Fixed-income fund Quarterly commentary

John Hancock Investment Grade Bond Fund

A: TAUSX C: TCUSX I: TIUSX R2: JIGBX R4: JIGMX R6: JIGEX

Objective	**Use for**	**Morningstar category**
Current income and capital preservation	High-quality income opportunities	Intermediate Core Bond

Quarterly commentary

Highlights

- The Bloomberg U.S. Aggregate Bond Index, the fund's benchmark, returned 2.78% in the first quarter.
- The fund delivered a positive total return and slightly outperformed the index.
- Asset allocation detracted from results, while yield curve positioning contributed.

Market review and outlook

The U.S. bond market registered a healthy gain in the first quarter. The Trump administration's approach to raising tariffs on the United States' major trading partners led to concerns that economic growth could slow and possibly fall into negative territory. The prospect of slower growth revived expectations that the U.S. Federal Reserve (Fed) could cut interest rates several more times over the course of 2025. In contrast, the consensus view coming into the year was that the Fed would likely need to keep rates largely unchanged.

In this environment, more rate-sensitive assets—such as longer-dated U.S. Treasuries—registered the largest gains. Investment-grade corporate bonds, although producing positive total returns, didn't keep pace with Treasuries as the uncertainty surrounding the economic outlook led to weaker performance for lower-rated debt. Securitized assets also delivered gains. Mortgage-backed securities (MBS) outpaced Treasuries, but commercial mortgage-backed securities and asset-backed securities (ABS)—which tend to be more sensitive to economic trends than MBS—underperformed.

Contributors and detractors

The portfolio's yield curve and duration positioning made the largest contribution to relative performance in the quarter, primarily due to a slightly longer duration than the benchmark and an overweight in intermediate-term maturities. Security selection was a small positive, with favorable selection in securitized assets outweighing the impact of modest underperformance in corporates. Asset allocation was a very small detractor. Although we added value from an overweight in agency MBS, overweights in ABS and corporates offset the benefit.

Portfolio changes

We made modest additions to the fund's weightings in U.S. Treasuries and agency MBS, and we reduced its allocations to investment-grade corporates and ABS. We kept a significant overweight in agency MBS on the view that the category continued to offer compelling relative value and a source of higher quality. Duration (interest rate sensitivity) remained neutral versus the benchmark, and the fund was overweight in intermediate-term bonds in anticipation of additional steepening in the yield curve.

We expect the Fed will continue to be data dependent and is unlikely to be reactive to the Trump administration's policy announcements. While broader economic data softened somewhat, the labor market remained stable and inflation appeared broadly contained (although still above the Fed's target). We maintained a long-term outlook as it pertained to the potential impact from the Trump administration's tariff policy, as the situation remained highly fluid and subject to sudden shifts. With this said, we kept the fund positioned for ongoing market volatility.

In the investment-grade corporate category, we maintained an overweight in financials on the belief that the sector offered an attractive relative value. We also remained focused on noncyclicals and utilities while continuing to move up in quality and focusing on intermediate-term maturities. The corporate yield curve stayed relatively flat, meaning there was little benefit to taking on added risk by moving further out on the maturity spectrum. Yield spreads, although wider than they were at the end of 2024, remained below the long-term averages. We therefore continued to emphasize bottom-up security selection and look for opportunities to add yield without increasing the portfolio's overall risk profile.

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On the fund since 2003.
Investing since 1979

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On the fund since 2021.
Investing since 2007

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On the fund since 2022.
Investing since 2002

Average annual total returns[1,2]

%	Qtd	Ytd	1 yr	3 yr	5 yr	10 yr	Since inception	Inception date
Class I without sales charge	2.86	2.86	5.17	0.52	0.31	1.65	4.51	1/1/92
Class A without sales charge	2.68	2.68	4.79	0.27	0.05	1.39	4.30	1/1/92
Class A with sales charge (Maximum initial sales charge 4.00%)	-1.40	-1.40	0.56	-1.09	-0.77	0.97	4.17	1/1/92
Bloomberg U.S. Aggregate Bond Index	2.78	2.78	4.88	0.52	-0.40	1.46	4.61	—
Intermediate core bond category	2.64	2.64	4.95	0.47	-0.10	1.36	—	—

Expense ratios[3]	Gross	Net (what you pay)	Contractual through
Class I	0.57%	0.49%	7/31/2026
Class A	0.82%	0.75%	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.

10 largest issuers[4]

		%			%
1.	Federal National Mortgage Association	21.63	6.	JPMorgan Chase & Company	0.74
2.	United States of America	19.61	7.	Wells Fargo & Company	0.58
3.	Federal Home Loan Mortgage Corp.	16.69	8.	United Airlines, Inc.	0.52
4.	Government National Mortgage Association	1.01	9.	Broadcom, Inc.	0.49
5.	Bank of America Corp.	0.88	10.	Morgan Stanley	0.48

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. 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. Hedging and other strategic transactions may increase volatility and result in losses if not successful. Fund distributions generally depend on income from underlying investments and may vary or cease altogether in the future. 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, 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 12/31/91 is the inception date for the oldest class of shares, Class A shares. Class I shares were first offered on 7/28/03; 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.

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