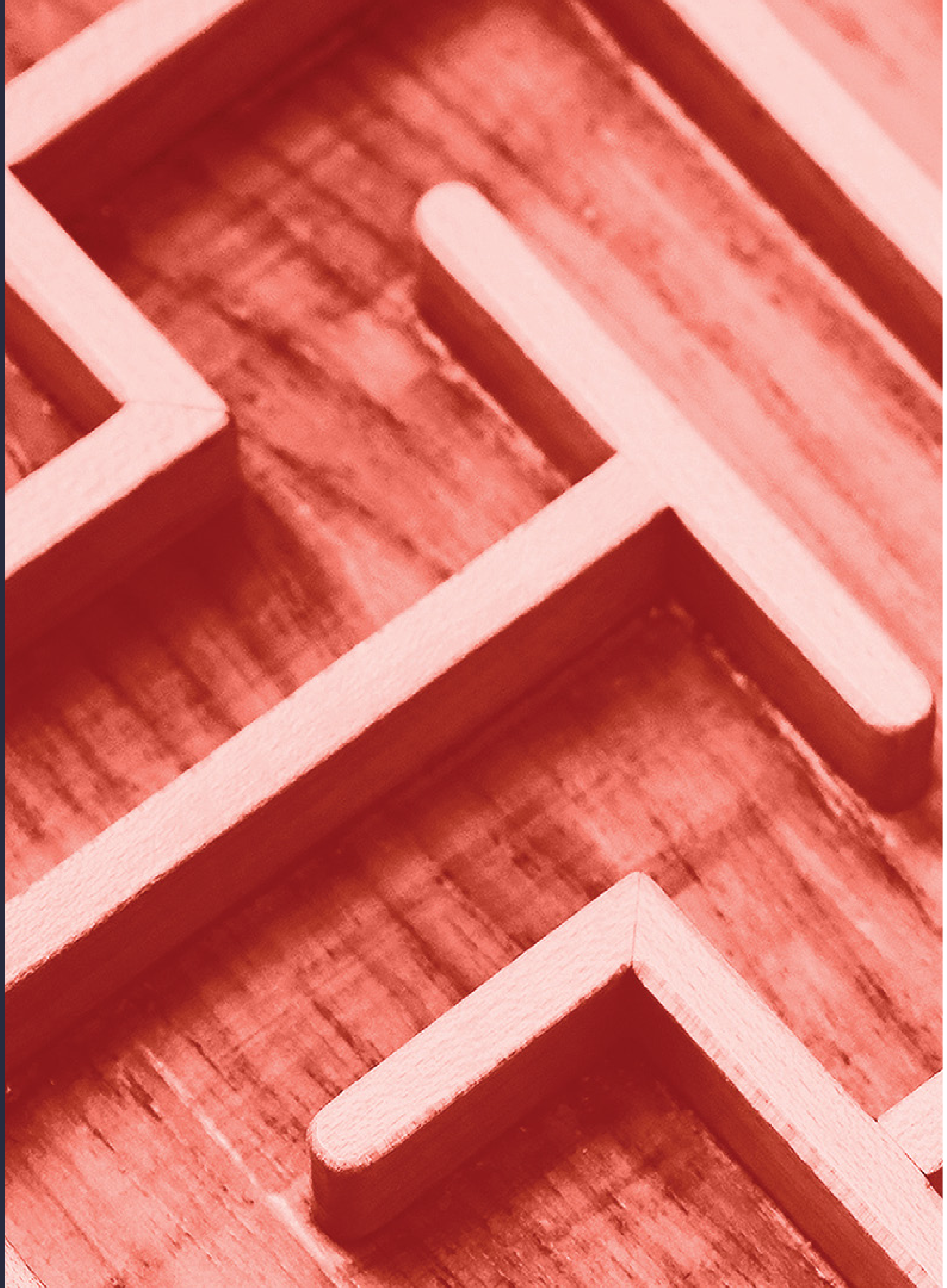

Manulife Investments | John Hancock

Redefining exchange-traded funds

The evolution of ETFs

Some key events in the evolution of U.S. ETFs

More financial professionals and investors are using ETFs

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A multimanager approach to ETFs

John Hancock ETFs

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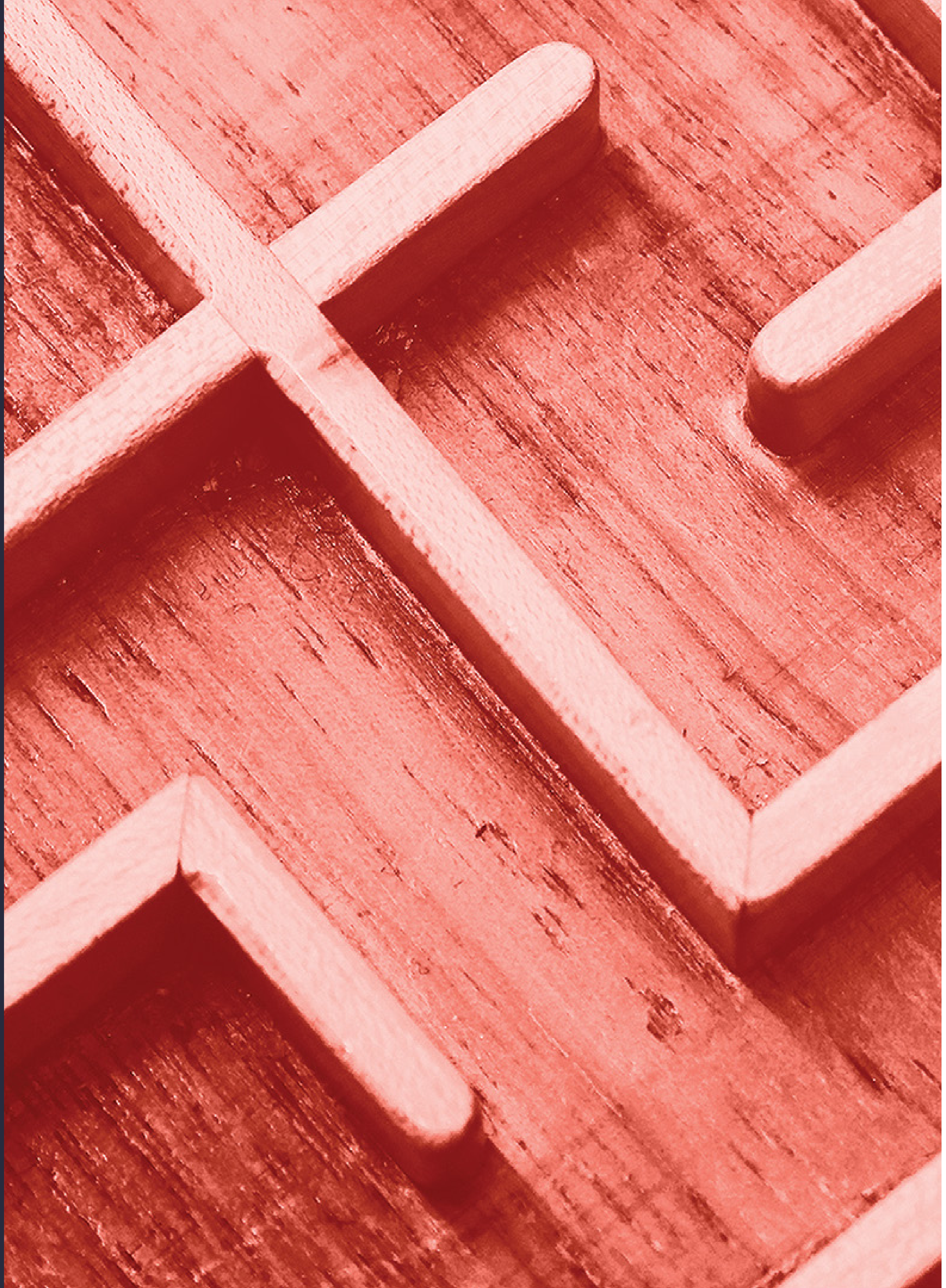

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The *evolution* of ETFs

It's time to redefine exchange-traded funds (ETFs), as they continue to reshape the face of investing and asset management. Gone are the days of ETFs only tracking market-capitalization-weighted equity indexes. They now run the gamut from passive to strategic beta to a full range of increasingly specialized active strategies. ETFs have also branched out to other asset classes such as fixed income, commodities, and alternatives.

What is an ETF? An ETF is a basket of securities that trades on an exchange like an individual stock. The key benefits of ETFs include **tax efficiency**, **lower fees**, **transparency**, and **liquidity**.

1 Passive investing

- Typically tracks a market-cap-weighted index
- Market cap weighting may result in overconcentration
- Exposure to specific segments of the market or the entire market
- Little or zero tracking error

2 Strategic beta

- Tracks a rules-based index that isn't focused on market cap weight
- May avoid potential concentration of market cap weighting
- Combines elements of passive and active management
- Often based on academic research
- Higher tracking error than pure passive
- May be based on single factors (size, relative value, profitability, momentum, volatility, etc.) or may combine these factors in a multifactor strategy
- May be used for core portfolio positions, specific outcomes, and to enhanced passive allocations

3 Active investing

- Portfolio manager investment decisions and security selection, not tied to a market-cap-weighted index
- Greater manager flexibility based on an assessment of the current market environment
- Potential for outperformance/ underperformance
- Higher tracking error than passive and strategic beta
- Typically higher turnover
- May have less portfolio transparency (semitransparent active ETFs)

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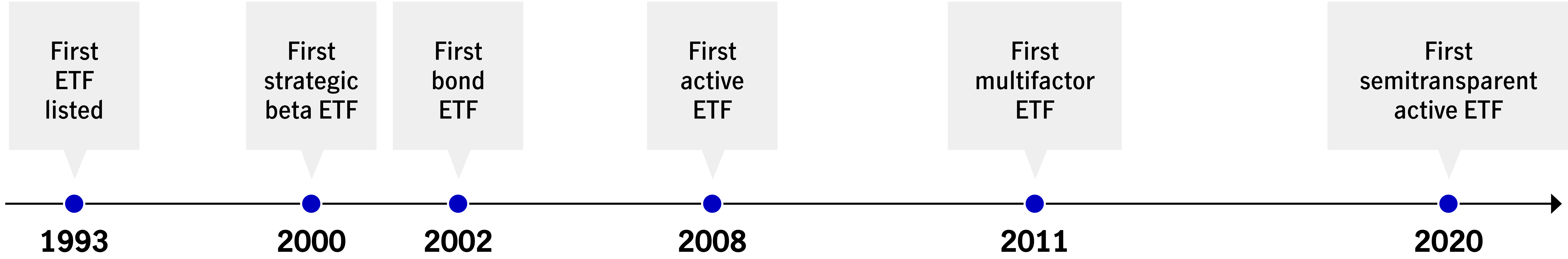
ETFs are playing a major role in the evolution of investing, so we think it's time to redefine ETFs as more strategies beyond simple indexing—including multifactor and active strategies—become available in this attractive structure. ETFs are also expanding to cover more asset classes.

Some key events in the evolution of U.S. ETFs



Source: Investment Company Institute, Morningstar, 2024.

$10.3T

Combined assets of all ETFs[1]

3,594

Number of ETFs[2]

ETFs set a new record, attracting inflows of[3]

$1.12T

2024 marked a new record for net flows into actively managed ETFs, totaling[1]

$293B

747

ETFs launched in 2024, a new annual record[4]

22%

of advisors' client portfolios are invested in ETFs, a meaningful increase over the past decade[5]

All data shown is referring to U.S. ETFs only.

1 "Where ETF Investors Put Their Money in 2024," Morningstar.com, 1/17/25. **2** ETF Database, as of 12/31/24. **3** "2024 ETF Inflows Topped $1.1T, Shattering Previous Record," ETF.com, 1/2/25. **4** "Top ETF Launches of 2024 Mostly Spot Crypto Funds," ETF Trends, 1/10/25. **5** Cerulli, 2024.

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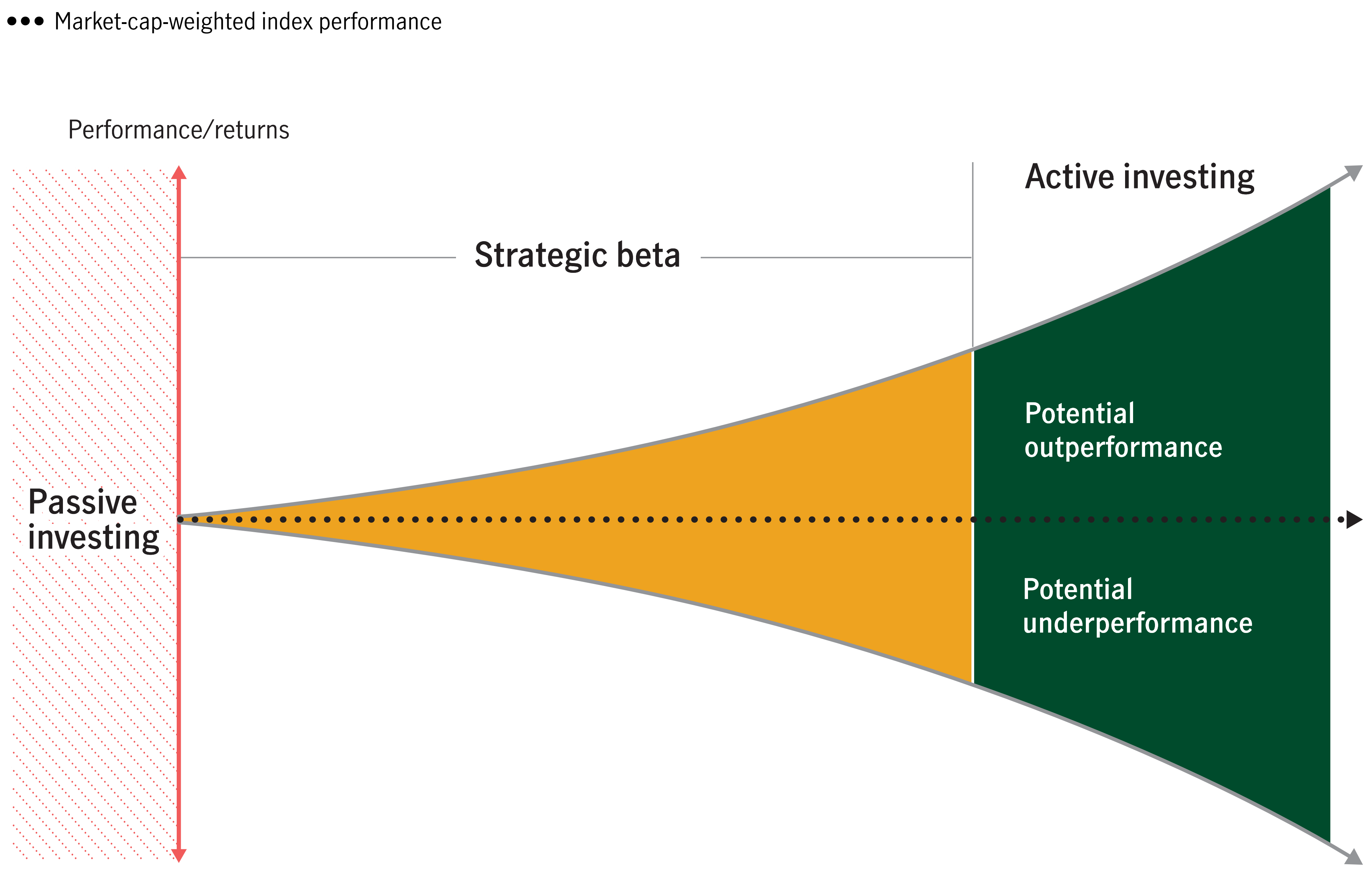
More financial professionals and investors are using ETFs

Beyond passive: strategic beta and active ETFs

ETFs have evolved to include a variety of ways for investors to gain market exposure, from the pure beta of traditional index strategies to fully active strategies that don't adhere to an index at all. Strategic beta is thought of as a middle ground that combines the rules-based discipline of passive investing with the potential outperformance of active management.

The spectrum of potential risk/return of passive, strategic beta, and active ETF strategies



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Advisor adoption of ETFs is growing

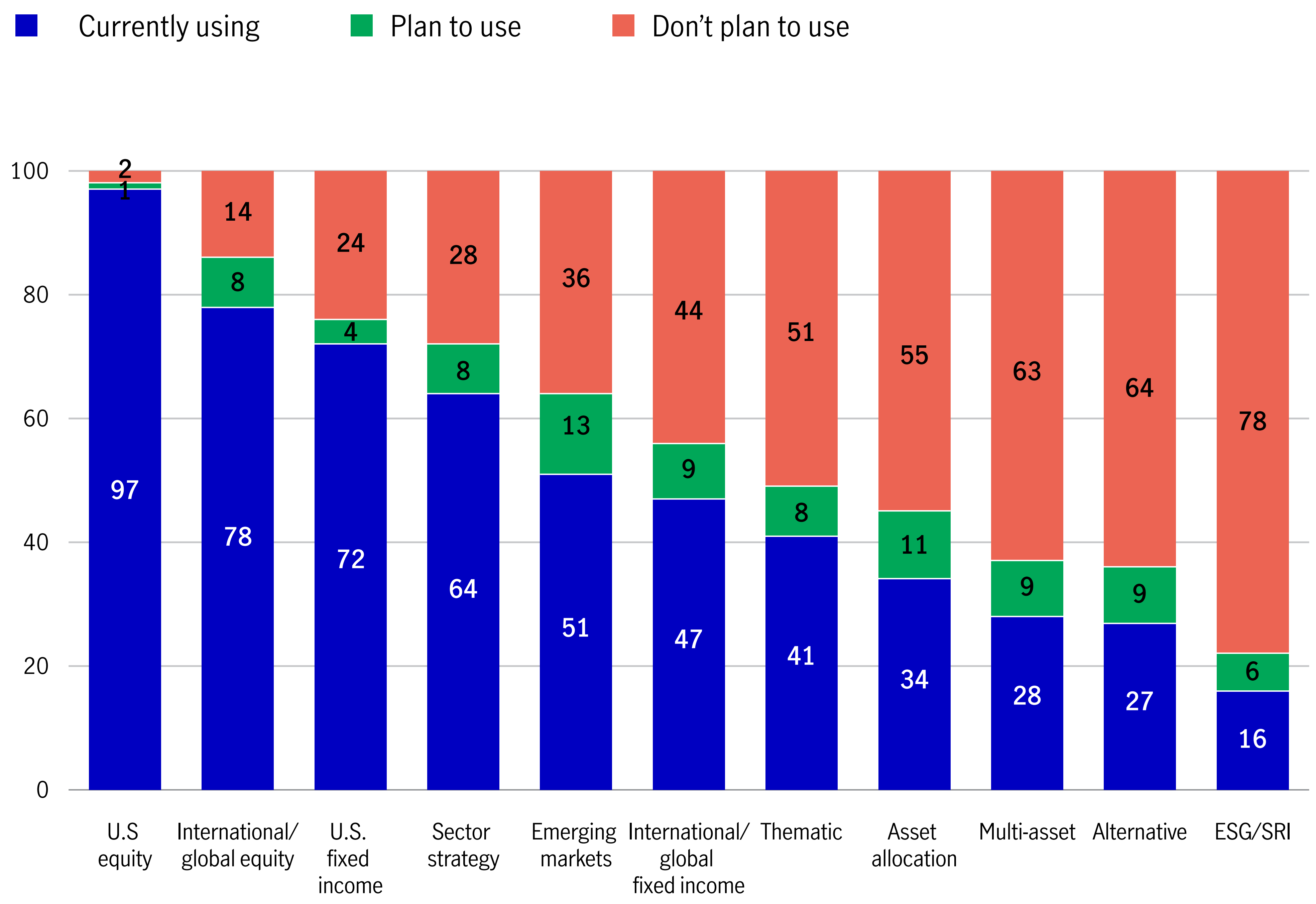
Financial professionals are adding ETFs to their tool kits and investor portfolios as more strategies and asset classes become available. For example, more advisors are using ETFs for specific strategies, including sectors, fixed-income asset classes, alternatives, and thematic investing.

89%

of advisors recommend and use ETFs with their clients.

Source: "2024 Trends in Investing Survey," *Journal of Financial Planning*, 2024.

Advisor adoption of ETFs by asset class



Source: "U.S. Exchange-Traded Fund Markets 2024," Cerulli Associates, 2024. Some values may not total 100% due to rounding.

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Consider *this*

ETF tax efficiency

Of all the ETFs managed by the 15 largest U.S. sponsors, less than 4% were expected to distribute capital gains to their shareholders for 2024.[1] One reason ETFs are tax efficient is that they're bought and sold on the exchange, so investors typically don't interact directly with the ETF. In contrast, when a mutual fund experiences net redemptions, it has to sell securities to raise cash to give back to investors. This can result in a capital gain for the fund that must be distributed to shareholders. Research has shown that ETFs may offer higher post-tax returns relative to equivalent mutual funds.[2]

What you need to know about buying/selling ETFs

- Understand why net asset value (NAV) premiums/discounts may occur
- Avoid trading at the market open/close
- Use limit orders

1 "Good News for ETF Investors: Capital Gains Distributions Remain Low," Morningstar, 12/17/24. **2** "How Much More Tax-Wise Are ETFs vs. Mutual Funds?" the *Wall Street Journal*, 2/4/23.

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A *multimanager* approach to ETFs

We believe our multimanager approach to ETFs allows us to deliver some of the world's best managers in a low-cost, transparent structure. Our team of 200+ professionals who specialize in manager research and oversight vets more than 200 new strategies and holds over 100 in-person oversight meetings with managers annually.

Our ETF managers at a glance

Manulife Investment Management

Manulife Investment Management is an established asset manager with global resources and expertise extending across equity, fixed-income, and alternative investments as well as asset allocation strategies.

Learn more

Dimensional

Dimensional Fund Advisors is a pioneer of multifactor investing. The company has applied ideas rooted in academia for decades and, today, it's one of the most well-respected managers in the field. Dimensional's systematic approach is backed by insight gained from decades of academic research and experience implementing rules-based strategies in competitive markets.

Dimensional is a trademark of Dimensional Fund Advisors LP.

Learn more

BostonPartners

Boston Partners specializes in traditional value equity investing based on a time-tested investment process developed in the 1980s. The process emphasizes investing in companies with attractive value characteristics, strong business fundamentals, and positive business momentum.

Learn more

MARATHON ASSET MANAGEMENT

Marathon Asset Management is an established global credit manager that invests across private and public credit markets through multiple credit cycles.

Learn more

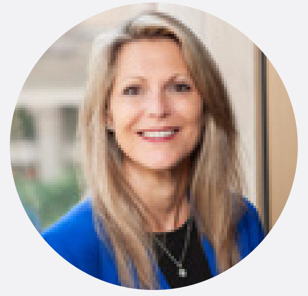
John Hancock ETFs

	Ticker	Net expense ratio (what you pay)[1] (%)	Manager	Morningstar category
Fixed income				
John Hancock Core Bond ETF	JHCR	0.29	Manulife IM	Intermediate core bond
John Hancock Core Plus Bond ETF	JHCP	0.36	Manulife IM	Intermediate core-plus bond
John Hancock Corporate Bond ETF	JHCB	0.29	Manulife IM	Corporate bond
John Hancock Dynamic Municipal Bond ETF	JHMU	0.39	Manulife IM	Muni national intermediate
John Hancock High Yield ETF	JHHY	0.52	Marathon	High yield bond
John Hancock Mortgage-Backed Securities ETF	JHMB	0.39	Manulife IM	Intermediate core-plus bond
John Hancock Preferred Income ETF	JHPI	0.54	Manulife IM	Preferred stock
U.S. equity				
John Hancock Fundamental All Cap Core ETF[2]	JHAC	0.72	Manulife IM	Large blend
John Hancock Multifactor Large Cap ETF	JHML	0.29	Dimensional	Large blend
John Hancock Multifactor Mid Cap ETF	JHMM	0.42	Dimensional	Mid-cap blend
John Hancock Multifactor Small Cap ETF	JHSC	0.42	Dimensional	Small blend
John Hancock U.S. High Dividend ETF	JHDV	0.34	Manulife IM	Large value
International equity				
John Hancock Disciplined Value International Select ETF	JDVI	0.69	Boston Partners	Foreign large value
John Hancock International High Dividend ETF	JHID	0.46	Manulife IM	Foreign large value
John Hancock Multifactor Developed International ETF	JHMD	0.39	Dimensional	Foreign large blend
John Hancock Multifactor Emerging Markets ETF	JHEM	0.49	Dimensional	Diversified emerging markets

1 "Net expense ratio (what you pay)" represents the effect of a fee waiver and/or expense reimbursement, and is subject to change. These ETFs have a contractual date of 8/31/25, except JHCR and JHCP, which are contractual through 7/31/26. JHMM does not have a contractual date. Gross expense ratios for John Hancock ETFs are as follows: JHCB, 0.76%; JHMU, 1.57%; JHHY, 0.89%; JHMB, 0.78%; JHPI, 0.99%; JHAC, 6.22%; JHML, 0.32%; JHMM, 0.42%; JHSC, 0.47%; JHDV, 2.32%; JDVI, 1.41%; JHID, 2.81%; JHMD, 0.43%; JHEM, 0.58%. **2 This ETF is different from traditional ETFs**. Traditional ETFs tell the public what assets they hold each day. This ETF will not. This may **create additional risks** for your investment. For example: (1) You may have to pay more money to trade the ETF's shares. This ETF will provide less information to traders, who tend to charge more for trades when they have less information. (2) The price you pay to buy ETF shares on an exchange may not match the value of the ETF's portfolio. The same is true when you sell shares. These price differences may be greater for this ETF compared with other ETFs because it provides less information to traders. (3) These additional risks may be even greater in bad or uncertain market conditions. (4) The ETF will publish on its website each day a tracking basket designed to help trading in shares of the ETF. While the tracking basket includes some of the ETF's holdings, it is not the ETF's actual portfolio. The differences between this ETF and other ETFs may also have advantages. By keeping certain information about the ETF secret, this ETF may face less risk that other traders can predict or copy its investment strategy. This may improve the ETF's performance. If other traders are able to copy or predict the ETF's investment strategy, however, this may hurt the ETF's performance. For additional information regarding the unique attributes and risks of the ETF, see the ETF's prospectus and statement of additional information.

Ask your financial professional how ETFs can help you better position your portfolio for the long term.

"Our multimanager approach allows us to leverage our global scale, finding veteran portfolio teams that blend asset class expertise, successful track records, and market experience to manage each fund in our lineup. Our goal is to serve as an exceptional steward of capital for our fund shareholders, and we're continually working toward this effort by having a thorough due diligence process and maintaining high standards for long-term risk-adjusted performance."



Kristie Feinberg, CFA
President and Chief Executive Officer, Manulife John Hancock Investments

Data is as of 3/31/25.

Investing involves risks, including the potential loss of principal. There is no guarantee that a fund's investment strategy will be successful. Large company stocks could fall out of favor. The stock prices of midsize and small companies can change more frequently and dramatically than those of large companies, and value stocks may decline in price. 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. It's possible that an active trading market for fund shares will not develop, which may hurt your ability to buy or sell fund shares, particularly in times of market stress. Trading securities can actively increase transaction costs, therefore lowering performance and taxable distributions. Foreign investing, especially in emerging markets, has additional risks, such as currency and market volatility and political and social instability. 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. Master limited partnerships (MLPs) holding fixed-income securities such as bonds may be subject to interest-rate and credit risk, potentially causing the partial or complete loss of principal. MLPs are typically concentrated in specific industries and may lack the benefit of diversification. 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. 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. The fund may cease or reduce the level of its distribution if income or dividends paid from its investments decline. The value of a company's equity securities is subject to change in the company's financial condition and overall market and economic conditions. Quantitative models may not accurately predict future market movements or characteristics, which may negatively affect performance. Preferred stock dividends are payable only if declared by the issuer's board and may be subject to redemption provisions. Convertible securities generally offer lower interest or dividend yields than nonconvertible fixed-income securities of similar credit quality because of the potential for capital appreciation. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. Warrant prices may be more volatile than the price of the underlying securities and may offer greater potential for capital appreciation as well as capital loss. Warrant holders do not have dividends, voting rights, or rights to the assets of an issuer, and warrants cease to have value if not exercised prior to the expiration date. REITs may decline in value, just like direct ownership of real estate. A portfolio concentrated in one sector that holds a limited number of securities may fluctuate more than a more broadly diversified fund. Shares may trade at a premium or discount to their NAV in the secondary market and a fund's holdings and returns may deviate from those of its index. Errors in the construction or calculation of a fund's index may occur from time to time. These variations may be greater when markets are volatile or subject to unusual conditions. Please see the fund's prospectus for additional risks.

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ETF shares are bought and sold through exchange trading at market price (not NAV), and are not individually redeemed from the fund. Shares may trade at a premium or discount to their NAV in the secondary market. Brokerage commissions will reduce returns.

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