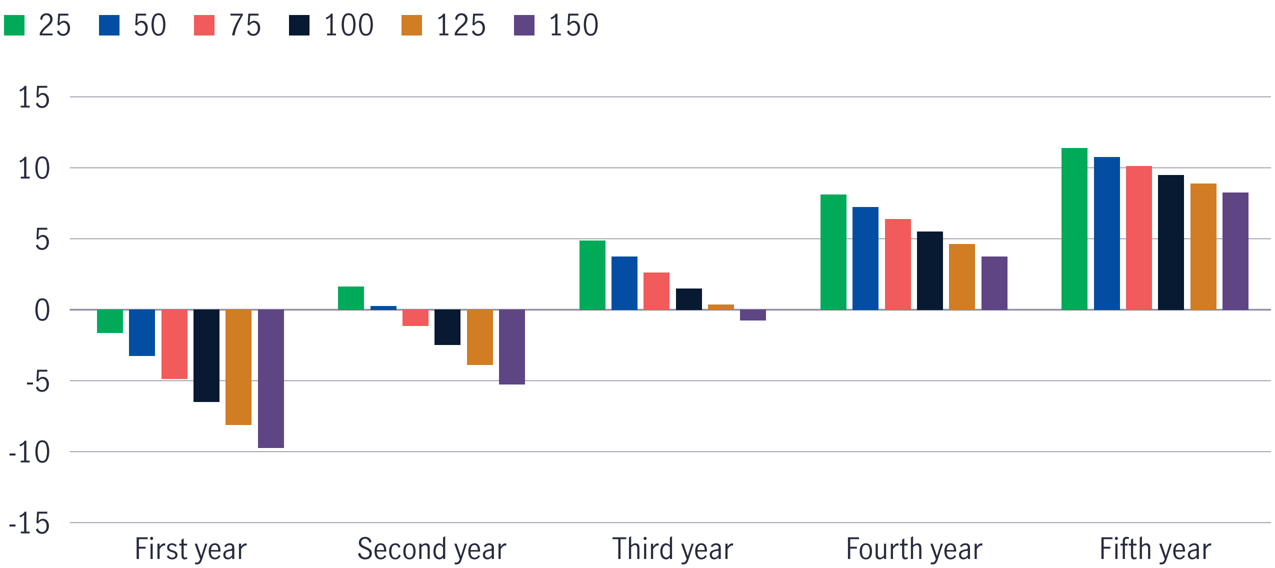
John Hancock Investment Management

When inflation rises and rates increase, so do yields, triggering bonds' built-in recovery mechanism

Historically, in the first couple years after an interest-rate increase, bonds tend to generate negative returns, with the steepest losses triggered by the largest rate hikes. However, in the second and third years after an increase, performance has typically turned positive, as gains that an investor may realize from the higher yields of newly issued bonds offset the initial loss from the rate hike. By the fourth and fifth years, returns have historically become positive across the board, even in the case of a large rate hike.

Investment returns (%) following interest-rate increases ranging from 25 to 150 basis points (bps)



Source: John Hancock Investment Management. For illustrative purposes only. First year returns are calculated by factoring in a 3.00% starting yield and multiplying a starting duration of 6.5 years by a one-time increase in the interest rate and subtracting from zero. Subsequent columns are calculated by factoring in the one-time change in interest rates plus the starting yield. One hundred basis points (bps) equals 1.00%. Duration measures the sensitivity of the price of bonds to a change in interest rates. Past performance does not guarantee future results.

Did you know:

Bond market declines tend to be rare and short-lived. In **529** instances of three-year monthly rolling return periods from January 1976 through December 2022, the Bloomberg U.S. Aggregate Bond Index's returns were negative just **11 times**, or **2.1% of the time**; the average return for those 11 periods was **–1.55%**.

Source: FactSet, December 2022. 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.

How John Hancock Investment Management can help enhance your portfolio's resilience in the face of rising interest rates

John Hancock fund	Ticker	Managed by	Key feature
Bond Fund	JHBIX	Manulife Investment Management	Pursues a variety of opportunities offered primarily by U.S. government, agency, and corporate bonds
Investment Grade Bond Fund	TIUSX	Manulife Investment Management	Employs a conservative approach that pursues income opportunities in high-quality, medium maturity securities
Corporate Bond ETF	JHCB	Manulife Investment Management	Seeks excess return through bottom-up issue selection and yield curve positioning
Municipal Opportunities Fund	JTBDX	Manulife Investment Management	Invests in a nationally diversified portfolio of high-quality municipal securities exempt from federal income taxes
Floating Rate Income Fund	JFIIX	Bain Capital Credit	Seeks high current income with a rising interest-rate hedge through investments in senior floating-rate bank loans

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

Fund characteristics will vary over time.

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Investing involves risks, including the potential loss of principal. There is no guarantee that a fund's investment strategy will be successful. The following are some general risks associated with various asset classes: equity market, mid- and small-capitalization, fixed-income, investment-grade, credit, interest-rate, foreign and emerging-market, currency, concentration, commodity, ESG policy, derivative, alternative, liquidity, and manager risks. This is not an all-inclusive list, and risks will vary. Please refer to the individual fact sheets for additional information and the prospectuses for full risk disclosures.

Request a prospectus or summary prospectus from your financial professional, by visiting jhinvestments.com, or by calling us at 800-225-5291. The prospectus includes investment objectives, risks, fees, expenses, and other information that you should consider carefully before investing.

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