Asset allocation fund Quarterly commentary

John Hancock Balanced Fund

A: SVBAX C: SVBCX I: SVBIX R2: JBATX R4: JBAFX R5: JBAVX R6: JBAWX

Objective
Current income and long-term growth, consistent with capital preservation

Use for
Core moderate holding

Morningstar category
Moderate Allocation

Quarterly commentary

Highlights

- The stock market initially rallied during the first quarter but later weakened amid concerns about economic weakness due to pending tariff announcements, while the bond market gained ground amid optimism about potential interest rate cuts.
- The fund's equities slightly underperformed its benchmark, the S&P 500 Index, mainly due to unfavorable security selection, although sector allocation added overall value.
- The fund's fixed-income securities delivered a positive return but underperformed, due most notably to an out-of-benchmark stake in high-yield bonds. An overweight in mortgage-backed securities modestly helped.

Market review and outlook

Early in the quarter, the stock market rallied on hopes that the Trump administration would bring about pro-business tax policies and regulatory changes; however, concerns about the administration's tariff stance soon emerged, raising fears of slowing growth or a potential recession. These worries weighed on equity valuations, and the market ended the quarter in negative territory.

The U.S. bond market delivered a solid gain. Concerns about economic weakness led the market to anticipate additional rate cuts from the U.S. Federal Reserve (Fed). More rate-sensitive assets, such as longer-dated U.S. Treasuries, gained the most, while investment-grade and high-yield corporate bonds posted positive returns but lagged the broader market.

As of March 31, the U.S. economy continued to grow despite some evidence of weakening. Nevertheless, the labor market remained stable, and inflation appeared contained, albeit still above the Fed's target.

We believe U.S. equities are likely to face challenges this year, given elevated valuations and heightened market volatility. We believe this presents a favorable environment for individual stock picking.

In the fixed-income portfolio, we remained focused on the long term while evaluating potential policy changes, as the near- and medium-term backdrop remained highly uncertain. Given these factors, we're positioning the fund to potentially withstand ongoing market volatility.

Contributors and detractors

The fund's equity portfolio slightly underperformed primarily due to unfavorable security selection, especially in the communication services sector; avoiding the utilities sector and positioning within financials also detracted from relative performance. In contrast, stock picks in consumer discretionary and healthcare contributed to performance, while an overweight in energy also added value.

The largest individual relative detractors included Marvell Technology, Inc. and Broadcom, Inc., semiconductor companies whose shares fell sharply due to concerns about a potential slowdown in AI spending. Meanwhile, an overweight in Alphabet, Inc., parent of Google, further detracted, as the company's stock retreated partly due to worries about AI's competitive threat. We increased the fund's allocation during the period, as we believe these concerns are misguided and the firm's shares may be undervalued.

In contrast, not holding two large benchmark components, AI chipmaker NVIDIA Corp. and electric vehicle maker Tesla, Inc. contributed to relative performance, as both underperformed in Q4. An overweight in Deere & Company, a leading manufacturer of agricultural machinery, also outperformed.

For the fixed-income portfolio, which delivered a positive return but underperformed the index, an out-of-benchmark allocation to high-yield bonds detracted. An overweight in mortgage-backed securities modestly helped.

Portfolio changes

The fund's equity and fixed-income allocations finished March at about 58% and 42%, respectively, down from 60% and 40% at year end. This shift reflected our caution amid increased economic uncertainty and market volatility.

In the equity portfolio, we established four new positions and sold four stocks from the fund. Turnover was somewhat elevated, reflecting various attractive valuation opportunities we saw in Q1.

In the fixed-income portfolio, we modestly added to the fund's weightings in high-yield bonds, agency mortgage-backed securities, and bank loans, and we reduced exposure to investment-grade corporates and U.S. Treasuries.

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Established asset manager with global resources and expertise extending across equity, fixed-income, and alternative investments as well as asset allocation strategies

Michael J. Scanlon, Jr., CFA
On the fund since 2015.
Investing since 2000

Jeffrey N. Given, CFA
On the fund since 2006.
Investing since 1993

Susan A. Curry
On the fund since 2019.
Investing since 1993

Average annual total returns[1]

%

	Qtd	Ytd	1 yr	3 yr	5 yr	10 yr	Since inception	Inception date
Class I without sales charge	-1.84	-1.84	3.77	5.70	10.88	7.61	7.66	3/4/02
Class A without sales charge	-1.91	-1.91	3.46	5.39	10.54	7.29	7.41	10/6/92
Class A with sales charge (Maximum initial sales charge 4.50%)	-6.34	-6.34	-1.19	3.79	9.53	6.80	7.26	10/6/92
S&P 500 Index	-4.27	-4.27	8.25	9.06	18.59	12.50	10.52	—
Bloomberg U.S. Aggregate Bond Index	2.78	2.78	4.88	0.52	-0.40	1.46	4.49	—
Blended Benchmark	-1.45	-1.45	7.02	5.78	10.88	8.22	8.35	—
Moderate allocation category	-0.33	-0.33	5.36	4.39	10.06	6.08	—	—

Expense ratios[2]	Gross	Net (what you pay)	Contractual through
Class I	0.74%	0.73%	7/31/2026
Class A	1.04%	1.03%	7/31/2026

The performance data shown represents past performance, which 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. Performance figures assume that all distributions are reinvested. For the most recent month-end performance, visit jhinvestments.com.

What you should know before investing

The value of a company's equity securities is subject to change in the company's financial condition and overall market and economic conditions. 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. 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. Mortgage- and asset-backed securities may be sensitive to changes in interest rates, and may be subject to early repayment and the market's perception of issuer creditworthiness. 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. The use of hedging and derivatives could produce disproportionate gains or losses and may increase costs. Active and frequent trading of securities can increase transaction costs (lowering performance) and taxable distributions. Please see the fund's prospectus for additional risks.

The S&P 500 Index tracks the performance of 500 of the largest publicly traded companies in the United States. **The Bloomberg U.S. Aggregate Bond Index** tracks the performance of U.S. investment-grade bonds in government, asset-backed, and corporate debt markets. **The Blended Benchmark** comprises 60% S&P 500 Index and 40% Bloomberg U.S. Aggregate Bond Index. It is not possible to invest directly in an index. The benchmark shown demonstrates how the fund's performance compares against the returns of similar investments, which may differ from the broad-based securities index shown in the fund's prospectus.

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 read and consider carefully before investing.

1 It is not possible to invest in an index. Index definitions can be found within the "What you should know before Investing" section on the last page of this fact sheet. **2** "Net (what you pay)" represents the effect of a contractual fee waiver and/or expense reimbursement and is subject to change.

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