Basics of investing

Making smart decisions about your retirement plan money

Once you start using your retirement plan, you need to decide how to invest your money. Your plan offers you a range of options, so you can select an investment mix that's right for you.

To get started, it's important to understand the three main asset classes: cash, bonds, and stocks. Each offers a different level of risk and reward.

Cash, the safest asset class, comes with a low return and low risk. The cash asset class includes cash, as well as money market, stable value, and fixed-income funds.

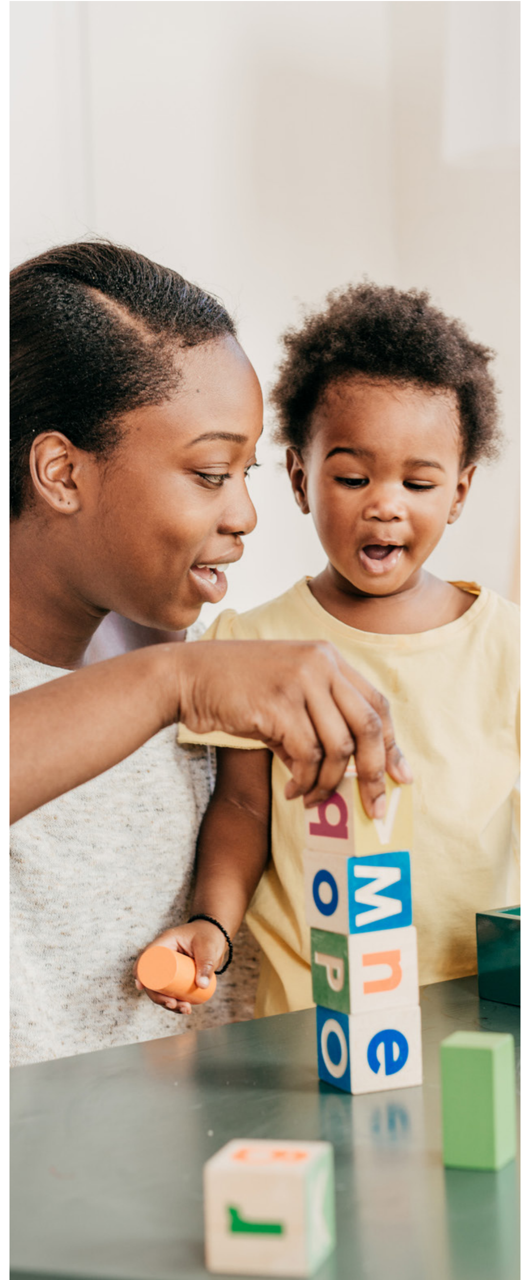
A **bond** is actually a loan you make to a company or government agency, which generally offers you a return on your money—although that's not guaranteed. Bonds offer more potential returns than cash, but also a bit more risk, depending on who issues the bond.

A **stock** is a share of a publicly traded company. Stock prices go up or down based on a company's success or general stock market conditions. Stocks have offered the highest returns over the long term—but they're also the highest-risk asset class.

Cash ⟷ Bonds ⟷ Stocks

Conservative — Lower risk, lower return

Aggressive — Higher risk, higher potential return



Explore your plan's investments

Log on to **myplan.johnhancock.com** or download John Hancock's retirement app.

Basic investment strategies

Diversification and asset allocation

Choosing investments within different asset classes is called **diversification**. Dividing your money among those groups is called **asset allocation**. Using both approaches when choosing your investments can help you find the right balance of risk and reward to fit your situation.

Neither asset allocation nor diversification guarantee investment success, but they can play a significant role in helping you manage risk.

Stay invested for the long term

The market goes up and down, but, over time, it has gone up. To take advantage of any growth, it's best to keep your money in your plan. Withdrawing money from your retirement plan before you reach age 59½ can cost you income tax on the withdrawals—and a possible 10% penalty.

Retirement plan investments make it easy

Your retirement plan offers investment options that include a mix of cash, bonds, and stocks. When you invest in them, your money is pooled with money from other investors. They're managed by industry professionals who research, buy, and sell securities according to the options' stated goals. There's a fee for their services that's deducted from the money you've invested.

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For complete information about a particular investment option, please read the fund prospectus. You should carefully consider the objectives, risks, charges, and expenses before investing. The prospectus contains this and other important information about the investment option and investment company. Please read the prospectus carefully before you invest or send money. Prospectus may only be available in English.

Past performance is no guarantee of future results. There is no guarantee that any investment strategy will achieve its objectives.

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John Hancock Retirement Plan Services, LLC, 200 Berkeley Street, Boston, MA 02116

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