

**Fixed-income fund** Investment professional fact sheet

# John Hancock Strategic Income Opportunities Fund

A: JIPAX C: JIPCX I: JIPIX R2: JIPPX R6: JIPRX

## Objective

Income and capital appreciation

## Strategy summary

**Morningstar:** Multisector Bond  
**Benchmark:** Bloomberg U.S. Aggregate Bond Index  
**Strategy inception:** 5/1/2006  
**Total net assets:** \$3.61 b  
**Typical holding period:** 1–2 years  
**Typical holding range:** 350–500 securities  
**Typical portfolio turnover range:** 50%–100%

## Strategy

### All-weather income fund

Seeks to outperform over different market environments by participating in up markets and protecting in down markets

### Income potential

Pursuing a variety of investment-grade and higher-yielding fixed-income opportunities globally

### Flexible approach

Tactically allocates across sectors, credit qualities, and currencies while actively managing duration exposure

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

**Manulife**  
Investment Management

 **Thomas C. Gogins**  
On the fund since 2009.  
Investing since 1987

 **Daniel S. Janis III**  
On the fund since 2006.  
Investing since 1984

 **Christopher M. Chapman, CFA**  
On the fund since 2017.  
Investing since 1995

 **Bradley L. Lutz, CFA**  
On the fund since 2022.  
Investing since 1992

 **Kisoo Park**  
On the fund since 2015.  
Investing since 1986

## Investment process

### Evaluate economic conditions

The management team assesses the global economic environment, fiscal and monetary policies, and overall credit conditions in the market.

### Analyze investment opportunities

The team seeks out supply-and-demand imbalances and undervalued opportunities across a broad range of securities offering yield and return potential, solid credit quality, and stability while concentrating on three key areas of the market:

- High-yield corporate bonds
- U.S. government and investment-grade corporate bonds
- Foreign bonds

### Construct a diversified portfolio

The team invests the fund in a wide range of securities across its three target sectors with the goal of maintaining an average credit quality of investment grade.

### Set currency exposures

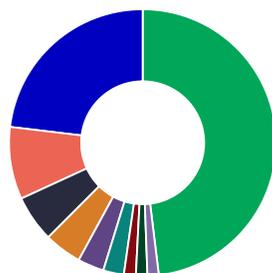
The team evaluates the foreign exchange markets and will tactically use currency exposure to seek to enhance performance should it identify attractive relative value opportunities.

### Adhere to a strict sell discipline

The team will exit a position if:

- Better relative valuations are identified
- Economic trends warrant a change in strategy
- Credit fundamentals deteriorate
- The business cycles shift in favor of another sector
- Government policy suddenly shifts

## Asset mix<sup>2</sup>



Asset Class	Percentage (%)
Corporate Bonds	48.07
Foreign Government Obligations	23.11
U.S. Government	8.76
Collateralized Mortgage Obligations	5.65
U.S. Government Agency	4.55
Preferred Securities	3.18
Convertible Bonds	2.50
Asset Backed	1.44
Other	1.39
Cash & Cash Equivalents	1.36

**1** Effective 3/15/23, Daniel S. Janis III is retiring as a portfolio manager. **2** Excludes any negative exposures that may result from the use of futures or forward contracts.

## Quarterly commentary

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### Highlights

- U.S. bonds posted positive returns, ending a streak of sharp quarterly declines as inflation cooled and investors anticipated a slowdown in interest-rate increases by the U.S. Federal Reserve (Fed).
- High-yield and investment-grade corporate bonds posted the best returns, reflecting increased investor demand for risk assets, while U.S. Treasury securities lagged.
- The fund outperformed its benchmark, the Bloomberg U.S. Aggregate Bond Index, thanks to notable positions in high-yield corporate bonds and emerging-market debt.

### Market review and outlook

U.S. bonds advanced during the fourth quarter, ending the bond market's worst calendar year of performance in decades on a positive note. Although inflation remained elevated during the quarter, it fell to its lowest level in nearly a year. This led to expectations that the Fed and other central banks will shift to a less-aggressive interest-rate policy in 2023. However, the Fed raised short-term interest rates twice during the fourth quarter and reiterated that curbing inflation was its main priority. In this environment, bond yields were mostly higher, with shorter-term bond yields rising the most. Despite the higher yields, however, bonds posted positive returns for the quarter, led by sectors such as high-yield and investment-grade corporate bonds, which benefited from improving risk sentiment.

After a challenging 2022, we see abundant value in global bond markets entering 2023. Certainly, there is still a great deal of economic and geopolitical uncertainty, and market volatility is likely to remain elevated in the near term. But a continued decline in inflation data and a pause in central bank interest-rate hikes would provide a more favorable backdrop for fixed-income performance. Within the fund, we continue to strike a balance between risk and yield with an emphasis on quality, stability, and liquidity.

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.

### Contributors and detractors

Sector allocation was the key factor behind the fund's outperformance of its benchmark. Noteworthy positions in high-yield corporate bonds and emerging-market debt contributed the most to the outperformance, along with an underweight position in U.S. Treasury securities. In addition, small positions in equities, convertible bonds, and bank loans added value.

The fund also benefited from its duration positioning and foreign currency exposure. The fund's duration (a measure of interest-rate sensitivity) was shorter than that of the index, which meant that rising interest rates had less of a negative impact on fund performance. On the currency side, positions in the South Korean won and Norwegian krone contributed the most to performance.

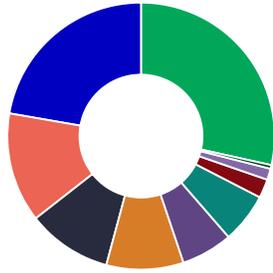
On the downside, overweight positions in commercial mortgage-backed securities and asset-backed securities detracted from performance versus the index. Exposure to sovereign government bonds in Canada and New Zealand also weighed on relative results.

### Portfolio changes

We reduced the fund's holdings of high-yield corporate bonds and bank loans, and reallocated those assets into non-U.S. government bonds, securitized assets, and emerging-market debt. We also extended the fund's duration further as we think the bulk of the rise in interest rates is behind us. We increased the fund's foreign currency exposure modestly during the quarter.

**Quality composition**<sup>3</sup>

%



BBB	28.49
BB	22.27
U.S. Government & Agency Obligations	13.30
AAA	10.25
A	9.34
B	6.22
AA	6.05
Not Rated	2.28
Short-Term Investments & Other	1.36
Equity	0.44

**Risk and performance measures**

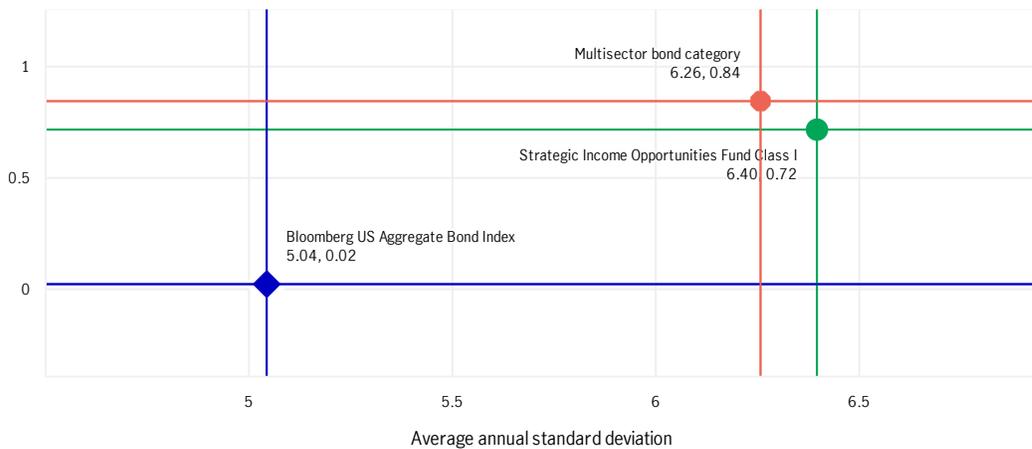
5 year	Fund	Morningstar category
Alpha	0.80	0.94
Beta	0.78	0.71
Sharpe ratio	0.11	0.14
Sortino ratio	0.15	0.16
Standard deviation (%)	6.40	6.26
Information ratio	0.15	0.17
Tracking error (%)	5.15	5.32
Upside capture ratio (%)	90.94	88.73
Downside capture ratio (%)	78.71	74.54
R-squared (%)	38.07	33.13

Calculations are based on Class I shares.

**Risk and return**

%

5 year (Std. deviation, return)



**Maturity range**<sup>4</sup>

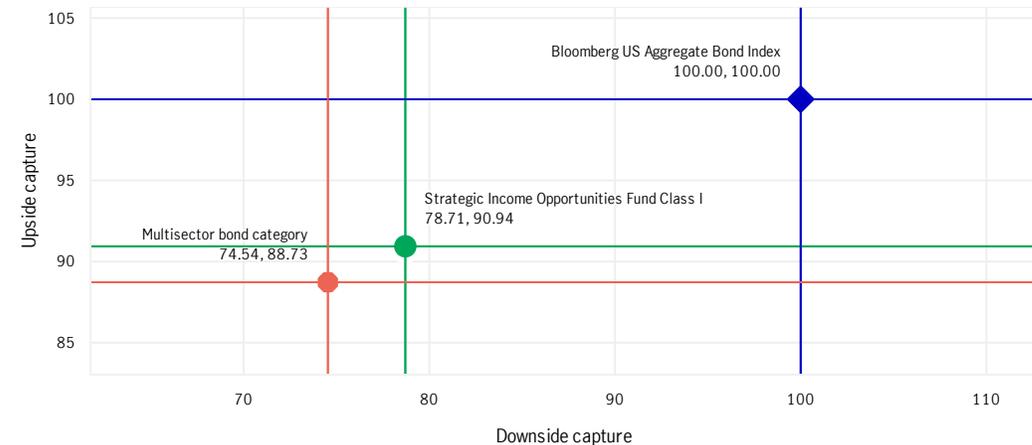
%

Developed Less than 1 year	4.34
1 to 3 years	18.53
3 to 5 years	19.07
5 to 7 years	13.57
7 to 10 years	25.83
10 to 15 years	2.77
15 to 20 years	6.84
20 to 30 years	6.33
Above 30 years	2.72

**Upside/downside capture ratio**

%

5 year (Downside, upside)



**3** 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. **4** 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.

**Average annual total returns**<sup>5,6,7</sup>

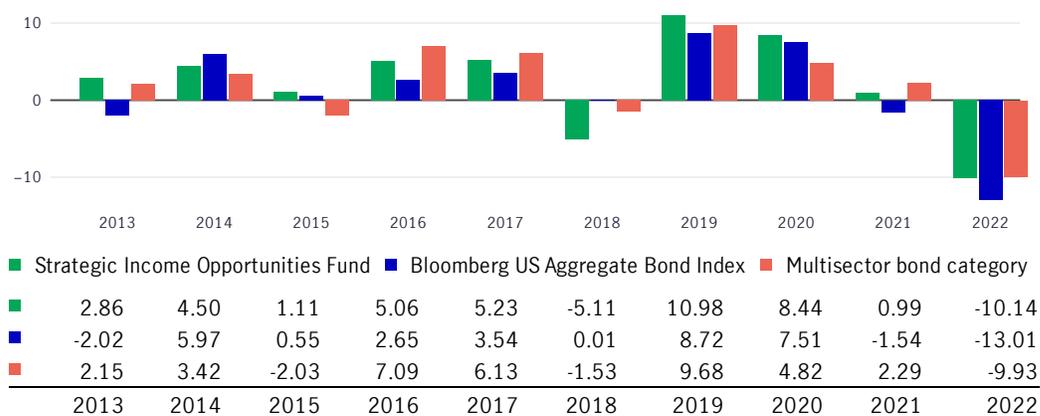
	Qtd	Ytd	1 yr	3 yr	5 yr	10 yr	Life of fund	Life of fund date
Class I without sales charge	3.42	-10.14	-10.14	-0.53	0.72	2.22	4.69	5/1/06
Class A without sales charge	3.34	-10.41	-10.41	-0.83	0.42	1.90	4.43	5/1/06
Class A with sales charge	-0.77	-13.96	-13.96	-2.18	-0.39	1.49	4.17	5/1/06
Bloomberg U.S. Aggregate Bond Index	1.87	-13.01	-13.01	-2.71	0.02	1.06	3.12	—
Multisector bond category	2.54	-9.93	-9.93	-1.15	0.84	2.07	—	—

Expense ratios <sup>8</sup>	Gross	Net (what you pay)	Contractual through
Class I	0.81%	0.76%	12/31/2023
Class A	1.11%	1.06%	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 4.0%. 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).

**Calendar year returns**<sup>6,9</sup>

Class I without sales charge

**10 largest issuers**<sup>4</sup>

1. United States of America	8.77	6. Government of Mexico	1.69
2. Republic of Indonesia	3.13	7. Government of New Zealand	1.55
3. Federal Home Loan Mortgage Corp.	2.88	8. Kingdom of Norway	1.53
4. Federal National Mortgage Association	2.50	9. HCA, Inc.	1.47
5. Government of Canada	2.38	10. Commonwealth of Australia	1.43

**4** 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. **5** 4/28/06 is the inception date for the oldest class of shares, Class NAV shares. Class A and Class I shares were first offered on 1/4/10. Returns prior to this date are those of Class NAV shares and have not been adjusted for expenses; otherwise, returns would vary. **6** Comparison against the benchmark and Morningstar category is based on Class I shares. **7** The Bloomberg U.S. Aggregate Bond Index tracks the performance of U.S. investment-grade bonds in government, asset-backed, and corporate debt markets. It is not possible to invest directly in an index. **8** "Net (what you pay)" represents the effect of a contractual fee waiver and/or expense reimbursement and is subject to change. **9** 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. **10** 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.

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**Key facts**

Average maturity (yrs)	6.53
Effective duration (yrs)	4.57
Number of holdings	480
Portfolio turnover <sup>10</sup> (%)	36

**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. Foreign investing, especially in emerging markets, has additional risks, such as currency and market volatility and political and social instability. Currency transactions are affected by fluctuations in exchange rates. 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. The use of hedging and derivatives could produce disproportionate gains or losses and may increase costs. 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](http://jhinvestments.com).**

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