John Hancock Investment Management

All data is as of December 31, 2022 **Q4 - 2022**

Fixed-income fund Investment professional fact sheet

John Hancock Floating Rate Income Fund

A: JFIAX C: JFIGX I: JFIIX R6: JFIRX

Objective

A high level of current income

Strategy summary

Morningstar: Bank Loan
Benchmark: Morningstar LSTA US Leveraged Loan Index
Strategy inception: 1/2/2008
Total net assets: $1.26 b
Typical holding period: 2–4 years
Typical holding range: 200–275 securities
Typical portfolio turnover range: 30%–60%

Strategy

High income potential
Uses rigorous fundamental research to generate income through investments in senior floating-rate bank loans

Interest-rate hedge
Coupon payments on bank loans "float" above prevailing rates, so exposure to the asset class can help reduce a portfolio's rate sensitivity

Diversification potential
The asset class's historical return pattern has differed from those of stocks and traditional bonds, a key to creating diversification

Managed by

BainCapital CREDIT

A leading global credit specialist, combining industry-specific micro and macro trend research with rigorous, bottom-up security analysis

Andrew Carlino
On the fund since 2018.
Investing since 1995

Kimberly M. Harris
On the fund since 2018.
Investing since 1987

Nathaniel D. Whittier
On the fund since 2019.
Investing since 2009

Investment process

Evaluate economic conditions
The management team assesses the global economic environment, central bank policy, and overall credit conditions to determine target sector allocations and industry weights.

Identify industry opportunities
The team analyzes industries for overall valuation and potential risk-adjusted returns, the relative position of industry competitors, and the direction of profits within industries.

Target individual companies
Criteria for inclusion in the portfolio include:

- A quality management team
- Demonstrated financial stability
- Differentiated product offerings
- A strong competitive position
- Attractive credit and valuation characteristics

Adhere to a strict sell discipline
The team will sell positions to lock in profits or limit losses after:

- The target valuation is reached
- The credit opinion is revised
- Material market price movements

Average annual total returns[1,2,3]

%

	Qtd	Ytd	1 yr	3 yr	5 yr	10 yr	Life of fund	Life of fund date
Class I without sales charge	1.68	-4.04	-4.04	1.15	2.26	2.62	3.65	1/1/08
Class A without sales charge	1.62	-4.24	-4.24	0.96	2.06	2.35	3.33	1/1/08
Class A with sales charge	-0.89	-6.62	-6.62	0.12	1.53	2.09	3.16	1/1/08
Morningstar LSTA US Leveraged Loan Index	2.74	-0.60	-0.60	2.55	3.31	3.67	4.33	—
Bank loan category	2.50	-2.62	-2.62	0.86	1.93	2.69	—	—

Expense ratios[4]	Gross	Net (what you pay)	Contractual through
Class I	0.86%	0.79%	12/31/2023
Class A	1.11%	1.02%	12/31/2023

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 2.5%. 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.

1 The Morningstar LSTA US Leveraged Loan Index tracks the market-weighted performance of U.S. dollar-denominated institutional leveraged loan portfolios. It is not possible to invest directly in an index. **2** Performance prior to 8/30/18 reflects the performance of the predecessor manager. **3** Comparison against the benchmark and Morningstar category is based on Class I shares. **4** "Net (what you pay)" represents the effect of a contractual fee waiver and/or expense reimbursement and is subject to change.

Quarterly commentary

Highlights

- Market volatility continued during the fourth quarter, driven by hawkish central banks, inflation, and weak global economic data.
- The fund had a positive return, but underperformed its benchmark, the Morningstar LSTA Leveraged Loan Index.
- The underweight in BB-rated and single-name CCC-rated loans detracted from performance as the market continues to focus on higher-quality assets.

Market review and outlook

Credit assets performed well during the quarter, despite continued volatility driven by hawkish central banks, inflation, and weak global economic data, among other factors. High-yield bonds generated positive returns during the quarter as long-term interest rates declined. Leveraged loan performance was positive during the quarter as well, driven primarily by coupon income. Performance for loans closed 2022 significantly ahead of bonds on a year-to-date basis.

From a quality perspective, CCCs underperformed as investors favored quality amid heightened volatility and continued fears of recession. This has led to continued elevated dispersion at the industry level. Broadcasting, healthcare, and retail were among the worst performers, while energy and metals and mining have outperformed on a relative basis.

Asset prices declined and spreads widened in 2022, signaling the market's bearish view in the near term; however, we believe the market is pricing in defaults and losses well above what will come to fruition in 2023 and beyond, as is often the case during periods of volatility. We expect dispersion to remain elevated in 2023. Notably, we view the loan asset class as attractive on multiple metrics, including yields, spread valuations, seniority, and its secured nature. Higher yields may provide additional cushion against potential volatility and losses, and loans' senior position in the capital structure and security can protect investors in the event of default.

Contributors and detractors

The fund posted a positive return for the quarter but underperformed its benchmark. After detracting from performance for much of the year, the bond allocation was a positive contributor in the fourth quarter, in part due to interest rates declining in the period. At the industry level, the healthcare and consumer noncyclical sectors were top contributors to performance.

The loan allocation detracted from relative performance, mainly due to the underweight in BB-rated and single-name CCC-rated bonds as the market continues to focus on higher-quality assets. Exposure to the gaming and leisure and media industries were top detractors, driven largely by single-name underperformance.

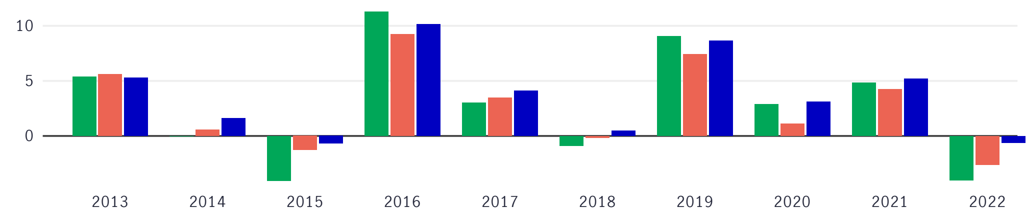
Portfolio changes

There were no material changes to fund positioning. From a quality perspective, we remain overweight in single-Bs but have recently added to BB-rated loans in light of increased market uncertainty. In addition, the fund's CCC allocation remains slightly above the benchmark and is generally focused on names within industries that we believe will benefit from the consumer's shift from goods to services, such as travel and leisure companies, media, event management businesses, and companies within the aviation ecosystem.

The fund's bond allocation increased marginally and we believe it'll provide attractive yield and potential return to the portfolio. We continue to favor secured bonds, often in names in which we already own the term loan.

Calendar year returns[3,5] %

Class I without sales charge

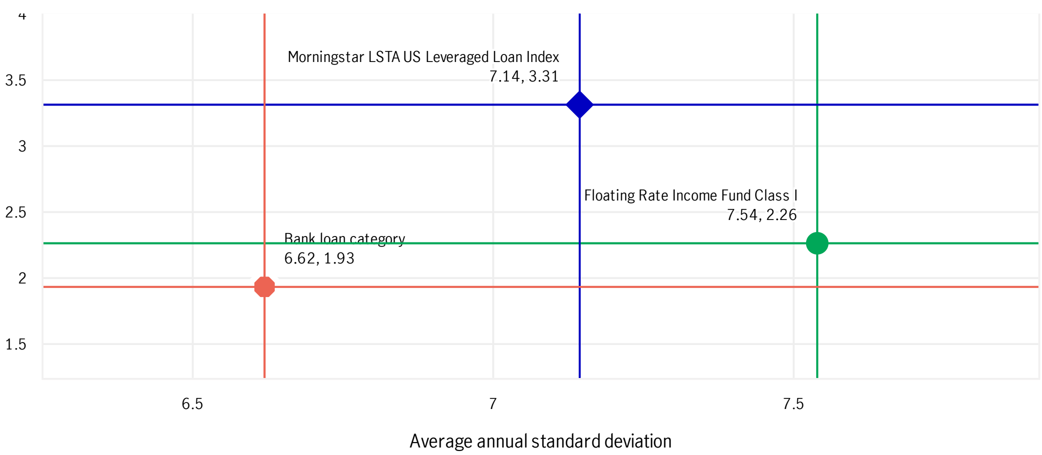


■ Floating Rate Income Fund ■ Morningstar LSTA US Leveraged Loan Index ■ Bank loan category

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
■ (Fund)	5.36	-0.04	-4.06	11.29	3.00	-0.89	9.04	2.89	4.82	-4.04
■ (Index)	5.29	1.60	-0.69	10.14	4.11	0.47	8.64	3.12	5.20	-0.60
■ (Category)	5.62	0.58	-1.28	9.22	3.47	-0.16	7.42	1.09	4.23	-2.62

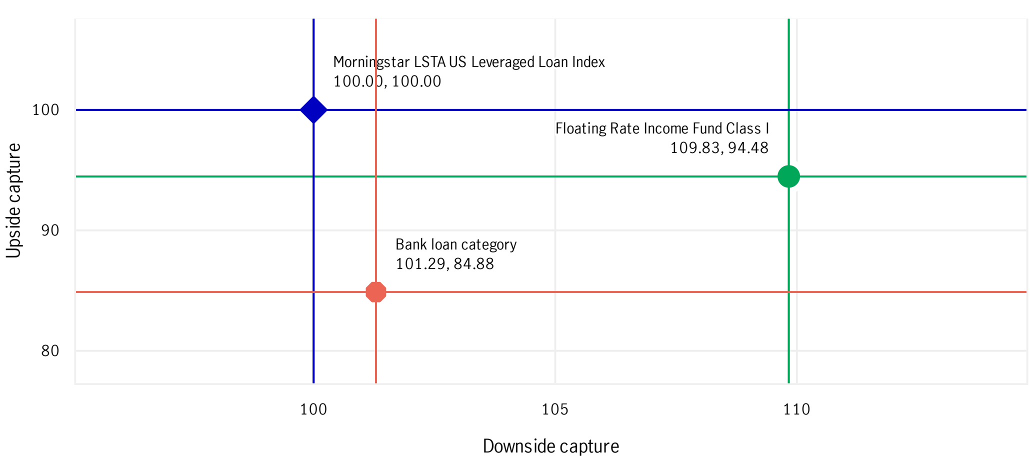
Risk and return %

5 year (Std. deviation, return)



Upside/downside capture ratio %

5 year (Downside, upside)



Risk and performance measures

5 year	Fund	Morningstar category
Alpha	-1.18	-1.12
Beta	1.05	0.92
Sharpe ratio	0.30	0.29
Sortino ratio	0.36	0.34
Standard deviation (%)	7.54	6.62
Information ratio	-1.35	-1.87
Tracking error (%)	0.73	0.74
Upside capture ratio (%)	94.48	84.88
Downside capture ratio (%)	109.83	101.29
R-squared (%)	99.29	99.42

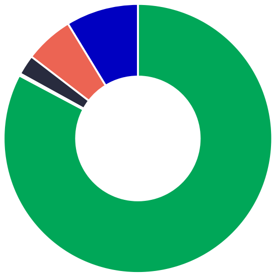
Calculations are based on Class I shares.

Maturity range[6] %

Developed Less than 1 year	0.96
1 to 3 years	19.46
3 to 5 years	28.41
5 to 7 years	48.46
7 to 10 years	1.35
10 to 15 years	1.36

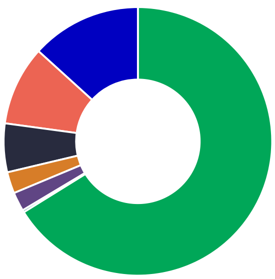
3 Comparison against the benchmark and Morningstar category is based on Class I shares. **5** Performance data shown excludes fees and expenses. The performance data would be lower if such fees and expenses were included. Past performance does not guarantee future results. **6** Listed holdings reflect 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.

Asset mix[7]



	%
Term Loans	82.76
Corporate Bonds	8.73
Cash & Cash Equivalents	5.86
Asset Backed	2.40
Common Stocks	0.22
Foreign Stock	0.03
Other	0.00

Quality composition[8]



	%
B	66.16
BB	13.27
CCC & Below	9.58
Short-Term Investments & Other	5.86
BBB	2.58
Not Rated	2.29
Equity	0.26

Key facts

Average maturity (yrs)	4.47
Effective duration (yrs)	0.30
Number of holdings	403
Portfolio turnover[9] (%)	52

10 largest issuers[6]

		%
1.	Travel Leaders Group, LLC	0.82
2.	Hurtigruten Group AS	0.76
3.	Endo Luxembourg Finance Company I S.a r.l.	0.67
4.	ASP Unifrax Holdings, Inc.	0.66
5.	Curium BidCo S.a r.l.	0.65
6.	New SK Holdco Sub, LLC	0.63
7.	Peraton Corp.	0.61
8.	Alliant Holdings Intermediate, LLC	0.61
9.	National Mentor Holdings, Inc.	0.60
10.	Amneal Pharmaceuticals LLC	0.59

What you should know before investing

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. Investments in higher-yielding, lower-rated securities include a higher risk of default. Liquidity—the extent to which a security may be sold or a derivative position closed without negatively affecting its market value, if at all—may be impaired by reduced trading volume, heightened volatility, rising interest rates, and other market conditions. Foreign investing, especially in emerging markets, has additional risks, such as currency and market volatility and political and social instability. A portfolio concentrated in one sector or that holds a limited number of securities may fluctuate more than a diversified portfolio. Fund distributions generally depend on income from underlying investments and may vary or cease altogether in the future. 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.

6 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. **7** Excludes any negative exposures that may result from the use of futures or forward contracts. **8** Ratings are from Moody's, if available, and from Standard & Poor's or Fitch, respectively, if not. Securities in the Not rated category have not been rated by a rating agency; however, the subadvisor performs its own credit analysis for many of these securities and assigns comparable ratings that are used for compliance with applicable investment policies. Prior to June 30, 2021, internal ratings provided by the subadvisor were included. Ratings composition will change. Individual bonds are rated by the creditworthiness of their issuers; these ratings do not apply to the fund or its shares. U.S. government and agency obligations are backed by the full faith and credit of the U.S. government. All other bonds are rated on a scale from AAA (extremely strong financial security characteristics) down to CCC and below (having a very high degree of speculative characteristics). "Short-term investments and other," if applicable, may include fund receivables, payables, and certain derivatives. **9** 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.