



## **Manulife John Hancock Brokerage Services LLC Investor Disclosure Brochure**

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Manulife John Hancock Brokerage Services LLC (hereafter “Manulife John Hancock,” the “Firm,” “we,” “our,” or “us”) provides this Regulation Best Interest Investor Disclosure Brochure (the “Reg BI Disclosure,” “Investor Disclosure Brochure,” or “IDB”) to our retail clients (hereafter “you” and “your”) to inform you about the services we offer and our relationship with you. Among other things, this Reg BI Disclosure addresses the scope and terms of our relationship with you; the capacity in which we are acting; the type and scope of our services; any material limitations on our services; the fees and costs associated with your holdings, accounts, and transactions; and the conflicts of interest that exist for us and our RRs.

## 1. Scope and Terms of Our Relationship with You

Manulife John Hancock is an Illinois limited liability company that is registered with the U.S. Securities and Exchange Commission as a broker/dealer (SEC #8-68303) and is a member of the Financial Industry Regulatory Authority (“FINRA”) (CRD #150842), as well as a member of the Securities Investor Protection Corporation (“SIPC”), and the Municipal Securities Rulemaking Board (“MSRB”). Free and simple tools are available for you to research firms and registered representatives (“RRs”) at [www.investor.gov/CRS](http://www.investor.gov/CRS), which also provides educational materials about broker/dealers, investment advisers, and investing.

This **Investor Disclosure** is current as of the date above. The most up-to-date version of **Form CRS** is available at [www.investor.gov/CRS](http://www.investor.gov/CRS). Should we make changes that would require us to send you updated disclosures, we will send them to you by mail or provide them electronically consistent with your delivery selections and the SEC’s requirements.

As you read the information in this disclosure, it is important for you to consider and understand the following:

- This disclosure is intended to comply solely with our obligations under Reg BI (Rule 15c-1 under the Securities and Exchange Act of 1934), and, in certain cases, with other regulatory disclosure requirements.
- This disclosure does not otherwise change, alter, or modify our other obligations under the federal securities laws, nor does this disclosure otherwise change, alter, or modify the terms and conditions of any agreement(s) you enter into with us.
- Our obligations under Reg BI apply in situations where we make recommendations of any securities transaction or investment strategy involving securities (including account recommendations) to a retail customer. Our obligations under Reg BI do not extend to other dealings we have with you, including when we execute transactions where we have not made a recommendation, when you deviate from our recommendation(s), when you place self-directed trades, and how we market securities and other services.
- Our obligations under Reg BI do not extend beyond a particular recommendation or specific transaction, **nor do they create an ongoing duty to you, or impose on us any duty to monitor your account or to monitor specific investments in your account.**

In addition, depending on your needs and your investment objectives, the Firm may assist you with account services. We refer to additional documents throughout this brochure and provide links to access them. If you are unable to access a link or prefer to have a

hard-copy version of a referenced document sent to you, please call Manulife John Hancock at 800-200-3334.

## 1.1. Our Capacity

All recommendations made by our Manulife John Hancock representative (RR) regarding your broker/dealer accounts (your “accounts”) will be made in a broker/dealer capacity. To the extent that our RR is also licensed to act in an advisory capacity, he or she will disclose this to you, and you should ask clarifying questions if you are unsure of what role he or she is undertaking. This Investor Disclosure document applies to our role as a broker/dealer. The Firm’s affiliate has other disclosures related to its affiliate’s advisory business.

### Understanding Risk

While we will take reasonable care in developing and making recommendation(s) to you, investing in securities involves risk, and you may lose money, including your entire investment capital, as well as any profits generated from such investments. The investment performance and the success of any investment strategy or particular investment is never guaranteed, and the value of your investments will fluctuate due to market conditions and other factors. There is no guarantee that you will meet your investment goals, or that any recommendation or recommended investment strategy that we may make will perform as anticipated. Our RRs may recommend an array of investment strategies and investments. As such, the specific types of risks that you will be exposed to will vary depending on investment strategies and individual investments that are chosen. You should consider that some investments involve more risk than other investments. Higher-risk investments have the potential for higher returns, but also for significant losses. The lower your “risk tolerance,” meaning the amount of risk or loss you are willing and able to accept, the more we encourage you to avoid higher-risk investments, as these investments pose the potential for significant losses. Before making any investment decision, it is your responsibility to fully understand the investment and the associated risks. Consult all available offering documents, fund prospectuses, where applicable, for the potential risks associated with the recommended product as provided by the fund sponsor. We can provide those documents to you, or help you locate copies of them. Further, for certain products we recommend, you will receive additional product disclosure documents that contain additional risk and related disclosure details as we deem appropriate. ***We do not offer any guarantees that any investment recommendations will be profitable. Moreover, you should note that past performance is not a guarantee or indicative of future results.***

### Broker/Dealer Capacity

Manulife John Hancock acts as a direct-to-fund broker/dealer only to Manulife John Hancock Investments, an affiliate of Manulife John Hancock. We do not open a brokerage account for you at our firm. Rather, you open an account at our firm so that we may forward your Manulife John Hancock Investments application and funding to the Manulife John Hancock Investments consistent with your instructions.

In our capacity as a broker/dealer, we can recommend securities transactions for you, (including buying and selling mutual fund securities) that can be held in your account

at Manulife John Hancock Investments. When we act in our capacity as a broker/dealer, we must have a reasonable basis to believe that each recommendation made to a retail customer is in the retail customer's best interest and does not place the interests of the broker/dealer or RR ahead of the interest of the retail customer at the time the recommendation is made.

We do not have any minimum account size requirements for our accounts, but some of the investments you can purchase through us have minimum investment requirements. More information about these minimum investment requirements is available in the investment's offering document or prospectus. Our RRs do not make investment decisions for you or manage your account on a discretionary basis. Because our RRs do not have discretionary investment authority over your brokerage accounts, they cannot buy or sell investments in your account. While our RRs may recommend investments to you, it is important for you to understand that you are ultimately responsible for making the decision to purchase or sell investments. Recommendations do not include, without limitation, marketing materials, educational materials, statements of philosophy, mission statements, investment principles, descriptions of strategies and risks that we may provide to you.

Further, we do not provide legal or tax advice, so you should also consider engaging the services of a professional estate planner, lawyer, and tax advisor, as needed. In particular, we encourage you to speak with a tax professional or tax advisor regarding tax considerations or tax implications of your investment activity. While we may discuss such matters with you from time to time, such discussions are not to be deemed or considered professional tax or legal advice or services, and you must make any tax or legal decisions with your own tax or legal advisors.

**We do not monitor investments held in your account after a securities transaction is completed, including those investments that are recommended to you.** It is your responsibility to review your account statements and overall investment performance and allocation regularly to determine any changes or alterations you deem necessary or desirable in light of a change to your circumstances, time horizon, liquidity needs, beneficiaries, or due to market changes, for example.

When we act in our capacity as a broker/dealer, we are subject to the Securities Act of 1933 and the Securities Exchange Act of 1934, as amended, the rules of self-regulatory organizations such as FINRA and the MSRB, and applicable state laws.

The disclosures throughout this brochure relate to the Firm's retail business unless otherwise noted.

## **1.2. Type and Scope of Services**

We provide a variety of services related to investments in securities, including taking customer orders, forwarding materials and instructions regarding your Manulife John Hancock Investments securities transactions, and providing general information regarding your investments.

Our services include making recommendations concerning whether to buy securities. Our services also include recommendations of investment strategies involving securities, which include recommendations of account types, and rollovers, or transfers of assets, such as rolling over retirement plan assets into an IRA.

### **Account Types**

In order to receive any of the account services described above, you must first open an account with us. We offer many options and account types with different features and benefits that are intended to address the needs and objectives of our retail clients. When opening an account with us, you may choose between many different options or account types for your account, including directly held accounts; retirement accounts (e.g., Traditional IRAs or Roth IRAs).

Before deciding whether to open an account with us, you will want to discuss our account type and service options with our RR to decide which account types and services best fit your individual needs. You will also want to consider consulting with your tax and legal advisors.

### **Investment Recommendation Approach**

A Manulife John Hancock RR will consider various information, including your investment objectives and needs, as well as time horizon and risk tolerance, when formulating a recommendation. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable. We encourage you to contact Manulife John Hancock customer service team at 800-200-3334 if you have questions about a particular recommendation or the Firm's overall investment strategy.

We require our RRs to have a reasonable basis, taking into account the potential risks, rewards, and costs associated with a recommendation, to believe each recommendation made to you is in your best interest and does not place the interests of Manulife John Hancock or its affiliates or our RRs ahead of your own interests at the time the recommendation is made. The RR will make a best-interest evaluation by considering the various types of accounts the RR can offer that could potentially fit your needs and goals, as well as keeping in mind the total costs and/or fees associated with the investment products and services. In determining whether your RR's recommendation is in your best interest, we consider your individual investment profile. This information includes, but is not limited to, your age, other investments you have disclosed to us, personal financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and other relevant information that you may disclose to us or our RR in connection with a recommendation.

#### **1.2.1. Material Limitations**

There is a material limitation on the securities or investment strategies involving securities that may be recommended to you. We limit our investment offerings to a select group of mutual funds issued by our affiliate, John Hancock Investment Management Distributors LLC, dba John Hancock Investments, a Delaware limited

liability company, and wholesale broker/dealer registered with the SEC (SEC #8-43582) and FINRA (CRD #28262). We are not able to offer you competing investments from other investment companies which may be less or more expensive and perform differently. We also do not have any minimum account size requirements for accounts, although some of the investments you can purchase through us have their own minimum investment requirements.

Notwithstanding the range of our services, there are certain material limitations on the products and services that our RRs may be able to recommend to you. These limitations are set forth below:

- **Investment Limitations:** We only offer John Hancock Investments. We do not offer mutual funds from other mutual fund company issuers or exchange-traded funds. We also do not offer every variable insurance product as of yet. This means that our RRs are limited to recommending only those securities that we authorize them to offer. This is a material limitation on the securities or investment strategies that our RRs may recommend to you.
- **Account Monitoring:** Manulife John Hancock does not monitor investments held in accounts as described above. Our RRs are not obligated to monitor your account or your investment performance after you open your account. This is a material limitation on our broker/dealer services and the services of our RRs.
- **Discretionary Investment Authority:** Neither Manulife John Hancock nor our RRs have discretionary investment authorization over your accounts. Because we do not have discretionary investment authority over accounts, we cannot buy or sell investments in your account. Our RRs may recommend investments to you, but you are ultimately responsible for making the decision whether to purchase or sell investments, and our RRs are limited to only recommending investments for you to purchase and only when authorized by you. Our RRs do not make recommendations to hold or sell. This is a material limitation on our services.

### 1.3. Fees and Costs

This section provides information about the material fees and costs associated with your account, transactions, and holdings. Because our fees vary depending on the specific transaction or service provided, the information below first describes the fees and costs associated with your account in general, and then the fees and costs associated with specific transactions and investment holdings our RRs may recommend.

#### 1.3.1. Fees and Costs Associated with Your Account

You must first sign a client agreement with us to use our broker/dealer services.

When you open an account with the transfer agent, you will pay certain miscellaneous account and service fees that are in addition to the Fees and Costs Associated with Transactions and Holdings described in Section 1.3.2. below. The frequency of the

account and service fees you pay will depend on the specific account type, service, or transaction.

Highlighted below are the material fees and costs associated with your account. These fees do not include commissions, markups, or commission equivalents, internal product fees nor do they include commissions and fees that are charged by third parties, such as investment sponsors, money managers, or third-party custodians. Some of these fees do not apply to all account types, while others are waived under certain conditions.

- **Account Maintenance Fees:** You will pay annual transfer agent maintenance fees for maintaining your account with us.
- **Cash Management Fees:** We offer overnight delivery of funds services and federal funds wire services. Clients who opt to use these services will pay annual or per-transaction fees in association with the cash management services they use.

Currently, these fees are:

Fee Description	Fee
Annual Maintenance Fee	\$15.00
Check mailed overnight via FedEx	\$20.00
Check mailed USPS Express to PO Box	\$20.00
Checked mailed overnight via FedEx (Saturday Delivery)	\$20.00
Wire sent to bank	\$4.00

## More Information

### 1.3.2. Fees and Costs Associated with Transactions and Holdings

In addition, investment products such as mutual funds or products such as education savings plans, include ongoing management fees and expenses that are embedded into the cost of the investment. You pay these ongoing fees and expenses indirectly because they are embedded in the cost and price of the investment. More information about ongoing fees and expenses is available in the specific fund prospectus or offering documents.

Because the fees and costs vary among investments, we describe more fully below the fee and cost information regarding the types of transactions and investment holdings that are generally purchased or traded by our retail clients.

## Mutual Funds



**Characteristics.** We limit our investment offerings to a select group of proprietary mutual funds offered by our affiliate Manulife John Hancock Investments. Mutual funds are registered investment companies that issue redeemable securities. Mutual funds issue shares on a continual basis, and there is no secondary trading market for mutual fund shares. Mutual funds are required to sell their shares at the fund's daily closing net asset value ("NAV") per share, plus any applicable sales charge or load as discussed below. The fund's NAV is calculated by dividing the total value of all the fund's assets, minus any liabilities, such as ongoing fees and expenses (described below), by the number of shares outstanding.

An important aspect of mutual fund investing is to read the mutual fund's prospectus carefully before investing. Each mutual fund prospectus contains important information that will help you make an informed decision about an investment in a mutual fund. In deciding whether to invest in a mutual fund, you should consider several different factors, including the mutual fund's investment objective, investment strategies and risks, the investment adviser responsible for the management of the mutual fund's assets, and the fees and expenses associated with an investment in a particular mutual fund.

**Fees and Costs (Generally).** Typically, you will pay a sales charge or load when you buy shares in a mutual fund. The actual percentage sales charge, or load, you were assessed can be found in your trade confirmation. Most mutual funds use multiple share classes, with different fees and expenses for distribution and shareholder services. Though there are many types of share classes, currently, the only share class we would likely recommend are load-waived Class A shares. We may recommend a different share class in the future consistent with the best interest of our clients. More detail on Class A shares is provided below and in the fund's prospectus.

**Fees and Costs: Share Class Distinctions.** While there are no standard definitions for share classes, and each mutual fund describes the structure of its share classes in its prospectus, set forth below is a basic description of the share classes available to you in an account:

- **Class A:** The funds available to you in your account are A Class shares and are load-waived, meaning you will not be charged any sales charge. Class A shares typically include fees commonly referred to as 12b-1 fees or "trails." These 12b-1 fees (often 0.25 percent per year) are paid to us as compensation for as long as you hold your shares. Despite these ongoing fees and expenses, Class A shares typically have lower operating expenses compared with the other share classes of the same mutual fund that may be available to you.

**Fees and Costs: Ongoing Fees and Expenses.** In addition to the 12b-1 fees discussed above, mutual funds also deduct other ongoing fees and expenses, such as management fees and servicing fees, from fund assets. These ongoing fees and expenses are used to pay for the mutual fund's continued annual operating expenses (sometimes referred to as the mutual fund's "expense ratio"). Mutual fund fees and expenses are typically charged daily as a percentage of your assets. You pay these fees and expenses indirectly because they are deducted from the value of your fund assets on an ongoing basis.

More information on a mutual fund's sales charges, ongoing fees and expenses, and overall expense ratio is available in the mutual fund's prospectus. You can request a copy of a mutual fund's prospectus by calling 800-225-5291 or on the fund company's website.

## **2. Conflicts of Interest**

A conflict of interest arises when an economic benefit incentivizes Manulife John Hancock or our RR to put our interests and/or the interests of the RR ahead of yours. Some of these conflicts exist between you and both our Firm and your RR, while others exist only between you and our Firm or between you and your RR. We have identified conflicts of interest that relate to the recommendations we and our RRs make and have instituted policies and procedures to disclose, mitigate, or eliminate them. The conflicts identified in this section are important for you to understand and consider when deciding whether to establish an account with Manulife John Hancock. Conflicts are also disclosed in Manulife John Hancock's Form CRS, and our RR's [FINRA BrokerCheck Report](#). The section below discusses material facts relating to these conflicts to help you make an informed decision regarding any recommendation your RR provides you. The information contained herein is not intended to be an all-inclusive list of potential conflicts. In addition to this disclosure, conflicts of interest are also disclosed to you in your account agreement(s) and disclosure documents, and other information we deliver to you or otherwise make available to you.

### **2.1. Conflicts for Both Our Firm and RRs.**

Conflicts between you and both our Firm and RRs may be caused by a variety of arrangements, including the role we play in a transaction, compensation arrangements, or trading arrangements. These arrangements present a conflict of interest because Manulife John Hancock and your RR have a greater incentive to make available, recommend, or make investment decisions regarding investments for your account that provide additional compensation to your RR or Manulife John Hancock over other recommendations that do not provide additional compensation to your RR or Manulife John Hancock.

- For some investments you purchase based on our recommendation, we receive payments that are in addition to the transaction-based payments to our affiliate described above. This is typically the case when you purchase mutual funds. These fees and compensation include, but are not limited to, mutual fund and money market 12b-1 and sub-transfer agent fees, due diligence fees, marketing reimbursements or reallowances, or other transaction or service fees.
- Manulife John Hancock Investments, our affiliate, participates in activities that are designed to help facilitate the distribution of their products. Manulife John Hancock Investments may pay the travel, meals, and lodging expenses for Manulife John Hancock RRs to attend educational programs and due diligence meetings designed to help RRs be more knowledgeable about Manulife John Hancock Investments products, operations, and management. Manulife John Hancock Investments also often provide other forms of compensation to Manulife John Hancock RRs relating to the sale and distribution of their products, including merchandise, gifts, and entertainment, such as tickets to sporting events and

leisure activities, as well as payment or reimbursement for the costs of business development expenses, client seminars, client appreciation events, software, and marketing materials designed to help promote the RR's business.

- For investments with multi-share class structures, we generally receive comparatively more compensation when we recommend you purchase or hold a share class that is likely to be more costly for you. Some investments, such as mutual funds, offer multiple share classes. Depending on the share class in which you are invested, we may earn higher commissions, ongoing payments, and/or other compensation. These comparatively higher commissions, ongoing payments, and other compensation incentivize us and your RR to sell you or recommend you hold the share class in a multi-share class structure that results in the most compensation for us, which will be more costly for you. Please note, however, that where Manulife John Hancock Investments has multi-share class structures, the lowest-cost share classes may not be available to you due to high minimum investment amounts or account type requirements (e.g., a retirement account). You can find more information about your costs and our compensation from different share classes in the prospectus for the investment or calling 800-200-3334.
- **We, and our affiliates, get paid when you engage in a rollover transaction.** We may recommend that you roll over assets from your workplace retirement plan into an IRA. When you engage in a rollover to an IRA, we will receive compensation in connection with the investments you hold in your IRA. IRA rollover recommendations incentivize us and your RR to encourage the purchase of investments that result in additional compensation for us that we would not otherwise receive if the funds remained in your workplace retirement plan.
- We have an incentive to recommend the account type that pays us the most compensation. We can recommend that you invest through different account type arrangements, such as through a brokerage account, an account directly held with the issuer of the investment (or its transfer agent). Depending on factors such as the type and level of services you require, as well as the frequency of trading in your account, one of these account types may be more cost effective for you than the others. The availability of different account types incentivizes us and our RRs to recommend the account type that results in the most compensation for us.

## **2.2. Conflicts for Our Firm Alone**

Conflicts between you and our Firm may be caused by a variety of arrangements, including the role we play in a transaction and compensation arrangements. *When we provide you with a recommendation*, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. MJHBS will be compensated via distribution fees and a one-time account setup service fee on accounts opened with Manulife John Hancock Investments. Therefore, the Firm has an incentive to encourage you to invest in such products. We receive compensation each time you make a new

investment in the form of continuing 12b-1 fees. These kinds of payments present a conflict for us because it creates an incentive to encourage you to make additional investments. The compensation we receive varies depending on the investment and the size and amount of the transaction.

### **2.3. Conflicts for RRs Alone**

Conflicts between you and our RRs may be caused by a variety of arrangements, including compensation arrangements, client-specific arrangements, or outside business activities. The material facts relating to these conflicts are as follows:

## **3. Additional Affiliate Information**

Manulife Financial Corporation is the ultimate parent company of the Firm and owns a number of other entities and businesses. These entities provide, among other things, financial services, retirement plan services, insurance and variable life and annuity products, and a number of other investment products such as mutual funds, as described in part above. Below is a more complete list of the Firm's affiliates:

- John Hancock Subsidiaries LLC ("JH Subsidiaries") – Holding Company
  - JH Subsidiaries is the 100% direct owner and holding company of the Firm.
- John Hancock Life Insurance Company (U.S.A.) ("JHUSA") – Parent Company
  - JHUSA is the 100% indirect owner and parent company of the Firm via its 100% direct ownership of JH Subsidiaries.
- John Hancock Distributors LLC ("JHD") (CRD #5249; SEC #8-15826) – Affiliate Brokerage Firm
  - JHD's holding company and 100% direct owner is JHUSA. The Firm and JHD share a similar indirect ownership structure and share some employees. The Firm does not conduct business on behalf of JHD but has a selling agreement with JHD to service or offer its investment products.
- John Hancock Investment Management LLC ("JHIM") (CRD #105790; SEC #801-8124) – Affiliate Investment Adviser Firm
  - JHS is the direct owner of both JHIM and the Firm. The Firm and JHIM also share a similar indirect ownership structure and share some employees. The Firm does not conduct business with or on behalf of JHIM.
- John Hancock Investment Management Distributors LLC, dba John Hancock Funds ("JHIMD") (CRD #28262; SEC #8-43582) – Affiliate Brokerage Firm
  - The Firm and JHIMD share a similar indirect ownership structure. The Firm and JHIMD also share some of the same employees. The Firm does not conduct business with or on behalf of JHIMD. The Firm does not conduct business on behalf of JHIMD but does have a selling agreement with JHIMD to service or offer its investment products.
- John Hancock Personal Financial Services, LLC ("JHPFS") (CRD #174433; SEC #801-80927) – Affiliate Investment Adviser Firm
  - The Firm and JHPFS, an SEC Registered Investment Adviser, share a similar indirect ownership structure.
- Manulife Investment Management Private Markets (US) LLC ("MIMPM") (CRD #145508; SEC #801-68506) – Affiliate Investment Adviser Firm

- The Firm and MIMPM share a similar indirect ownership structure. The Firm does not conduct business with or on behalf of MIMPM.
- Manufacturers Securities Services, LLC/John Hancock Variable Trust Advisers LLC (“JHVTA”) (CRD #16009; SEC #801-28947, 8-33102) – Previously Registered Brokerage Firm; Affiliate Investment Adviser Firm
  - JHVTA and the Firm share a similar indirect ownership structure and share employees. The Firm does not conduct business with or on behalf of JHVTA.
- Manulife Investment Management (North America) Limited (“MIMNA”) (CRD #125142; SEC #801-61860) – Affiliate Investment Adviser Firm
  - MIMNA and the Firm share the same indirect owner, Manulife Financial Corporation. Moreover, the direct owner of MIMNA, the Manufacturers Life Insurance Company, is also an indirect owner of the Firm. The Firm does not conduct business with or on behalf of MIMNA.
- Manulife Investment Management (US) LLC (“MIMUS”) (CRD #106435; SEC #801-42023) – Affiliate Investment Adviser Firm
  - MIMUS and the Firm share the same direct owner, JHS, as well as a similar indirect ownership structure. The Firm does not conduct business with or on behalf of MIMUS.
- Manulife Investment Management Timberland and Agriculture, Inc. (“MIMTA”) (CRD #109641; SEC #801-57981) – Affiliate Investment Adviser Firm
  - The Firm and MIMTA share a similar indirect ownership structure. The Firm does not conduct business with or on behalf of MIMTA.