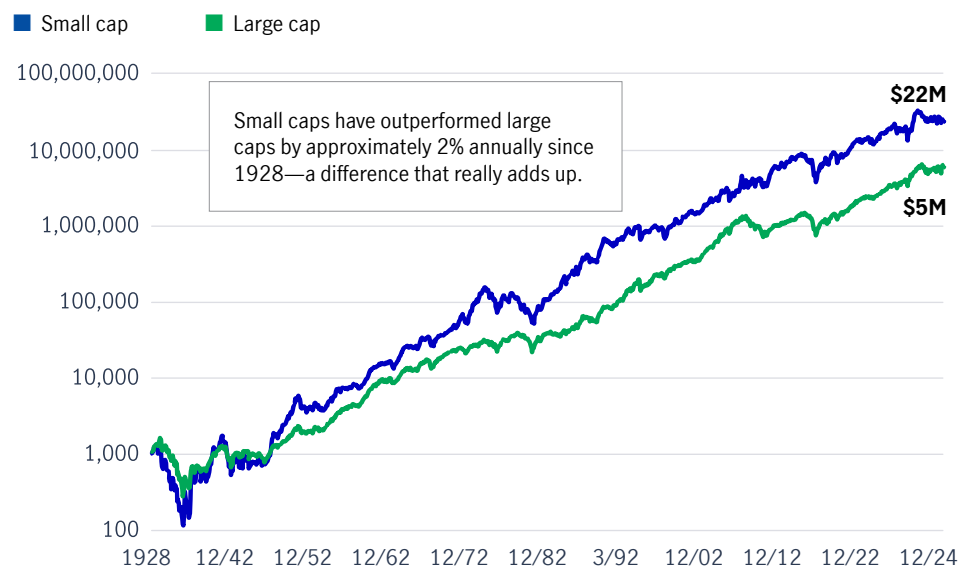


# Does your portfolio have exposure to small caps?

Over the past 90+ years, small-cap stocks have shown a tendency to outperform large-cap stocks. While market leadership can fluctuate among asset classes, our network believes small-cap stocks are worth considering for an allocation within equity portfolios. What's more, a rebound in economic growth and the potential to reverse their recent underperformance versus large caps may lend further support to the case for small caps in the years ahead.

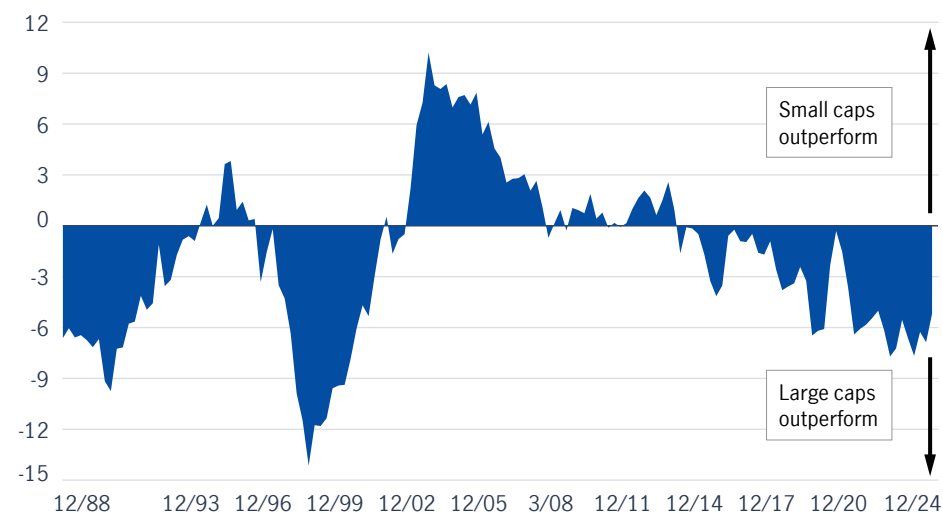
## Small caps have outperformed over the long term

Growth of \$1K invested in small- vs. large-cap stocks, 8/1/28–12/31/24 (\$)



## Small caps have underperformed in recent years

Rolling 5-year returns of Russell 2000 Index, less Russell 1000 Index, 12/31/88–12/31/24 (%)



## Positive catalysts for small caps

### Strong U.S. dollar weighs on large caps

A strong dollar can weigh on large caps, particularly those that sell goods overseas, as it makes these products less affordable. Small caps tend to be focused on the domestic economy, sheltering these companies from negative currency effects.

### Catch-up potential to large caps

Small caps have outperformed dramatically over the long run but have lagged large caps significantly in recent years. We believe there's catch-up potential here as investors seek to capitalize on this gap.

Source: Manulife John Hancock Investments, Morningstar, Ibbotson, Professor Kenneth R. French, [mba.tuck.dartmouth.edu/pages/faculty/ken.french/data\\_library.html](https://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html), 2024. Professor French's study on premiums examines the most reliable long-term data available, which dates back to 1928. This data does not portray results of indexes. The chart shows historical geometric mean performance for different groupings of stocks within the broad equity universe. This universe includes stocks listed on the NYSE, AMEX, and NASDAQ exchanges. In order to assess returns of stocks with different characteristics, researchers Eugene Fama and Kenneth French grouped stocks according to size, relative price, and profitability. For groupings based on company size, stocks were ranked by market capitalization, where small cap represents stocks of companies in the bottom 30% of the universe and large cap represents stocks of companies in the top 30% of the universe. Selection of other periods may produce different results, including losses. The Russell 2000 Index tracks the performance of approximately 2,000 small-cap companies in the United States. The Russell 1000 Index tracks the performance of 1,000 large-cap companies in the United States. It is not possible to invest directly in an index. Past performance does not guarantee future results.

# John Hancock Investment Management can help you pursue opportunities in small caps

## John Hancock Multifactor Small Cap ETF (JHSC)

Index designed by Dimensional Fund Advisors LP

- Targets a wide range of small-cap U.S. stocks
- Small-cap companies with the lowest profitability and highest relative price are eliminated from the index; in addition, companies with high investment (measured by annual asset growth) are also eliminated
- Seeks to minimize turnover, trading costs, tax liabilities, and cash drag

Number of holdings	Expense ratios <sup>1</sup> (%)
	Net (what you pay)
453	0.42
<b>Top sectors<sup>2</sup> (%)</b>	
Industrials	21.74
Financials	20.39
Consumer discretionary	13.30
Information technology	11.81
Real estate	7.24

## John Hancock New Opportunities Fund

Managed by GW&K Investment Management

- Seeks to deliver a diversified small-cap core style by combining value, core, and growth
- Targets small-cap companies with high-quality management, strong market position, solid balance sheets, and sustainable growth
- The fund management consists of two senior portfolio managers across three different asset managers with expertise in small-cap investing

Number of holdings	Net expense ratios <sup>1</sup> (%)	
	Class I (JHSOX)	Class A (JASOX)
77	0.96	1.21
<b>Top sectors<sup>2</sup> (%)</b>		
Healthcare	27.57	
Industrials	22.20	
Information technology	18.52	
Financials	9.88	
Consumer discretionary	9.57	

## John Hancock Small Cap Core Fund

Managed by Manulife Investment Management

- Blends growth and value stocks that may be at inflection points for sales, earnings, and cash flow
- Targets profitable, high-quality small companies
- Invests in a portfolio of 60 to 80 stocks at attractive valuations

Number of holdings	Net expense ratios <sup>1</sup> (%)	
	Class I (JCCIX)	Class A (JCCAX)
74	0.98	1.23
<b>Top sectors<sup>2</sup> (%)</b>		
Information technology	22.32	
Industrials	19.36	
Healthcare	15.27	
Financials	12.61	
Consumer discretionary	12.05	

All data is as of 3/31/25, unless otherwise stated.

**1** Represents the effect of a fee waiver and/or expense reimbursement, contractual through 8/31/25 for JHSC, 7/31/25 for JCCIX and JCCAX, and 7/31/26 for JHSOX, JASOX, and is subject to change. The gross expense ratio for JHSC is 0.47%. The Class I shares gross expense ratio for JHSOX is 0.97% and 0.99% for JCCIX; for Class A shares, they are 1.22% and 1.24%, respectively. **2** Listed holdings are a portion 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.

*Investing involves risks, including the potential loss of principal. There is no guarantee that a fund's investment strategy will be successful. A portfolio concentrated in one industry or 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, and value stocks may decline in price. Hedging and other strategic transactions may increase volatility and result in losses if successful. Shares may trade at a premium or discount to their NAV in the secondary market, and a fund's holdings and returns may deviate from those of its index. These variations may be greater when markets are volatile or subject to unusual conditions. Errors in the construction or calculation of a fund's index may occur from time to time. Please see the funds' prospectuses for additional risks.* This material is not intended to be, nor shall it be interpreted or construed as, a recommendation or providing advice, impartial or otherwise. Manulife John Hancock Investments and our representatives and affiliates may receive compensation derived from the sale of and/or from any investment made in our products and services.

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