

Alternatives are different from the market—and from one another

Alternative investments can be as different from one another as they are from the broader market itself. Rather than relying on a single niche investment style to diversify your portfolio's exposure beyond traditional stocks and bonds, consider investing in an alternative holding that's diversified in its own right.

Not all alternative investments perform alike

Calendar year performance

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Average return	Volatility (standard deviation)	Risk-adjusted return (Sharpe ratio)
Best performer ↑ ↓ Worst performer	Buy/write 5.72%	Global real estate 27.97%	Long/short equity 14.62%	Global real estate 15.02%	Buy/write 5.24%	Precious metals 21.44%	Buy/write 13.00%	Market neutral -0.26%	Precious metals 29.93%	Precious metals 28.30%	Global real estate 27.24%	Global real estate 7.76%	Precious metals 25.41%	Buy/write 0.71%
	Market neutral -1.75%	Buy/write 5.20%	Buy/write 13.26%	Buy/write 5.64%	Market neutral 1.76%	Commodities 11.77%	Global real estate 11.49%	Precious metals -3.53%	Global real estate 24.27%	Long/short equity 7.89%	Commodities 27.11%	Buy/write 7.37%	Global real estate 14.76%	Long/short equity 0.57%
	Long/short equity -2.81%	Long/short equity 5.15%	Multistrategy 6.96%	Multistrategy 3.35%	Global real estate -0.61%	Diversified alternatives 7.61%	Long/short equity 11.18%	Multistrategy -4.31%	Buy/write 15.68%	Diversified alternatives 3.30%	Buy/write 20.47%	Long/short equity 4.48%	Commodities 13.92%	Global real estate 0.55%
	Multistrategy -2.96%	Diversified alternatives 4.95%	Global real estate 3.87%	Long/short equity 2.92%	Multistrategy -1.71%	Buy/write 7.07%	Diversified alternatives 7.52%	Buy/write -4.77%	Diversified alternatives 13.69%	Multistrategy 1.63%	Long/short equity 18.05%	Diversified alternatives 3.02%	Buy/write 9.94%	Multistrategy 0.49%
	Diversified alternatives -5.80%	Multistrategy 4.92%	Market neutral 3.65%	Market neutral 2.66%	Long/short equity -2.02%	Global real estate 2.81%	Precious metals 6.65%	Diversified alternatives -5.03%	Long/short equity 11.90%	Buy/write -2.75%	Diversified alternatives 13.41%	Multistrategy 2.66%	Diversified alternatives 8.03%	Diversified alternatives 0.34%
	Global real estate -6.38%	Market neutral 3.28%	Diversified alternatives -0.91%	Diversified alternatives 1.35%	Diversified alternatives -4.52%	Multistrategy 2.51%	Multistrategy 5.56%	Long/short equity -6.29%	Multistrategy 7.77%	Commodities -3.12%	Market neutral 6.95%	Market neutral 1.38%	Long/short equity 7.19%	Market neutral 0.34%
	Commodities -13.32%	Commodities -1.06%	Commodities -9.52%	Precious metals -2.64%	Precious metals -8.86%	Long/short equity 2.34%	Market neutral 3.40%	Global real estate -6.66%	Commodities 7.69%	Market neutral -5.26%	Multistrategy 6.86%	Precious metals -1.67%	Multistrategy 4.36%	Precious metals 0.04%
	Precious metals -17.57%	Precious metals -9.99%	Precious metals -35.52%	Commodities -17.01%	Commodities -24.66%	Market neutral 0.90%	Commodities 1.70%	Commodities -11.25%	Market neutral 0.06%	Global real estate -5.43%	Precious metals -5.98%	Commodities -3.85%	Market neutral 2.45%	Commodities -0.25%

Source: Morningstar Direct, as of 12/31/21. Precious metals are represented by the Morningstar Precious Metals Index, a fully collateralized precious metals futures index that is long on all eligible precious metals. Buy/write is represented by the Cboe S&P 500 BuyWrite Index (BXM), which tracks the performance of a hypothetical buy/write strategy on the S&P 500 Index. Market neutral is represented by the Morningstar U.S. equity market neutral fund category, a collection of funds that attempts to reduce systematic risk created by factors such as exposures to sectors, market cap ranges, investment styles, currencies, and/or countries; the funds seek to achieve this by matching short positions within each area against long positions, and these strategies are often managed as beta neutral, dollar neutral, or sector neutral. Commodities are represented by the Bloomberg Commodity Index, which provides a broadly diversified representation of commodity markets as an asset class. Global real estate is represented by the Morningstar World Real Estate Index, which tracks the performance of mortgage companies, property management companies, and real estate investment trusts. Long/short equity is represented by the Morningstar U.S. open-end long/short equity fund category, a collection of funds that holds sizable stakes in both long and short positions in equities and related derivatives; some funds that fall into this category will shift their net long or short exposures depending on their managers' macro outlook or the opportunities they uncover through bottom-up research. Multistrategy is represented by the Morningstar U.S. open-end Multistrategy fund category, a collection of funds that invests in instruments of foreign exchange. Diversified alternatives are represented by an equal weighting of the seven indexes shown in the table. It is not possible to invest directly in an index. Performance figures assume reinvestment of dividends and capital gains. Standard deviation is a statistical measure of the historic volatility of a portfolio. It measures the fluctuation of a fund's periodic returns from the mean or average. The larger the deviation, the larger the standard deviation and the higher the risk. Sharpe ratio is a measure of excess return per unit of risk, as defined by standard deviation. A higher Sharpe ratio suggests better risk-adjusted performance. 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.

John Hancock Alternative Asset Allocation Fund, a one-stop shop for alternative exposure

We search the world to find proven portfolio teams with specialized expertise for every strategy we offer, including our multi-alternative solution. The asset allocation team at Manulife Investment Management invests with over a dozen different underlying managers specializing in alternative markets, alternative investment approaches, and absolute return strategies.

Alternative markets

Provide exposure beyond stock and bond markets; drivers of performance are often unrelated to traditional exposures that dominate many portfolios. For example: global real estate, commodities, natural resources, gold mines

Used for return enhancement potential

Alternative investment approaches

Use unconstrained, opportunistic strategies that can tactically alter market-level exposures; flexible, go-anywhere approach can result in unique patterns of return. For example: buy/write, long/short equity, multi-sector income

Used for diversification potential

Absolute return strategies

Designed to generate consistently positive returns in a variety of environments; generally uncorrelated with traditional markets. For example: long/short currency, global macro, market neutral, merger arbitrage

Used for risk-reduction potential

Average annual total returns as of 6/30/22¹ (%)

John Hancock Alternative Asset Allocation Fund Managed by Manulife Investment Management	Average annual total returns as of 6/30/22 ¹ (%)			Life of fund 1/2/09	Expense ratios (%)		5-year standard deviation as of 6/30/22 ³ (%)
	1 year	5 year	10 year		Gross	Net ²	
Class I (without sales charge)	-2.94	2.72	2.97	5.86	1.58	1.35	Fund 4.51
Class A (without sales charge)	-3.23	2.42	2.65	5.57	1.88	1.65	HFRX Global Hedge Fund Index ⁴ 4.90
Class A (with 5% maximum sales charge)	-8.06	1.38	2.12	5.17	1.88	1.65	
Share classes:	A: JAAAX	C: JAACX	I: JAAIX	R2: JAAPX	R4: JAASX	R6: JAARX	

1 1/2/09 is the inception date for the oldest class of shares, Class A shares. Class I shares were first offered on 12/31/10. Returns prior to this date are those of Class A shares and have not been adjusted for expenses; otherwise, returns would vary. **2** Reflects the effect of a contractual fee waiver and/or expense reimbursement through 12/31/22. **3** Based on Class I shares for the five-year period ended 6/30/22. Standard deviation is a statistical measure of the historic volatility of a portfolio. It measures the fluctuation of a fund's periodic returns from the mean or average. The larger the deviation, the larger the standard deviation and the higher the risk. **4** The HFRX Global Hedge Fund Index comprises funds representing all main hedge fund strategies, with underlying asset-weighted strategies base on the distribution of assets in the hedge fund industry. It is not possible to invest directly in an index.

The past performance shown here reflects reinvested distributions and the beneficial effect of any expense reductions, and does not guarantee future results. 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.

The fund's performance depends on the advisor's skill in determining asset class allocations, the mix of underlying funds, and the performance of those underlying funds. The fund is subject to the same risks as the underlying funds and exchange-traded funds in which it invests: Stocks and bonds can decline due to adverse issuer, market, regulatory, or economic developments; foreign investing, especially in emerging markets, 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; and high-yield bonds are subject to additional risks, such as increased 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. Currency transactions are affected by fluctuations in exchange rates. The fund's losses could exceed the amount invested in its currency instruments. Please see the fund's prospectus for additional risks. This material is not intended to be, nor shall it be interpreted or construed as, a recommendation or providing advice, impartial or otherwise. John Hancock Investment Management and its representatives and affiliates may receive compensation derived from the sale of and/or from any investment made in its products and services.

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