Investment Manager update from John Hancock Active Multi Asset Income Portfolios

As of Sept. 30, 2024

John Hancock Investment Management LLC ("John Hancock") is the investment manager of the Active Multi Asset Income Portfolios and has engaged Manulife Investment Management (US) LLC ("Manulife") as the portfolio strategist. Manulife provides John Hancock with asset allocation and investment recommendations while John Hancock is responsible for manager research and portfolio oversight. John Hancock has discretionary authority with respect to investment management and monitoring of the portfolios. John Hancock Investments is the brand name for John Hancock Investment Management LLC (a registered investment adviser). John Hancock is not affiliated with Ameriprise Financial, Inc. *See fact sheet for additional details about the portfolio.*

Market environment

Global equity markets registered impressive gains in the third quarter. Equities were supported by the backdrop of positive growth and continued interest rate cuts by major central banks, which raised hopes that the world economy was poised for a “soft landing” despite a long stretch of restrictive monetary conditions. The U.S. Federal Reserve ("Fed") joined its global peers in loosening policy by enacting a half point rate cut in September, a move that provided a meaningful boost to investor sentiment. Equities were also propelled by China’s announcement, late in the quarter, that it would provide substantial fiscal and monetary stimulus in an effort to prop up its economy and markets. Together, these factors helped the major world indexes finish September at or near all time highs.

Fixed income also posted strong returns in the third quarter driven by the larger than expected Fed rate cut. In this environment, U.S. bond yields declined sharply across the board in the third quarter. Short-term bond yields fell the most, reflecting the Fed rate cut, while longer-term bond yields declined to a lesser extent. From a sector perspective, investment-grade corporate bonds and residential mortgage-backed securities generated the best returns, while shorter-term sectors such as asset-backed securities and commercial mortgage-backed securities underperformed.

Investment manager's portfolio positioning	Under-weight	Neutral weight	Over-weight	Rationale
Equity			●	
U.S. High Yield Equities			●	U.S. equities continue to benefit from positive earnings growth and easier Fed policy.
Foreign Developed High Yield Equities	●			
Infrastructure		●		
Master Limited Partnerships (MLPs)	●			
Real Estate		●		
Fixed Income	●		○	
High Yield Municipal Bonds		●		High yield presents a challenge as spreads relative to investment grade and government bonds are tight, limiting upside and increasing the potential risk.
Municipal Bonds			●	
Emerging Market Bonds			●	
Preferred Securities	●			
Floating Rate Bonds		●		
Global Bonds		●		
High Yield Bonds	●			

This chart reflects the views of the Manulife Investment Management (US) LLC’s Asset Allocation Team and may not reflect actual portfolio holdings based on individual portfolio objectives and risk tolerances.

If the previous quarter symbol is not noted, there was no change in the manager’s portfolio positioning.

○ = previous quarter
● = current quarter

Performance review

Driven by strong equity and fixed income market returns, all four Active Multi Asset Income portfolios registered positive gross returns during the quarter. At the top level, near neutral positioning between equity and fixed income had little effect on relative results.

Within equity, the portfolios were helped by an out of benchmark position in global infrastructure, which led broader global equity markets during the quarter. Conversely, an overweight to the U.S. vs. foreign developed high yielding equities weighed on relative performance. Real estate investment trusts (REITS) provided a significant absolute boost to performance but were a neutral contributor on a relative perspective. Active management hurt returns within the equity side of the portfolio as the Janus Henderson Global Equity Income Fund (HFQIX) and the JP Morgan Equity Premium Income Fund (JEPIX) both lagged their relative benchmarks.

Within fixed income, the portfolios were hurt by out of benchmark positions in preferred securities and floating rate bonds. An overweight to emerging market bonds boosted relative returns while an underweight to foreign developed government bonds hurt returns. Active management detracted value led by underperformance of the BlackRock High Yield Fund (BHYIX) and the Allspring Core Bond Fund (MBFIX).

Investment outlook

In the U.S., the Fed's focus has shifted from solely targeting inflation to also supporting full employment. Given cooling employment and growth, John Hancock expects the easing cycle to be faster than previously indicated, projecting the Fed funds rate to be 4.25% by the end of 2024 and 3% by the end of 2025. This easing will have significant global repercussions, particularly for central banks in emerging markets constrained by a strong U.S. dollar.

Debate persists on whether the U.S. economy will experience a hard, soft or no landing. Recent data shows deceleration, removing the 'no landing' scenario. Most sectors, except household consumption, have slowed. John Hancock expects limited upside for consumption due to slowing labor demand, impacting income and consumer confidence. Attention has shifted to whether the U.S. slowdown will be modest or pronounced. So far, data has moderated reasonably. If a benign business environment unfolds, easier monetary policy should benefit risk assets. However, John Hancock expects volatility around disappointing macro data as markets adjust to a weak growth environment. While the U.S. economic debate continues, other regions have experienced weaker growth. Europe, the U.K., Japan, Canada, and China have all seen underwhelming growth recently. With the U.S. slowing, global trade volumes are expected to decline.

From an asset class perspective, John Hancock has shifted toward a neutral stance on equities and fixed income due to elevated equity valuations and weakening macro conditions. Volatility remains amid a complex macroeconomic landscape, with geopolitical risks and global growth slowdown as potential headwinds.

Within equity, John Hancock remains overweight U.S. vs. the rest of the world, supported by positive earnings growth and easier Fed policy, though the overweight has moderated. Within the U.S., it has rotated into healthcare and financials and remain bullish on large cap growth. Equities outside the U.S. benefit from attractive valuations and gradual growth recovery, but weak earnings outlooks and political headwinds warrant a neutral stance.

Within fixed income, John Hancock remains neutral on investment grade and favors bank loans over U.S. high yield. John Hancock maintains an overweight stance in emerging market debt, anticipating potential currency appreciation. Overall, John Hancock is trending toward defensive, higher-quality positions in portfolios, adding ballast amid peak U.S. equity valuations and tight credit spreads.

Performance as of Sept. 30, 2024

Portfolios		Q3 2024	Year to date	One year	Three year	Five year	Ten year	Since inception
Active Multi Asset Income Moderate Conservative	Net	6.6%	7.4%	15.7%	1.2%	2.3%	--	2.7%
	Gross	7.1%	9.0%	18.0%	3.2%	4.4%	--	4.8%
Active Multi Asset Income Moderate	Net	7.0%	8.7%	17.3%	2.3%	--	--	5.1%
	Gross	7.5%	10.3%	19.6%	4.4%	--	--	7.3%

Portfolios		Q3 2024	Year to date	One year	Three year	Five year	Ten year	Since inception
Active Multi Asset Income Moderate Conservative - Tax-Sensitive	Net	4.2%	6.9%	14.6%	0.9%	1.9%	--	2.5%
	Gross	4.7%	8.5%	16.9%	3.0%	4.0%	--	4.6%
Active Multi Asset Income Moderate - Tax-Sensitive	Net	5.1%	8.5%	16.7%	2.3%	--	--	5.0%
	Gross	5.6%	10.1%	19.0%	4.3%	--	--	7.1%

The inception date for the Active Multi Asset Income Moderate Conservative – Tax-Sensitive Portfolio is 10/1/18. The inception date for the Active Multi Asset Moderate – Tax-Sensitive Portfolio is 10/1/20. See fact sheets for additional details about the portfolios.
Past performance is not a guarantee of future results.

Major market indexes	Q3 2024	Year to date	One year	Three year	Five year	Ten year	Since inception
Russell 3000® Index (U.S. Equity)	6.2%	20.6%	35.2%	10.3%	15.3%	12.8%	--
MSCI ACWI ex USA Index - net (Foreign Equity)	8.1%	14.2%	25.4%	4.1%	7.6%	5.2%	--
Bloomberg U.S. Universal Bond Index (Fixed Income)	5.2%	4.9%	12.1%	-1.1%	0.7%	2.2%	--
Wilshire Liquid Alternatives Index	2.6%	6.3%	10.2%	2.4%	3.2%	2.0%	--
FTSE Three Month Treasury Bill Index (Cash)	1.4%	4.2%	5.6%	3.6%	2.4%	1.7%	--

Disclosures

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This material is intended for information purposes only and should not be construed as legal, accounting, tax, investment, or other professional advice.

Absolute return is the return that an asset achieves over a certain period of time. This measure looks at the appreciation or depreciation, expressed as a percentage, that an asset, such as a stock or a mutual fund, achieves over a given period of time.

Relative return is the return an asset achieves over a period of time compared to a benchmark. The relative return is the difference between the asset's return and the return of the benchmark.

Relative valuation is process that involves using similar, comparable assets in valuing another asset.

Performance

The composite performance presented above is calculated on a time-weighted trailing return basis. Periods greater than one year are annualized trailing returns as of the current quarter end shown. Unless otherwise stated, the performance is shown both gross and net of the maximum Asset-based Fee and other distributions and applicable expenses of the underlying mutual funds. The Composite performance includes the reinvestment of dividends where permitted. Performance reflects a maximum Asset-based Fee of 2.0%. Performance reflected may be preliminary, that is, calculated prior to obtaining final composite performance data for actual accounts within the portfolio. Preliminary performance generally reflects reinvestment of dividends and other distributions. Individual account performance may vary.

Active Multi Asset Income Moderate Conservative: The composite performance ('Composite') displayed herein is comprised of (1) a single account invested in the portfolio model from 10/1/18 to 6/30/19; and (2) all eligible fully discretionary accounts at Ameriprise from 7/1/19 to present. All eligible accounts are added to the Composite after one full calendar month of performance.

Active Multi Asset Income Moderate Conservative - Tax Sensitive: The composite performance ('Composite') displayed herein is comprised of (1) a single account invested in the portfolio model from 10/1/18 to 6/30/19; and (2) all eligible fully discretionary accounts at Ameriprise from 7/1/19 to present. All eligible accounts are added to the Composite after one full calendar month of performance.

Active Multi Asset Income Moderate: The composite performance ('Composite') displayed herein is comprised of (1) a single account invested in the portfolio model from 10/1/2020 to 6/30/2021; and (2) all eligible fully discretionary accounts at Ameriprise from 7/1/2021 to present. All eligible accounts are added to the Composite after one full calendar month of performance.

Active Multi Asset Income Moderate - Tax Sensitive: The composite performance ('Composite') displayed herein is comprised of (1) a single account invested in the portfolio model from 10/1/2020 to 6/30/2021; and (2) all eligible fully discretionary accounts at Ameriprise from 7/1/2021 to present. All eligible accounts are added to the Composite after one full calendar month of performance.

Indexes

The **Bloomberg U.S. Universal Bond Index** represents the union of the U.S. Aggregate Index, U.S. Corporate High Yield Index, Investment Grade 144A Index, Eurodollar Index, U.S. Emerging Markets Index, and the non-ERISA eligible portion of the CMBS Index. The index covers USD-denominated, taxable bonds that are rated either investment grade or high-yield. Some U.S. Universal Index constituents may be eligible for one or more of its contributing subcomponents that are not mutually exclusive. These securities are not double-counted in the index. The U.S. Universal index was created on January 1, 1999, with index history backfilled to January 1, 1990.

The **FTSE Three-Month (3-Month) Treasury Bill Index** measures the return equivalents of yield averages. It is not marked to market. The Index is an average of the last three three-month Treasury bill month-end rates.

The **MSCI ACWI Ex USA Index (net of taxes)** (MSCI ACWI ex U.S. - net) captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries (excluding the United States) and 24 Emerging Markets (EM) countries. The index targets coverage of approximately 85% of the global equity opportunity set outside the US. DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK. EM countries include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Russia, Qatar, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

The **Nikkei 225 Index**, more commonly called the Nikkei, is a stock market index for the Tokyo Stock Exchange and is calculated on a price-weighted index basis.

The **Russell 3000 Index** is composed of 3000 large US companies, as determined by market capitalization. This portfolio of securities represents approximately 98% of the investable U.S. equity market. The Russell 3000 Index is comprised of stocks within the Russell 1000 and the Russell 2000 Indices. The index was developed with a base value of 140.00 as of 12/31/1986.

The **S&P 500 Index** is a basket of 500 stocks that are considered to be widely held. The S&P 500 index is weighted by market value (shares outstanding times share price), and its performance is thought to be representative of the stock market as a whole. The S&P 500 index was created in 1957 although it has been extrapolated backwards to several decades earlier for performance comparison purposes. This index provides a broad snapshot of the overall US equity market. Over 70% of all US equity value is tracked by the S&P 500. Inclusion in the index is determined by Standard & Poor's and is based upon their market size, liquidity, and sector.

The **Wilshire Liquid Alternative Index℠** measures the collective performance of the five Wilshire Liquid Alternative strategies that make up the Wilshire Liquid Alternative Universe. The Wilshire Liquid Alternative Index℠ (WLIQA) is designed to provide a broad measure of the liquid alternative market by combining the performance of the Wilshire Liquid Alternative Equity Hedge Index℠ (WLIQAEH), Wilshire Liquid Alternative Global Macro Index℠ (WLIQAGM), Wilshire Liquid Alternative Relative Value Index℠ (WLIQARV), Wilshire Liquid Alternative Multi-Strategy Index℠ (WLIQAMS), and Wilshire Liquid Alternative Event Driven Index℠ (WLIQAED).

Portfolio risks

The portfolios are subject to risks associated with the underlying funds including, but not limited to: market risk, credit risk, interest rate risk, foreign/emerging markets risk, sector risk and risks associated with alternative investments. See the fund prospectus for a definition of these and other specific risks associated with the underlying funds.

Neither asset allocation nor diversification assure a profit or protect against loss.

Alternative investment strategies and structures may involve substantial risks, may be more volatile than traditional investments, and are designed to be low or non-correlated to traditional equity and fixed income markets.

Commodity investments may be affected by the overall market and industry and commodity specific factors, and may be more volatile and less liquid than other investments.

In general, **equity** securities tend to have greater price volatility than **fixed income** securities. The market value of securities may fall, fail to rise or fluctuate, sometimes rapidly and unpredictably. **Market** risk may affect a single issuer, sector of the economy, industry or the market as a whole.

ETFs trade like stocks, are subject to investment risk and will fluctuate in market value. ETFs may trade at a discount to NAV, are subject to tracking/correlation risk and shareholders bear additional ETF expenses.

There are risks associated with **fixed-income** investments, including credit risk, interest rate risk, and prepayment and extension risk. In general, bond prices rise when interest rates fall and vice versa. This effect is usually more pronounced for longer-term securities.

Floating rate loans typically present greater risk than other fixed-income investments as they are generally subject to legal or contractual resale restrictions, may trade less frequently and experience value impairments during liquidation.

Growth securities, at times, may not perform as well as value securities or the stock market in general and may be out of favor with investors.

The fund concentrates its investments in **infrastructure-related securities**, which have greater exposure to adverse economic, regulatory, political, legal and other conditions affecting the issuers of such securities.

The fund's investments may not keep pace with **inflation**, which may result in losses.

International investing involves increased risk and volatility due to potential political and economic instability, currency fluctuations, and differences in financial reporting and accounting standards and oversight. Risks are particularly significant in **emerging markets**.

Master Limited Partnerships (MLPs) concentrate investments in the natural resource sector and are subject to the risks of energy prices and demand and the volatility of commodity investments. Damage to facilities and infrastructure of MLPs may significantly affect the value of an investment and may incur environmental costs and liabilities due to the nature of their business. MLPs are subject to significant regulation and may be adversely affected by changes in the regulatory environment.

In addition to risks which generally pertain to equity investments, including market volatility and the potential loss of principal, investors in MLPs should be aware of additional risks including commodity (energy) price and demand volatility; regulatory changes; taxation changes at the company level or the investor level; and accidents and associated environmental impacts. MLPs are concentrated in energy-related investments, and thus, would be expected to react to macro risks impacting the sector. Additionally, please be sure to consult with a tax expert to help assess your unique situation and constraints when it comes to taxation.

Mortgage- and asset-backed securities are affected by interest rates, financial health of issuers/originators, creditworthiness of entities providing credit enhancements and the value of underlying assets.

Income from tax-exempt **municipal bonds** or municipal bond funds may be subject to state and local taxes, and a portion of income may be subject to the federal and/or state alternative minimum tax for certain investors. Federal income tax rules will apply to any capital gains.

Non-investment-grade (high-yield or junk) securities present greater price volatility and more risk to principal and income than higher rated securities.

Preferred stock is subject to **issuer default** risk. A rise in **interest rates** may result in a price decline of preferred stock held by the fund. Falling rates may result in the fund investing in lower yielding securities, lowering the fund's income and yield.

Like real estate, **REITs** are subject to illiquidity, valuation and financing complexities, taxes, default, bankruptcy and other economic, political or regulatory occurrences.

Investments in **small and mid-capitalization** companies involve greater risks and volatility than investments in larger, more established companies.

The **U.S. government** may be unable or unwilling to honor its financial obligations. Securities issued or guaranteed by federal agencies and U.S. government-sponsored instrumentalities may or may not be backed by the full faith and credit of the U.S. government.

Value securities may be unprofitable if the market fails to recognize their intrinsic worth or the portfolio manager misgauged that worth.

Ameriprise Financial, Inc. and its affiliates do not offer tax or legal advice. Consumers should consult with their tax advisor or attorney regarding their specific situation.

Please review the *Ameriprise®* Managed Accounts Client Disclosure Brochure or, if you have elected to pay a consolidated advisory fee, the *Ameriprise* Managed Accounts and Financial Planning Service Disclosure Brochure, for a full description of services offered, including fees and expenses as well as any applicable updates.

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