

**International equity fund** Investment professional fact sheet

# John Hancock Emerging Markets Fund

A: JEVAX C: JEV CX I: JEVIX R6: JEV RX

## Objective

Long-term capital appreciation

## Strategy summary

**Morningstar:** Diversified Emerging Markets

**Benchmark:** MSCI Emerging Markets Index

**Strategy inception:** 5/1/2007

**Total net assets:** \$162.90 m

**Typical holding period:** 2.5–5.0 years

**Typical holding range:** 2,000–3,000 securities

**Typical portfolio turnover range:** 20%–40%

## Strategy

### Emerging-market exposure

Targets companies benefiting from rapid economic growth, industrialization, and growing domestic consumption

### Multiple sources of returns

Emphasizing factors (smaller cap, lower relative price, and higher profitability) that academic research has linked to higher expected returns

### An efficient portfolio

Seeks to minimize turnover, trading costs, cash drag, and company-specific risks

## Investment process

### Define opportunity set

The team applies quantitative screens to the entire universe of eligible stocks to precisely identify and capture the desired asset class exposure, emphasizing small cap and value.

### Construct a portfolio

Further screening is applied to bring the targeted universe into better focus and to exclude groups of securities that underperform or don't represent the asset class. A flexible trading structure allows for reduced transaction costs, and stocks on the buy/sell lists can be substituted for one another.

### Maintain a flexible and efficient sell discipline

Stock positions are reduced as their relative valuation increases. Positions are eliminated when they violate one of the portfolio's exclusion rules, such as insufficient liquidity or extreme distress.

## Average annual total returns<sup>2,3,4</sup>

	Qtd	Ytd	1 yr	3 yr	5 yr	10 yr	Life of fund	Life of fund date	%
Class I without sales charge	10.44	-16.64	-16.64	-1.18	-1.35	1.31	2.45	5/1/07	
Class A without sales charge	10.30	-16.88	-16.88	-1.47	-1.65	1.00	2.19	5/1/07	
Class A with sales charge	4.74	-21.05	-21.05	-3.13	-2.66	0.48	1.86	5/1/07	
MSCI Emerging Markets Index	9.70	-20.09	-20.09	-2.69	-1.40	1.44	2.33	—	
Diversified emerging markets category	9.71	-21.03	-21.03	-2.48	-1.52	1.15	—	—	
<b>Expense ratios<sup>5</sup></b>		<b>Gross</b>			<b>Net (what you pay)</b>		<b>Contractual through</b>		
Class I		1.19%			1.18%		7/31/2024		
Class A		1.49%			1.48%		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](http://jhinvestments.com).

## Managed by<sup>1</sup>



**Jed S. Fogdall**  
On the fund since 2010.  
Investing since 2004



**Mary T. Phillips, CFA**  
On the fund since 2017.  
Investing since 2003



**William B. Collins-Dean, CFA**  
On the fund since 2019.  
Investing since 2007

## Calendar year returns<sup>4,6</sup>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	%
Class I without sales charge											
Emerging Markets Fund	-3.02	-1.66	-14.92	10.96	35.38	-15.58	14.69	11.86	3.48	-16.64	
MSCI Emerging Markets Index	-2.60	-2.19	-14.92	11.19	37.28	-14.58	18.44	18.31	-2.54	-20.09	
Diversified emerging markets category	-0.69	-2.99	-13.74	8.08	34.69	-16.11	19.07	17.15	0.26	-21.03	

**1** Effective 1/1/23, Bhanu P. Singh no longer serves as a portfolio manager of the fund. **2** The MSCI Emerging Markets Index tracks the performance of publicly traded large- and mid-cap emerging-market stocks. It is not possible to invest directly in an index. **3** 5/1/07 is the inception date for the oldest class of shares, Class NAV shares. Class A and Class I shares were first offered on 3/31/11. Returns prior to this date are those of Class NAV shares and have not been adjusted for expenses; otherwise, returns would vary. **4** Comparison against the benchmark and Morningstar category is based on Class I shares. **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.

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## Quarterly commentary

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### Highlights

- Emerging stock markets gained ground during the fourth quarter, as investors became more optimistic about the macroeconomic backdrop.
- The fund outpaced the benchmark, the MSCI Emerging Markets Index.
- An emphasis on value-oriented and high-profitability stocks contributed to the fund's outperformance.

### Market review and outlook

Emerging-market stocks rebounded after a challenging third quarter. Driving the boost in equity prices were investors' improved outlook on a slower pace of interest-rate hikes from the U.S. Federal Reserve, a higher likelihood of a soft economic landing, and China's easing of strict COVID-19 measures.

Overall, currency movements had a positive impact on the U.S. dollar-denominated returns of emerging markets. Most major emerging-market currencies appreciated relative to the U.S. dollar during the quarter.

### Contributors and detractors

The fund outperformed its benchmark. The fund is designed to provide exposure to a diversified group of emerging-market securities across the entire size and value spectrum, with an emphasis on small caps, value stocks as measured by price-to-book ratio, and stocks with higher profitability. Due to the fund's diversified investment approach, its performance is mainly driven by broad market trends rather than the behavior of a limited group of securities in a particular industry, country, or asset class.

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.

The fund's emphasis on value-oriented stocks contributed to relative performance. Given that value-oriented stocks outperformed their growth-oriented counterparts this quarter, the fund's increased exposure to the former group added value. Another favorable relative impact came from the fund's emphasis on high-profitability stocks. Because these stocks were relative outperformers, maintaining elevated exposure to these types of names added to the fund's result.

Key individual relative contributors this quarter included Saudi National Bank SJSC, South Korean multinational Samsung Electronics Company, Ltd., and Al Rajhi Bank, another Saudi Arabia-based financial institution.

Relative detractors included China's Tencent Holdings Ltd. and Pinduoduo, Inc., as well as Naspers, Ltd., a South African technology company.

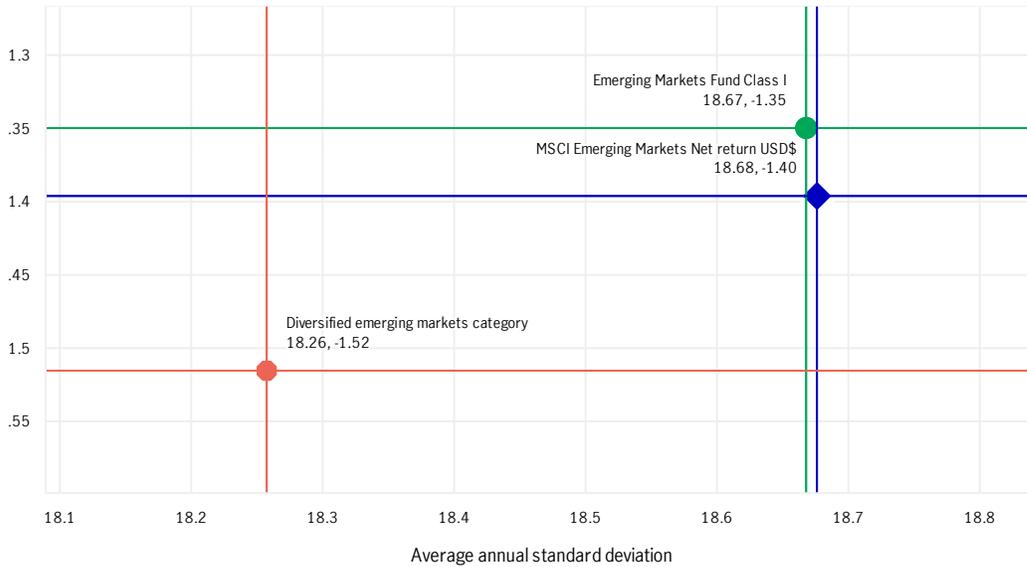
### Portfolio changes

We emphasize stocks with smaller market capitalizations, lower relative prices, and higher profitability. We continued to prioritize these factors in managing the fund throughout the quarter.

**Risk and return**

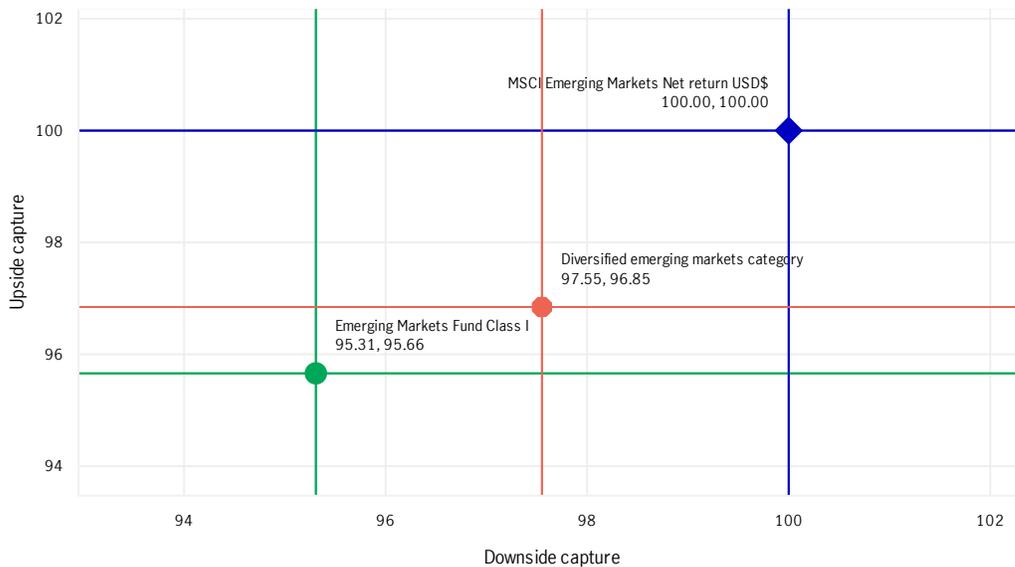
%

5 year (Std. deviation, return)

**Upside/downside capture ratio**

%

5 year (Downside, upside)

**10 largest holdings<sup>8</sup>**

%

1. Taiwan Semiconductor Manufacturing Company, Ltd.	3.38	6. Samsung Electronics Company, Ltd.	0.81
2. Tencent Holdings, Ltd.	2.17	7. Vale SA	0.72
3. Samsung Electronics Company, Ltd.	1.95	8. Ping An Insurance Group Company of China, Ltd.	0.70
4. China Construction Bank Corp.	0.91	9. Alibaba Group Holding, Ltd.	0.62
5. Infosys, Ltd.	0.83	10. Reliance Industries, Ltd.	0.60

**Risk and performance measures**

5 year

**Morningstar category**

	Fund	Morningstar category
Alpha	0.08	-0.17
Beta	0.98	0.97
Sharpe ratio	-0.07	-0.08
Sortino ratio	-0.10	-0.12
Standard deviation (%)	18.67	18.26
Information ratio	0.02	-0.06
Tracking error (%)	3.96	2.90
Upside capture ratio (%)	95.66	96.85
Downside capture ratio (%)	95.31	97.55
R-squared (%)	95.56	97.60

Calculations are based on Class I shares.

**Key facts****Weighted average market cap (\$B)**

<b>Fund</b>	\$54.42 b
<b>Benchmark</b>	\$93.63 b

**P/E ratio (trailing)**

<b>Fund</b>	8.57x
<b>Benchmark</b>	10.53x

**Price/book ratio**

<b>Fund</b>	1.22x
<b>Benchmark</b>	1.56x

**Active share (%)**

<b>Fund</b>	45.51
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**Number of holdings**

<b>Fund</b>	3,982
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**Portfolio turnover<sup>7</sup> (%)**

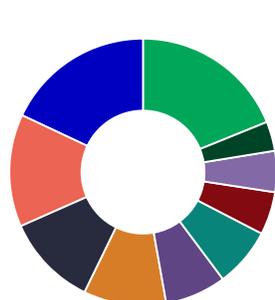
<b>Fund</b>	24
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**7** The portfolio turnover is as of the fund's fiscal year end and is subject to change. The fund's annual report includes further details regarding the portfolio turnover ratio. **8** Listed holdings reflect the largest portions of the fund's total and may change at any time. They are not recommendations to buy or sell any security. Data is expressed as a percentage of net assets and excludes cash and cash equivalents. Fund characteristics will vary over time.

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**Sector composition**<sup>8</sup>

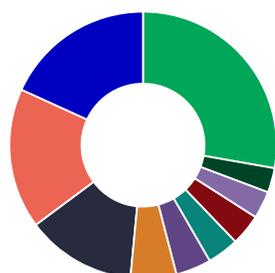
%



Information Technology	18.27
Financials	17.42
Materials	13.19
Consumer Discretionary	10.81
Industrials	9.68
Consumer Staples	7.17
Communication Services	6.95
Health Care	5.03
Energy	4.82
Real Estate	3.44

**Country weightings**<sup>8</sup>

%



China	24.66
India	16.16
Taiwan	15.10
South Korea	11.81
Brazil	4.93
Hong Kong	3.81
Saudi Arabia	3.40
South Africa	3.36
Mexico	2.95
Thailand	2.63

**What you should know before investing**

Foreign investing, especially in emerging markets, has additional risks, such as currency and market volatility and political and social instability. Value stocks may decline in price. The stock prices of midsize and small companies can change more frequently and dramatically than those of large companies, and illiquid securities may be difficult to sell at a price approximating their value. Currency transactions are affected by fluctuations in exchange rates. The use of hedging and derivatives could produce disproportionate gains or losses and may increase costs. 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](http://jhinvestments.com).

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