

# Does your retirement portfolio represent all major asset classes?

The only constant in capital markets is change. However, asset class diversification can help provide exposure to some of the strongest performers in any given year while attempting to avoid owning too many of the weakest performers.

There's no telling which asset class will be the best performer from year to year

## Annual returns of asset class categories<sup>1</sup>

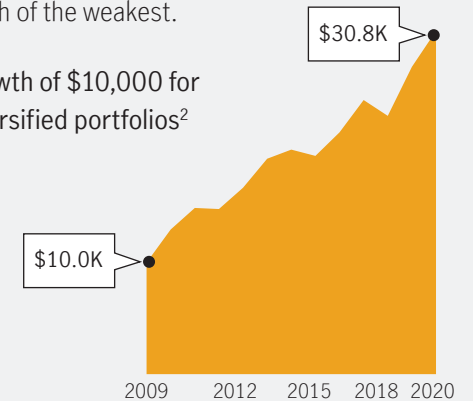
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Best performer	Investment-grade bonds 7.84%	International equity 17.39%	U.S. small-cap equity 38.82%	U.S. large-cap equity 13.24%	U.S. large-cap equity 0.92%	U.S. small-cap equity 21.31%	International equity 27.77%	Cash 1.86%	U.S. large-cap equity 31.43%	U.S. large-cap equity 20.96%
	High-yield bonds 4.38%	U.S. large-cap equity 16.42%	U.S. large-cap equity 33.11%	Investment-grade bonds 5.97%	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%
	U.S. large-cap equity 1.50%	U.S. small-cap equity 16.35%	International equity 15.78%	U.S. small-cap equity 4.89%	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%	<b>Diversified portfolio 11.71%</b>
	Cash 0.08%	High-yield bonds 15.59%	<b>Diversified portfolio 15.55%</b>	<b>Diversified portfolio 4.23%</b>	<b>Diversified portfolio -2.79%</b>	<b>Diversified portfolio 10.78%</b>	<b>Diversified portfolio 13.36%</b>	Alternatives -3.84%	<b>Diversified portfolio 18.97%</b>	International equity 11.13%
	Alternatives -0.10%	<b>Diversified portfolio 12.91%</b>	High-yield bonds 7.42%	High-yield bonds 2.50%	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%
	<b>Diversified portfolio -0.65%</b>	Alternatives 7.48%	Alternatives 0.21%	Alternatives 2.19%	U.S. small-cap equity -4.41%	International equity 5.01%	Alternatives 5.05%	<b>Diversified portfolio -5.77%</b>	Alternatives 11.53%	High-yield bonds 6.17%
	U.S. small-cap equity -4.18%	Investment-grade bonds 4.21%	Cash 0.05%	Cash 0.03%	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%
Worst performer	International equity -13.33%	Cash 0.07%	Investment-grade bonds -2.02%	International equity -3.44%	International equity -5.25%	Cash 0.27%	Cash 0.84%	International equity -13.78%	Cash 2.25%	Cash 0.58%

## Stay diversified

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

Asset class diversification can provide you with exposure to the strongest performers in any given year while helping you avoid owning too much of the weakest.

Growth of \$10,000 for diversified portfolios<sup>2</sup>



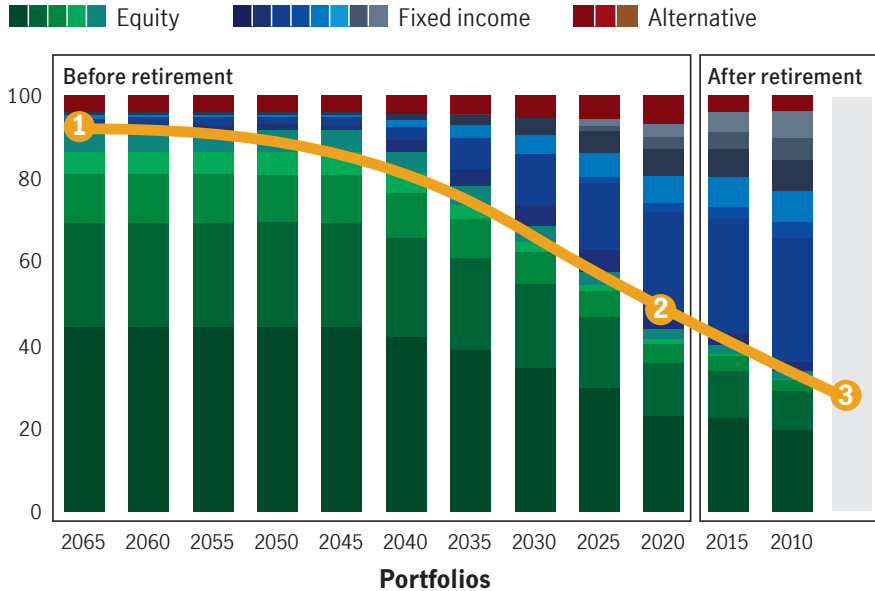
<sup>1</sup> Morningstar, as of 12/31/20. Investment-grade bonds are represented by the Bloomberg Barclays U.S. Aggregate Bond Index, which tracks the performance of U.S. investment-grade bonds in government, asset-backed, and corporate debt markets. High-yield bonds are represented by the Intercontinental 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 tracks the performance of publicly traded large- and mid-cap stocks of companies in 23 developed markets and 26 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. Past performance does not guarantee future results. <sup>2</sup> John Hancock Investment Management, as of 12/31/20.

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

## Our target-date portfolios can help you maintain deeper levels of age-appropriate diversification

John Hancock Multi-Index Lifetime Portfolios are designed for participants who expect to remain invested in a portfolio throughout their careers and into their retirement years as well. The portfolios follow a glide path, gradually reducing exposure to a broad range of equity asset classes while increasing exposure to an equally broad range of bond investments—a dynamic shift that continues after you leave the workforce.

### Your portfolio changes over time to limit downside risk as retirement approaches



#### Glide path's equity allocation

- 1 Begins at: **95%**
- 2 At retirement: **50%**
- 3 Stabilizes at: **25%**

Source: John Hancock Investment Management, as of 12/31/20.

*The portfolio'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 portfolio 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. Please see the portfolios' 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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### What year do you plan to retire?

#### Select the portfolio that's right for you

- John Hancock Multi-Index **2010** Lifetime Portfolio
- John Hancock Multi-Index **2015** Lifetime Portfolio
- John Hancock Multi-Index **2020** Lifetime Portfolio
- John Hancock Multi-Index **2025** Lifetime Portfolio
- John Hancock Multi-Index **2030** Lifetime Portfolio
- John Hancock Multi-Index **2035** Lifetime Portfolio
- John Hancock Multi-Index **2040** Lifetime Portfolio
- John Hancock Multi-Index **2045** Lifetime Portfolio
- John Hancock Multi-Index **2050** Lifetime Portfolio
- John Hancock Multi-Index **2055** Lifetime Portfolio
- John Hancock Multi-Index **2060** Lifetime Portfolio
- John Hancock Multi-Index **2065** Lifetime Portfolio

#### More diversification potential for less

With assets actively allocated across mainstream and niche market segments across the globe, each John Hancock Multi-Index Lifetime Portfolio uses ETFs and other low-cost underlying investments to help minimize the impact of expenses on returns.