

**John Hancock Personal Financial Services, LLC**  
**200 Berkeley Street**  
**Boston, MA 02116**

[www.mylife.jhrps.com](http://www.mylife.jhrps.com)

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This wrap-fee program brochure provides information about the qualifications and business practices of John Hancock Personal Financial Services, LLC, ("JHPFS"). If you have any questions about the contents of this Brochure, please contact us at (888) 232-3695. The website for JHPFS and its program, John Hancock Managed IRA is [www.mylife.jhrps.com](http://www.mylife.jhrps.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about JHPFS also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

JHPFS is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

No material changes have been made to this brochure since its last update on March 24, 2020. However, certain non-material updates have been made as follows:

Item 4: Assets under management have been updated.

Item 6: The description of the services provided by Manulife Investment Management to JHPFS has been updated.

Item 9: The description of the firm’s Code of Ethics has been updated.

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## **Item 4 – Services, Fees and Compensation**

JHPFS is a Delaware limited liability company founded in 2014. JHPFS's principal owner is The Manufacturers Investment Corporation, which is an indirect, majority-owned subsidiary of Manulife Financial Corporation ("MFC"), a diversified international management and holding company with interests in companies that are active in, among other things, financial services and insurance. MFC is a publicly traded company listed on the Toronto Stock Exchange, the New York Stock Exchange, the Stock Exchange of Hong Kong and the Philippine Stock Exchange under the ticker symbol MFC.

JHPFS provides discretionary, web-based, advisory services in connection with JHPFS's managed account program, John Hancock Managed IRA (the "Program") as well as other programs. You can obtain investment solutions that are similar to the investment strategies offered in the Program through other investment advisory programs sponsored by John Hancock, at a higher or lower cost than in this Program. The services that you receive by investing in such solution through a different program or service may or may not be similar to the services you receive through the Program. You should visit [www.johnhancock.com](http://www.johnhancock.com) to learn more about other John Hancock investment solutions, services and strategies available to determine which may be most appropriate. This brochure is limited to the Program.

### **Overview**

The Program utilizes an interactive website to collect information about you and provide investment advice regarding your rollover individual retirement account ("IRA") through computer-based applications. You will interact with us primarily through the Program's telephone support representatives or the Program's website. The Program is designed for the sole objective of managing an IRA to help you toward achieving your retirement income goal; it does not provide advice with respect to other accounts or financial goals you may have. The Program utilizes model portfolios ("Model Portfolios") that are comprised of exchange-traded funds ("ETFs"). The sponsor and portfolio manager of the Program is JHPFS. JHPFS utilizes algorithms to manage client accounts on a discretionary basis. Manulife Investment Management ("MIM"), an affiliate of JHPFS, creates and maintains the Model Portfolios and recommends ETFs for the Model Portfolios in the Program. MIM also provides other services to JHPFS for the Program as set forth below under "Item 6 – Selection of Portfolio Manager". Pershing Adviser Solutions LLC and its affiliates ("Pershing") provides custodial services to your IRA and trade execution for Program investment strategies.

The Program is a goal-based advisory program designed to help you achieve the goal of sufficient retirement income to meet your anticipated retirement spending needs over your expected lifespan. The Program's management of your account is based on the probabilities of certain investment and savings strategies achieving your anticipated retirement income needs. Generally, the risk that the Program seeks to minimize is the risk of your account and savings being insufficient to meet your retirement goal, however, you have the option

to adjust the goal-based recommended asset allocation model to reflect your personal investment risk tolerance by completing an Optional Risk Preferences Questionnaire.

The provision of discretionary investment advisory services to you has been structured to follow the conditions of Rule 3a-4 (the “Rule”) under the Investment Company Act of 1940, as amended. JHPFS is the “sponsor” of the Program within the meaning of the Rule.

There is no guarantee that the advisory services offered under the JHPFS program will result in your goals and objectives being met. Nor is there any guarantee of profit or protection from loss.

### **A Digital -Only Advice Program**

The Program provides you with fully discretionary investment management services, described in this Brochure, electronically through use of the Program website. Although telephone support is available for administrative issues, the Program does not offer in-person or telephonic advice consultation with a live investment adviser representative; telephone support representatives do not formulate or provide investment advice. Telephonic support is limited to help with enrolling into the Program as well as assistance with account servicing needs. You should carefully consider whether your participation in the Program is appropriate for your confidence and facility in participating in a web-based electronic-only investment program and well as your investment needs and goals.

You must log in to the Program website to access important documents, ensure information is accurate and up to date and complete periodic reviews. You can communicate with us through the Program Website or by telephone at 1-888-232-3695. We will gather from you and annually request that you confirm important financial and personal information used as the basis for our investment recommendations.

It is your responsibility to ensure that the information you provide to us is complete and accurate. When you provide accurate and complete information, we will be better able to make suitable investment allocations of your IRA assets. It is also your responsibility to notify us if any information we have about you is inaccurate or becomes inaccurate. Through the Program Website, we request certain information and ask questions of you to gather information about you. If you feel any of the questions are unclear or you do not understand why the information is being sought, please contact us at 1-888-232-3695. Be careful when inputting your answers or information. If you enter inaccurate information, the resulting recommendation might not be right for you. The Program incorporates only the financial information you provide, and our investment recommendations are limited to and based only on the information you provide through the Program Website. We will not independently verify the information you provide through the Program Website and we will not consider other information obtained in connection with another account or relationship with John Hancock or its affiliates. If you believe there is additional financial information that should be considered to inform the investment recommendations made through the Program, please contact us at 1-888-232-3695.

The Program's advice and account management instructions will be generated by the Program's algorithms. JHPFS investment professionals oversee and monitor the operation of the algorithm but, in general, JHPFS personnel will not assess each account individually nor will they override the advice generated by the algorithm with respect to any account except in the event of a known malfunctioning of the algorithm systems or when, in its sole discretion, JHPFS deems that extraordinary market conditions necessitate changes or delays in the best interests of a client.

### **About The Program Investment Strategies**

JHPFS manages the Program, which offers you actively managed portfolios comprised of ETFs. JHPFS is granted investment discretion and will continuously monitor your portfolio through computer-based applications. MIM provides JHPFS with recommended Model Portfolios based on specific investment strategies and glide paths and may, from time to time, recommend changes to asset class allocations and specific investment selections. NextCapital Software, Inc. ("NextCapital") provides the user interface and software that implements the JHPFS investment methodology and algorithms, as well as providing certain non-discretionary administrative services for the Program. Pershing provides custodial services to your IRA and trade execution for Program investment strategies. JHPFS is responsible for the evaluation, selection and ongoing monitoring of MIM, NextCapital, and Pershing services to JHPFS.

The Program recommends, implements, monitors and rebalances your IRA to a personalized asset allocation plan intended to help you meet your retirement income goal. JHPFS accomplishes this by investing your IRA in one or more Model Portfolios.

To develop an appropriate strategy, the Program relies on certain assumptions based on JHPFS's understanding of the global macro-economy, financial markets, rules, regulations, and laws governing investments. The program also relies on personal data that you provide in an online questionnaire. By enrolling in the Program, you authorize your account custodian; Pershing, your previous retirement plan recordkeeper; John Hancock US Retirement as well as any other outside provider you may have used to transfer assets into the Program to share necessary information about you with JHPFS. The Program's personalization algorithm evaluates the personal data provided and certain assumptions, which may include some or all of the following: age, health, gender, marital status, future earnings, savings potential, education & skills, and riskiness of salary, retirement age, spouse information, existing account balances for discretionary and non-discretionary accounts, 401(k) loans, sources of guaranteed income, annuities, pensions, rental income, Social Security, retirement age, and risk preference. The Program's personalization algorithm uses the collected personal data to optimize your current and future portfolio allocations ("glide path") relative to the Program's age-based baseline allocations by running mathematic simulations of potential investment strategies and identifies an investment glide path that maximize your sustainable retirement income amount (at a 70% confidence level) over your lifetime. If all we know about you is your age, you will receive a simple age-based allocation. However, where more information is available about you and

your circumstances, either through John Hancock Retirement Plan Services or through information you provide, the advice is incrementally personalized and the optimization results incrementally more refined. If any of the investor profile data are not known, the methodology makes default assumptions about the individual being similar to the average of the general working population or the average of a representative cohort. More information about the advice, methodology and algorithm is provided in the following section. There is no guarantee that the personalization methodology will produce better investment results than the baseline age-based glide path.

You may choose to supplement the goals-based personalization methodology by completing an Optional Risk Preference Questionnaire when reviewing the investment plan generated by the Program. The Optional Risk Preference Questionnaire is intended to gauge your investment experience and risk tolerance preferences and, based on your answers, the Program may adjust the recommended equity allocation in your portfolio up to +/- 15%. If you accept the risk preference adjustment, the changes to your portfolio allocation may also impact your recommended retirement age and projected retirement income.

JHPFS actively manages your Account's investments; the Program's portfolio management software continuously monitors your account and may rebalance these investments to match the Program's personalized allocations any time your account deviates in ways that JHRPS, in its sole discretion, deems unacceptable. When JHPFS updates your personalized allocations or Model Portfolio ETFs, these changes may result in all, a portion of, or none of the assets in your Account being traded. JHPFS monitors your Account for drift from your target allocations and may rebalance all or a portion of your Account's assets to the recommended allocation. JHPFS may apply tolerance parameters or other criteria when rebalancing your Account to focus on the ETFs or assets with greatest deviation from the recommended allocations. The frequency and parameters JHPFS use to rebalance your Account may change at any time and may be different from the parameters used in other types of investment strategies or investment advisory programs sponsored by John Hancock.

JHPFS will review your asset allocation glide path on a quarterly basis based upon your birthdate and John Hancock's financial economic assumptions. At any time throughout the year, you can update your information through the Program website, including personal profile, spouse information and information regarding your other retirement accounts. Information that you update will only be reviewed and considered in your next quarterly plan review. Depending on the results of the plan review, the Program may reforecast your retirement income projections and/or recommend changes to your asset allocation. These changes will be automatically implemented in your IRA and your portfolio will be monitored and rebalanced to follow the prescribed personalized age-based glide path until the plan is updated with a new plan.

You may impose reasonable restrictions on the management of your account subject to JHPFS's determination that the restriction is reasonable. A request to impose restrictions on the management of an account may result in delays in the implementation of the

Program. The performance of accounts subject to reasonable restrictions may differ from accounts that are not subject to restrictions, possibly producing lower overall results. While you may impose reasonable restrictions on your account, it is not possible to impose restrictions on how the underlying ETFs are managed. These underlying investments are subject to investment restrictions described in the applicable prospectus, Statement of Additional Information or other offering documents and restrictions under applicable law.

### **What Advice is Provided and How is it Generated**

The John Hancock Managed IRA program provides you with four main recommendations: (i) Portfolio Advice, (ii) Retirement Savings Advice, (iii) Retirement Income/Spending Advice and (iv) Retirement Age Advice.

- **Portfolio Advice.** We recommend a personalized asset allocation glide path for your John Hancock Managed IRA investments both for the period before you retire and for your life expectancy in retirement. The program also regularly rebalances your investments to maintain that personalized glide path.
- **Retirement Savings Advice.** If your retirement account is under-funded, then we will provide advice regarding how much to contribute to your John Hancock Managed IRA. Because the Internal Revenue Service limits how much you can contribute to an IRA, in most cases our advice will be to contribute the maximum amount allowable. Due to the IRS contribution limit, there may be a significant gap between your Projected Retirement Income (described below, the amount we forecast that you are likely to generate from your John Hancock Managed IRA and other reported assets) and your Target Retirement Income (your goal; the amount we calculate you will need to sustain a similar standard of living in retirement). You can address this gap by contributing additional savings to other accounts not managed by John Hancock. The Program will consider the outside account balances that you report or will monitor outside account balances where you have provided us with informational account access and use those other account balances and contributions to update the Program advice, including your Projected Retirement Income, accordingly.
- **Retirement Income/Spending Advice.** Retirement Income refers to your after-tax retirement spending requirements, adjusted for inflation, until the end of your life expectancy in retirement. The planner takes the personalized asset allocation glide path, the investor specific profile data, and our forecast of financial economic scenarios, and simulates wide range of potential outcomes for you. We display the minimum amount of annual retirement income projected in 70% of our simulations as your Projected Retirement Income. We also simulate alternative withdrawal strategies to find the optimal withdrawal strategy that allows you to sustain the maximum possible real after-tax spending through your life with 70% confidence. This is your Sustainable Retirement Spending.
- **Retirement Age Advice.** Some investors are so under-saved that they may not be able to reach their retirement goal. For those investors, we will recommend saving a higher amount up to practical constraints, and beyond that point, we recommend

considering delaying the age at which they retire and start to take social security benefits.

Our advice methodology, as automated and computerized, receives some basic information about you from your retirement plan (e.g., age, salary and account balance) and relies on you to provide more information about yourself and your other accounts. The program will generate advice and manage your account based only on the information received from your retirement plan but the additional information we ask you to provide helps us to better personalize our projections and recommendations. The more information you provide, the more refined our advice will be. It is important that you update your information at least annually so that our projections and recommendations can change to meet your changing personal circumstances over time.

The program seeks to assess your needs by capturing investor profile data that impact our four factors that drive personalized advice; (i) Human Capital, (ii) Funded Ratio, (iii) Sequence Risk, (iv) Longevity Risk.

- Human Capital is a measure of your potential for asset accumulation over time and is based on information such as future earnings and savings potential, education and skills, riskiness of salary, age, gender, and retirement age. Among US workers there are largely predictable patterns of variation in growth of income and riskiness of income. Accordingly, the program captures these patterns and, based on your circumstances, adjusts the retirement income forecast and personalizes portfolio and saving advice.
- Funded Ratio is a measure of how many assets you have already accumulated for retirement and is based on information such as existing account balances for discretionary and non-discretionary retirement accounts, 401(k) loans, and spouse information. Investors may face a funding gap if their current savings and future contributions are unlikely to generate a given target retirement income amount. The program takes this potential funding gap into account in providing your advice. For investors accumulating wealth for retirement, the program calculates the Funded Ratio based on the ratio of their projected sustainable after-tax retirement income at the 70th percentile (the amount they can generate with 70% estimated confidence) to their take-home income net of taxes and retirement contributions. Our general philosophy is that young investors with a significant funding gap should take more risk to catch up but young investors who project to easily replace their take-home pay in retirement can afford to de-risk their portfolios. On the other hand, investors near retirement, have run out of time to make up a significant funding gap. Rather than “rolling the dice” with a risky portfolio, we would recommend they reset their retirement income expectations to suit the savings they do have.
- Sequence Risk is the risk of experiencing bad returns at a bad time. All other things being equal, market crashes have a minimal impact on the projected wealth at retirement age of young investors with no financial capital. As investors approach retirement, they have built up financial capital, have fewer working years left and are less able to withstand catastrophic setbacks from large financial losses. The



unfortunate investor who experiences a once in a lifetime market crash on the date they retire experiences the largest possible drop in their sustainable retirement income. This potential impact decreases during retirement as the investor ages and has the least impact in the last year of the investor's life. The program evaluates Sequence Risk based on information such as sources of guaranteed income, annuities, pensions, rental income, Social Security, and retirement age. Portfolios generated by the program are designed to mitigate the sequence risk of the portfolio as you approach retirement.

- Longevity Risk is the risk of outliving one's financial assets. This is the biggest risk facing retirees and, accordingly, one of the most important drivers of financial advice. The program evaluates Longevity Risk using an actuarial analysis based on information such as age, health, gender, marital status. We mitigate this Longevity Risk by selecting a conservative planning horizon and altering your portfolio allocation, spending and saving advice accordingly.

These factors are used to personalize our advice to better reflect your individual circumstances in the following ways.

Portfolio Advice and Retirement Income Forecasting. We utilize a standard age-based glide path stating the equity allocation level spanning a period from 40 years prior to the target retirement date and extending to 30 years past the target retirement date. John Hancock has constructed 99 model portfolios of ETFs (ranging from 0% to 100% equity in 1% increments) composed of 21 asset classes that may be used to allocate your investments in accordance with the recommended glide path. The program personalizes your glide path allocation, making adjustments, within a constrained range of +/- 15%, based on your profile information. The personalization algorithm uses factors such as longevity risk, sequence risk, human capital, and funding gap.

We evaluate the likelihood that your recommended investment plan will achieve a target retirement wealth level by running "Monte Carlo" computer simulations of the plan's performance in hundreds of possible economic scenarios. The simulations consider the possible business cycles, financial market returns, interest rates, level of inflation and salary risk an investor may experience over the course of his or her lifetime. The simulations are informed by extensive historical and current data and are integrated such that the various components of the model are generated in a realistic, internally consistent manner. For instance, in the Monte Carlo simulations, financial market returns are likely to be poor during a downturn in the business cycle. The Model's simulations are in terms of today's dollars. Throughout our materials, we display the scenario that the simulations show as a "likely" outcome, but no outcome is guaranteed, and the simulations produce other outcomes with a greater or lesser likelihood. What we call a "likely" outcome is the highest common projected annual retirement income or retirement wealth amount that was generated in 70% of the simulations (i.e., that amount or greater was achieved in 70% of the simulations).

Retirement Savings Advice. The program calculates a personalized savings rate for your John Hancock Managed IRA based on your age, account balance, and salary. The program

will not recommend a savings rate that exceeds 15% of your salary or that exceeds the applicable IRS limit. If you wish to contribute more to your retirement accounts, you can override the 15% cap by manually entering a higher savings rate (but not more than the IRS limit) for your John Hancock Managed IRA or other retirement account not managed by John Hancock via the Program website. The Program will recommend a savings rate only for your John Hancock Managed IRA but will consider savings that you have indicated you make towards retirement and reported balances in other accounts not managed by John Hancock. We make no recommendations about how much you should save in other accounts or what types of other accounts or institutions you should use but we will consider the account balances that you report or will monitor account balances where you have provided us with informational account access and use those other account balances and contributions to update the Program advice, including your Projected Retirement Income, accordingly.

**Retirement Age Advice.** The program calculates a recommended retirement age based on your age, account balance and savings rate. The program will not recommend a retirement age higher than 70 years old.

The objective of the retirement age and savings rate optimization is to minimize the retirement age and savings rate increases while still allowing you to achieve success. We define success as follows: in at least 70% of simulated lifetime scenarios, you can spend your Target (Desired) Retirement Income in the last simulated retirement year. The program calculates the number of years that you would have to delay retirement to smooth your pre- and post-retirement spending (i.e., to avoid sudden large changes in your available income and lifestyle).

### **Brokerage and Custody of your Managed IRA**

To participate in the Program, you are required to maintain an IRA held in custody by Pershing. The Program Fees you pay generally cover the custody of your assets and the execution of transactions in the Program (except as otherwise indicated). Other terms and conditions relating to your IRA are governed by your Traditional IRA Custodial Account Agreement with Pershing. In your Client Agreement with JHPFS, you appoint JHPFS (and NextCapital, acting as your agent) to act as your agent and attorney-in-fact with such discretionary power and authority to buy, sell or otherwise effect transactions in ETFs and any other securities or other property in your Program IRA. Accordingly, JHPFS may change the investments used to affect the investment strategy set forth in the Plan at any time and without prior notice to you, including changing the investments used in a Model Portfolio or substituting a particular investment for another investment

JHPFS aggregates client trade orders where possible and when advantageous to its clients. JHPFS also directs NextCapital, placing Program trades with Pershing as JHPFS's agent, to aggregate such trade orders with NextCapital client orders where possible and when advantageous to JHPFS clients. When your account participates in aggregated transactions, yours and each client account will receive an average share price and any transaction costs

will be shared equally and on a pro-rata basis. NextCapital may aggregate all such client transactions into a block trade that is executed through Pershing.

NextCapital translates orders generated on behalf of JHPFS clients in terms of U.S. Dollars to a corresponding number of shares for purposes of executing orders in the market and thereafter maintaining assets in JHPFS client Accounts. As a consequence of dollar-based transactions, your IRA will hold fractional share interests in securities. Fractional share amounts may be unrecognized, illiquid, unmarketable or unable to transfer to another brokerage account outside of the Program. To facilitate the allocation of fractional shares to client accounts when portfolio ETFs trade only in whole shares, JHPFS has directed NextCapital to participate side-by-side in client transactions only to the extent required to zero-out NextCapital's Average Price Allocation Account at Pershing prior to the end of each trading day and if NextCapital receives no aggregate financial benefit from such transactions. NextCapital and Pershing have established procedures to eliminate the opportunity for NextCapital to benefit incidentally from this limited participation in client transactions and to avoid any material conflict that may result from residual fractional shares being allocated to the NextCapital fractional share facilitation account.

Rebalancing transactions may occur frequently due to market conditions. JHPFS in its sole discretion may decide to delay a scheduled rebalancing due to unfavorable or volatile market conditions. This delay could adversely affect the performance of the account. All customer trades for an account, including those for rebalancing and/or redemptions are blocked into a single allocation file and transmitted to Pershing for execution once per day. Pershing's trade desk will execute all customer trades, using a trading methodology they deem appropriate, such that all customer accounts receive an average share price and any transaction costs shared equally and on a pro-rata basis. All subsequent trade instructions, including redemptions will be placed with Pershing for execution on the following regular trading business day.

Rebalancing may result in gains or losses in a Program account. The tax treatment of these gains or losses will depend on the type of IRA you have.

Any dividends paid on the ETF's in the Program account are deposited to the cash portion of the customer's account. Any cash balance that exceeds the targeted allocation for the model portfolio is then reinvested back into the model based on the predetermined target allocations for that model.

### **Administrative and Platform Services Provided by NextCapital**

JHPFS has contracted with and pays NextCapital to utilize its digital advisory and technology platforms. NextCapital works with investment advisory firms to implement web based, interactive investment advisory services. In addition to the trading services described above,

NextCapital supports JHPFS by providing a customized website, website administration, and other functions related to the administrative tasks of managing client accounts and implementing the Program. JHPFS pays NextCapital out of the advisory fees it receives from clients.

Although JHPFS and NextCapital are not affiliated, an affiliate of JHPFS has provided NextCapital with significant financing and maintains a non-voting seat on NextCapital's Board of Directors.

### **Fees and Compensation**

You will pay JHPFS a Program Fee. The Program Fee is deducted from your account at Pershing (the "Program Account") and paid directly to JHPFS. You authorize JHPFS to transfer assets or funds from your IRA with Pershing solely for the purpose of collecting the Program Fee. The Program Fee will be calculated quarterly based on the average daily account balance and will be debited in arrears from your Program Account at the beginning of each calendar quarter.

**The Program Fee is 0.50% annually for accounts with a balance of \$50,000 or more. The Program Fee is 0.50% annually plus \$4 monthly for accounts with a balance less than \$50,000.**

If a Program Account is opened during the billing period, that period's Program Fee will be prorated for the number of days in the period that the Program Account was opened and funded. If the Program Account closes before the end of a billing period, the Program Account will be billed through the date in which the Program Account was closed. The Program Fee for that period will be prorated for the number of days in the period the Program Account was opened and funded.

The \$4 monthly Program Fee addition will be charged quarterly in arrears for each month when your Program Account balance is less than \$50,000 on the last day of the month (or the day before your Program Account is closed).

You should review your account statements from Pershing and verify that the appropriate Program Fee has been deducted. JHPFS may in its sole discretion make exceptions to the fee schedule set forth above and negotiate different fees for certain clients.

The Program Fee covers investment advice, the ongoing management of the Program Accounts assets, as well as trade execution, clearance, settlement and custodial services provided by Pershing. The Program Fee does not cover the expenses of the ETFs in which the Program Account invests, including commission and other transaction-related charges ETFs incur.

The Program Fee also does not cover certain execution costs that may be charged to you,

including:

- (a) broker-dealer spreads and certain markups or markdowns paid to market makers;
- (b) transfer taxes;
- (c) fees charged by exchanges on a per transaction basis or other fees required by law;
- (d) any other fees that Pershing may charge, as may be outlined from time-to-time in Pershing's separate fee schedule; and
- (e) any other charges imposed by law or otherwise agreed to regarding your Program Account.

The Program Fee may cost you more or less than purchasing such services separately depending on several factors including the fees Pershing charges for custody and trading and the trading activity in your account.

MIM, the provider of recommended Model Portfolios, is affiliated with JHPFS and receives a portion of the Program Fee from JHPFS.

Pershing bills its fees, directly to JHPFS. JHPFS does not receive any portion of such expenses or fees from you. In addition, you may incur certain charges imposed by third parties, other than JHPFS, in connection with investments made through your Program Account. The Program Fee is in addition to fees and expenses charged by ETFs that are held in your Program Account. All investments in ETFs are subject to the terms of each of the applicable prospectuses, including associated fees and operating fund expenses, which you ultimately bear.

JHPFS may change the Program Fee including increasing the Program Fee at any time provided it notifies you in writing thirty (30) days in advance. JHPFS may presume you have consented to the change in the Program Fee if you have not communicated your objection by calling JHPFS at (888) 232-3695 prior to the end of the 30-day period. In the event, you, during the 30-day period, notify JHPFS of your objection to the Program Fee change, the change will not take effect and JHPFS may, at its option, terminate its advisory agreement with you.

### **Investing in ETFs**

The Program's Model Portfolios generally consist of shares of, or interests in, ETFs. As an ETF shareholder, you, along with other shareholders of the ETF, will bear a proportionate share of the ETF's expenses, including, as permitted by applicable law, certain management and other fees, which may be payable to an affiliate of JHPFS or Pershing. An ETF's Prospectus contains a description of its fees and expenses. When you invest in an ETF, you will indirectly pay a proportionate share of the ETF's costs for services that may be similar to, or duplicative of, services rendered as part of the Program and paid for directly through the Program Fees.

You may be able to purchase shares of the ETFs included in a Model Portfolio in the secondary market or from an ETF through an Authorized Participant (in creation unit aggregations only), without enrolling in the Program. If you do so, you

would not pay the Program Fee for such assets. Below is a summary of certain risks relating to investing in ETFs that may apply to all or certain types of ETFs included in a Model Portfolio. Please refer to the particular ETF Prospectus for more information about the risks applicable for a particular ETF.

ETFs are subject to risks relating to market trading that include the potential lack of an active market for ETF shares and disruptions in the creation and redemption process. Although ETF shares are listed on a national securities exchange, it is possible that an active trading market in the shares of a particular ETF may not develop or be maintained, particularly during times of severe market disruption. If ETF shares need to be sold when trading markets are not properly functioning, the ETF shares may be sold at a significant discount to their Net Asset Value (“NAV”). In some cases, it may not be possible to sell ETF shares in the secondary market. For example, an unanticipated closing of the national securities exchange on which an ETF’s shares are listed or one or more markets on which either the ETF’s shares trade or the ETF’s portfolio holdings trade or the inability of such markets to open for trading during normal business hours, such as in response to a natural disaster or other event causing severe market disruption, could result in the inability to buy or sell shares of the ETF and the ETF’s inability to buy and sell exchange-traded portfolio securities during that period, or in a disruption of the ETF’s creation and redemption process, and may make it difficult for the ETF to accurately price its investments, thereby potentially affecting the price at which ETF shares trade in the secondary market. These events could adversely affect the performance of the ETF.

Trading in ETF shares also may be halted by an exchange or other markets because of market conditions or other reasons. If a trading halt occurs, an investor may temporarily be unable to purchase or sell shares of the ETF. Similarly, an exchange or other markets may issue trading halts on specific securities or derivatives, which will affect the ability of the ETF to buy or sell certain securities or derivatives. In such circumstances, the ETF may be unable to rebalance its portfolio or accurately price its investments and may incur substantial trading losses.

ETF shares also may trade on an exchange or on other markets at prices below their NAV. The NAV of ETF shares will fluctuate with changes in the market value of the ETF’s holdings and the exchange-traded prices of the ETF’s shares may not reflect these market values.

Only an Authorized Participant may engage in creation or redemption transactions directly with an ETF. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to an ETF and no other Authorized Participant can step forward to create or redeem, ETF shares may trade at a discount to NAV and possibly face delisting. This risk is exacerbated if an ETF has a limited number of institutions that serve as Authorized Participants.

Certain ETFs may affect creations and redemptions for cash, rather than in-kind. Thus, an investment in such an ETF may be less tax-efficient than an investment in a more conventional ETF. ETFs generally can make in-kind redemptions and avoid being taxed on gain on the distributed portfolio securities at the ETF level. An ETF that effects

redemptions for cash, rather than in-kind distributions, may be required to sell portfolio securities to obtain the cash needed to distribute redemption proceeds. If the ETF recognizes gain on these sales, this generally will cause the ETF to recognize gain it might not otherwise have recognized, or to recognize such gain sooner than would otherwise be required if it were to distribute portfolio securities in-kind. ETFs generally intend to distribute these gains to shareholders to avoid being taxed on the gain at the ETF level and otherwise comply with the special tax rules that apply to it. This strategy may cause shareholders to be subject to tax on gains they would not otherwise be subject to, or at an earlier date than, if they had made an investment in a different ETF. Moreover, cash transactions may have to be carried out over several days if the securities market is relatively illiquid and may involve considerable brokerage fees and taxes. These brokerage fees and taxes, which will be higher than if the ETF sold and redeemed its shares principally in-kind, will be passed on to purchasers and redeemers of creation units in the form of creation and redemption transaction fees. In addition, cash transactions may result in wider bid-ask spreads in shares trading in the secondary market as compared to ETFs that transact exclusively in-kind.

ETFs that seek to track the performance of a specified underlying index (“Index ETFs”) are not actively managed and the investment advisers of such ETFs do not attempt to take defensive positions in declining markets. Therefore, Index ETFs may be subject to greater losses in a declining market than a fund that is actively managed.

Several factors may affect an Index ETF’s ability to achieve a high degree of correlation with its underlying index, and there can be no guarantee that an ETF will achieve a high degree of correlation with its underlying index either on a single trading day or for a longer period. Factors such as ETF expenses, imperfect correlation between the ETF’s investments and the components of the underlying index, rounding of share prices, changes to the composition of the underlying index, regulatory policies, a high portfolio turnover rate, and the use of leverage all contribute to tracking error and correlation risk. Failure to achieve a high degree of correlation may prevent an ETF from achieving its investment objective and cause the ETF’s performance to be less than you expect.

For additional information on the risks of investing in the Program and in ETFs see “Methods of Analysis, Investment Strategies and Risk of Loss” below.

### Assets Under Management

As of December 31, 2020, JHPFS had approximately \$1.9 billion under management on a discretionary basis.

## **Item 5 – Account Requirements and Types of Clients**

### **Account Requirements**

You must meet the minimum investment amount for the Program. Currently, the minimum is \$5,000. If the market value of a Program account falls below the minimum investment amount, JHPFS reserves the right to terminate or suspend its services to the Program account. JHPFS may in its sole discretion make exceptions to the minimum investment amount for certain clients.

You will execute a written advisory agreement with JHPFS specifying the advisory services to be provided and under the terms of the agreement will agree to receive all account information and account documents (including this Brochure), and any updates to these documents, through your access to JHPFS's website and JHPFS electronic communications.

Pershing, the custodian of accounts in the Program, effects all transactions. You must appoint JHPFS as its investment adviser of record on accounts in the Program at Pershing. Pershing maintains physical custody of all funds and securities in accounts in the Program. You retain all rights of ownership (e.g. right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the securities in its Program account.

### **Types of Clients**

The Program is only offered to Individual Retirement Accounts ("IRAs").

Business entities, government entities and accounts that are subject to the Employee Retirement Income Security Act of 1974 ("ERISA") are not eligible for the Program.

### **Redemption Requests and Termination of an Account**

All trades for a Program account, including those for redemption are transmitted to Pershing for execution once per day. Trades for redemption may be placed with Pershing for execution on the regular trading business day following the day of receipt of the redemption request. Depending on your circumstances, partial redemptions or distributions in connections with the termination of your Program account may be subject to tax penalties. We do not provide tax advice with respect to your redemptions from or termination of your Program account.

If the amount of the redemption is less than the available cash or cash equivalents held in the account, the available cash/cash equivalents will be used to process the transaction. If the amount of the redemption is greater than the available cash held in the account, securities in the account will be sold to satisfy the redemption request. The proceeds from the redemption request will be sent to you upon settlement of these trades.

JHPFS may terminate a client from the Program for any reason including having an account balance below the minimum investment amount and not providing JHPFS with information



it has requested that is deemed necessary, or appropriate, to manage the Program account. JHPFS also may terminate a client from the Program if JHPFS deems the client's requested investment restrictions to be unreasonable.

You may terminate your participation in the Program upon written notice to JHPFS. In connection with the termination of your Program account, you may request a distribution in kind, in which no securities are sold, a cash distribution or a rollover to another IRA. Any Termination requests received prior to 3:00 p.m. EST will result in a cancellation of any open trade orders on a best efforts basis. In addition, we will process final billing, close the account and submit a termination request to Pershing.

Any termination request that includes a liquidation of account securities will be processed on the following regular trading business day. After trades, have been sent, we will process final billing, close the account and submit termination request to Pershing.

Upon termination of your Program account, JHPFS will no longer provide you with investment advisory services and the account will become an unmanaged brokerage account.

## **Item 6 – Portfolio Manager Selection and Evaluation**

### **Selection of Portfolio Manager**

JHPFS will act as the portfolio manager in the Program. JHPFS will utilize its affiliate, MIM, to create and maintain Model Portfolios for the Program and to recommend ETFs to be included in the Model Portfolios and the allocation of ETFs in a Model Portfolios, subject to JHPFS's approval and supervision. JHPFS could be deemed to have a conflict in performing these services because JHPFS and its affiliate will keep a larger share of the Program Fee than if JHPFS had selected a third party to create and maintain Model Portfolios and select ETFs. JHPFS believes that MIM possesses the requisite expertise to serve in this capacity. To the extent this decision represents a conflict, JHPFS addresses this conflict through disclosure in this Brochure.

MIM also provides the following other services to JHPFS related to the Program on a nondiscretionary basis subject to the review and approval of JHPFS:

- assists with the optimization and rebalancing for the Model Portfolios.
- assists with the risk, quantitative, qualitative and performance analysis on ETFs and other investments held by the client Program Accounts.
- assists with the administrations of an algorithm oversight program.
- assists with the oversight of vendors used in managing the Programs and Model Portfolios.

JHPFS reviews the performance of the investment strategies quarterly.

## **Performance-Based Fees and Side-By-Side Management**

JHPFS does not receive performance-based fees for advisory services provided to clients. Therefore, JHPFS does not engage in side-by-side management of clients with performance-based fees.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

JHPFS has created several Model Portfolios for the Program that consists of a diversified portfolio of ETFs. Each Model Portfolio is designed to be consistent with a certain combination of investment strategies and risk tolerances. JHPFS has entered an agreement with MIM whereby MIM recommends Model Portfolios for the Program including the investments to be included in the Model Portfolios and the allocations among these investments. MIM will also provide ongoing review of the Model Portfolios. The Model Portfolios will consist primarily of ETFs.

Investing in the Model Portfolios is subject to risks including:

### **Risk of Loss**

Investing in ETFs involves risk of loss that clients should be prepared to bear. Past performance is not indicative of future results. As with all investments, there is no assurance that any of the ETFs in the Program will achieve their investment objective and a client could lose money by investing in them.

### **Selection and Management Risk**

Actively managed investment portfolios like the Program are subject to management risk. The securities or instruments in a Model Portfolio may decline in value. Security or instrument selection risk may cause a Model Portfolio to underperform other portfolios with similar investment objectives and investment strategies even in a rising market. Despite strategies to achieve positive investment returns regardless of general market conditions, the values of investments will change with market conditions, and so will the value of any investment in a Model Portfolio. Investments in the Program could lose value, or a Model Portfolio could underperform other investments.

## **General Risks**

### **Model Portfolio Risks**

JHPFS and MIM may use quantitative analyses and/or models to create or manage the Model Portfolios. Any imperfections, limitations or inaccuracies in its analyses and/or models could affect its ability to implement investment strategies. By necessity, these tools make simplifying assumptions that may limit their effectiveness. Model Portfolios that appear to explain prior market data can fail to predict future market events. Further, the

data used in models may be inaccurate and/or it may not include the most current information available.

In addition, computer-based applications rebalance a client's account based on factors other than just market conditions and may rebalance on a more frequent basis than the client might expect. Computer based applications may also not address prolonged changes in market conditions.

Further, JHPFS oversees and monitors the computer-based application and the Model Portfolios but does not necessarily monitor each client's account.

### ETFs General Risks

For information on the risks of investing in ETFs see "Investing in ETFs" above as well as the disclosure set forth below.

### Strategy Risk

In addition to the risks detailed herein, each ETF included in the Program is subject to investment risks that are unique to the specific investment strategy of the fund's manager and disclosed in each fund's prospectus.

### Market Risk

ETFs invest in equity and fixed income securities. Equity and fixed income markets rise and fall daily. The performance of client investments is, to varying degrees, tied to these markets. When markets fall, the value of a client's investments will fluctuate, which means a client could lose money. Events in the financial sector have resulted, and may continue to result, in an unusually high degree of volatility in the financial markets, both domestic and foreign.

### Asset Allocation/Strategy/Diversification Risks

The asset classes in which an investment strategy in the Program seeks investment exposure can perform differently from each other at any given time (as well as over longer time periods), so the investment strategy will be affected by its allocation among the various asset classes. The asset allocation decisions can result in more portfolio concentration in a certain asset class or classes, which could reduce overall return if the concentrated assets underperform JHPFS's expectations. The more aggressive the investment strategy selected, the more likely the portfolio will contain larger weights in riskier asset classes, such as equities. Depending on market conditions, there may be times where diversified portfolios perform worse than less diversified portfolios.

### Risks Related to the Use of Automated Investment Tools

There are risks associated with utilizing automated investment tools such as the Program, including the following risks:

- The investment tool uses certain economic assumptions that may not be updated in a timely manner or reflect shifts in the market.
- The output of the automated investment tool depends upon the accuracy of the information inputted into the investment tool.
- There may be certain factors or variables which have not been included in the automated investment tool. To the extent some questions are over-generalized, ambiguous or designed to fit a pre-determined option, the output may not reflect a particular client's needs or goals.
- By only using the automated investment service, clients may not receive individually tailored investment advice.

### Cybersecurity Risk

Cybersecurity breaches may allow an unauthorized party to gain access to portfolio assets, client data, or proprietary information, or cause JHPFS or Pershing to suffer data corruption or lose operational functionality. Similar incidents affecting issuers of securities held by an ETF may negatively impact performance.

### Operational Risk

The Program is subject to operational risk arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the Program's service providers or other third parties, failed or inadequate processes and technology or system failures.

### Underlying Securities Risk

#### Equity-Related Risks

ETFs that invest in equities are subject to the following risks:

General Risks. The price of equity securities may decline due to changes in a company's financial condition or overall market conditions. Growth company securities may fluctuate more in price than other securities because of the greater emphasis on earnings expectations. Securities the manager believes are undervalued may never realize their full

potential value, and in certain markets value stocks may underperform the market as a whole.

Large Cap Risk. Larger companies may grow more slowly than smaller companies or be slower to respond to business developments. Large-capitalization securities may underperform the market as a whole.

Small and Mid-Cap Risk. Small and mid-size companies are generally less established and may be more volatile in price than larger companies. Small and midsize companies tend to have greater stock volatility because, among other things, these companies are more sensitive to changing economic conditions. Small capitalization securities may underperform the market as a whole.

### Fixed Income-Related Risks

ETFs that invest in fixed income securities are subject to the following risks:

Counterparty Risk. To the extent an ETF is invested in fixed-income securities, such as bonds, it may be subject to the risk that a bond issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. An ETF may also be subject to counterparty risk or the risk that a counterparty fails to meet its contractual obligations to the ETF. In such situations, an ETF may be unable to terminate or realize any gain on the investment or transaction, or to recover collateral posted to the counterparty, resulting in a loss to the ETF. If the ETF holds collateral posted by its counterparty, it may be delayed or prevented from realizing on the collateral in the event of a bankruptcy or insolvency proceeding relating to the counterparty.

Interest Rate Risk. ETFs invested in fixed-income investments may experience a decline in income when interest rates fall. This decline can occur because the ETF may subsequently invest in lower-yielding bonds as bonds in its portfolio mature, are near maturity or are called, bonds in the underlying index are substituted, or the ETF otherwise needs to purchase additional bonds. During periods of falling interest rates, homeowners will refinance their mortgages before their maturity dates, resulting in prepayment of mortgage-backed securities held by an ETF. The ETF would then lose any price appreciation above the mortgage's principal and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the ETF's income. In addition, issuers of callable bonds may call securities with higher coupon rates or interest rates before their maturity dates. An ETF would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the ETF's income.

An increase in interest rates may cause the value of securities held by an ETF to decline. During periods of rising interest rates, certain debt securities will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall. For

mortgage-backed securities, the risk is that during periods of rising interest rates, homeowners will prepay their mortgages at slower rates. This will lengthen the duration or average life of mortgage-backed securities held by an ETF and delay the ETF's ability to reinvest proceeds at higher interest rates.

Lower Quality Debt Securities. To the extent an ETF invests in lower-quality debt securities ("high-yield" or "junk" bonds), which are considered predominantly speculative, the ETF is subject to the substantially greater risk of default of such securities than higher-quality debt securities. Lower-quality debt securities can be illiquid, and their values can have significant volatility and may decline significantly over short periods of time. Lower-quality debt securities tend to be more sensitive to adverse news about the issuer, or the market or economy in general.

Municipal Securities. An ETF invested in municipal securities can be significantly affected by political or economic changes as well as uncertainties in the municipal market related to taxation, legislative changes or the rights of municipal security holders, including in connection with an issuer insolvency. Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the inability to collect revenues for the project or from the assets.

### Foreign Investment-Related Risks

ETFs that invest in securities of foreign issuers are subject to the following risks:

General Risks. Investments in securities of foreign issuers may involve certain risks that are greater than those associated with investments in securities of U.S. issuers. Less information may be publicly available regarding foreign issuers. Foreign securities may be subject to foreign taxes and may be more volatile than U.S. securities. Currency fluctuations and political and economic developments may adversely impact the value of foreign securities. The prices of foreign stocks and the prices of U.S. stocks may move in opposite directions. In addition, if an ETF's underlying or target index becomes focused in stocks of a particular market sector, the ETF would have proportionately higher exposure to the risks of that sector.

Emerging Market Risk. The risks of investing in foreign securities are magnified in emerging markets. Emerging-market countries may experience higher inflation, interest rates, and unemployment and greater social, economic, and political uncertainties than more developed countries.

Currency Risk. Fluctuations in exchange rates may adversely affect the U.S. dollar value of a fund's investments. Foreign currencies may decline in value, which could negatively impact performance.

Geopolitical/Disruption-of-Markets Risks. Geopolitical events may adversely affect global economies and markets and thereby decrease the value of and/or the ease of trading the ETFs invested in those affected markets. Those events as well as other changes in foreign and domestic economic and political conditions could adversely affect the value of the strategy's investments.

Country/regional risk and currency risk. Country/regional risk is the chance that world events — such as political upheaval, financial troubles, or natural disasters — will adversely affect the value of securities issued by companies in foreign countries or regions. If an ETF invests a large portion of its assets in securities of companies located in any one country or region, the ETF's performance may be hurt disproportionately by the poor performance of its investments in that area. Currency risk is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.

#### Risks Related to Other Asset Classes

ETFs are subject to the following risks to the extent the ETFs invests in the particular asset class.

Commodity Risk. Commodity prices may be volatile due to fluctuating demand, supply disruption, speculation, and other factors. Certain commodity investments may have no active trading market at times.

Hard Asset Risk. The production and marketing of hard assets, such as precious metals, oil and gas, real estate and/or agricultural commodities may be affected by geopolitical and environmental factors and are cyclical in nature. During periods of economic or financial instability, hard asset securities and other instruments may be subject to broad price fluctuations, reflecting volatility of energy and basic material prices and possible instability of supply of various hard assets. Hard asset securities, hard asset companies, and other instruments may also experience greater price fluctuation than the relevant hard asset. In periods of rising hard asset prices, such securities or instruments may rise at a faster rate, and conversely, in time of falling hard asset prices, such securities may suffer a greater price decline.

Real Estate Risks. Real estate-related investments may be adversely affected by factors affecting the real estate industry, which may include changes in interest rates and social and economic trends. Real estate investment trusts ("REITs") may also be subject to the risk of fluctuations in income from underlying real estate assets, poor performance by the REITs' managers, prepayment and defaults by borrowers, adverse changes in tax laws, and, for U.S. REITs, their failure to qualify for the special tax treatment granted to REITs under the Internal Revenue Code of 1986 and/or to maintain exempt status under the Investment Company Act.

#### Limitations of Disclosure

The foregoing list of risks does not purport to be a complete enumeration or explanation of the risks involved in JHPFS's investment strategies. As JHPFS's investment strategies develop and change over time, clients and investors may be subject to additional and different risk factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

### **Voting Client Securities**

JHPFS will not vote and will not provide recommendations regarding the voting of proxies and other corporate governance actions. JHPFS does not offer monitoring and processing of class action litigation settlements regarding program account investments and will not otherwise advise clients on legal proceedings, including bankruptcies and class actions pertaining to investments in their accounts.

### **Item 7 - Client Information Provided to Portfolio Manager**

Prior to enrolling in the Program, the client provides JHPFS with information about the client's investment time horizon, risk tolerance, age as well as other information and any reasonable restrictions applicable to the client's account in order that JHPFS may provide portfolio management services to the client.

### **Item 8 - Client Contact with Portfolio Manager**

Clients who wish to contact JHPFS can do so by calling the phone number listed on the cover page.

### **Item 9 – Additional Information**

#### **Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of or the integrity of JHPFS or its management persons.

#### **Other Financial Industry Activities and Affiliations**

JHPFS is an indirect, majority-owned subsidiary of MFC and is directly owned by Manufacturers Investment Corporation. As such, JHPFS is affiliated with several investment advisers, investment companies, broker-dealers and insurance companies. Except as noted below, JHPFS does not believe that these relationships are material to JHPFS's advisory business.

MIM



MIM, an investment adviser that creates and maintains the Model Portfolios for the Program and selects ETFs, is an affiliate of JHPFS.

### Broker-Dealers

John Hancock Distributors LLC (“JHD”) is the distributor of the John Hancock Variable Insurance Trust (“JHVIT”), a no-load, open-end investment company that serves as the underlying investment medium for variable annuity and variable life contracts issued by John Hancock Life Insurance Company (U.S.A.) and affiliated entities. John Hancock Investment Management Distributors LLC (“JHIM”) is the distributor of all the funds in the John Hancock Group of Funds advised by John Hancock Investment Management, LLC (“JHIM”), an affiliate of JHPFS. JHD and JHIM are each related persons of JHPFS. JHIM and JHD are broker-dealers registered with the SEC.

### Investment Companies and Investment Advisers

As described above, JHIM serves as investment adviser to the John Hancock Group of Funds, and John Hancock Variable Trust Advisers, LLC (“JHVTA”), an affiliated investment adviser, serves as investment adviser to JHVIT. JHIM and JHVTA are each related persons of JHPFS.

### Insurance Companies

MFC is the sole owner of Manufacturers Life Insurance Company, which is indirectly the sole owner of The Manufacturers Investment Corporation and JHIM. The Manufacturers Investment Corporation directly owns JHPFS.

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### Code of Ethics

JHPFS has adopted a Code of Ethics (the “Code”) which establishes standards of conduct for its “Associates” (which includes any partner, officer, director or other person who provides investment advice and is subject to the supervision and control of JHPFS) and “Access Persons” (which include any Associate who, in connection with their regular duties, has access to non-public information regarding the purchase or sale of securities or the portfolio holdings of client or firm accounts).

The Code is designed to prevent abuses in the investment advisory business that can arise when conflicts of interest exist between an investment adviser, including its personnel and affiliates, and accounts managed for its clients.

The Code requires Associates to adhere to general principles of business conduct which include a duty to (i) place the interests of JHPFS's clients first; (ii) conduct all personal securities transactions in such a manner as to avoid any actual or potential conflict of interest and any other abuse of trust or responsibility; (iii) treat as confidential any non-public or confidential information concerning the identity of security holdings and financial circumstances of JHPFS's clients; (iv) comply with all applicable laws including applicable securities laws; and (v) promptly report any violation of the Code to the code administrator or Chief Compliance Officer ("CCO").

The Code prohibits Associates from (i) employing any device, scheme or artifice to defraud a client (ii) making any untrue statement of a material fact to the client; or (iii) taking inappropriate advantage of our position or engage in any fraudulent or manipulative practice (such as front-running or manipulative market timing) with respect to the accounts JHPFS manages.

When conflicting interests cannot be reconciled, the Code makes clear that, first and foremost, Associates owe a fiduciary duty to JHPFS's clients.

The Code is also designed to permit JHPFS to monitor various securities transactions by Access Persons in which they may have a direct or indirect beneficial ownership interest. Under the Code and subject to limited exceptions, Access Persons must obtain the approval of the code administrator before engaging in securities transactions.

The Code includes sections on policies in and outside the Code, reporting requirements and other disclosures inside and outside the Code, reporting violations, interpretation and enforcement, exemptions and appeals, education of employees and recordkeeping.

This Code will be provided to any client or prospective client upon request by contacting JHPFS at (888) 232-3695.

JHPFS has also adopted an Amended and Restated Policy Statement and Procedures on Insider Trading in accordance with Section 204A of the Investment Advisers Act of 1940 which establishes procedures to prevent the misuse of material information by its officers, directors and employees. JHPFS and its related persons may, from time to time, come into possession of material nonpublic and other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, JHPFS and its related persons may be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether such other person is a client. Accordingly, should such persons come into possession of material nonpublic or other confidential information about any company, they may be prohibited from communicating such information to, or using such information for the benefit of, their respective clients, and have no obligation or responsibility to disclose such information to, nor responsibility to use such information for the benefit of, their clients when following policies and procedures designed to comply with law.

### Participation or Interest in Client Transactions

From time to time, employees and principals of JHPFS or a related person may also invest or otherwise have an interest in securities owned by or recommended to JHPFS's clients.

Similarly, some or all the financial services businesses under common control with JHPFS may invest in securities that are also owned by JHPFS's clients. Any of such persons may invest or otherwise have an interest, either directly or indirectly, in certain pooled vehicles, which, in turn, may invest in securities held in other managed accounts. As these situations, may involve potential conflicts of interest, JHPFS has implemented policies and procedures relating to personal securities transactions and insider trading, that are designed to identify potential conflicts of interest, to prevent or mitigate actual conflicts of interest and to resolve such conflicts appropriately if they do occur.

### **Review of Accounts**

JHPFS will periodically, no less frequently than annually, ask clients via electronic channels to update the information they provided to JHPFS on its interactive website. Based on the updated information provided, JHPFS may change the Model a client has selected. Client is responsible for promptly notifying JHPFS of any change to Client's investment objectives, reasonable restrictions or other information that may affect the advisory services provided hereunder. Client understands that Client's failure to provide JHPFS with current, accurate information could adversely affect JHPFS's ability to effectively manage Client's account in the Program.

JHPFS associates and designees will also be available to discuss the Program during normal business hours.

### **Financial Information**

JHPFS is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy petition at any time during the past ten years.

JHPFS does not require or solicit prepayment of the wrap fee and is therefore not required to include a balance sheet for its most recent fiscal year.