range from 1 (best) to 100 (worst), with all intermediate values spread evenly over that range. The fund's absolute peer ranking may not be available for all time periods. Morningstar does not calculate an absolute peer ranking when a fund's performance has been linked to a preexisting share class. Past performance does not guarantee future results. **4** The Intercontinental Exchange (ICE) Bank of America (BofA) 0-3 Month U.S. Treasury Bill Index tracks the performance of U.S. dollar-denominated U.S. Treasury bills publicly issued in the U.S. domestic market with a remaining term to final maturity of less than three months. It is not possible to invest in an index. **5** "Net (what you pay)" represents the effect of a contractual fee waiver and/or expense reimbursement and is subject to change. **6** Performance data shown excludes fees and expenses. The performance data would be lower if such fees and expenses were included. Past performance does not guarantee future results. **7** Portfolio composition weightings are expressed as a percentage of total market value of investments and subject to change at any time. The table represent the fund's long, short, net and gross exposures across geographies and sectors. The fund gains exposure across all sectors via liquid global futures (equities, fixed income and commodities) and currency instruments. The table further breaks down the four major global markets.

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Risk and return

%

3 year (Std. deviation, return)



Top 10 positions by risk (VaR)⁷

%

1. FTSE 100 IDX FUT Jun23	16.72	6. 3 MONTH SOFR FUT Jun24	6.83
2. US 2YR NOTE (CBT) Jun23	12.00	7. US 5YR NOTE (CBT) Jun23	6.77
3. DAX INDEX FUTURE Jun23	10.89	8. GOLD 100 OZ FUTR Jun23	6.39
4. 3MO EURO EURIBOR Jun24	10.21	9. CAC40 10 EURO FUT Apr23	5.41
5. EURO-SCHATZ FUT Jun23	7.95	10. EURO STOXX 50 Jun23	4.10

What you should know before investing

Quantitative models may not accurately predict future market movements or characteristics, which may negatively affect performance. The use of hedging and derivatives could produce disproportionate gains or losses and may increase costs. The fund's use of derivatives may result in a leveraged portfolio that may not be successful and may create additional risks, including heightened price and return volatility. Exposure to commodities and commodities markets may also subject the fund to greater volatility than investments in traditional securities. Commodity investments can be volatile and are affected by speculation, supply-and-demand dynamics, geopolitical stability, and other factors. Large company stocks may underperform the market as a whole. Foreign investing has additional risks, such as currency and market volatility and political and social instability. The securities of small companies are subject to higher volatility than those of larger, more established companies. Fixed-income investments are subject to interest-rate and credit risk; their value will normally decline as interest rates rise or if an issuer is unable or unwilling to make principal or interest payments. The extent to which a security may be sold or a derivative position closed without negatively affecting its market value may be impaired by reduced market activity or participation, legal restrictions, or other economic and market impediments. By investing in a subsidiary, the fund is indirectly exposed to the risks associated with the subsidiary's investments and operations. The tax treatment of commodity-related investments and income from the subsidiary may be adversely affected by future U.S. tax legislation, regulation, or guidance. Please see the fund's prospectus for additional risks.

Clients should carefully consider a fund's investment objectives, risks, charges, and expenses before investing. To request a prospectus or summary prospectus with this and other important information, call us at 800-225-6020, or visit us at jhinvestments.com.

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Sector Exposure⁷

	%
LONG	
Ags/Softs	5.84
Base metals	2.07
Energy	2.34
Equities	20.12
Foreign Exchange	4.20
Long term/intermediate rates	6.45
Precious metals	0.47
Short-term rates	0.00
SHORT	
Ags/Softs	4.41
Base metals	1.80
Energy	2.16
Equities	3.75
Foreign Exchange	28.13
Long term/intermediate rates	15.63
Precious metals	3.17
Short-term rates	8.06
NET	
Ags/Softs	1.43
Base metals	0.28
Energy	0.18
Equities	16.37
Foreign Exchange	-23.92
Long term/intermediate rates	-9.18
Precious metals	-2.70
Short-term rates	-8.06
GROSS	
Ags/Softs	10.25
Base metals	3.87
Energy	4.49
Equities	23.87
Foreign Exchange	32.33
Long term/intermediate rates	22.09
Precious metals	3.64
Short-term rates	8.06