U.S. equity fund Quarterly commentary

John Hancock Regional Bank Fund

A: FRBAX C: FRBCX I: JRBFX R6: JRGRX

Objective	Use for	Morningstar category
Long-term capital appreciation and current income	Regional bank sector exposure	Financial

Quarterly commentary

Highlights

- The fund's secondary benchmark—the S&P Regional Banks Select Industry Index—returned -5.16% in the first quarter.
- The regional banking sector trailed the broader market, as measured by the -4.27% return for the S&P 500 Index.
- The fund marginally underperformed its benchmark.

Market review and outlook

After performing well in January, regional bank stocks turned lower in February and early March to finish the quarter in negative territory. The initial gains reflected upbeat sentiment at the start of the year. The economy continued to grow, helped by a decline in initial jobless claims, relatively low unemployment, and positive personal consumption trends. Mounting expectations for deregulation under the new administration further aided returns. However, the sector subsequently lost ground as concerns about the economic impact of the protectionist shift in U.S. trade policy fueled a rotation into more defensive sectors.

Although bank stocks experienced volatility in tandem with the overall market, banks entered the period of uncertainty with robust fundamentals. Banks continued to exhibit solid profitability supported by strong capital and liquidity, and credit costs remained low. In addition, deposit rates declined as the U.S. Federal Reserve lowered interest rates. Investors also displayed optimism that a potential shift toward a more favorable regulatory environment could lead to increased merger-and-acquisition activity and spark an uptick in loan demand in the latter half of 2025.

Despite persistent headlines about commercial real estate, most banks' underwriting continued to be conservative, and their credit costs remained benign. The average small- to mid-sized bank reported quarterly net charge-offs of only 13 basis points (0.13 percentage points), a historically low level.

As per our research, most banks expect net interest margins will grow in 2025 as fixed-rate assets continue to reprice higher. This means that the portion of loan books originated during the low-rate environment of 2020-2022 will mature and be replaced with much higher-rate loans over the next few years, creating a tailwind for revenues. We believe net interest margin expansion, coupled with loan growth, should drive healthy revenue gains in 2025. Regional banks traded at 1.07 times book value and approximately 10.7 times earnings estimates as of March 31. Both represented sizable discounts relative to history and the market as a whole.

Contributors and detractors

An overweight in Coastal Financial Corp., which displayed continued momentum with strong fourth-quarter earnings results in late January, was the top contributor to relative performance. The company is in the process of developing five new fintech partnerships for which it has recently signed letters of intent. We believe these partnerships will leverage the capital the bank raised last year. An out-of-benchmark holding in JPMorgan Chase & Co. also contributed positively after reporting solid results and offering an upbeat outlook. Management also boosted its net interest revenue guidance, as the recent steepening of the yield curve was expected to create more favorable operating conditions. Overweights in Nicolet Bankshares, Inc. and Landmark Bancorp, Inc. further helped relative performance.

An overweight in U.S. Bancorp, which isn't represented in the index, was the largest detractor. Investors were disappointed by weaker fee revenue from the bank's payments business, and the bank surprised investors by announcing a sooner-than-expected transition to a new chief executive officer. Overweights in OP Bancorp and Live Oak Bancshares, Inc. also detracted.

Portfolio changes

Although we didn't make any major changes to the fund during the quarter, we eliminated one holding due to concerns about strategic actions implemented by its management team, and we significantly reduced another given uncertainty regarding the local economy in its core market. We rotated the proceeds into existing positions.

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Ryan P. Lentell, CFA
On the fund since 2015.
Investing since 1999

Susan A. Curry
On the fund since 2006.
Investing since 1993

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	-5.58	-5.58	18.29	1.07	17.03	8.27	10.23	1/4/92
Class A without sales charge	-5.63	-5.63	17.96	0.80	16.72	8.01	10.15	1/4/92
Class A with sales charge (Maximum initial sales charge 5.00%)	-10.34	-10.34	12.05	-0.91	15.53	7.46	9.98	1/4/92
S&P Regional Banks Select Industry Index	-5.16	-5.16	16.66	-3.04	15.41	6.26	—	—
Financial category	-1.06	-1.06	15.14	7.09	19.07	8.90	—	—

Expense ratios[3]	Gross	Net (what you pay)	Contractual through
Class I	0.97%	0.96%	7/31/2026
Class A	1.27%	1.26%	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 holdings[4]

%

1.	M&T Bank Corp.	3.00	6.	Fifth Third Bancorp	2.25
2.	Citizens Financial Group, Inc.	2.57	7.	JPMorgan Chase & Company	2.20
3.	Huntington Bancshares, Inc.	2.48	8.	US Bancorp	2.07
4.	Regions Financial Corp.	2.36	9.	KeyCorp	2.07
5.	Pinnacle Financial Partners, Inc.	2.33	10.	Coastal Financial Corp.	2.05

What you should know before investing
A portfolio concentrated in one sector or that holds a limited number of securities may fluctuate more than a diversified portfolio. The stock prices of midsize and small companies can change more frequently and dramatically than those of large companies. Foreign investing, especially in emerging markets, has additional risks, such as currency and market volatility and political and social instability. Hedging and other strategic transactions may increase volatility and result in losses if not successful. 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 **S&P Regional Banks Select Industry Index** tracks the regional banking segment of the broad U.S. equity market. 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 Class I shares were first offered on 9/9/16. Returns prior to this date are those of Class A shares and have been recalculated to reflect the gross fees and expenses of Class I shares. **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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