Manulife Investments | John Hancock

10 things every investor *should know* about investing

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1

Investing may help your savings catch up to your financial goals

2

Investing in U.S. stocks may provide a valuable way to build wealth

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International stocks can help you cast a wider net

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Bonds can play a role in a diversified portfolio

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Alternative investments may help you win by not losing

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There's no wrong time to invest

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Diversification is a time-tested way to help mitigate risk*

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Active and passive strategies can play a role

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Your emotions can be your worst enemy

10

Your financial professional is your greatest resource

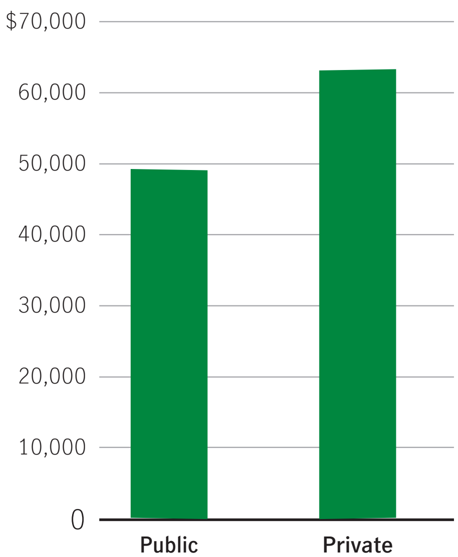
*Diversification does not guarantee a profit or eliminate the risk of a loss.

Principle 1: Investing may help your savings catch up to your financial goals

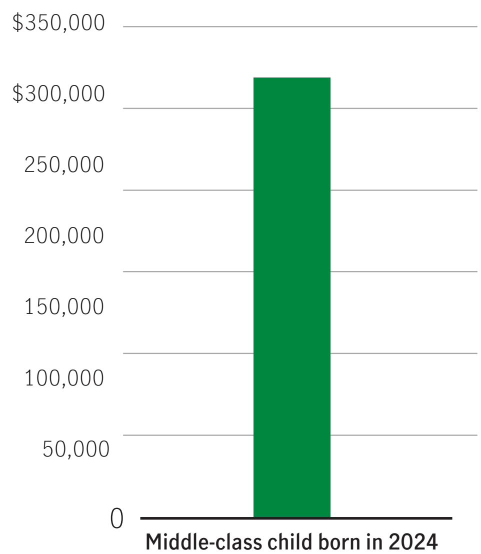
We all invest to try to reach our financial goals. For many of us, they may be to raise children, send them to college and be able to retire comfortably. But unless your income is extremely high, to achieve these and other goals you'll need a lot more money than you can earn through your paycheck. You need to save a portion of your income, and you need your savings to grow. In other words, you need to invest.

Life's financial goals are often too big for savings alone

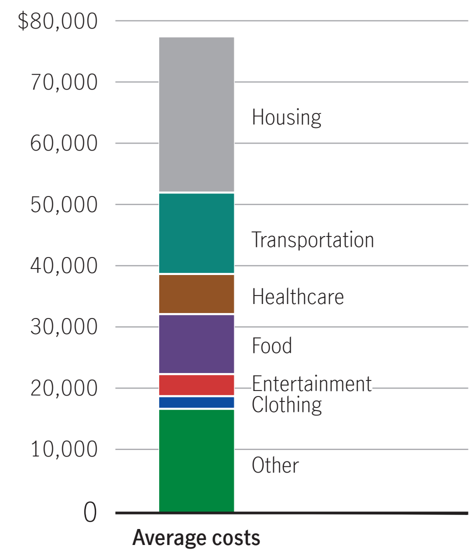
Average annual cost of a 4-year college program
$49,080-$62,990[1]



Raising a child until age 18
$312,104[2]



Single year in retirement
$77,280[3]



[1] *Annual Survey of Colleges*, College Board NCES, IPEDS fall 2024 enrollment data. Costs, based on four years, include tuition, room and board, books, transportation and other college-related expenses. [2] *Expenditures on Children by Families*, U.S. Department of Agriculture, January 2017, adjusted to 2024 using the average annual inflation rate published by U.S. Bureau of Labor Statistics between 2016 to 2024. [3] "Consumer Expenditures – 2023," U.S. Bureau of Labor Statistics, December 2024.

The key to bridging the gap is your rate of return

How many years will it take to **double your money?**
Remember the Rule of 72!

$$\frac{72}{\text{Rate of return}} = \textbf{Years to double your money}$$

Saver

$$\frac{72}{2.6\%} = \textbf{27.7 years}$$

Average return of
cash
since 1928

Investor

$$\frac{72}{9.7\%} = \textbf{7.4 years}$$

Average return of
large-cap U.S. stocks
since 1928

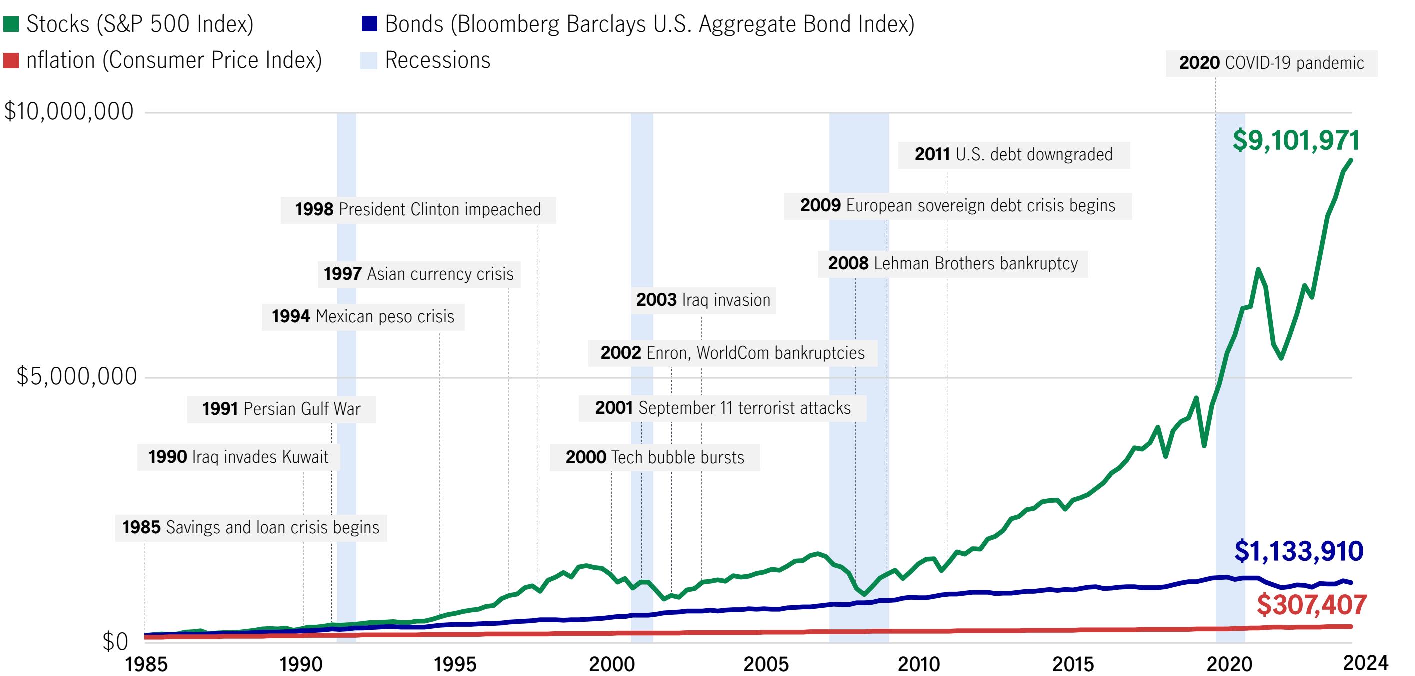
Source: Bloomberg, 2024. Stocks are represented by the S&P 500 Index, which tracks the performance of 500 of the largest publicly traded companies in the United States. Cash is represented by the Bloomberg U.S. Treasury Bill Index, which tracks U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury. Treasury bills are excluded by the maturity constraint, but are part of a separate Short Treasury Index. It is not possible to invest directly in an index.

Principle 2: Investing in U.S. stocks may provide a valuable way to build wealth*

One thing is certain about stocks: Over the long term, they have offered one way to build wealth, and U.S. companies have performed particularly well over time.

Stocks have outpaced bonds and inflation over time, despite a litany of volatility-inducing events

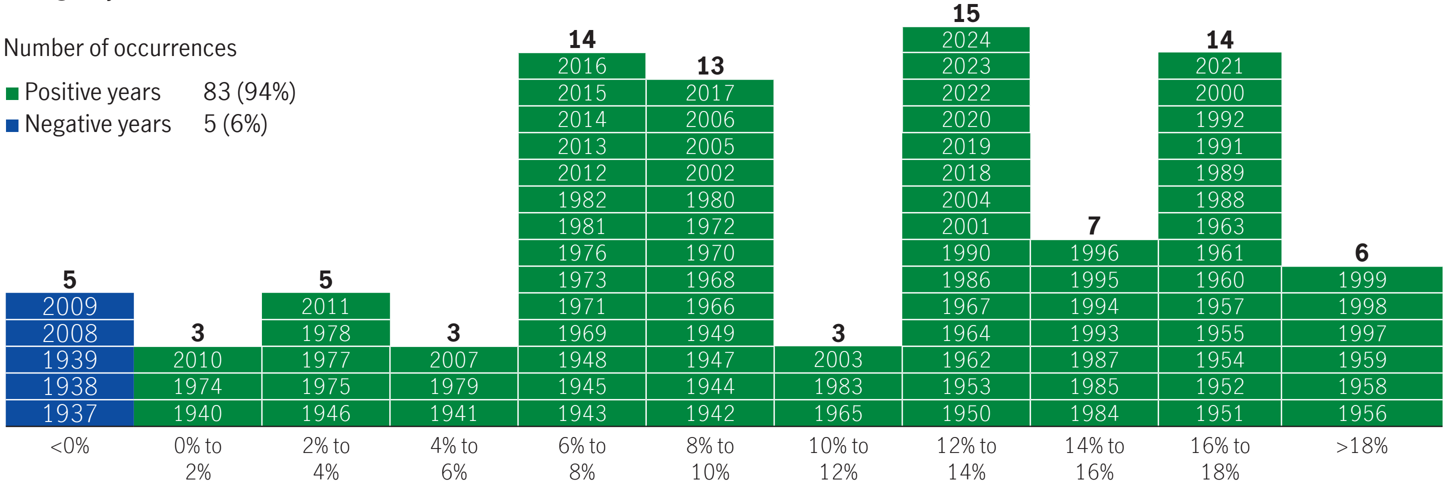
Growth of $100,000, 1985–2024



Source: Bloomberg, Manulife John Hancock Investments, 2024. Stocks are represented by the S&P 500 Index, which tracks the performance of 500 of the largest publicly traded companies in the United States. Bonds are represented by the Bloomberg U.S. Aggregate Bond Index, which tracks the performance of U.S. investment-grade bonds in government, asset-backed, and corporate debt markets. Inflation is represented by the Consumer Price Index, which is a comprehensive measure used for estimation of price changes in a basket of goods and services representative of consumption expenditure in an economy. It is not possible to invest directly in an index.
*Past performance does not guarantee future results.

The longer you hold stocks, the better the chance returns will be positive**

Rolling 10-year stock market returns, 1928–2024



Source: The data is calculated by Manulife John Hancock Investments using information presented in Bloomberg, 2024. All rights reserved. Used with permission. Stocks are represented by the S&P 500 Index, which tracks the performance of 500 of the largest publicly traded companies in the United States. It is not possible to invest directly in an index. Data begins in 1928 with the first 10-year period in 1937.

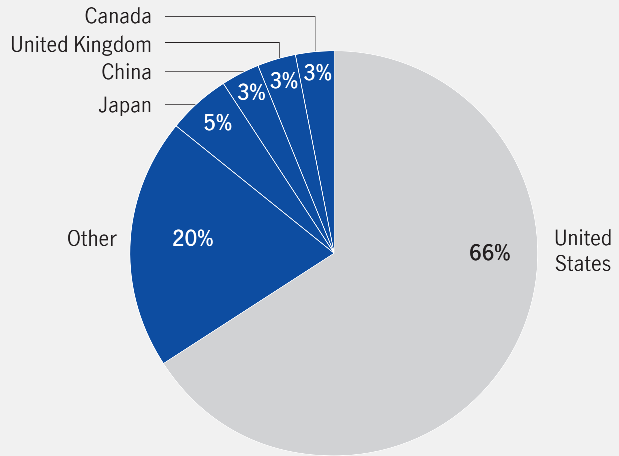
**Past performance does not guarantee future results.

Principle 3: International stocks can help you cast a wider net

While U.S. stocks can be an important part of your portfolio, we live in a global economy. There is literally a world of investment opportunities outside U.S. borders. International stocks make up almost 35% of the world's market value. Yet individual investors in the U.S. hold only 9% of their portfolios in international stocks. That works out to about 15% of their stock portfolios. In other words, many U.S. investors aren't fully capturing the opportunity presented by international investing.

Nearly half the world's investment opportunities are overseas...

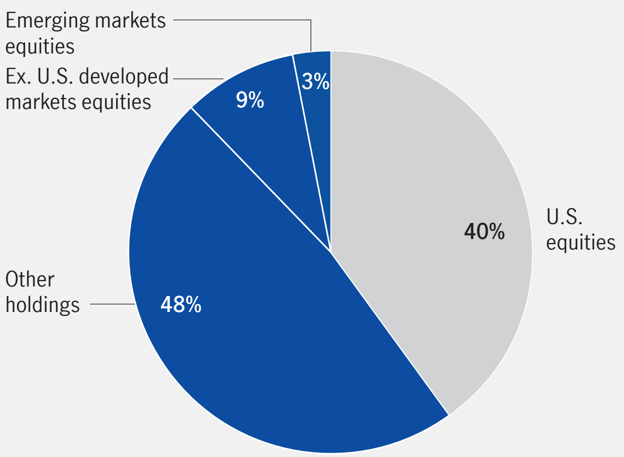
Global market capitalization (%)



Source: MSCI ACWI, 2024. Data is as of 12/31/2024 and may not equal 100% due to rounding.

... yet most individual investors allocated only a small percentage to international stocks

Average international equity allocation for U.S. financial professionals' moderate risk portfolio models

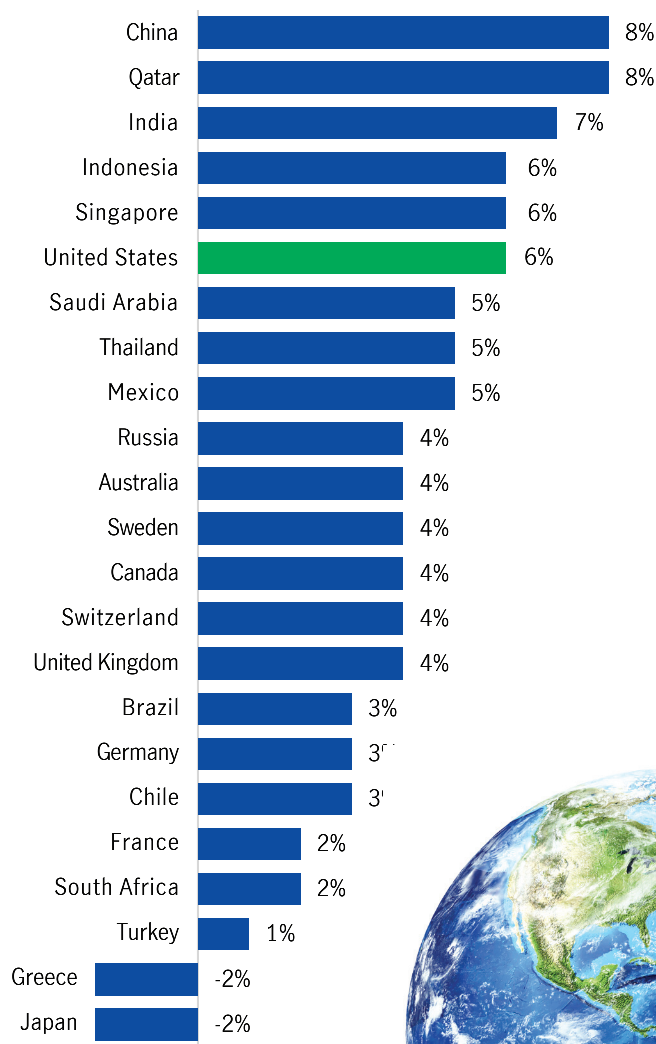


Source: *Asset Allocation for Moderate Risk Investors,* 2024, Cerulli Associates, in partnership with the Investments & Wealth Institute and the Financial Planning Association® (FPA®).

The future looks bright for overseas growth

In terms of growing wealth, the United States trails many other countries

Average annual percentage growth of wealth per adult in local currencies, selected countries, 2010-2023

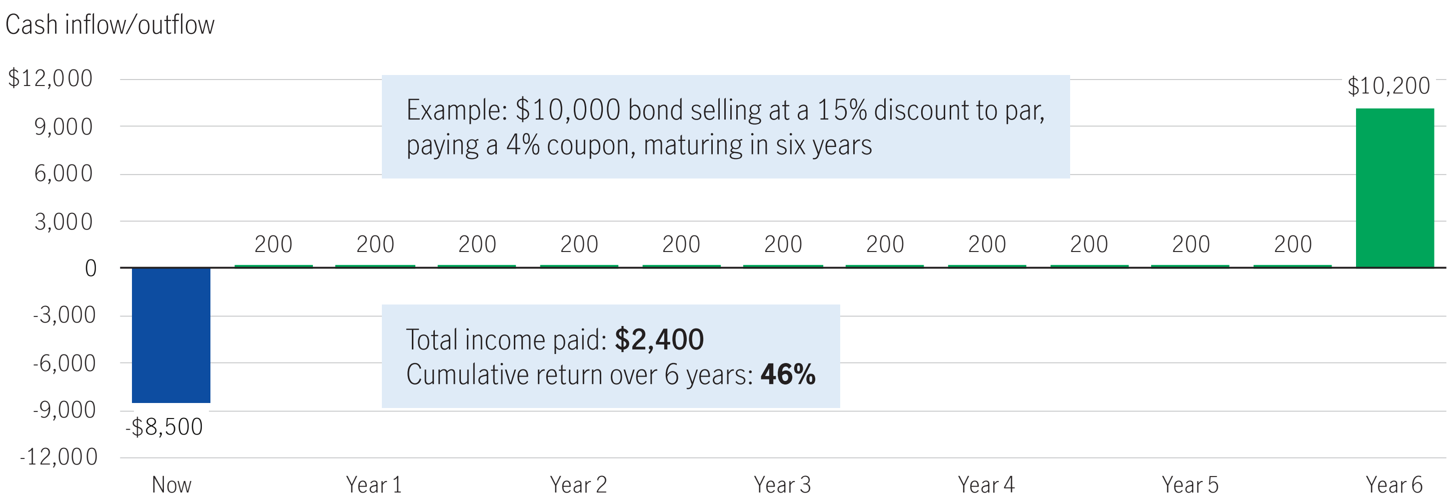


Source: *Credit Suisse Global Wealth Report,* June 20
Credit Suisse Research Institute, June 2024.

Principle 4: Bonds can play a role in a diversified portfolio

Bonds promise to return an investor's principal after a set amount of time and, in the meantime, they make regular cash payments.

Bonds offer the promise of regular cash flow, plus the return of principal



This hypothetical scenario is for illustrative purposes only and is not a prediction of future market conditions.

Bonds compensate investors for different types of risks

	Interest-rate sensitivity	Credit sensitivity
U.S. Government bonds	High	Little
Municipal bonds	High	Somewhat
Corporate bonds	Moderate	Moderate
High-yield corporate bonds	Somewhat	High
Foreign bonds	Little	Somewhat
Bank loans	Little	High

● Little ● Somewhat ● Moderate ● High

Interest-rate and credit sensitivity are provided by Manulife John Hancock Investments estimates and are subject to change. Interest-rate sensitivity is the measure of how sensitive the value of fixed-income investments is to changes in interest rates. Generally, the value of a fixed-income investment will decline as interest rates rise. Credit sensitivity measures the risk that an issuer will be unable or unwilling to make principal or interest payments. It is not possible to invest directly in an index. This chart does not illustrate the performance of any John Hancock fund. Asset allocation and diversification do not guarantee a profit or eliminate the risk of a loss.

Principle 5: Alternative investments may help you win by not losing

Alternative investments provide a way to limit downside risk without abandoning the markets. Many alternative assets have low correlations to the stock market and bond market, so they may provide a hedge in the event of a big market downturn.

The benefits of different types of risks

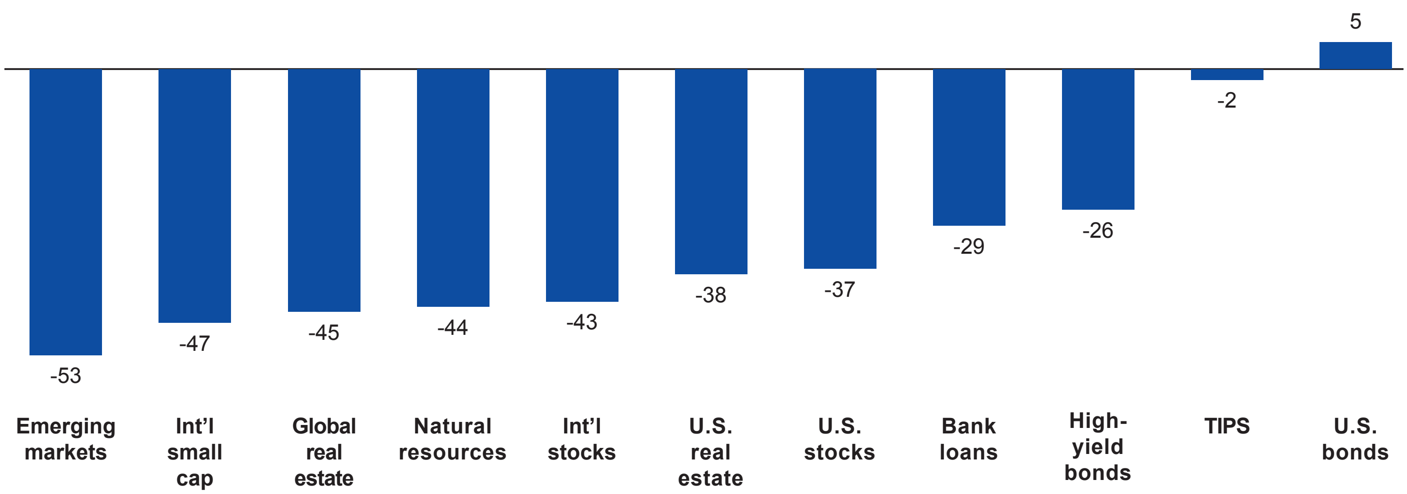
Many alternative assets and strategies have shown low correlation to stocks

Name of Asset	Benchmark	Correlation
Global REITs	FTSE Nareit All REITs Index	0.87
Emerging-market bonds	J.P. Morgan Emerging Markets Bond Index (EMBI) Global Diversified Index	0.83
Relative value	HFRI Relative Value Index	0.67
Emerging-market stocks	MSCI Emerging Markets Investable Market Index	0.64
Gold	Morningstar Global Gold Index	0.35
Macro strategies	HFRI Macro Index	-0.15
Merger arbitrage	HFRI Merger Arbitrage Index	0.44
Commodities	Bloomberg Commodity Index	0.26
Market neutral	HFRX Equity Market Neutral Index	0.21

Source: Morningstar Direct, as of 12/31/2024. The diversified alternatives portfolio is an equal weighting of all of the above indexes. The FTSE Nareit All REITs Index is a market-capitalization-weighted index that includes all U.S. tax-qualified real estate investment trusts (REITs) The J.P. Morgan Emerging Markets Bond Index (EMBI) Global Diversified Index tracks the performance of U.S. dollar-denominated Brady bonds, Eurobonds, and traded loans issued by sovereign and quasisovereign entities, capping exposure to countries with larger amounts of outstanding debt. The MSCI Emerging Markets Investable Market Index tracks equity market performance in global emerging markets. The HFRI Relative Value Index maintains positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities. The Morningstar Global Gold Index tracks global companies engaged in gold ore related activities including exploration, mining, processing, extraction and smelting. The HFRI Merger Arbitrage Index, sometimes called risk arbitrage, involves investment in event-driven situations such as leveraged buyouts, mergers, and hostile takeovers. The Bloomberg Commodity Index provides a broadly diversified representation of commodity markets as an asset class. The HFRX Equity Market Neutral Index tracks the performance of strategies by analyzing price data about future price movement and relationships between select securities for purchase and sale. In many, but not all cases, portfolios are constructed to be neutral to one or more variables, such as broader equity markets in dollar or beta terms. Equity Market Neutral Strategies. The HFRI Macro Index involves investing by making leveraged bets on anticipated price movements of stock markets, interest rates, foreign exchange, and physical commodities. It is not possible to invest directly in an index. Diversification does not guarantee a profit or eliminate the risk of a loss. Past performance does not guarantee future results.

Traditional asset classes may not offer much protection in a severe market sell-off

In the event of future market shocks, investors may not be able to count on traditional asset classes for protection. Look to the Financial Crisis of 2008 for an example of how all asset classes fell amid a global recession, providing investors with nowhere to hide.



Source: Bloomberg, as of 2008. Emerging markets are represented by the MSCI Emerging Markets Index, which tracks the performance of publicly traded large- and mid-cap emerging-market stocks. International small cap is represented by the MSCI Europe, Australasia, and Far East (EAFE) Small Cap Index, which tracks the performance of publicly traded small-cap stocks of companies in those regions. Global real estate is represented by the Dow Jones Wilshire Global REIT Index, a measure of the types of global real estate securities that represent the ownership and operation of commercial or residential real estate. Natural resources are represented by the MSCI Natural Resources Index, which features equity securities of companies engaged in the natural resources industry. International stocks are represented by the MSCI EAFE Growth Index, which tracks the performance of publicly traded growth-oriented large- and mid-cap stocks of companies in those regions. U.S. real estate is represented by the FTSE NAREIT Equity REIT Index, an unmanaged index consisting of the most actively traded real estate investment trusts (REITs). U.S. stocks are represented by the S&P 500 Index, which tracks the performance of 500 of the largest publicly traded companies in the United States. Bank loans are represented by the Bloomberg Barclays High Yield Municipal Bond Index, which tracks the performance of municipal bonds rated below investment grade (BBB/Baa) and those that are unrated. High-yield bonds are represented by the Intercontinental Exchange (ICE) Bank of America (BofA) U.S. High Yield Master II Index, which tracks the performance of globally issued, U.S. dollar-denominated high-yield bonds. TIPS (Treasury Inflation-Protected Securities) are represented by the Barclays U.S. Treasury U.S. TIPS Index, an unmanaged index that comprises inflation-protected securities issued by the U.S. Treasury. U.S. bonds are represented by the Bloomberg Barclays U.S. Aggregate Bond Index, which 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. Diversification does not guarantee a profit or eliminate the risk of a loss. Past performance does not guarantee future results.

Principle 6: There's no wrong time to invest

When is the right time to invest? As soon as possible! As the saying goes, the key to investment success isn't timing the market, it's time in the market.

Granted, world events can make investing feel scary sometimes. At times like those, remember that the markets have been exceptionally resilient over time.

Consider the market events presented here, from the fall of France in World War II to the Cuban missile crisis to the collapse of Lehman Brothers in 2008 and the COVID-19 pandemic. In each of those cases, many investors probably thought the world was about to end, but each time the market recovered, usually quickly and powerfully.

Markets recover from crises

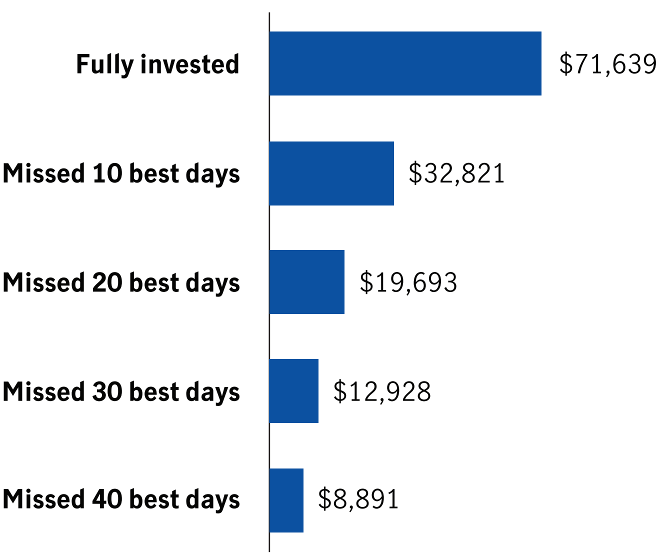
Market events and duration of recovery from the bottom of the market using S&P 500 data.

Event	Reaction dates	Loss during the event	1 month later	1 year later	5 years later	10 years later
Fall of France	5/9/40–6/22/40	-16.90%	0.70%	5.00%	15.70%	13.20%
Outbreak of Korean War	6/23/50–7/13/50	-12.20%	10.20%	42.20%	27.70%	18.50%
Cuban missile crisis	8/23/62–10/23/62	-9.90%	15.50%	41.10%	15.80%	11.10%
Nixon resigns	8/9/74–8/29/74	-13.40%	-6.80%	30.20%	14.60%	14.60%
Dot-com bubble	3/10/00–10/4/02	-40.62%	13.60%	31.07%	16.10%	8.36%
September 11 attacks	9/10/01–9/21/01	-11.60%	11.30%	-11.10%	8.30%	3.60%
Collapse of Lehman Brothers	9/5/08–11/20/08	-39.10%	18.30%	48.80%	21.70%	15.83%
COVID-19 pandemic	2/19/20–3/23/20	-33.79%	25.23%	77.78%	TBD	TBD

Source: Manulife John Hancock Investments, 2024. The S&P 500 Index tracks the performance of 500 of the largest publicly traded companies in the United States. It is not possible to invest directly in an index. This is a hypothetical example and does not reflect the performance of any John Hancock fund. Past performance does not guarantee future results.

The key is not missing the market's best days

20-year growth of $10,000, 2005–2024



Source: Bloomberg, as of 12/31/2024. This table is for illustrative purposes only. The S&P 500 Index tracks the performance of 500 of the largest publicly traded companies in the United States. It is not possible to invest directly in an index. This is a hypothetical example and does not reflect the performance of any John Hancock fund. Past performance does not guarantee future results.

Principle 7: Diversification is a time-tested way to mitigate risk

Holding a broad mix of assets can help you reduce your portfolio's risk without sacrificing return potential. The financial markets are unpredictable. The best-performing asset class one year may be the worst the following year, and vice versa. If you concentrate your investments in a small number of investment types, you run the risk that poor performance by one or two asset classes will decimate your savings. By contrast, diversification helps to protect you from troubles in any one kind of investment. It's also important to note that diversification doesn't guarantee a profit or eliminate the risk of a loss.

The markets are unpredictable

Diversification helps ensure that you don't own too many of the worst-performing asset classes

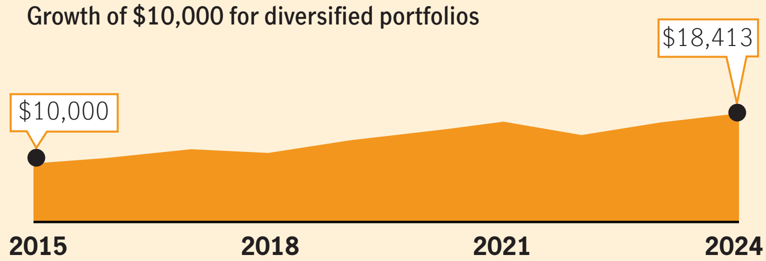
Annual returns of asset class categories

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Best performer	U.S. large-cap equity 0.92%	U.S. small-cap equity 21.31%	International equity 27.77%	Cash 1.86%	U.S. large-cap equity 31.43%	U.S. large-cap equity 20.96%	U.S. large-cap equity 26.45%	Cash 1.50%	U.S. large-cap equity 26.53%	U.S. large-cap equity 24.51%
	Investment-grade bonds 0.55%	High-yield bonds 17.49%	U.S. large-cap equity 21.69%	Investment-grade bonds 0.01%	U.S. small-cap equity 25.52%	U.S. small-cap equity 19.96%	Alternatives 16.10%	High-yield bonds –1.22%	U.S. small-cap equity 16.93%	U.S. small-cap equity 11.54%
	Cash 0.03%	U.S. large-cap equity 12.05%	U.S. small-cap equity 14.65%	High-yield bonds -2.26%	International equity 22.13%	Diversified portfolio 11.71%	U.S. small-cap equity 14.82%	Alternatives –2.35%	International equity 16.21%	Diversified portfolio 9.55%
	Diversified portfolio –2.79%	Diversified portfolio 10.78%	Diversified portfolio 13.360%	Alternatives -3.84%	Diversified portfolio 18.97%	International equity 11.13%	Diversified portfolio 11.42%	Investment-grade bonds –13.01%	Diversified portfolio 13.98%	High-yield bonds 8.20%
	Alternatives –3.92%	Alternatives 6.21%	High-yield bonds 7.48%	U.S. large-cap equity -4.78%	High-yield bonds 14.41%	Investment-grade bonds 7.51%	International equity 8.29%	Diversified portfolio –13.44%	High-yield bonds 13.46%	International equity 6.09%
	U.S. small-cap equity –4.41%	International equity 5.01%	Alternatives 5.05%	Diversified portfolio -5.77%	Alternatives 11.53%	High-yield bonds 6.17%	High-yield bonds 5.36%	International equity –15.57%	Investment-grade bonds 5.53%	Cash 5.45%
	High-yield bonds –4.64%	Investment-grade bonds 2.65%	Investment-grade bonds 3.54%	U.S. small-cap equity -11.01%	Investment-grade bonds 8.72%	Alternatives 1.06%	Cash 0.05%	U.S. large-cap equity –19.13%	Cash 5.26%	Alternatives 5.29%
Worst performer	International equity –5.25%	Cash 0.27%	Cash 0.84%	International equity -13.78%	Cash 2.25%	Cash 0.58%	Investment-grade bonds –1.54%	U.S. small-cap equity –20.44%	Alternatives 4.74%	Investment-grade bonds 1.25%

Stay diversified

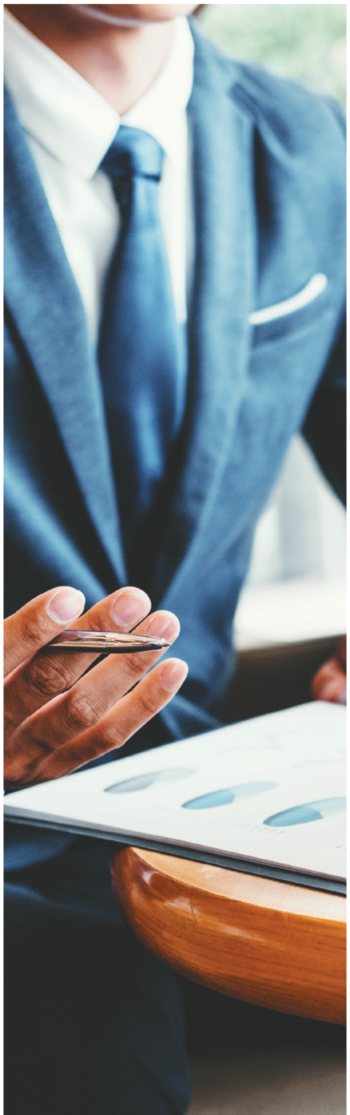
Those who stayed invested in a diversified portfolio throughout the last decade fared well, despite volatility along the way.

Growth of $10,000 for diversified portfolios



Source: Manulife John Hancock Investments, as of 12/31/2024.

Source: Morningstar, as of 12/31/2024. Investment-grade bonds are represented by the Bloomberg U.S. Aggregate Bond Index, which tracks the performance of U.S. investment-grade bonds in government, asset-backed, and corporate debt markets. High-yield bonds are represented by the Intercontinental Exchange (ICE) Bank of America (BofA) U.S. High Yield Master II Index, which tracks the performance of globally issued, U.S. dollar-denominated high-yield bonds. Cash is represented by the FTSE 3-Month U.S. Treasury Bill Index, which tracks the performance of the most recent three-month U.S. Treasury bill issues. International equity is represented by the MSCI All Country World Index (ACWI) ex-U.S. Index, which tracks the performance of publicly traded large- and mid-cap stocks of companies in 22 developed markets and 23 emerging markets. U.S. small-cap equity is represented by the Russell 2000 Index, which tracks the performance of 2,000 publicly traded small-cap companies in the United States. U.S. large-cap equity is represented by the Russell 1000 Index, which tracks the performance of 1,000 publicly traded large-cap companies in the United States. Alternatives are represented by an equally weighted combination of the HFRI Macro Index, the HFRI Equity Market Neutral Index, the HFRI Merger Arbitrage Index, the Morningstar real estate fund category average, the Morningstar emerging markets bond fund category average, and the Morningstar Long-Only Commodity Index. Diversified portfolio is represented by the average return of the six asset classes in the chart above, rebalanced monthly, excluding cash. It does not represent any specific index. Annual returns are based on calendar years. Indexes are unmanaged and do not take transaction costs or fees into consideration. It is not possible to invest directly in an index. Performance figures assume reinvestment of dividends and capital gains. This chart is for illustrative purposes only and does not represent the performance of any John Hancock fund. Diversification does not guarantee a profit or eliminate the risk of a loss. Past performance does not guarantee future results.



Principle 8: Active and passive strategies can play a role

Active management refers to a portfolio that is professionally managed by a portfolio manager who will, along with their staff, conduct analysis of markets and individual securities. The goal of active management is to outperform a benchmark, for example, an equity mutual fund attempting to outperform the S&P 500 Index. Alternatively, passive investing tracks an index with the goal of performing in line with the index.

Fortunately, there's no need to choose between active and passive strategies. You can take advantage of the benefits offered by each approach.

Investors can benefit from exposure to active and passive strategies

Potential benefits and applications of passive and active fund

Active funds	Passive funds
Active risk management	Low cost
Potential for outperformance	Transparent
Access to niche markets/strategies	No single person is the key to strategy
Noncorrelated sources of return	Simple way to achieve market exposure

Many financial professionals recommend a blend of both

What type of management do you think provides the best overall investment performance, taking into account costs associated with each style?

"Approximately **75%** of financial professionals recommend a blend of active and passive approaches for their clients."

"About **25%** of financial professionals use only active or only passive strategies for their clients."

~ *Trends in Investing Survey, 2024*
Journal of Financial Planning

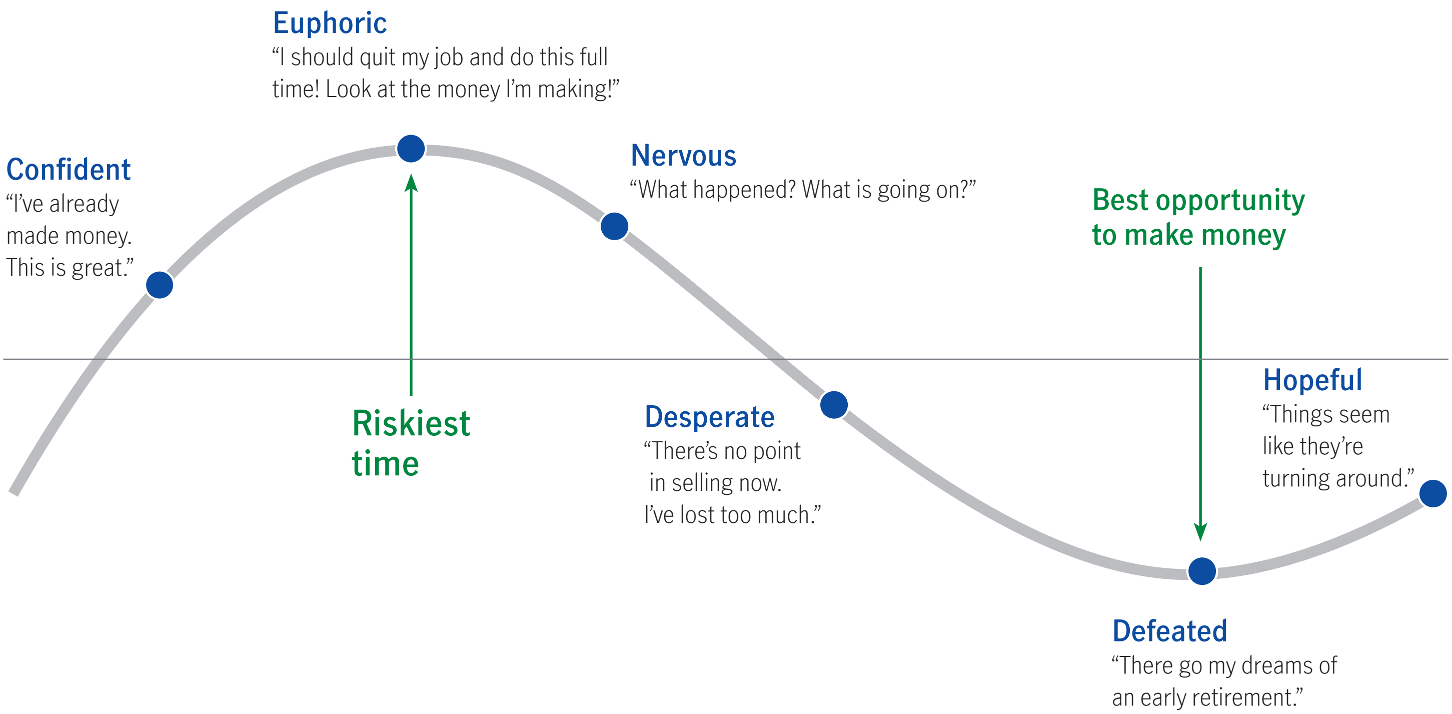
Source: Trends in Investing Survey, 2024 Journal of Financial Planning, FPA, ONRAMP.

Principle 9: Emotions can be your worst enemy

It's human nature to feel emotional about your investments but acting on those emotions is typically counterproductive. Chasing performance can lead to underperformance. A better approach is to stay invested and not miss out on the market's best days.

It's natural to feel emotional about your investments

Potential benefits and applications of passive and active fund



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Principle 10: Your financial professional is your greatest resource

- Has been through trying **markets before**
- Can help you make a **plan and stick to it**
- Knows when your plan **needs to evolve**
- Can help protect **you from yourself**

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