

**Fixed-income fund** Quarterly commentary

# John Hancock Income Fund

A: JHFIX C: JSTCX I: JSTIX R2: JSNSX R4: JSNFX R5: JSNVX R6: JSNWX

Objective	Use for	Morningstar category
A high level of current income	Diversifying income holdings	Multisector Bond

## Quarterly commentary

### Highlights

- U.S. bonds rallied amid signs of an economic slowdown and uncertainty surrounding U.S. tariff policy, both of which contributed to a bout of risk aversion in the marketplace.
- Reflecting the risk-off market environment, U.S. Treasury securities were the best performers, while high-yield corporate bonds lagged.
- The fund underperformed its benchmark, the Bloomberg U.S. Aggregate Bond Index, due primarily to less interest rate sensitivity and exposure to non-U.S. bonds.

### Market review and outlook

U.S. bonds posted positive returns in the first quarter. After a stronger-than-expected jobs report sparked a bond sell-off early in January, the bond market rallied over the remainder of the quarter amid signs of slowing economic growth accompanied by the lowest consumer sentiment reading since November 2022. In addition, shifting U.S. trade and tariff policies created considerable uncertainty, leading to risk-off market sentiment during the latter half of the quarter. The U.S. Federal Reserve held short-term interest rates steady while lowering its economic projections and increasing its inflation forecasts. Sector performance reflected the risk-off sentiment—U.S. Treasury securities and residential mortgage-backed securities posted the best returns, while high-yield corporate bonds underperformed for the quarter.

U.S. tariff policy has taken center stage, creating a great deal of uncertainty about global economic growth. We had already been anticipating moderating growth in 2025, and a global trade war would likely accelerate that trend. Given the fluid situation surrounding the tariffs, bond market volatility is likely to remain elevated for the foreseeable future. Within the portfolio, we remain focused on striking a balance between yield and risk, with an increased emphasis on quality and stability. Global diversification should also be valuable in an uncertain market environment.

### Contributors and detractors

The fund advanced for the quarter but trailed the performance of its benchmark index. Duration positioning was a key factor behind the underperformance as the fund maintained a markedly shorter duration (meaning less interest rate sensitivity) than the index. As a result, the fund didn't benefit as much from the broad bond market rally. The fund's exposure to non-U.S. bonds, most notably in the eurozone and New Zealand, was also a drag on relative results as non-U.S. bonds underperformed the domestic market. Finally, exposure to corporate credit detracted from performance given the risk-off market conditions.

The fund's foreign currency holdings produced mixed results in the first quarter. Exposure to the euro weighed on performance, but positions in the Brazilian real and the Japanese yen contributed positively to returns as these currencies appreciated versus the U.S. dollar.

### Portfolio changes

We lowered the fund's duration back toward our neutral level given the broad bond market rally in the first quarter. We also continued to selectively upgrade the credit quality of the fund's high-yield corporate bond holdings. In addition, we added more floating-rate assets to the portfolio, such as bank loans and contingent convertible bonds, which provide higher income while helping reduce the fund's duration.

This commentary reflects the views of the portfolio managers named and is subject to change as market and other conditions warrant. No forecasts are guaranteed. This commentary is provided for informational purposes only and is not an endorsement of any security, mutual fund, sector, or index. The subadvisor, the advisor (John Hancock Investment Management LLC), and their affiliates, employees, and clients, may hold or trade the securities mentioned in this commentary. Diversification does not guarantee a profit or eliminate the risk of a loss.

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## Investment Management

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



**Bradley L. Lutz, CFA**  
On the fund since 2022.  
Investing since 1992



**Thomas C. Goggins**  
On the fund since 2009.  
Investing since 1987



**Kisoo Park**  
On the fund since 2015.  
Investing since 1986



**Christopher M. Chapman, CFA**  
On the fund since 2017.  
Investing since 1999

**Average annual total returns<sup>1,2</sup>**

	Qtd	Ytd	1 yr	3 yr	5 yr	10 yr	Since inception	Inception date	%
Class I without sales charge	1.47	1.47	4.59	1.75	2.79	2.25	6.05	8/19/86	
Class A without sales charge	1.39	1.39	4.28	1.45	2.48	1.95	5.84	8/19/86	
Class A with sales charge (Maximum initial sales charge 4.00%)	-2.62	-2.62	0.16	0.08	1.66	1.53	5.73	8/19/86	
Bloomberg U.S. Aggregate Bond Index	2.78	2.78	4.88	0.52	-0.40	1.46	5.37	—	—
Multisector bond category	1.83	1.83	6.32	3.10	4.31	2.92	—	—	—
<b>Expense ratios<sup>3</sup></b>			<b>Gross</b>			<b>Net (what you pay)</b>		<b>Contractual through</b>	
Class I			0.54%			0.53%		7/31/2026	
Class A			0.84%			0.83%		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](http://jhinvestments.com).

**10 largest issuers<sup>4</sup>**

									%
1.	United States of America	6.72	6.	Republic of Indonesia	2.77				
2.	Federal National Mortgage Association	5.56	7.	Republic of the Philippines	2.08				
3.	Commonwealth of Australia	3.74	8.	Government of Japan	1.54				
4.	Government of New Zealand	3.55	9.	Government of Canada	1.47				
5.	Federal Home Loan Mortgage Corp.	2.98	10.	Federal Republic of Germany	1.46				

**What you should know before investing**

*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 involve additional risks, as these securities include a higher risk of default and loss of principal. Foreign investing, especially in emerging markets, has additional risks, such as currency and market volatility and political and social instability. Currency transactions are affected by fluctuations in exchange rates, which may adversely affect the U.S. dollar value of a fund's investments. 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 transactions could produce disproportionate gains or losses and may increase volatility and costs. The fund may cease or reduce its distribution level if the amount of such income and/or dividends received from its investment declines. Please see the fund's prospectus for additional risks.*

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.

**Request a prospectus or summary prospectus from your financial professional, by visiting [jhinvestments.com](http://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.**

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**1** 8/18/86 is the inception date for the oldest class of shares, Class A shares. Class I shares were first offered on 9/4/01; returns prior to this date are those of Class A shares and have not been adjusted for expenses; otherwise, returns would vary **2** 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. **3** "Net (what you pay)" represents the effect of a contractual fee waiver and/or expense reimbursement and is subject to change. **4** Listed holdings reflect the largest portions of the fund's total and may change at any time. They are not recommendations to buy or sell any security. Data is expressed as a percentage of net assets and excludes cash and cash equivalents.



John Hancock Investment Management Distributors LLC, Member FINRA, SIPC, 200 Berkeley Street, Boston, MA 02116, 800-225-5291, [jhinvestments.com](http://jhinvestments.com)  
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