



Target-date funds

Helping participants on their *path* to retirement

Why should I consider target-date funds for my plan?


Asset allocation is important to get right in retirement planning, but it's also a complicated matter for many participants. Adding target-date funds (TDFs) to a retirement plan lineup can help plan sponsors and participants address these challenges. TDFs offer:



Professionally managed asset allocation options that are diversified across managers, asset classes, market capitalization, and geographic locations



Investment options that automatically adjust their mix over time, typically moving into less risky asset classes as participants near retirement



Suitability as a qualified default investment alternative

Learn how to evaluate and explain the TDFs available on the JH Signature platform.



Nearly 80% of defined contribution retirement plans currently offer a target-date investment option to their participants.¹

There is no guarantee that any investment strategy will achieve its objectives. Neither asset allocation nor diversification guarantees a profit or protects against a loss. An asset allocation investment option may not be appropriate for all participants, particularly those interested in directing their own investments.

¹ "Use of Investment Options Across Plans Managed," Retirement Plan Advisor Trends, Cogent Syndicated, September 2022.

How do I choose the right TDF suite for my plan?

The U.S. Department of Labor provides guidance to help you make the right selection for your plan participants²

- ✓ **Establish a process for comparing and selecting TDFs**
Use an objective process to ensure fund characteristics align with employees' ages, likely retirement dates, and behavior.
- ✓ **Outline the periodic review of process-selected TDFs**
Define the periodic review process, including an assessment of the funds to their investment strategy and whether your plan's objectives in offering TDFs have changed.
- ✓ **Understand the TDF's investment allocation**
Familiarize yourself with the fund's glide path, including when the fund will reach its most conservative asset allocation and whether that will occur at or after the target date.

² "Target Date Retirement Funds—Tips for ERISA Plan Fiduciaries," U.S. Department of Labor, February 2013.

How do TDFs *work*?

TDFs are professionally managed asset allocation investments designed to reduce risk as the predetermined retirement date approaches



TDFs are designed to make investing for retirement more convenient by automatically changing the investment mix or asset allocation over time. Funds with target dates in the more distant future tend to be invested in more aggressively, with a greater allocation to equity. The asset mix then glides to become more conservative, with greater allocation to fixed income as the target year approaches.

What's a glide path?

A glide path represents how the asset mix changes over time and controls when the TDF reaches its most conservative allocation, as determined by the target retirement date.

When selecting a suite of TDFs for your plan, consider which style of fund management best meets the needs of your participants.

Single versus multimanager

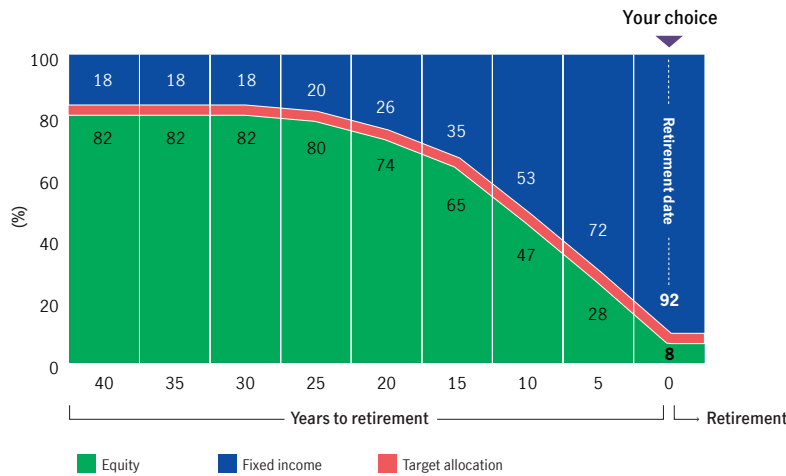
	
Single manager	Multimanager
A single firm manages both the TDFs and the underlying funds.	One firm manages the TDFs, while multiple firms manage the underlying funds.

The glide path is the asset allocation within a target-date strategy that adjusts over time as participants' ages increase and their time horizons to retirement shorten. The basis of the glide path is to reduce the portfolio's chance of loss as the participants' time horizons decreases. The asset mix of each portfolio is based on a target date. This is the expected year in which participants in a portfolio plan to retire and no longer make contributions. A team of asset allocation professionals adjusts each portfolio's makeup over time to ensure a noticeable and steady shift from equities to fixed income in the years leading to retirement or during retirement, if applicable. Investors should examine the asset allocation of the fund to ensure it is consistent with their own risk tolerance. In developing the glide path, it was assumed that participants would make ongoing contributions during the years leading up to retirement and stop making those contributions when the target date is reached. The principal value of your investment and your potential rate of return are not guaranteed at any time, including at or after the target retirement date. Although the target-date funds are managed for investors on a projected retirement date timeframe, the fund's allocation strategy does not guarantee that investors' retirement goals will be met.

“To retirement” versus “through retirement” glide paths

“To retirement” funds

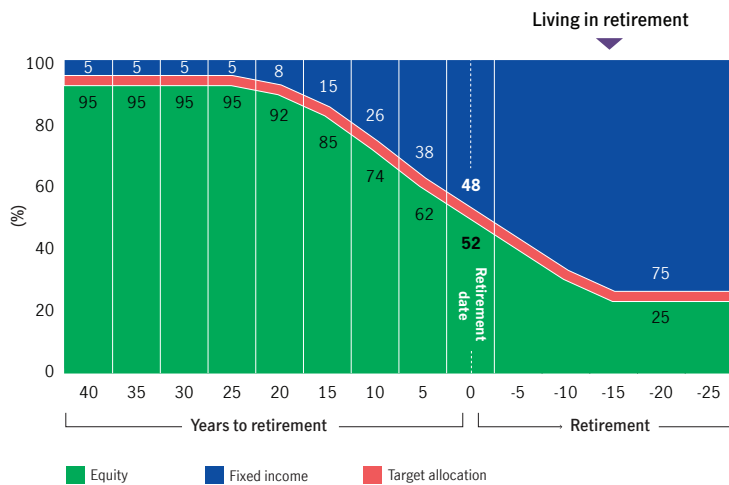
The glide path of the fund evolves only until the target date. It’s designed for participants who plan on reevaluating their investment options once they get to retirement.*



For illustrative purposes only.

“Through retirement” funds

The glide path of the fund continues to reduce the risk level beyond the target date, allowing participants to keep their assets in the same fund throughout retirement.*



For illustrative purposes only.

* Allocations may vary as a result of market swings or cash allocations held during unusual market or economic conditions.

Active versus passive management



Active management—The use of a single manager, co-managers, or a team of managers to actively manage both the TDFs and the underlying funds

Active managers rely on research, forecasts, and their own judgment and experience in making investment decisions on what securities to buy, hold, and sell.



Passive management—The use of a single manager, co-managers, or a team of managers to actively manage the TDFs but not the underlying investments

The underlying funds are managed to track a market index, such as the S&P 500 Index.

The S&P 500 Index tracks the performance of 500 of the largest publicly traded companies in the United States. It is not possible to invest directly in an index.

“To retirement” funds available at John Hancock

Designed to take participants to retirement

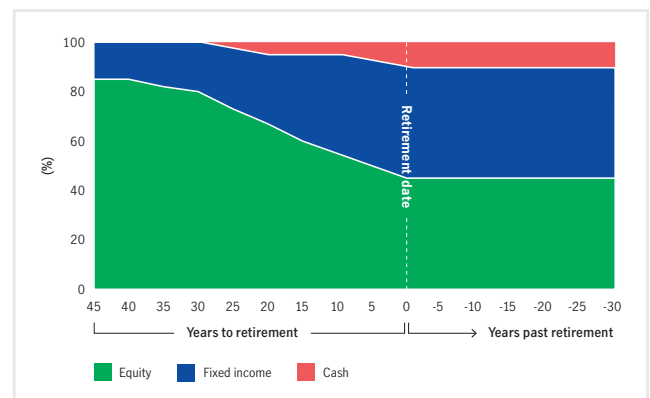
A *to TDF* suite evolves only until the target date. It's designed for participants who plan on reevaluating their investment options once the participant reaches their retirement.

American Century—One Choice Target Date Portfolios: In retirement–2065

Leaving no investor behind—Constructed for a broad range of participants and to help minimize the variability of outcomes

Providing a smoother ride—Asset allocation and diversification seek to produce less volatile performance through various markets without materially diminishing return expectations

An experienced asset allocation team—Experts follow distinct criteria for evaluating, monitoring, and adjusting underlying investments over time as risk exposures change

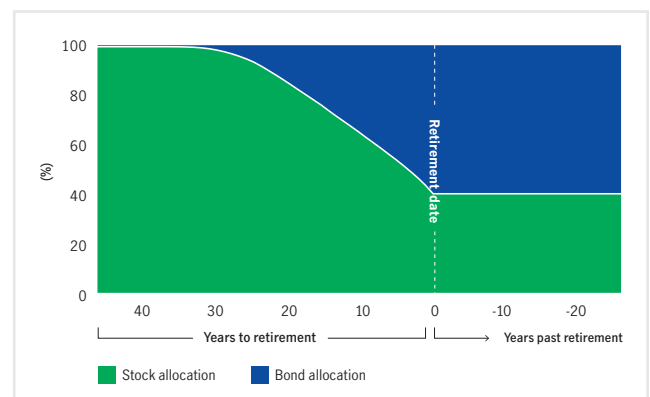


BlackRock LifePath Index Funds: Retirement–2065

An indexed approach—Constructed using only low-cost, highly diversified index funds, rather than actively managed mutual funds

Built to navigate uncertainty—Designed to address four key retirement risks: market, longevity, inflation, and behavioral

Mindful of risk—The glide path sets an appropriate risk level at the retirement date to minimize the chance of participants outliving their savings



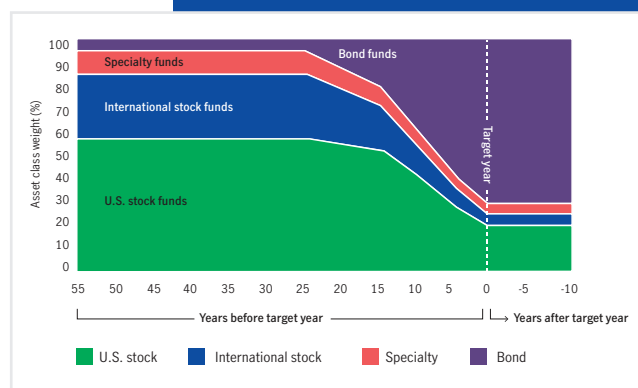
Allocations may vary as a result of market swings or cash allocations held during unusual market or economic conditions. There is no guarantee that any investment strategy will achieve its objectives.

MFS Lifetime Target Date Funds: Income-2060

Unique glide path—Reflecting sensitivity to the growth needs of younger investors and the risk tolerance of older investors

Actively managed—Broad range of actively managed underlying funds seeking long-term performance

Disciplined—Active risk management of both underlying and TDFs



The total revenue John Hancock receives from any funds advised or subadvised by John Hancock's affiliates may be higher than those advised or subadvised by unaffiliated entities. John Hancock's affiliates provide exclusive advisory and subadvisory services to funds. John Hancock and its affiliates may receive additional fees, which would be included in the underlying fund's expense ratio.

“Through retirement” available at John Hancock

Designed to take participants *through* retirement

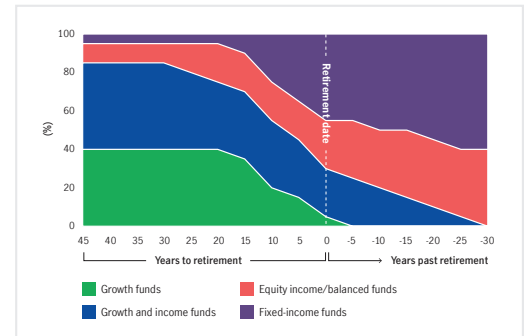
The glide path of the TDF continues to reduce risk beyond the target date—allowing participants to keep their assets in the same portfolio in retirement.

American Funds Target Date Retirement Series: 2010–2065

A long-term investment—Designed to help participants invest for retirement and meet their changing needs over time

Investments that change over time—Investment mix becomes more conservative over time, which can help provide a measure of protection from market declines

Professional oversight—Investment professionals manage the investment mix, so participants don't have to

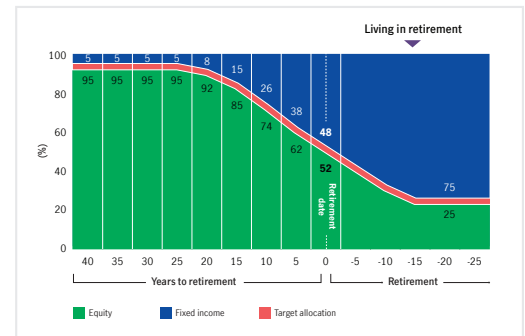


John Hancock Multimanager Lifetime Portfolios: 2010–2065

Maintaining growth potential—Managed to retain the potential for growth and deliver lower volatility in the years leading up to retirement

Staying put—Participants can keep their assets in the same portfolio and draw income in their retirement years

Actively managed—Features actively managed underlying funds

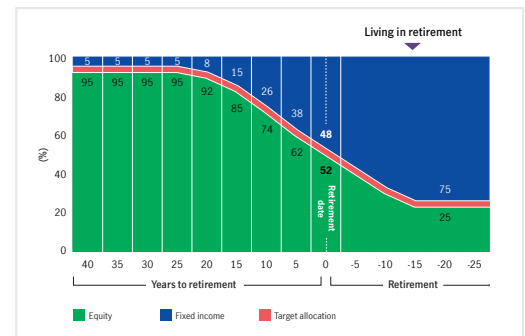


John Hancock Lifetime Blend Portfolios: 2010–2065

Maintaining growth potential—Managed to retain the potential for growth and deliver lower volatility in the years leading up to retirement

Staying put—Participants can keep their assets in the same portfolio and draw income in their retirement years

Actively managed—Portfolios are actively managed, regularly rebalanced, and reallocate passive underlying funds

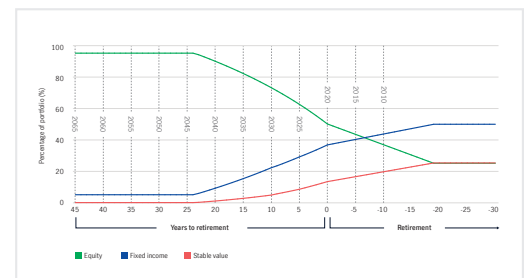


John Hancock Lifetime Blend Trust Portfolios: 2010–2065**

Maintaining growth potential—Managed to retain the potential for growth and deliver lower volatility in the years leading up to retirement

Staying put—Participants can keep their assets in the same portfolio and draw income in their retirement years

Actively managed—Portfolios are actively managed, regularly rebalanced, and reallocate passive underlying collective investment trusts



** This fund is not a mutual fund, it is a collective investment trust (CIT) maintained by John Hancock Trust Company LLC (JHTC), a New Hampshire non-depository trust company. The fund is invested directly in other CITs maintained by JHTC and in John Hancock Stable Value Guaranteed Income Fund, a stable value group annuity contract issued by John Hancock Life Insurance Company (U.S.A.).

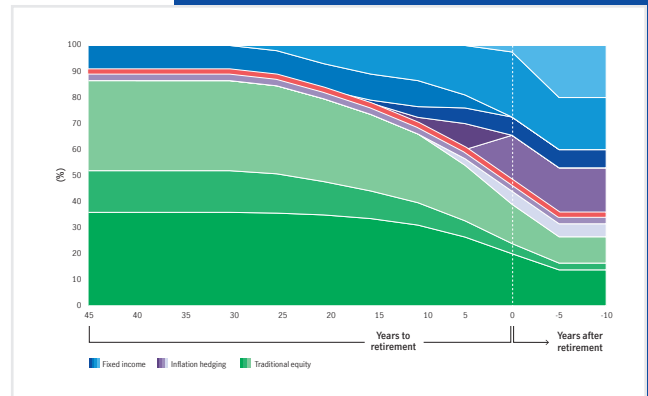
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State Street Target Retirement Funds: Retirement–2065

Strategic index investment approach—Constructed using underlying State Street index funds that are cost efficient and style neutral

A thoughtfully designed glide path—Seeks to balance wealth accumulation in the early years and wealth preservation in the later years

Balancing key risks—Considers key risks, including accumulation risk, longevity risk, capital preservation, and inflation risk, and balances those risks as you age

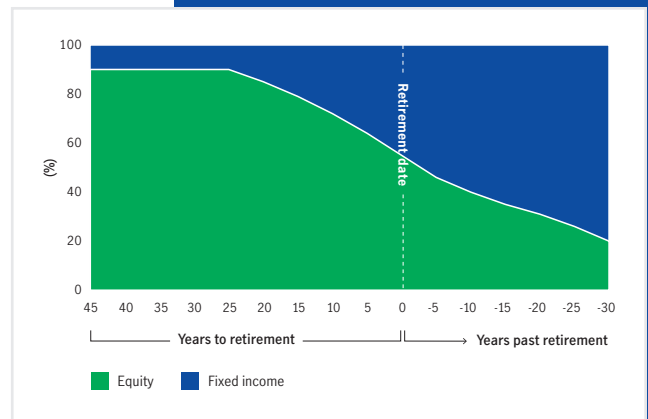


T. Rowe Price Retirement Funds: 2010–2065

Diversification—A combination of stocks, bonds, and other securities that may reduce the overall effect of risk on a retirement account

A chance for strong returns—A mix that includes stocks may help participants seek meaningful returns over time

Periodic adjustments—Automatic rebalancing among stocks and bonds helps the funds' allocations stay on track

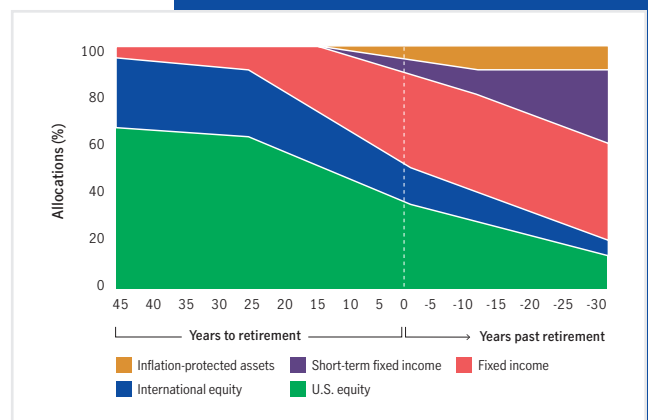


TIAA-CREF Lifecycle Index Funds: Retirement Income–2065

TIAA Investments expertise—Dedicated multi-asset investment team leverages decades of experience in multi-asset and income-generating solutions

Glide path design—Focuses on accumulating wealth during the preretirement years while maximizing the opportunity for income during retirement years

Extensive scale and index experience—Proprietary optimization techniques and algorithms create portfolios that tightly track their respective indexes

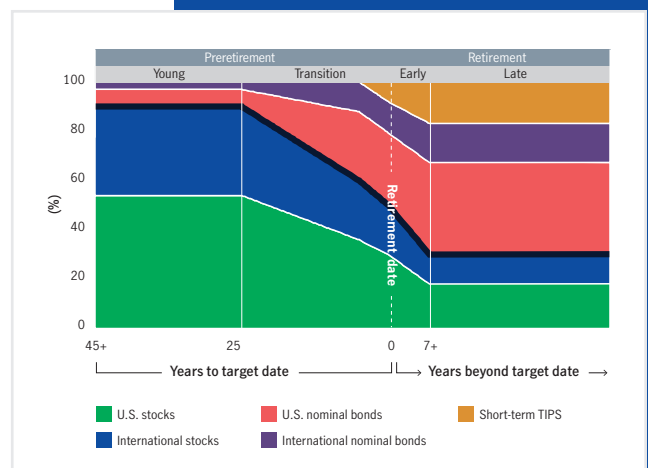


Vanguard Target Retirement Funds: Retirement Income–2065

Focusing on indexes—Invest in Vanguard's broadest index funds, providing access and exposure to major market sectors and segments

Preserving growth potential—Most conservative point occurs seven years after the retirement date

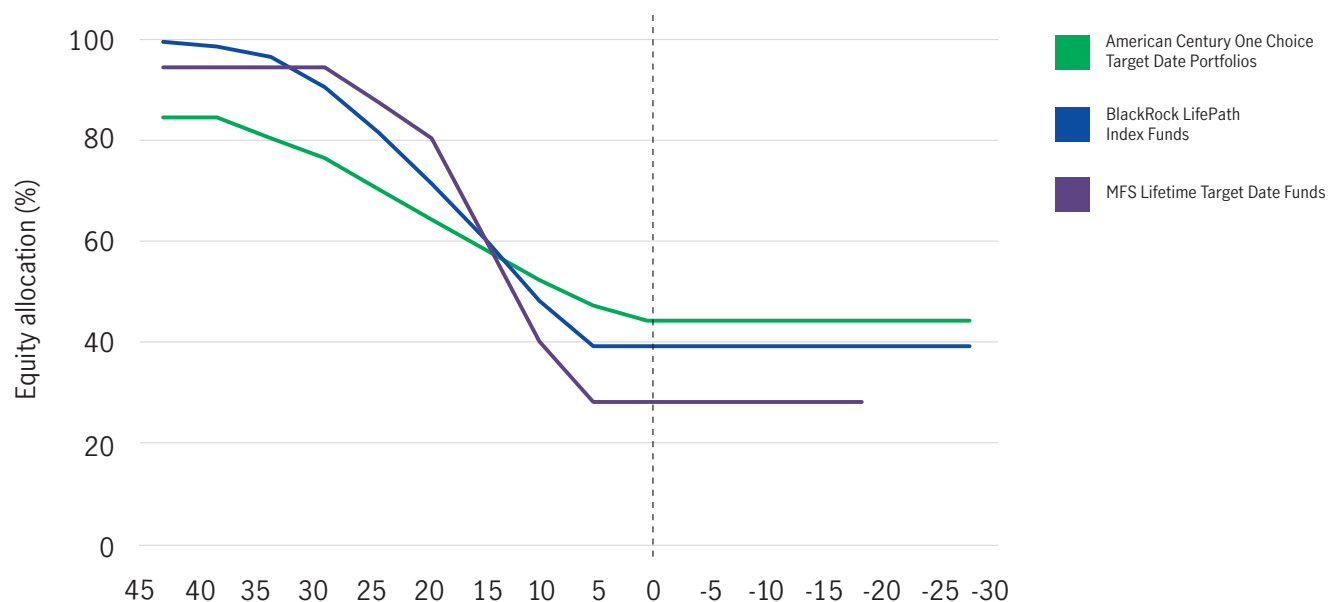
Low costs—Funds provide a lower-cost investment option



Allocations may vary as a result of market swings or cash allocations held during unusual market or economic conditions.

Comparing the “to retirement” funds

Glide path comparison—years to retirement



Source: Morningstar Direct, as of 6/30/23. Allocations may vary as a result of market swings or cash allocations held during unusual market or economic conditions.

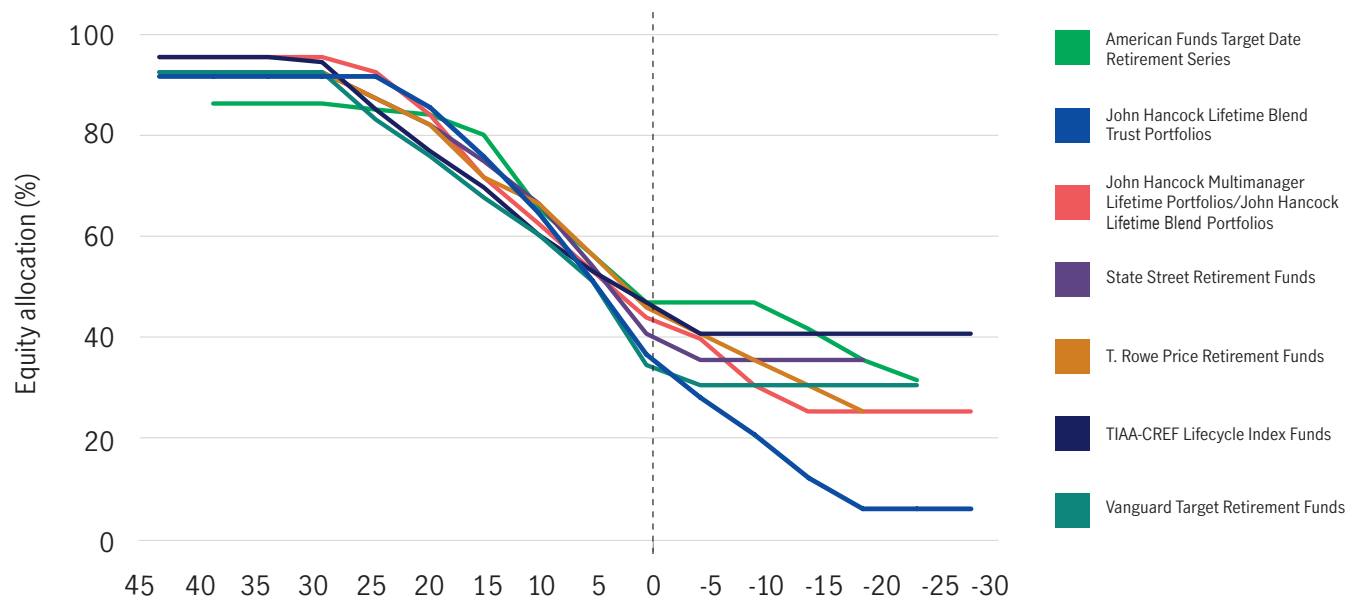
Portfolio management comparison

Glide path strategy	American Century One Choice Target Date Portfolios	BlackRock LifePath Index Funds	MFS Lifetime Target Date Funds
# of asset classes	23	11	27
Maximum equity (%)	85	99	95
Most conservative point equity (%)	45	40	29
Retirement date increment	5 years	5 years	5 years
# of underlying funds	19–23	6–11	23–28
Active or passive underlying funds	Active	Passive	Active
Retirement dates	In retirement–2065	In retirement–2065	In retirement–2065
Single or multimanager	Single	Single	Single
Assets	\$12.7B	\$58.7B	\$3.7B
Suite inception date	8/31/04	5/31/11	9/29/05

Source: Morningstar Direct, as of 3/31/23.

Comparing the “through retirement” funds

Glide path comparison—years to retirement



Source: Morningstar Direct, as of 6/30/23. Allocations may vary as a result of market swings or cash allocations held during unusual market or economic conditions.

Portfolio management comparison

Glide path strategy	American Funds Target Date Retirement Series	John Hancock Lifetime Blend Trust Portfolios	John Hancock Multimanager Lifetime Portfolios	John Hancock Lifetime Blend Portfolios	State Street Retirement Funds	T. Rowe Price Retirement Funds	TIAA-CREF Lifecycle Index Funds	Vanguard Target Retirement Funds
# of asset classes	19	12	19	23	9	23	6	5
Maximum equity (%)	90	95	93	94	90	98	95	90
Most conservative point equity (%)	38	34	30	32	26.5	45	34	30
Retirement date increment	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years
# of underlying funds	15–24	10–15	46–60	35–48	5–11	23–30	4–6	4–5
Active or passive underlying funds	Active	Passive	Active	Passive	Passive	Active	Passive	Passive
Retirement dates	2010–2065	2010–2065	2010–2065	2010–2065	In retirement–2065	2010–2065	In retirement–2065	In retirement–2065
Single or multimanager	Single	Single	Multimanager	Multimanager	Single	Single	Single	Single
Assets	\$229B	\$700M	\$6.9B	\$3.9B	\$63.6B	\$60.3B	\$42.9B	\$555.9B
Suite inception date	2/1/07	11/13/20	10/30/06	11/7/13	4/1/14	9/30/02	9/30/09	10/27/03

Source: Morningstar Direct, as of 3/31/23.



For 50 years, we've helped people plan and invest for retirement. Today, we're one of the largest full-service providers in the United States. (Source: "PLANSPONSOR 2022 Defined Contribution Recordkeeping Survey © 2022 Asset International, Inc.," PLANSPONSOR, 2022).

Please call 800-333-0963 to obtain fund fact sheets for the group annuity investment option subaccounts and/or to obtain prospectuses (or offering memorandums/trust documents) for the subaccounts' underlying funds, available on request. The prospectuses (or offering memorandums/trust documents) for the subaccounts' underlying funds contain complete details on investment objectives, risks, fees, charges, and expenses as well as other information about the underlying funds that should be carefully considered before investing.

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The underlying fund is the mutual fund, collective trust, or ETF in which the investment option (listed above) invests. The full name of each underlying fund is set out in the "Fund information guide." Referred to in the chart above, the underlying fund net cost represents the amount paid for investment management or advisory services and for operational and/or other expenses of the underlying fund. It is determined by deducting the amount of "Revenue from underlying fund (12b-1, STA, other)" from the underlying fund's expense ratio published by the underlying fund.

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A target-date portfolio is an investment option comprising a fund of funds that allocates its investments among multiple asset classes that can include U.S. and foreign equity and fixed-income securities. The target date is the approximate date an investor plans to start withdrawing money. The portfolio's ability to achieve its investment objective will depend largely on the ability of the subadvisor to select the appropriate mix of underlying funds and on the underlying funds' ability to meet their investment objectives. The portfolio managers control security selection and asset allocation. There can be no assurance that either a fund or the underlying funds will achieve their investment objectives. Investors should examine the asset allocation of the fund to ensure it is consistent with their own risk tolerance. A fund is subject to the same risks as the underlying funds in which it invests. Because target-date funds are managed to specific retirement dates, investors may be taking on greater risk if the actual year of retirement differs dramatically from the original estimated date. Target-date funds generally shift to a more conservative investment mix over time. While this may help manage risk, it does not guarantee earnings growth. An investment in a target-date fund is not guaranteed, and you may experience losses, including principal value, at, or after, the target date. There is no guarantee that the fund will provide adequate income at and through retirement. Consider the investment objectives, risks, charges, and expenses of the fund carefully before investing. For a more complete description of these and other risks, please see the fund's prospectus.

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