

Our unique approach



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Market Intelligence

The latest thinking and insight from our experts



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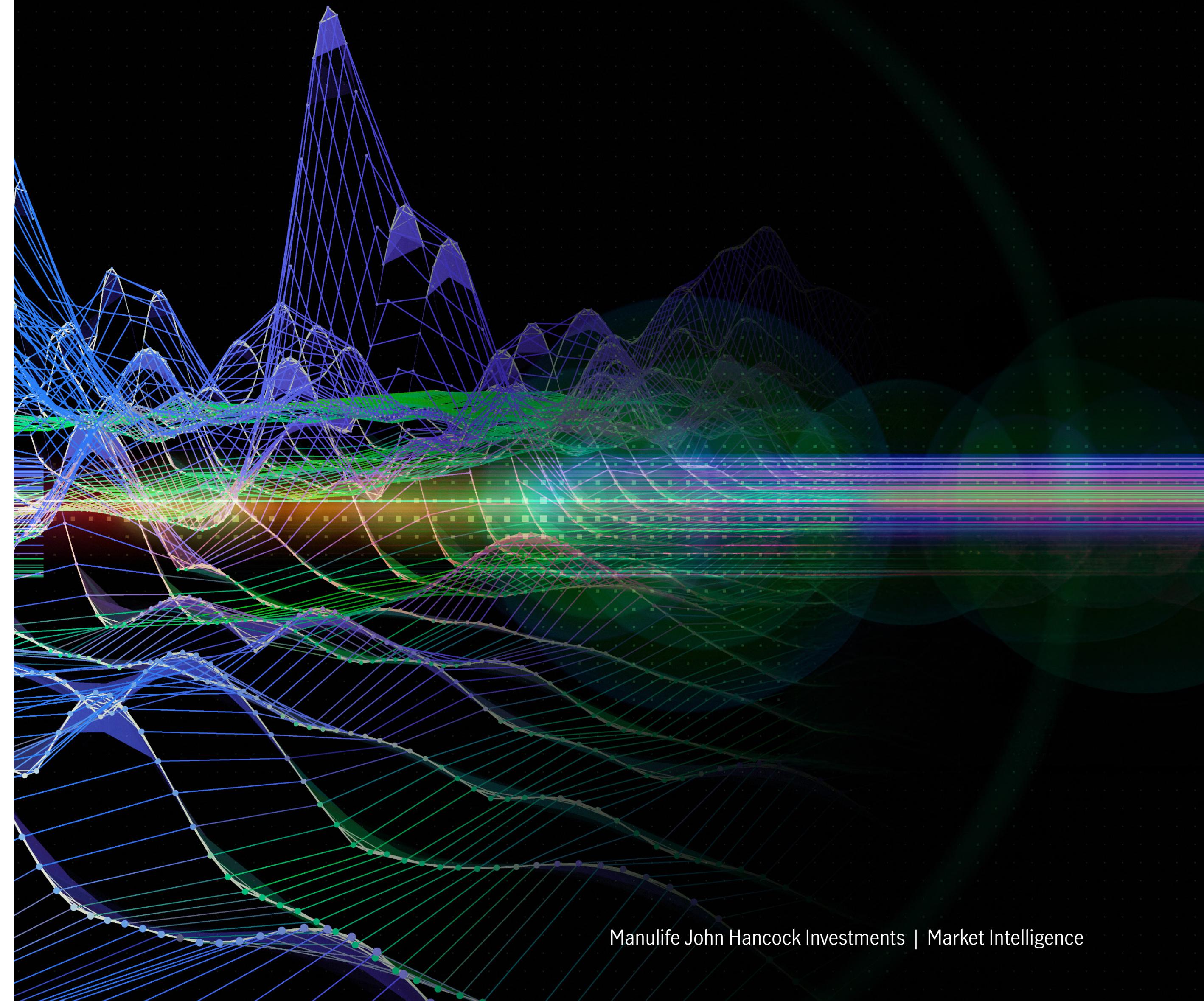
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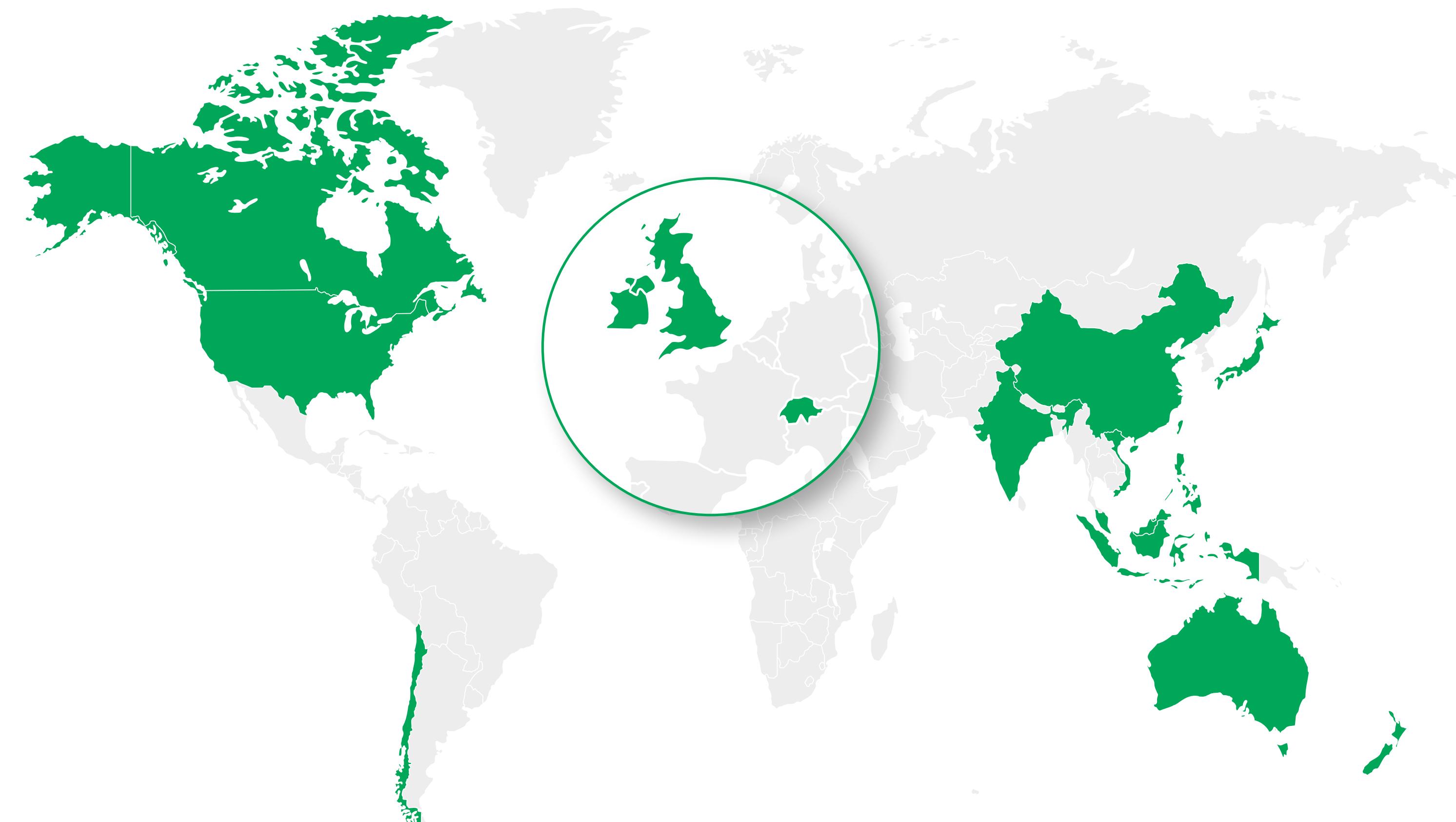
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Combining local insight with global scale

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Investments | Wealth | Retirement

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continents

600+

investment professionals

120+

years operating in Asia and North America

19M

customers globally

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BostonPartners

Traditional value equity

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Specialized credit



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GW&K
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Small-cap growth

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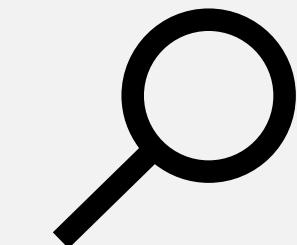
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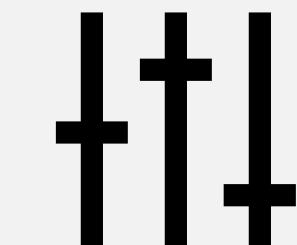
Insight that leverages the best thinking from across our network

A natural by-product of our manager research is timely investment insight from across the industry. Leveraging the intellectual capital from our in-house asset management teams at Manulife Investment Management along with our network of unaffiliated asset managers allows us to uncover real-time opportunities and risks. We then combine that bottom-up input with top-down perspective from global macro research firms to deliver a focused collection of actionable investment ideas.

How we formulate our 12- to 18-month outlook



We conduct a quantitative assessment of asset manager, broker-dealer, and asset allocation and macro research provider views across 17 distinct asset classes.



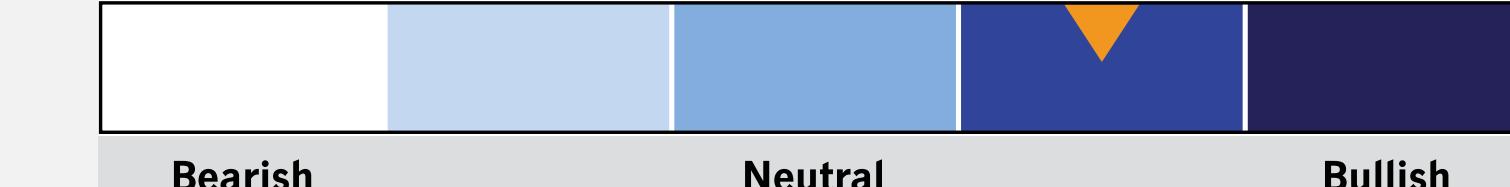
We analyze, evaluate, and weight these views in light of manager biases, market fundamentals, and global macroeconomic factors.



We develop our asset class views in the context of a global multi-asset portfolio, highlighting our most compelling ideas for clients while focusing on risk management.

How to read our views

Darker shading indicates a greater concentration of views within our network.



Looking for more?

Visit our *Market Intelligence* page for weekly video updates, related thought leadership, and more from our investment strategists.

U.S. equity: positioning for a late-cycle environment

A decelerating economic backdrop calls for an emphasis on quality at a reasonable price.

Our 12-18 month view: NEUTRAL

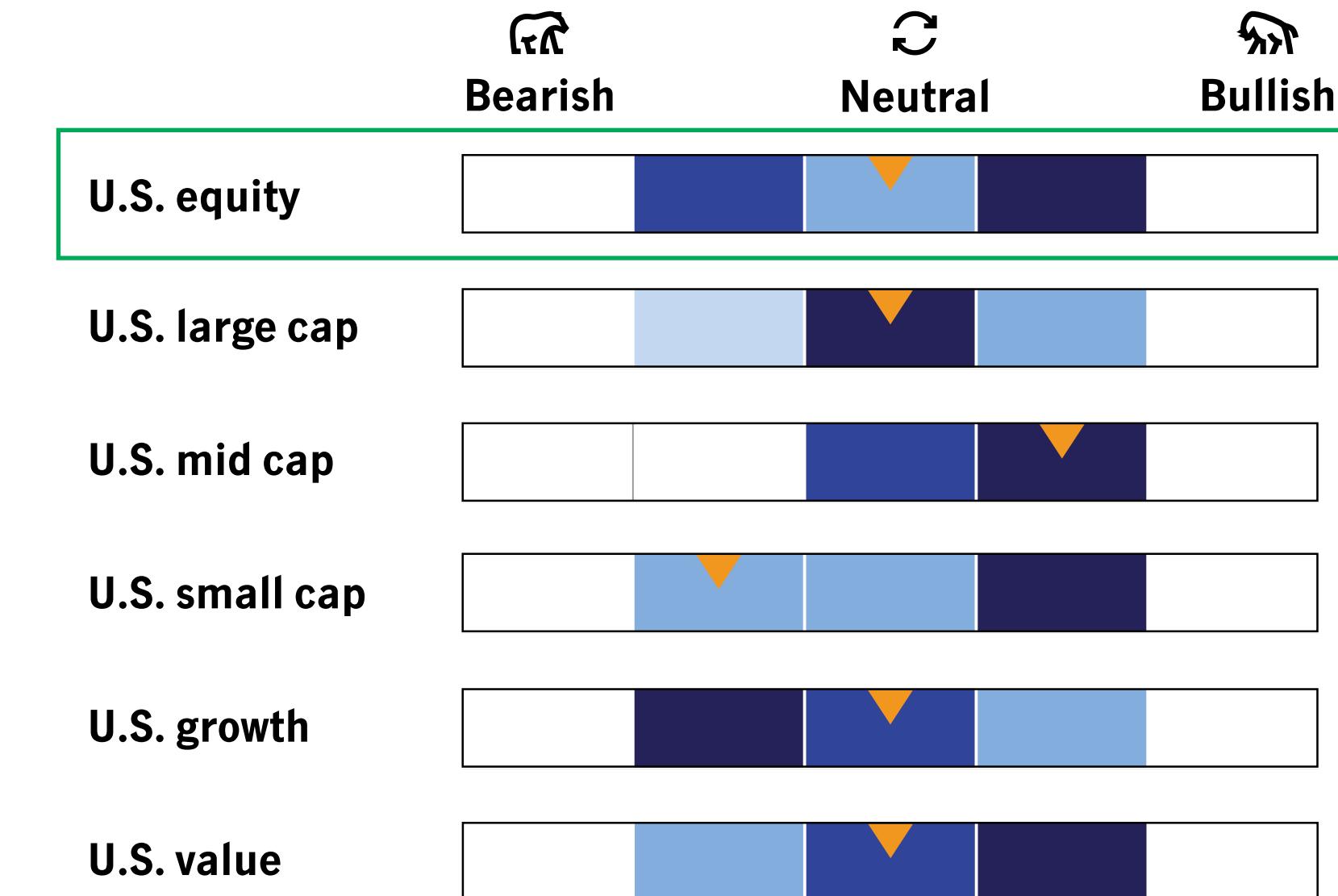
In Q2 2025, we revised our outlook on U.S. equities from slightly bullish, a position held since mid-2019, to neutral to mitigate valuation risk. We still view mid-cap stocks as the best opportunity within U.S. equities. Since Q3 2018, we've been overweight in the quality factor, which we began complementing with the value factor in Q1 2021 (a stance we continue to maintain).

What's inside

- ④ Leading indicators remain in negative territory, suggesting growth may slow from here
- ④ Hard data will be the key to seeing if the U.S. economy is heading toward an economic contraction
- ④ Earnings estimates are rising but may be overly optimistic
- ④ Favoring sectors that offer quality growth at a reasonable price
- ④ U.S. large caps face concentration and valuation risks
- ④ U.S. mid- and small-cap stocks offer both attractive value and strong earnings potential
- ④ From a quality standpoint, mid caps are superior to small caps

Range of views from our network

Darker shading indicates a greater concentration of views within our network.



Changes to network views: During the fourth quarter, the consensus view moved from neutral to slightly positive on U.S. equities. Within this category, our network is neutral on large-cap stocks and overweight both mid- and small-cap stocks. Additionally, our network favors value over growth stocks.

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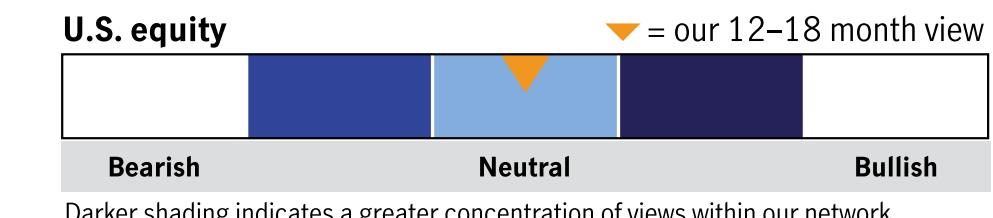
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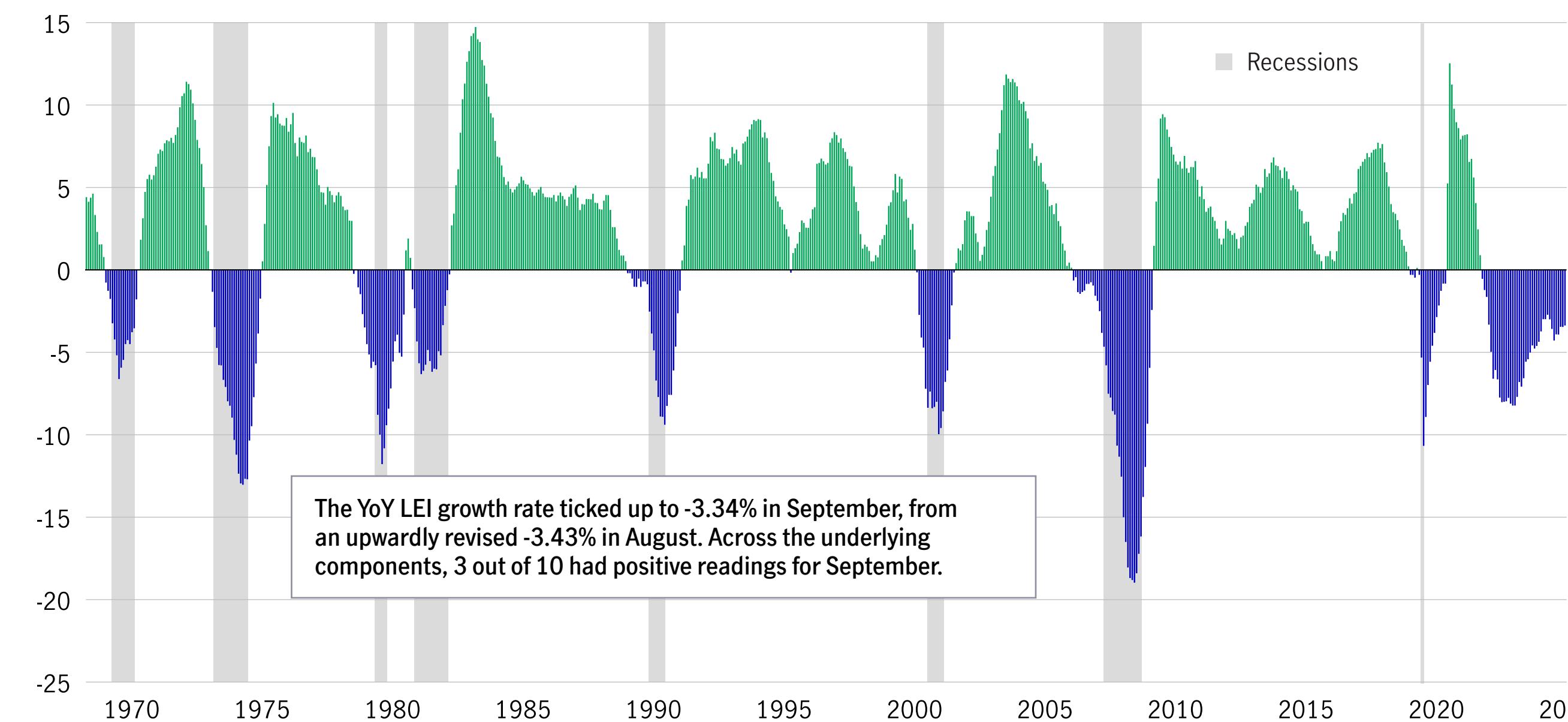
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Leading indicators remain in negative territory, suggesting growth may slow from here



Despite slight recent improvement, the LEI growth rate continues to be negative

YoY change in the LEI (%)



LEI, ranked by weighting in the index (%)

Weekly manufacturing hours worked	24	—
ISM index of new orders	17	▼
Consumer expectations	16	▼
Yield spread	12	▼
Leading credit index	9	▲
New orders of consumer goods and materials	8	▼
New orders of nondefense capital goods	5	▲
Stock prices	4	▲
Building permits	3	—
Weekly unemployment claims (inverted)	2	▼

Source: The Conference Board, as of 9/30/25 (most recent available data). The Composite Index of Leading Indicators (LEI) is published monthly by The Conference Board and tracks 10 economic components whose changes tend to precede changes in the overall economy. It is not possible to invest directly in an index. YoY refers to year over year. Past performance does not guarantee future results.

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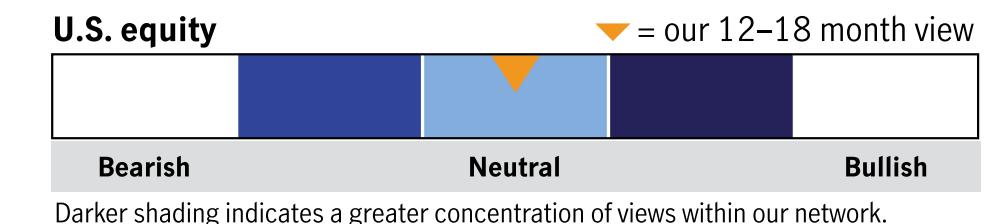
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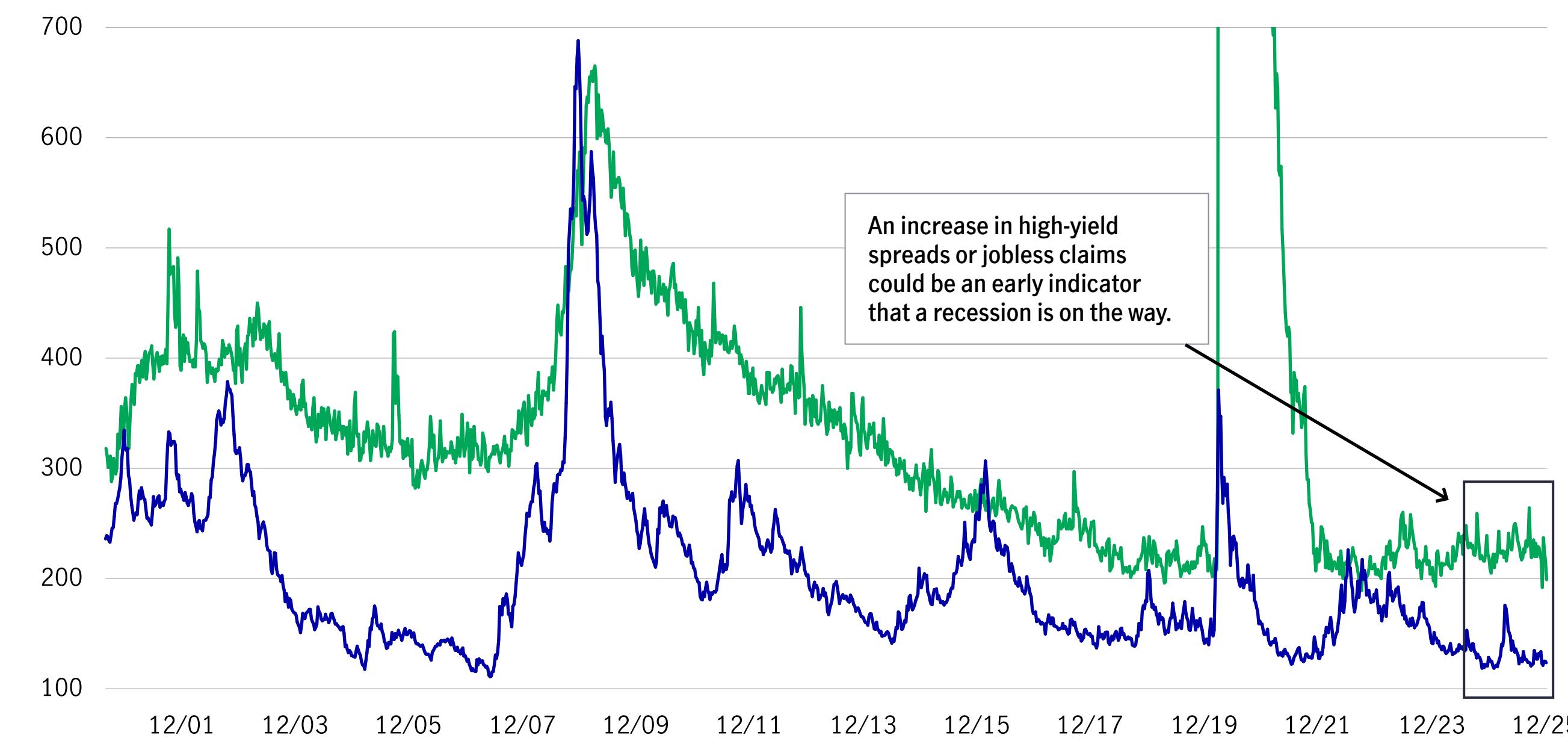
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Hard data will be the key to seeing if the U.S. economy is heading toward an economic contraction



A still-steady labor market and tight spreads suggest the economy remains resilient

■ U.S. weekly jobless claims, thousands (left axis) ■ Bloomberg U.S. Corporate HY Index spread to U.S. Treasuries, % (right axis)

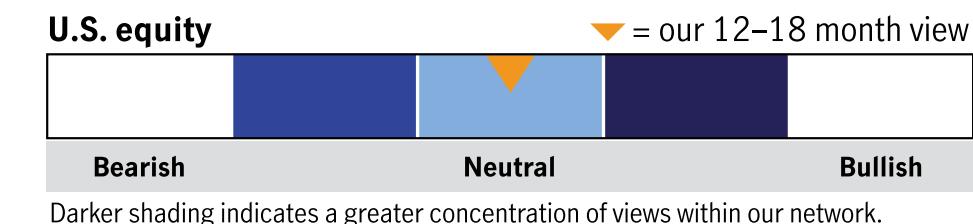


Potential triggers for a contraction

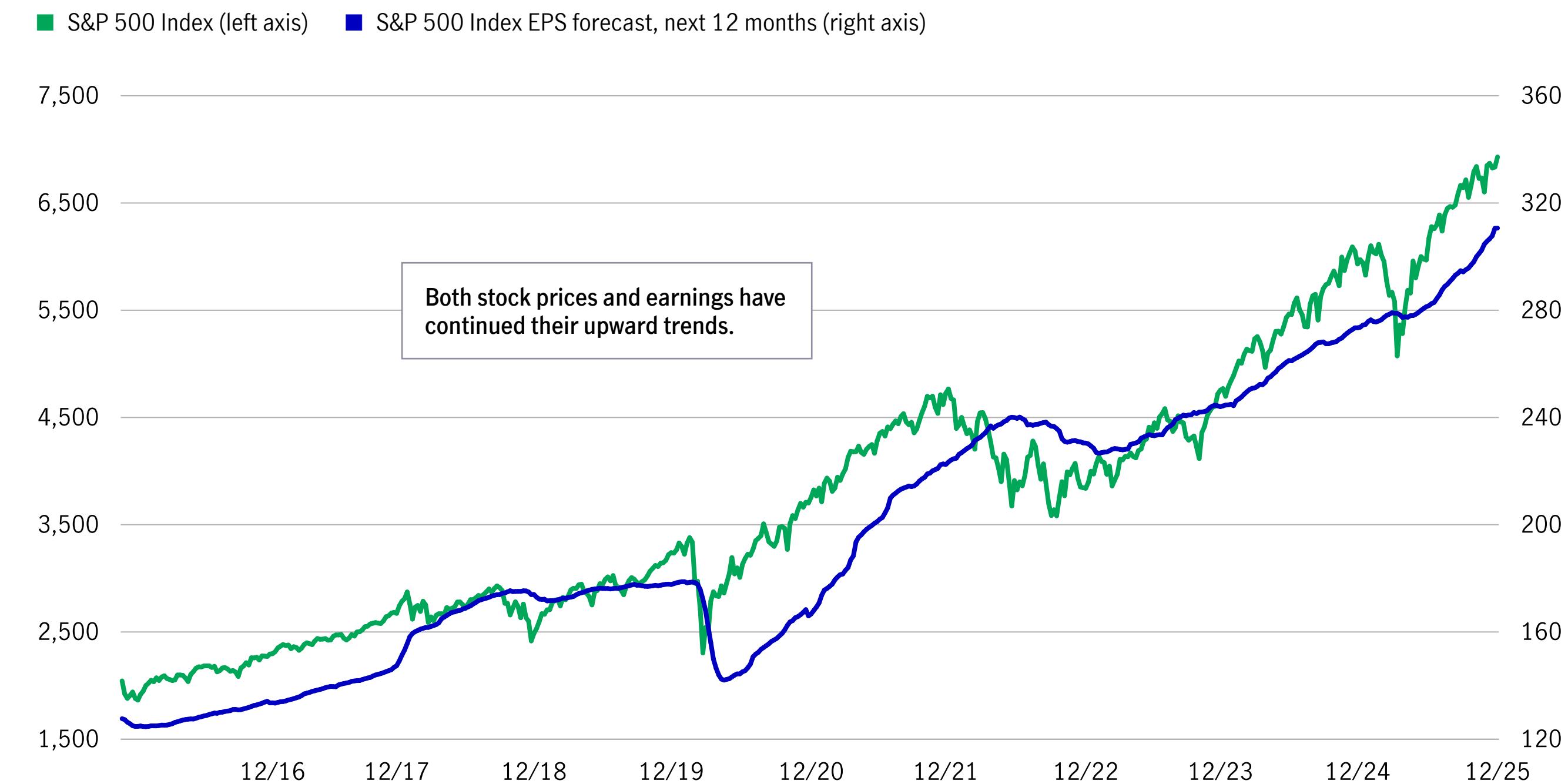
- Initial jobless claims over 300K
- High-yield spreads over 5%
- Unemployment rate of 5% or more

Source: FactSet, as of 12/31/25. The Bloomberg U.S. Corporate HY Index tracks the performance of U.S. high-yield corporate bonds. It is not possible to invest directly in an index. Past performance does not guarantee future results.

Earnings estimates are rising but may be overly optimistic



Stock prices and earnings estimates have historically tended to move together over time



EPS growth estimates, YoY (%)	2025	2026
Information technology	24.36	28.28
Communication services	17.54	11.68
Financials	13.30	9.58
S&P 500 Index	12.34	14.86
Healthcare	12.27	9.44
Industrials	7.61	15.03
Utilities	7.04	9.71
Consumer discretionary	6.09	11.07
Materials	5.56	21.03
Real estate	3.41	5.10
Consumer staples	0.02	7.38
Energy	-9.90	6.40

Source: FactSet, as of 12/31/25. 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. Earnings per share (EPS) is a measure of how much profit a company has generated calculated by dividing the company's net income by its total number of outstanding shares. YoY refers to year over year. No forecasts are guaranteed. Past performance does not guarantee future results.

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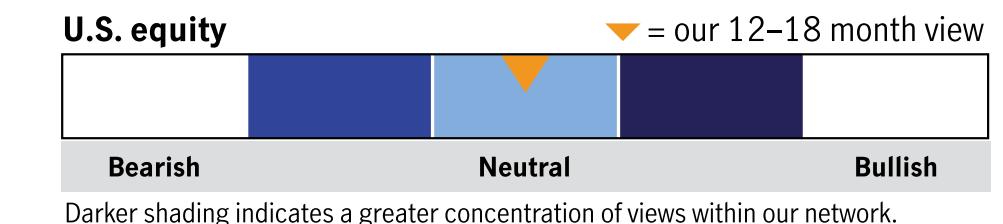
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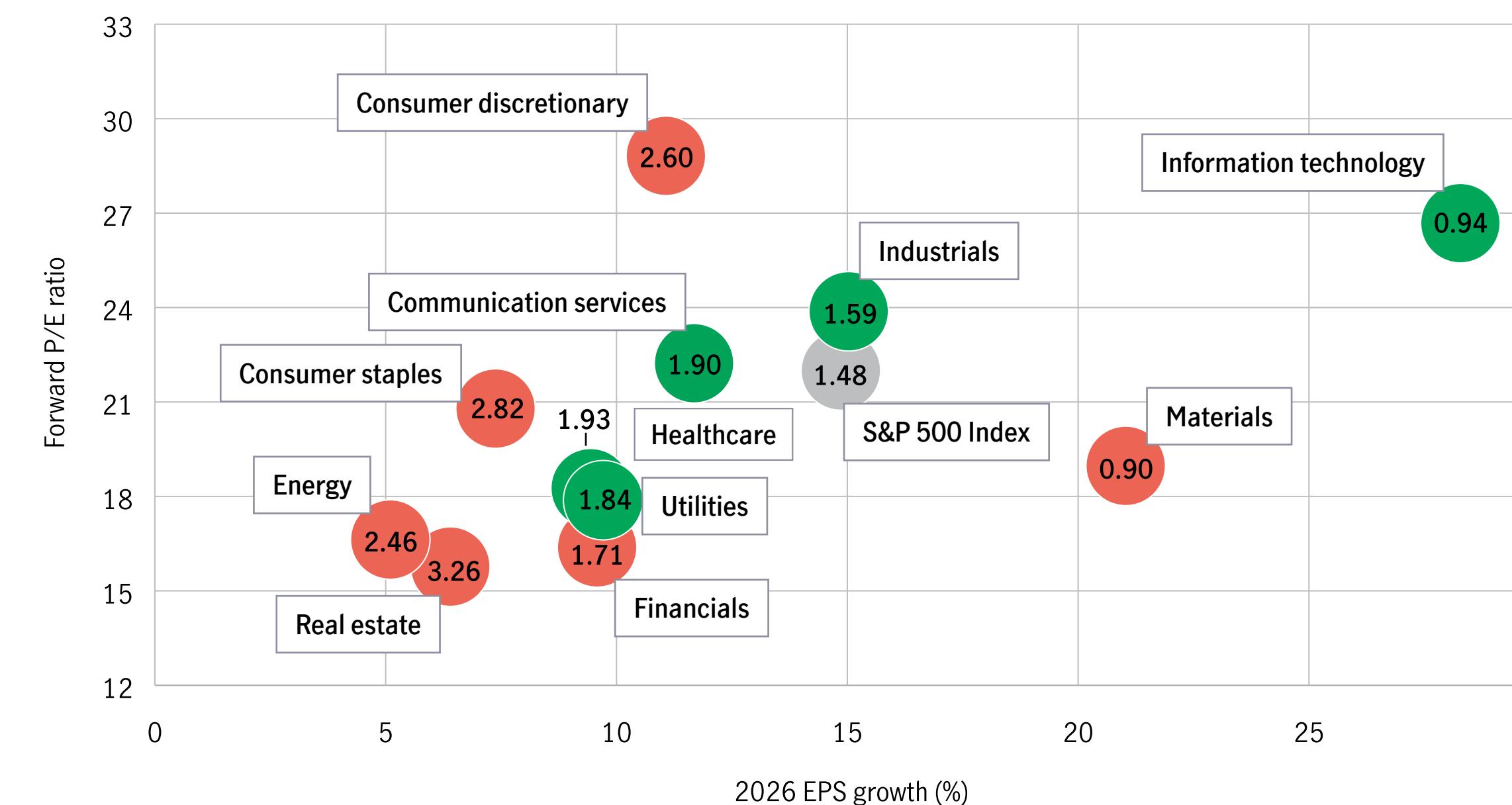
Favoring sectors that offer quality growth at a reasonable price



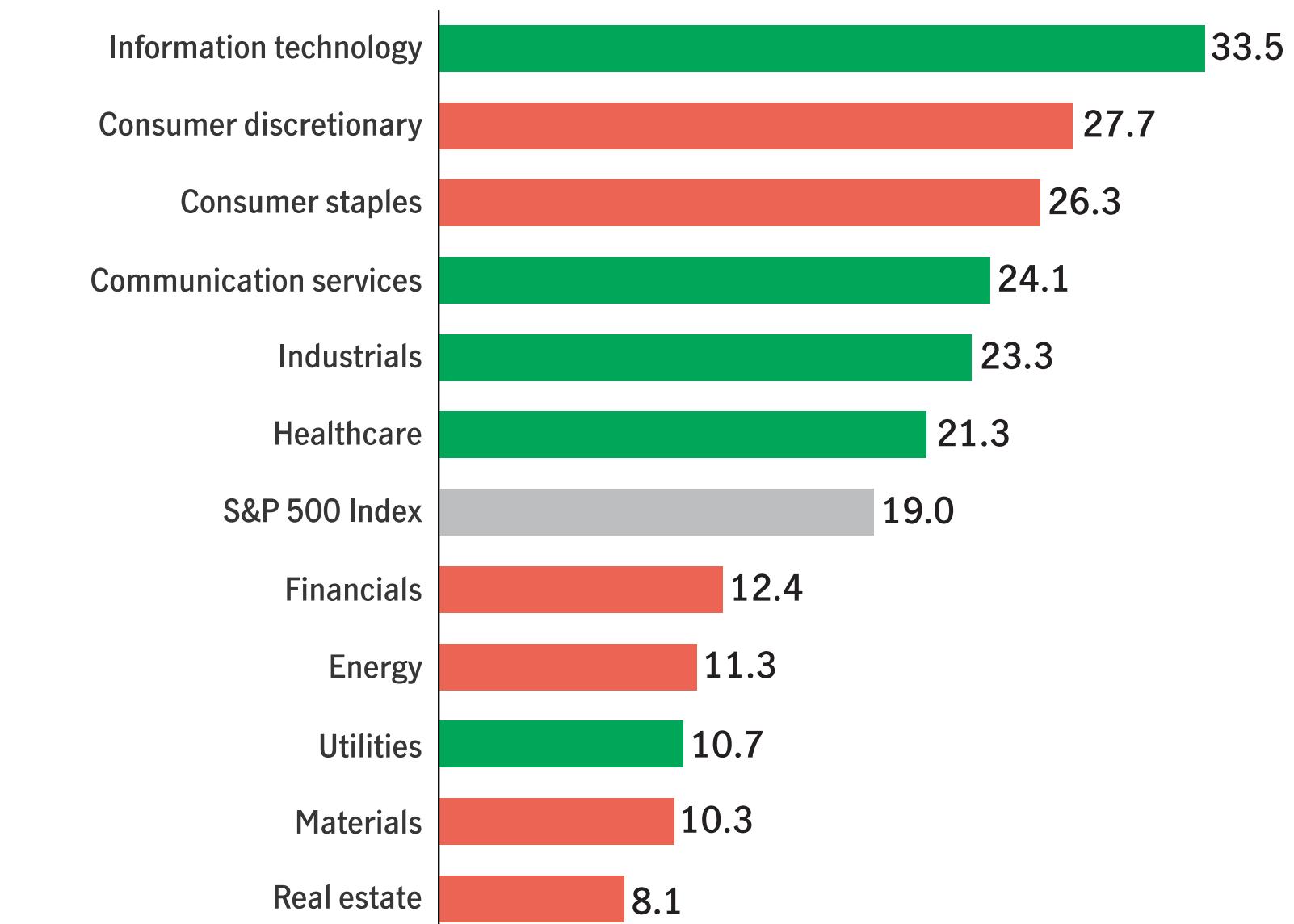
Amid elevated valuations, we're looking for areas of the market where we believe prices are justified by the potential for growth

$$\text{PEG} = \frac{\text{P/E}}{\text{G}}$$

Overweight (green), Neutral (gray), Underweight (red)



We're focusing on sectors with a high ROE (%)



Source: FactSet, as of 12/31/25. The PEG ratio refers to the price/earnings-to-growth ratio, which measures whether a stock is fairly valued by comparing its price-to-earnings (P/E) ratio to its expected earnings growth rate. Price-to-earnings (P/E) ratio is a valuation metric that compares the ratio of a company's stock price with the company's earnings per share (EPS). Earnings per share (EPS) is a measure of how much profit a company has generated calculated by dividing the company's net income by its total number of outstanding shares. 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.

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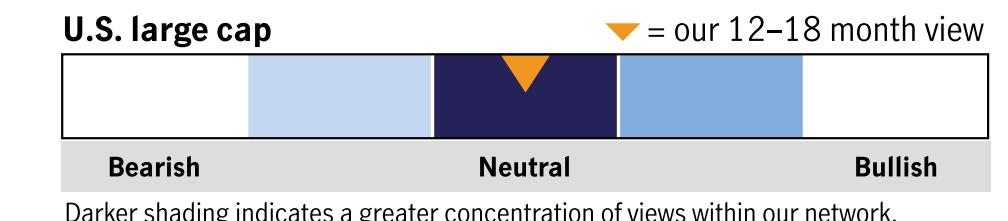
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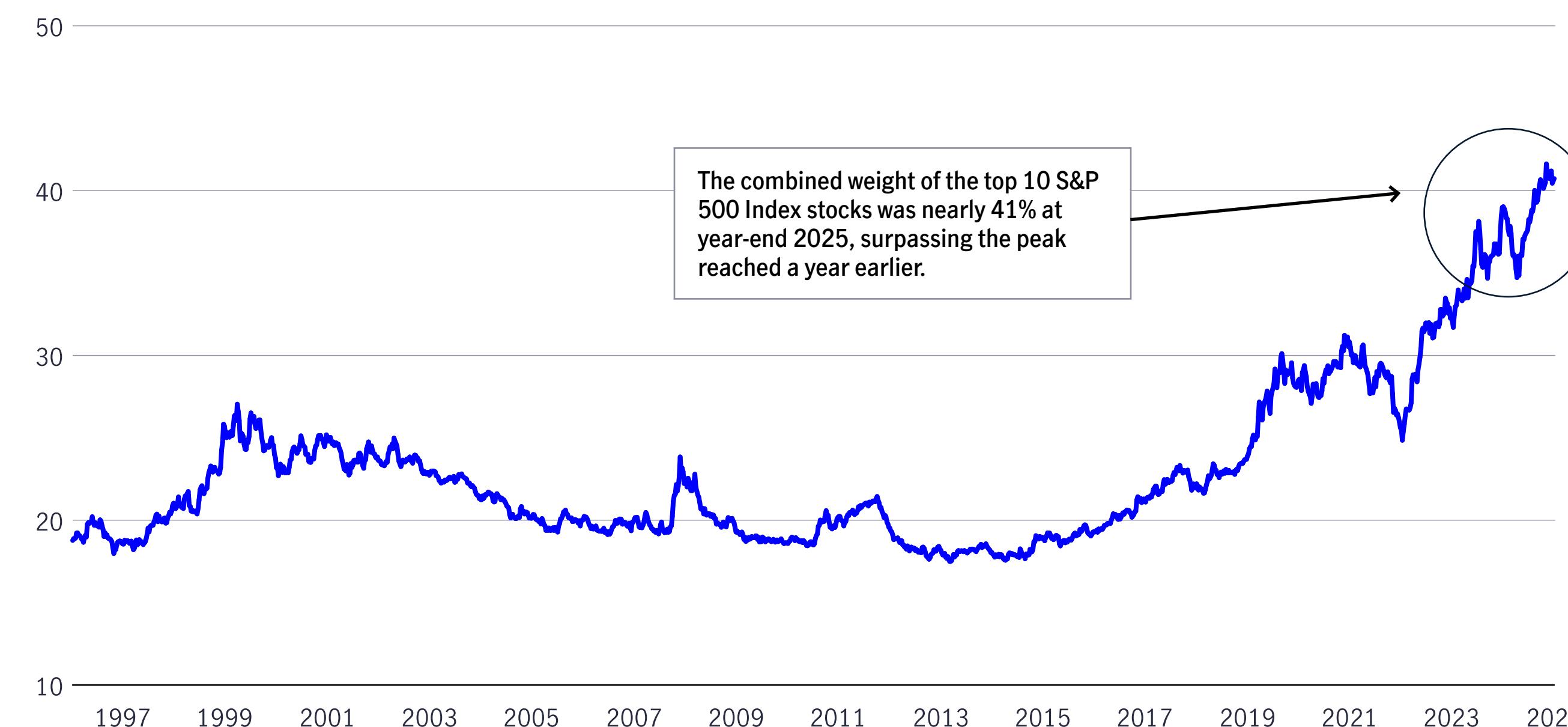
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U.S. large caps face concentration and valuation risks



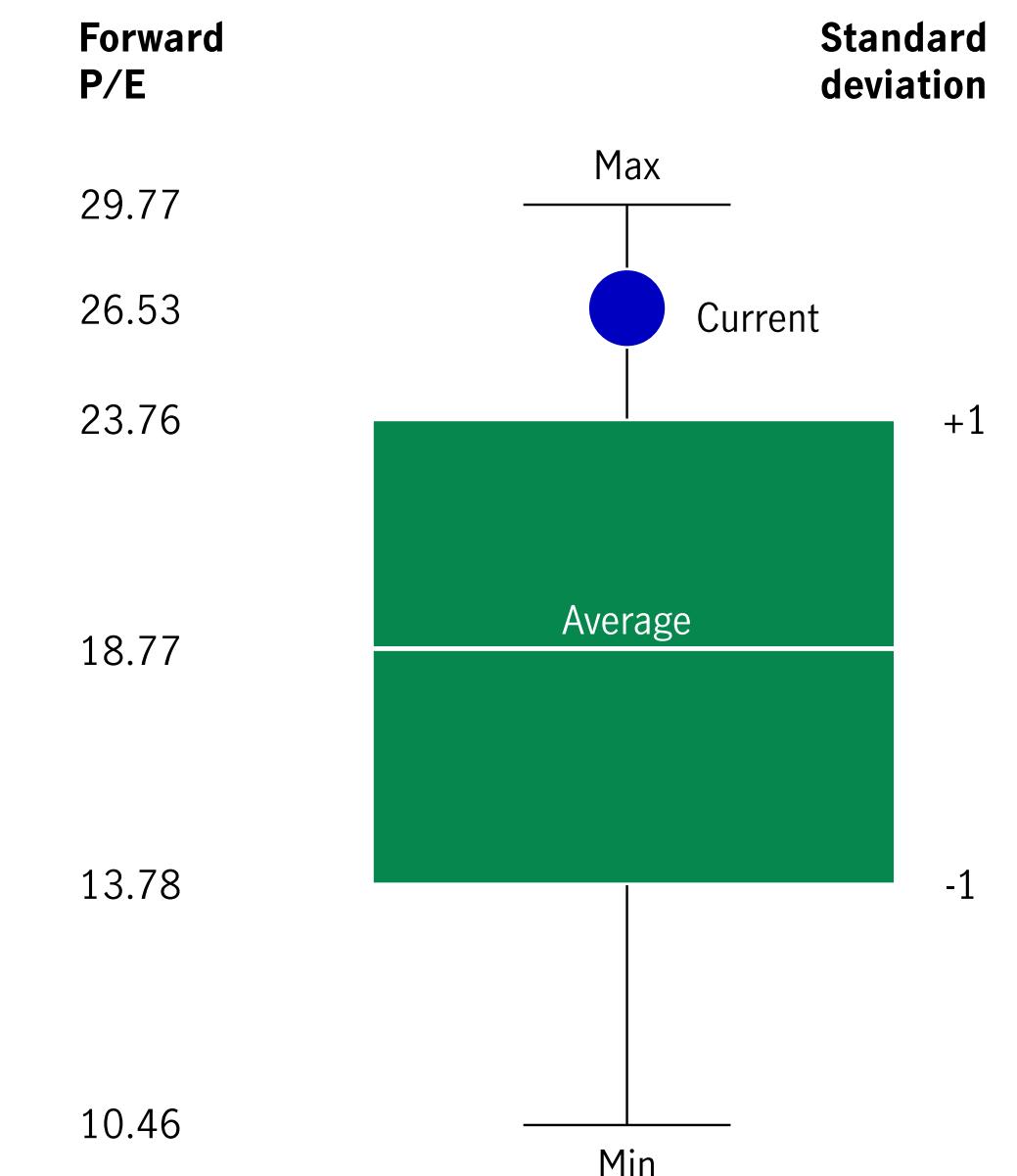
Mega-cap tech stocks make up a significant portion of the S&P 500 Index

■ S&P 500 Index top 10 weights



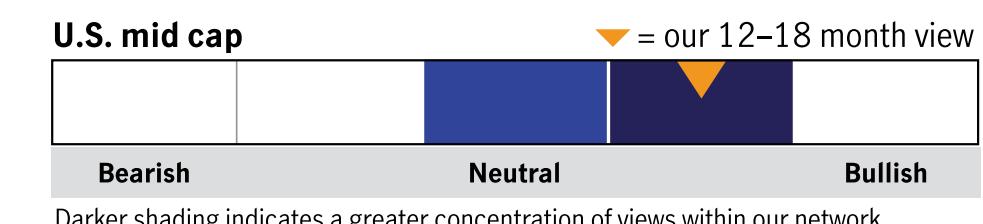
Large-cap growth stocks still look expensive relative to history

20-year forward P/E range



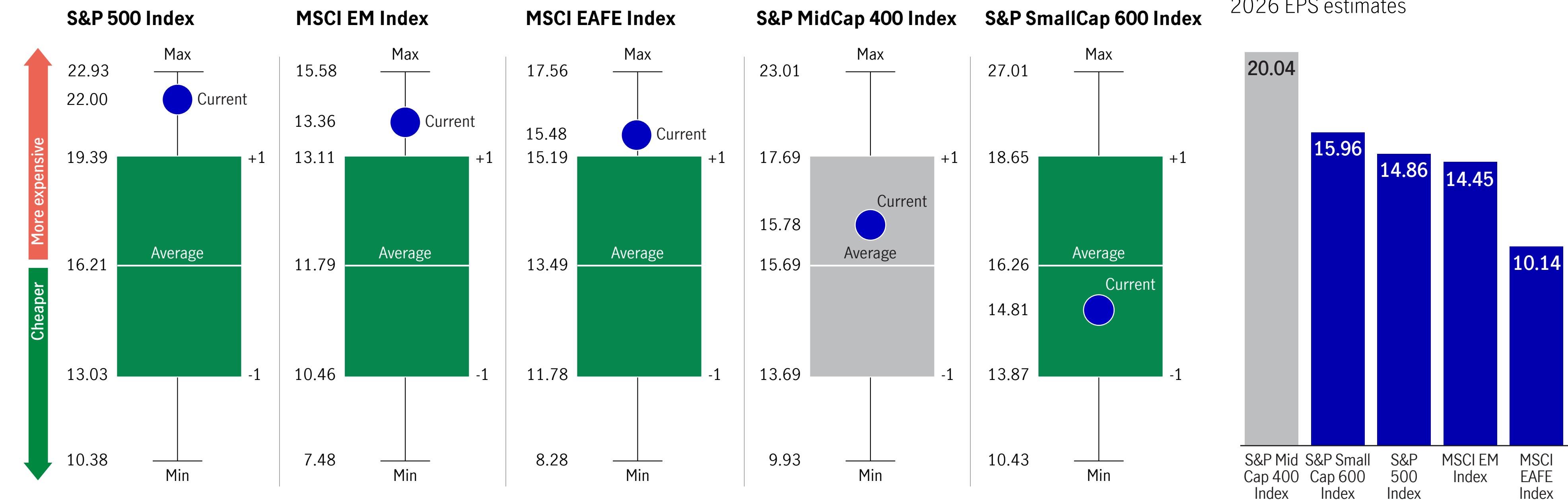
Source: FactSet, as of 12/31/25. The S&P 500 Index tracks the performance of 500 of the largest publicly traded companies in the United States. It is not possible to invest directly in an index. The forward price-to-earnings (P/E) ratio is a stock valuation measure comparing the current share price of a stock with the underlying company's estimated earnings per share over the next 12 months. Standard deviation is a statistical measure of the historical volatility of a portfolio. It measures the fluctuation of the portfolio's periodic returns from the mean or average. The larger the deviation, the larger the standard deviation and the higher the risk.

U.S. mid- and small-cap stocks offer both attractive value and strong earnings potential



While large-cap indexes look expensive, mid- and small-cap stocks appear to offer better value

Current forward P/E ratios vs. 20-year averages



Source: FactSet, S&P Global, MSCI, as of 12/31/25. Price-to-earnings (P/E) ratio is a valuation metric that measures the ratio of a company's stock price to its earnings per share. Earnings per share (EPS) is one measure of a company's profitability, calculated by dividing the company's net income by its total number of outstanding shares of stock. The S&P 500 Index tracks the performance of 500 of the largest publicly traded companies in the United States. The MSCI Emerging Markets (EM) Index tracks the performance of large- and mid-cap EM stocks. The MSCI Europe, Australasia, and Far East (EAFE) Index tracks the performance of large- and mid-cap stocks of companies in those regions. The S&P MidCap 400 Index tracks the performance of 400 mid-cap companies in the United States. The S&P SmallCap 600 Index tracks the performance of 600 small-cap companies in the United States.

It is not possible to invest directly in an index. **Past performance is no guarantee of future results.**

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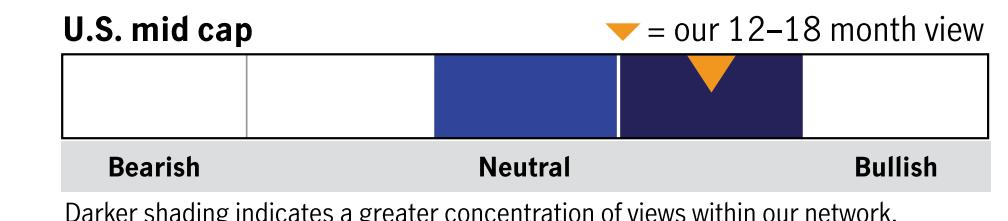
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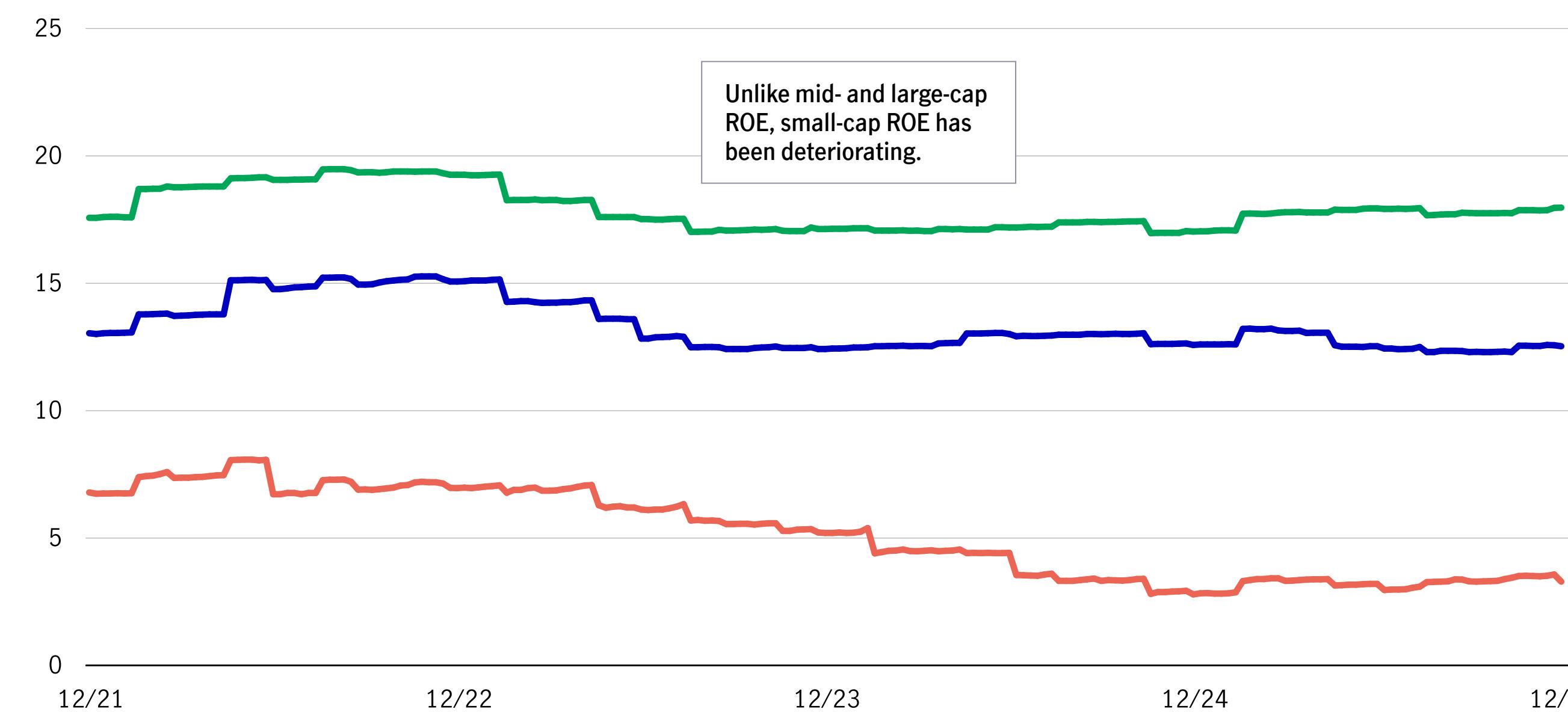
From a quality standpoint, mid caps are superior to small caps



Small caps offer value, but come with lower ROE and profitability

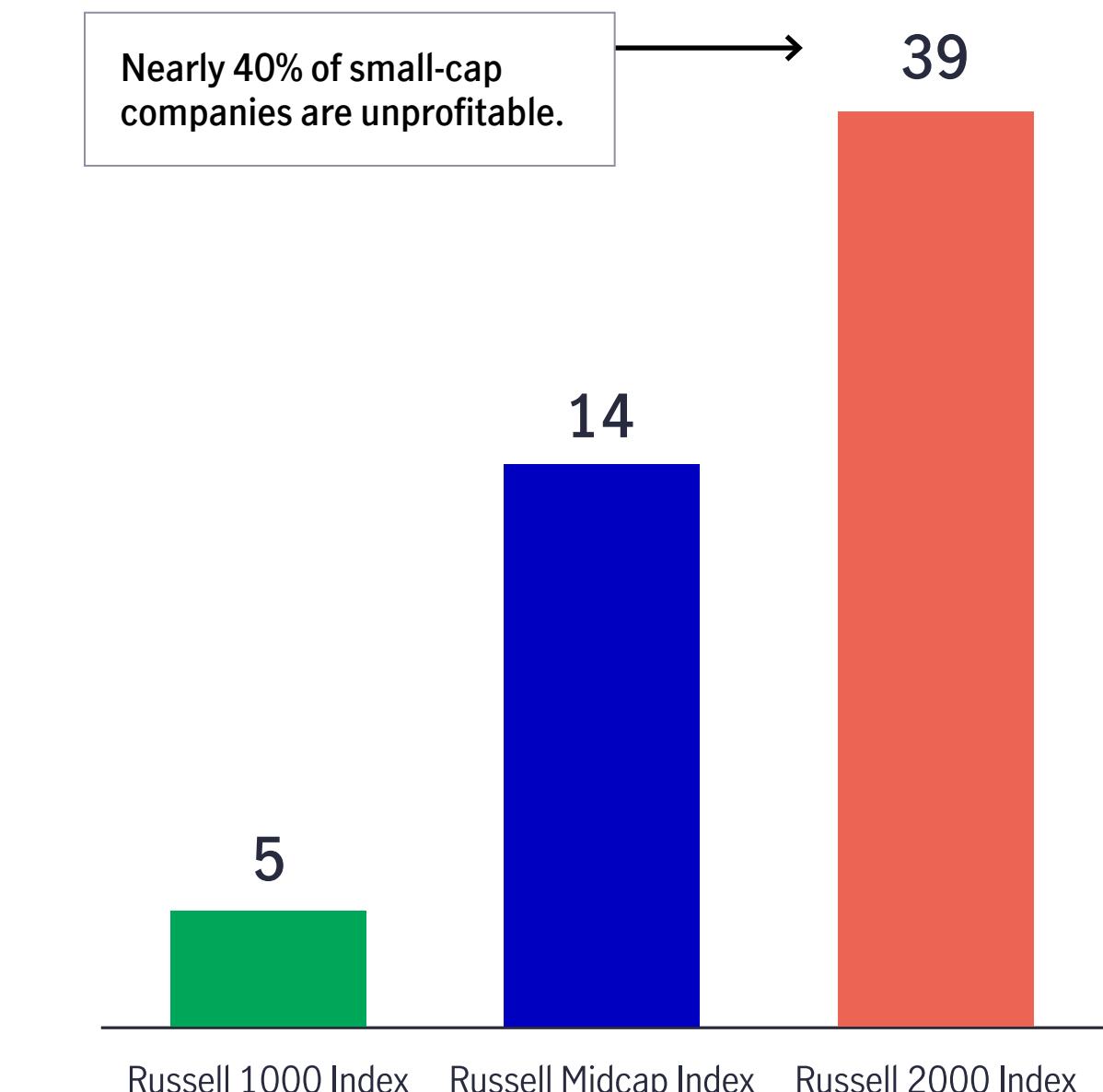
ROE (%), 12/31/21–12/31/25

Russell 1000 Index Russell Midcap Index Russell 2000 Index



The vast majority of mid caps are profitable

Allocation to unprofitable companies (%)



Source: FactSet, FTSE Russell, as of 12/31/25. ROE refers to return on equity, which is a measure of profitability based on how many dollars of profit a company generates with each dollar of shareholders' equity. The Russell Midcap Index tracks the performance of approximately 800 mid-cap companies in the United States. The Russell 1000 Index tracks the performance of 1,000 large-cap companies in the United States. The Russell 2000 Index tracks the performance of 2,000 small-cap companies in the United States. It is not possible to invest directly in an index. Past performance is no guarantee of future results.

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International equity: employing an active approach that emphasizes earnings potential

Slowdowns in manufacturing and earnings estimates suggest a late-cycle environment.

Our 12-18 month view: SLIGHTLY NEGATIVE

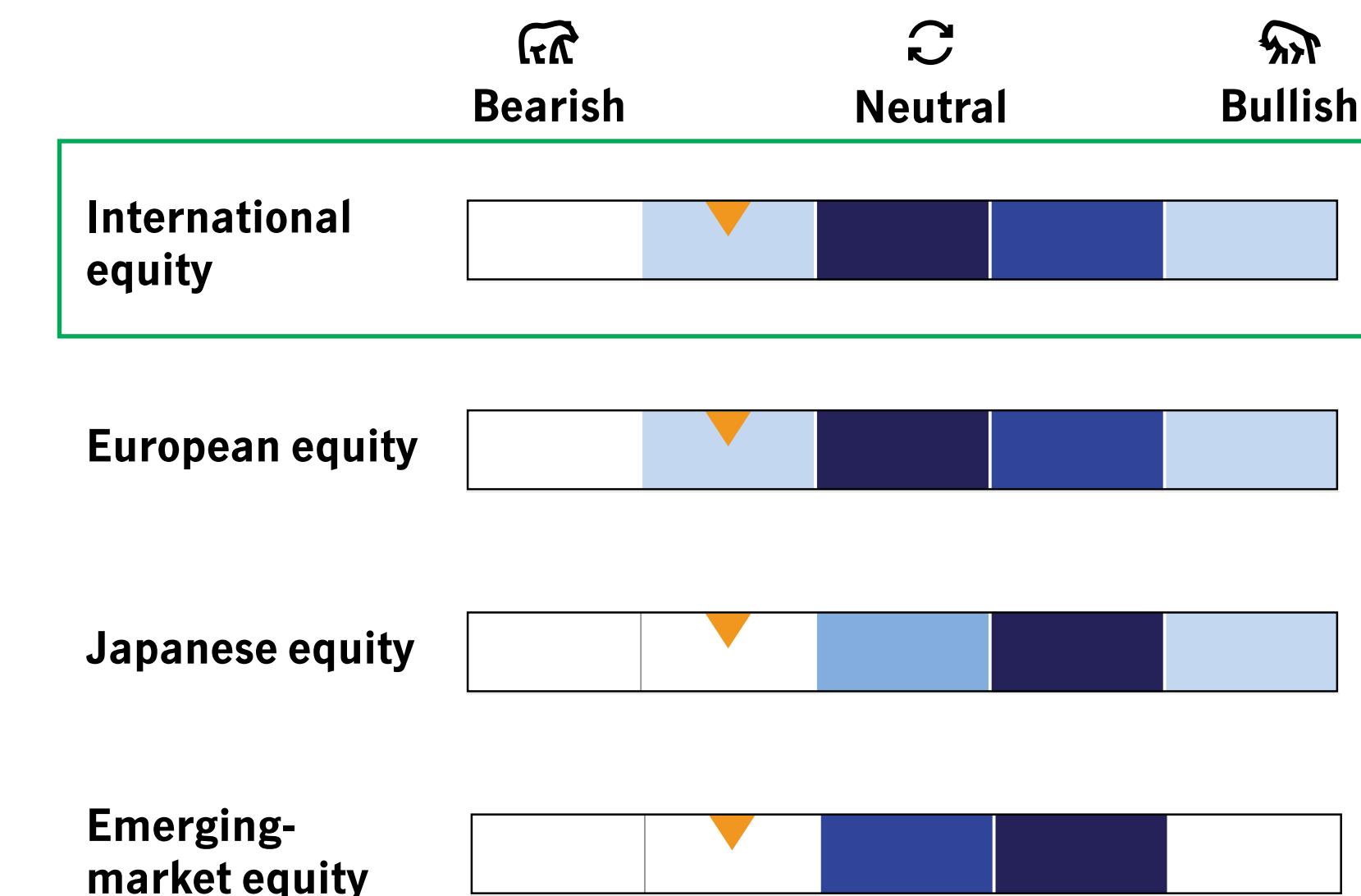
In mid-2022, we downgraded Europe to slightly negative to reduce our exposure to highly cyclical markets; we followed suit by reducing exposure to emerging-market equities in Q4 2022. We've been underweight Japan since mid-2018 due to structurally slow growth.

What's inside

- ④ Manufacturing PMIs abroad exhibit divergences across countries
- ④ Non-U.S. earnings growth estimates for 2026 are materially higher than 2025
- ④ EM earnings estimates have been improving
- ④ The U.S. dollar's direction can have a meaningful impact on relative performance
- ④ In years of big USD declines, assets more negatively correlated to the USD outperform

Range of views from our network

Darker shading indicates a greater concentration of views within our network.



Changes to network views: During the fourth quarter, the consensus view remained neutral on European equities, with positive conviction increasing. Japanese stocks remain an overweight, while our network is slightly positive on emerging-market equities.

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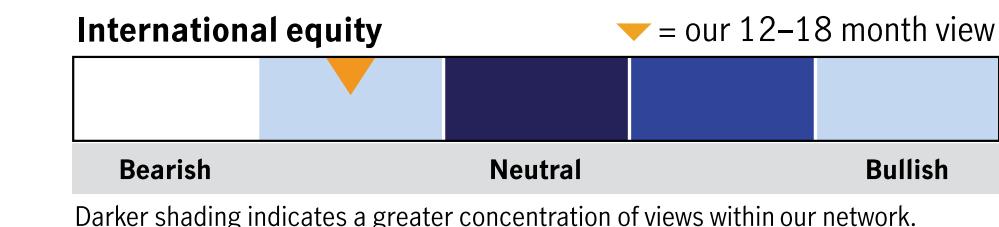
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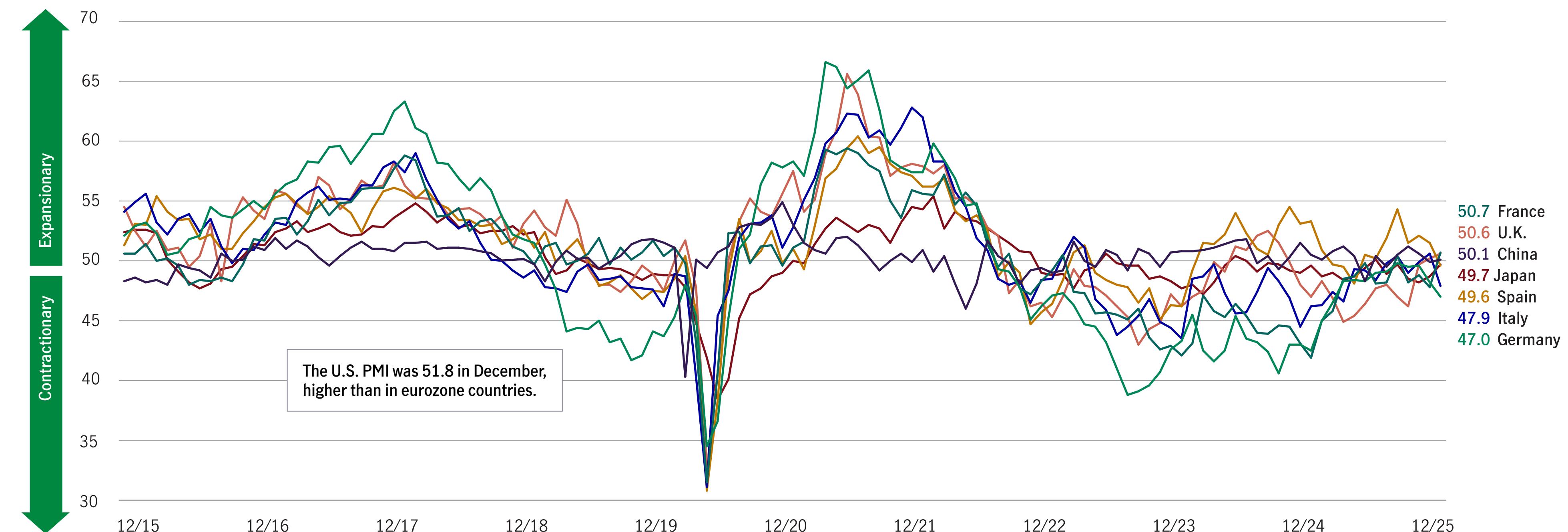
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Manufacturing PMIs abroad exhibit divergences across countries



Overseas, manufacturing PMIs near 50 signal that manufacturing is stagnating



Source: Markit, World Bank, FactSet, as of 12/31/25. The Purchasing Managers' Index (PMI) tracks the economic activity of the manufacturing sector in the United States. It is not possible to invest directly in an index. Past performance does not guarantee future results.

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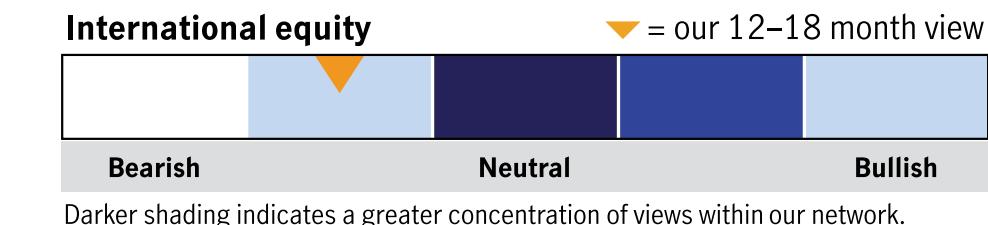
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Non-U.S. earnings growth estimates for 2026 are materially higher than 2025



Non-U.S. developed markets earnings growth is the lowest globally, but still positive

■ MSCI EAFE Index (right axis) ■ MSCI EAFE Index EPS forecast, next 12 months (left axis)



EPS growth estimates, YoY (%)	2025	2026
Communication services	31.03	-2.51
Information technology	16.30	17.63
Financials	10.81	9.06
Real estate	9.61	6.13
Utilities	6.82	-0.80
Healthcare	6.11	8.05
MSCI EAFE Index	4.08	10.14
Consumer staples	3.59	10.28
Industrials	-0.56	10.36
Materials	-3.61	20.06
Consumer discretionary	-9.50	24.28
Energy	-17.54	2.79

Source: FactSet, as of 12/31/25. Earnings per share (EPS) is a measure of how much profit a company has generated calculated by dividing the company's net income by its total number of outstanding shares. YoY refers to year over year. The MSCI Europe, Australasia, and Far East (EAFE) Index tracks the performance of large- and mid-cap stocks of companies in those regions. It is not possible to invest directly in an index. No forecasts are guaranteed. Past performance does not guarantee future results.

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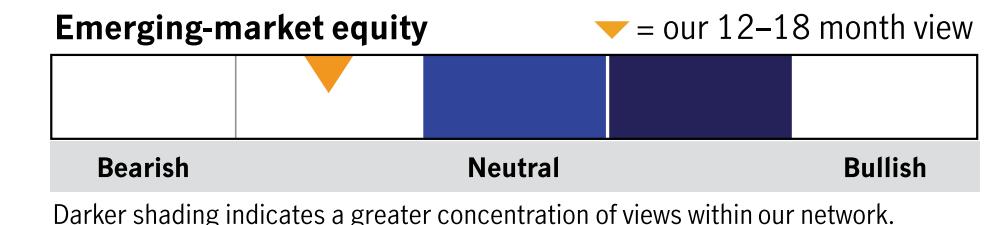
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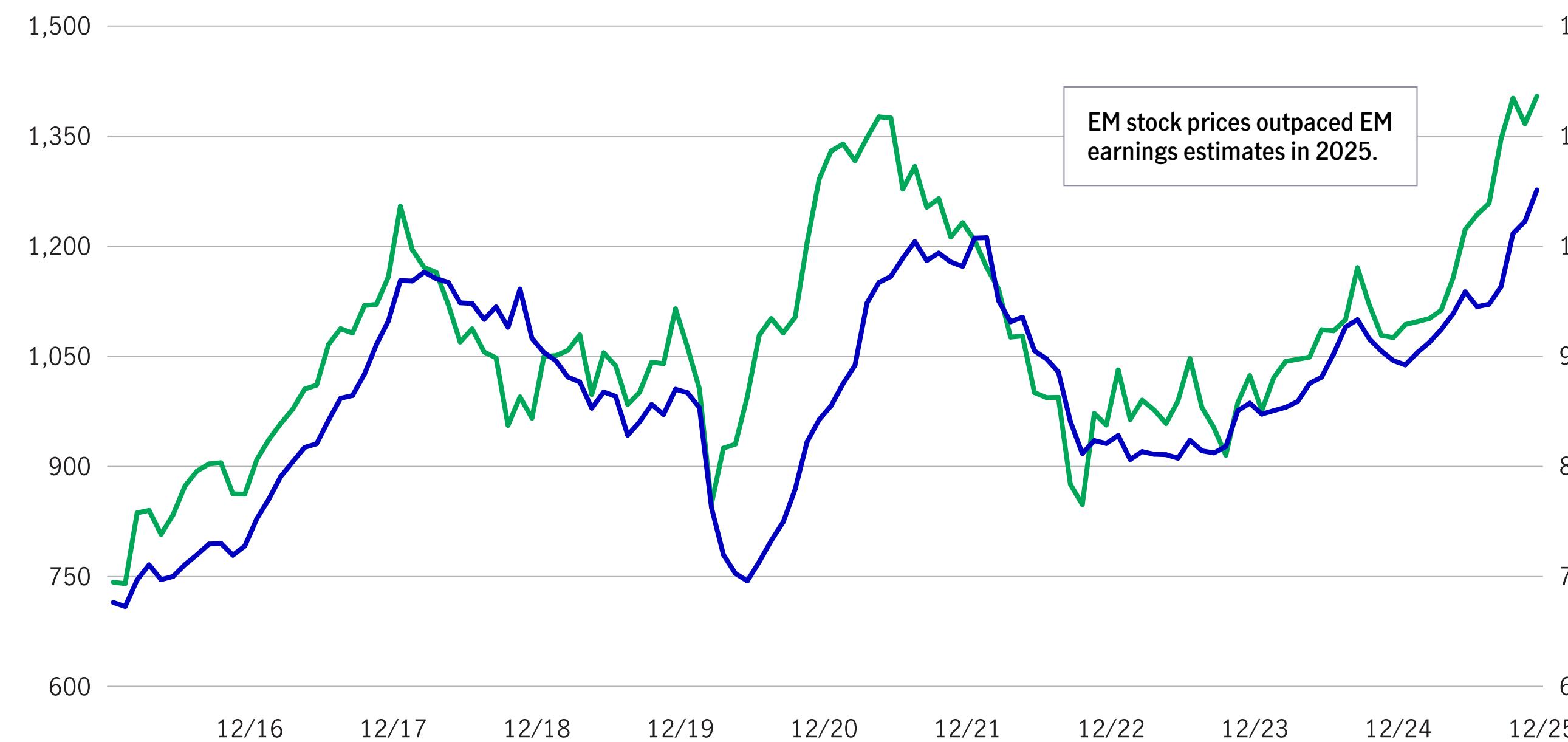
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EM earnings estimates have been improving



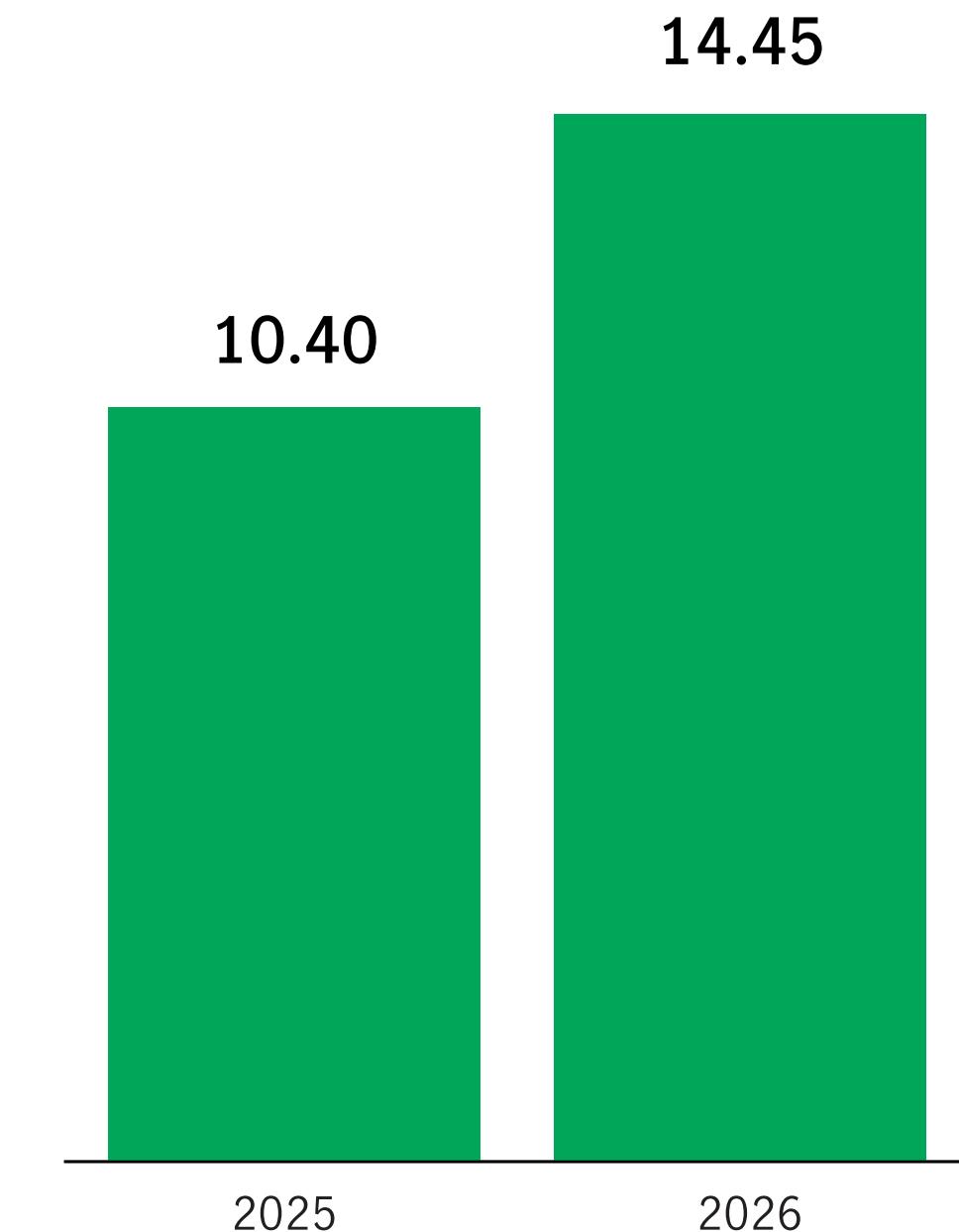
EM earnings estimates rose in 2025 and surpassed the previous decade's highs

■ MSCI EM Index (left axis) ■ MSCI EM Index EPS forecast, next 12 months (right axis)



MSCI EM Index YoY earnings growth estimates (%)

Actual vs. estimate



Source: FactSet, as of 12/31/25. Earnings per share (EPS) is a measure of how much profit a company has generated calculated by dividing the company's net income by its total number of outstanding shares. YoY refers to year over year. The MSCI Emerging Markets (EM) Index tracks the performance of large- and mid-cap emerging-market stocks. It is not possible to invest directly in an index. No forecasts are guaranteed. Past performance does not guarantee future results.

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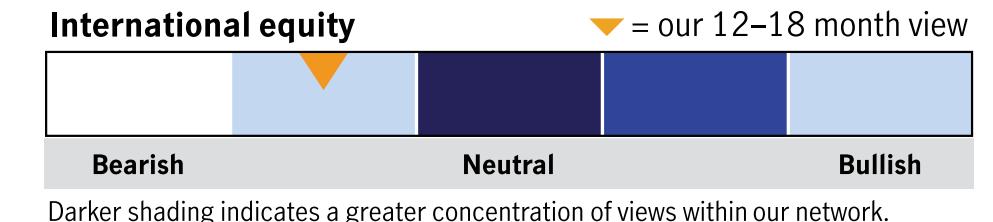
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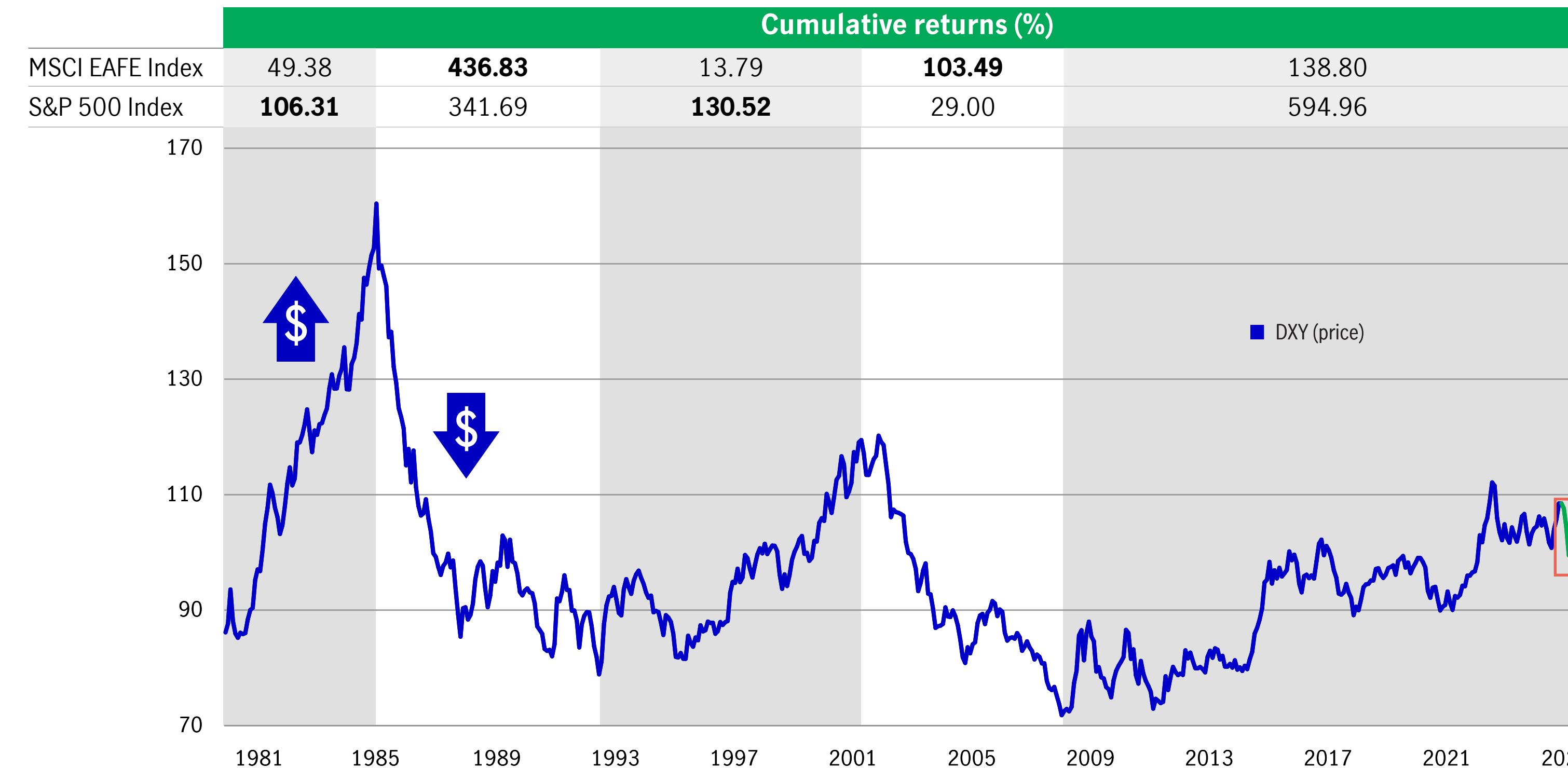
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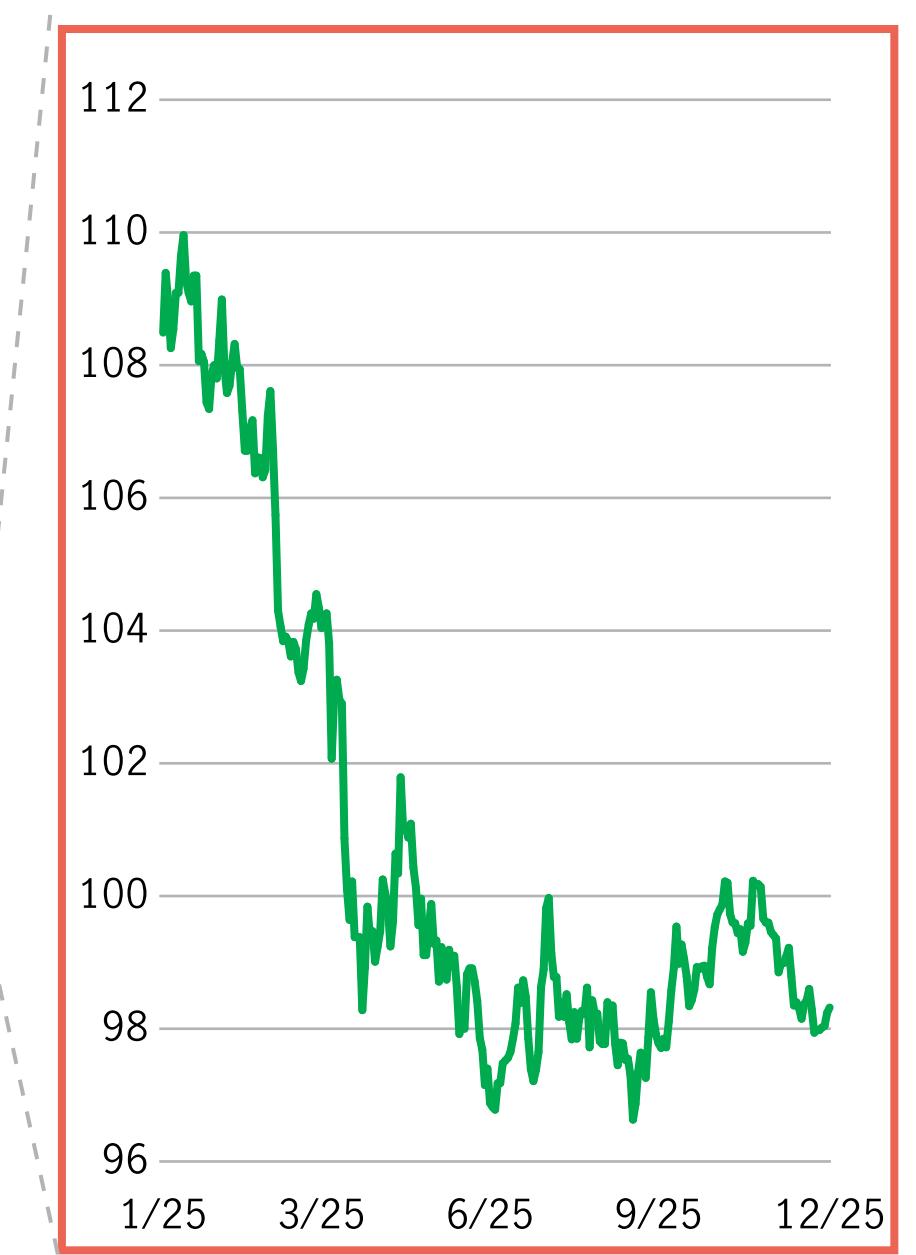
The U.S. dollar's direction can have a meaningful impact on relative performance



Darker shading indicates a greater concentration of views within our network.



The USD weakened in 2025 and has struggled to recover



Source: FactSet, as of 12/31/25. The U.S. Dollar Index (DXY) tracks the performance of the U.S. dollar (USD) relative to the value of a basket of world currencies. The MSCI Europe, Australasia, and Far East (EAFE) Index tracks the performance of large- and mid-cap stocks of companies in those regions. 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. Past performance does not guarantee future results.

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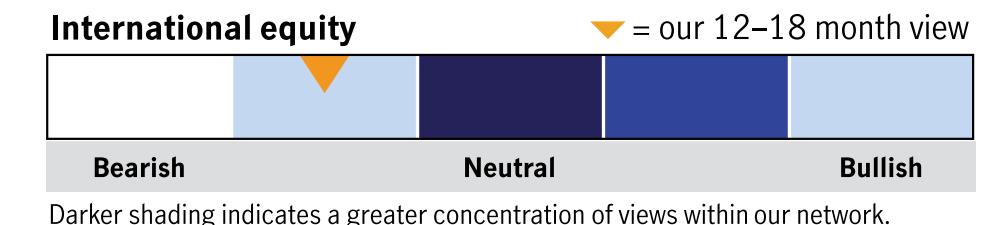
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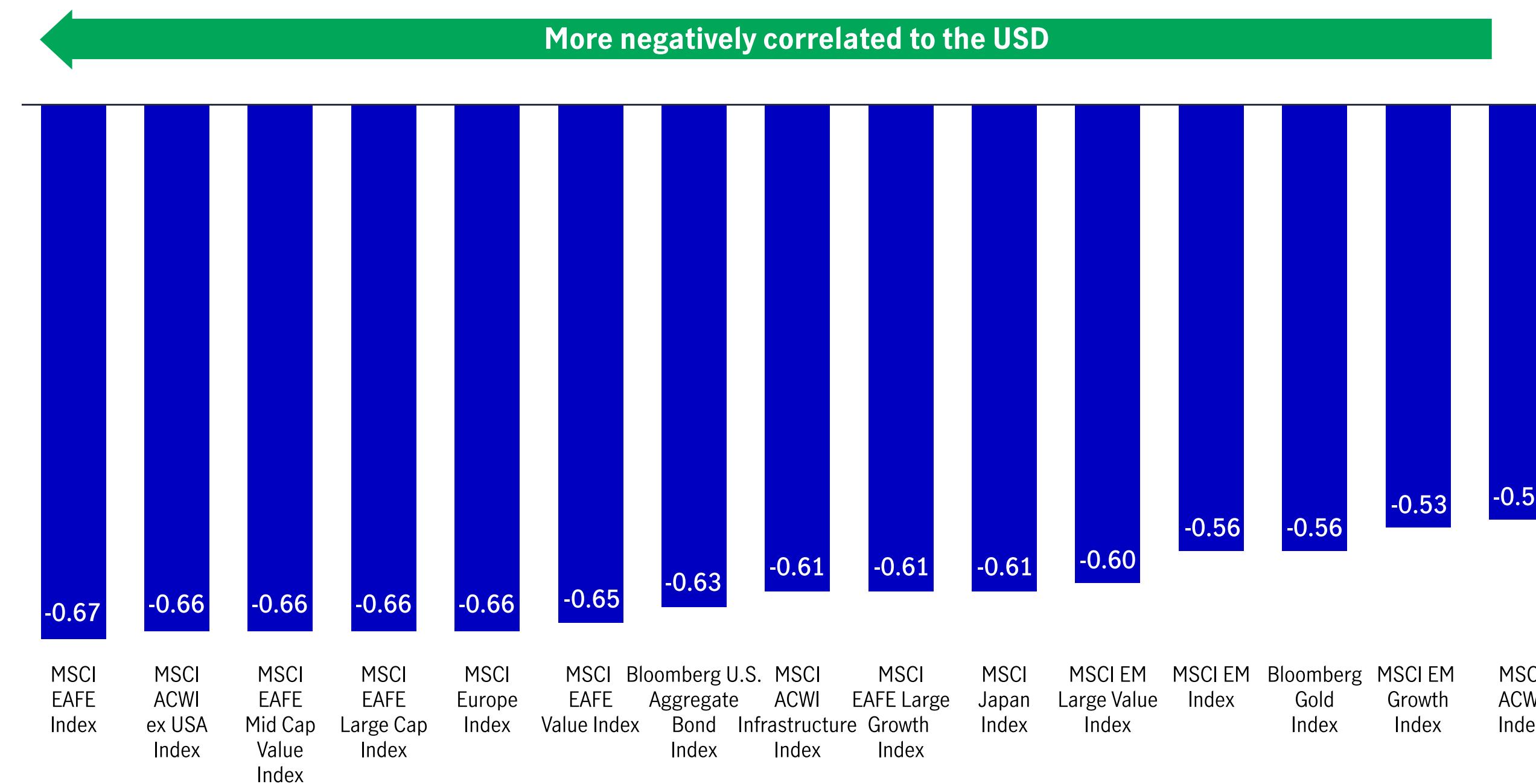
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In years of big USD declines, assets more negatively correlated to the USD outperform



Over the past five years, several non-U.S. indexes were the most negatively correlated to the USD

Asset class correlations to the USD, 12/31/20-12/31/25



How a weaker U.S. dollar (USD) drives asset class returns

- **Unhedged non-U.S. stocks** typically benefit from positive currency translation as foreign currencies strengthen.
- **U.S. bonds (Bloomberg Agg)** tend to experience gains as a weaker USD often follows lower U.S. interest rates.
- **Gold and commodities** are priced in USD and may therefore see price appreciation when the USD loses value.
- **Global equities** may fare well as multinational U.S. companies also benefit from stronger overseas revenues.

Source: FactSet, MSCI, Bloomberg, as of 12/31/25. Correlation is a statistical measure of how two investments move in relation to each other, ranging from -1.0 to 1.0. The closer the number is to 1.0 (perfect positive correlation) or -1.0 (perfect negative correlation), the more closely the two investments' movements are related. It is not possible to invest directly in an index. **Past performance is no guarantee of future results.**

Fixed income: emphasizing high-quality bonds over credit

Late-cycle dynamics call for a targeted approach.

Our 12–18 month view: SLIGHTLY POSITIVE

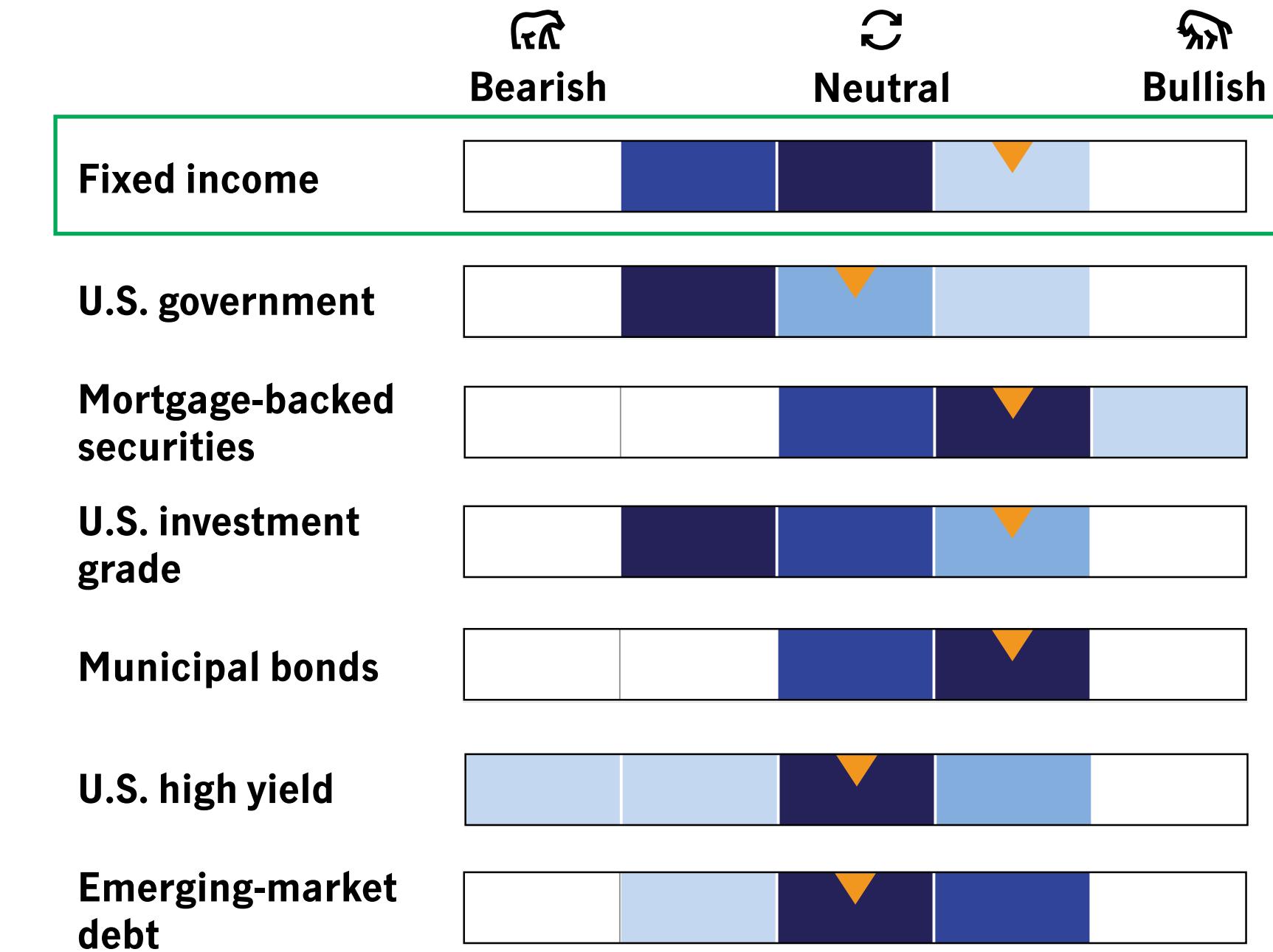
In Q1 2023, we moved from a neutral stance to a slightly positive view on fixed income. In Q3 2025, we upgraded high-yield bonds and emerging-market debt from slightly negative to neutral to prune risk in the context of the overall portfolio. We continue to maintain overweights in mortgage-backed securities (MBS), municipal bonds, and investment-grade corporate bonds.

What's inside

- After a sustained hot streak, shelter—the largest component of inflation—may be cooling off
- Recent indicators point to a weakening U.S. labor market
- We expect the Fed to keep cutting rates through 2026
- Attractive income opportunities abound across markets
- Today's math looks like it has the potential to be favorable for high-quality bonds
- Investment-grade corporates are still trading at prices that are at a discount to par
- Muni yields remain elevated, with potential opportunities across the credit spectrum
- While often riskier and more volatile, EM debt offers attractive yield potential
- Cash balances have increased even as more attractive total return potential is available in high-quality bonds
- By the time investors shift to bonds, it may be too late
- In falling equity markets, a long/short strategy may help improve portfolio returns

Range of views from our network

Darker shading indicates a greater concentration of views within our network.



Changes to network views: During the fourth quarter, the consensus view on fixed income remained neutral. Within this category, our network shifted from neutral to slightly negative on U.S. Treasuries and U.S. investment-grade bonds. The consensus remained overweight both mortgage-backed securities and municipal bonds.

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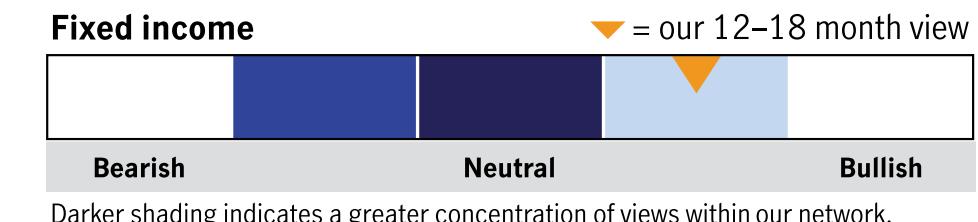
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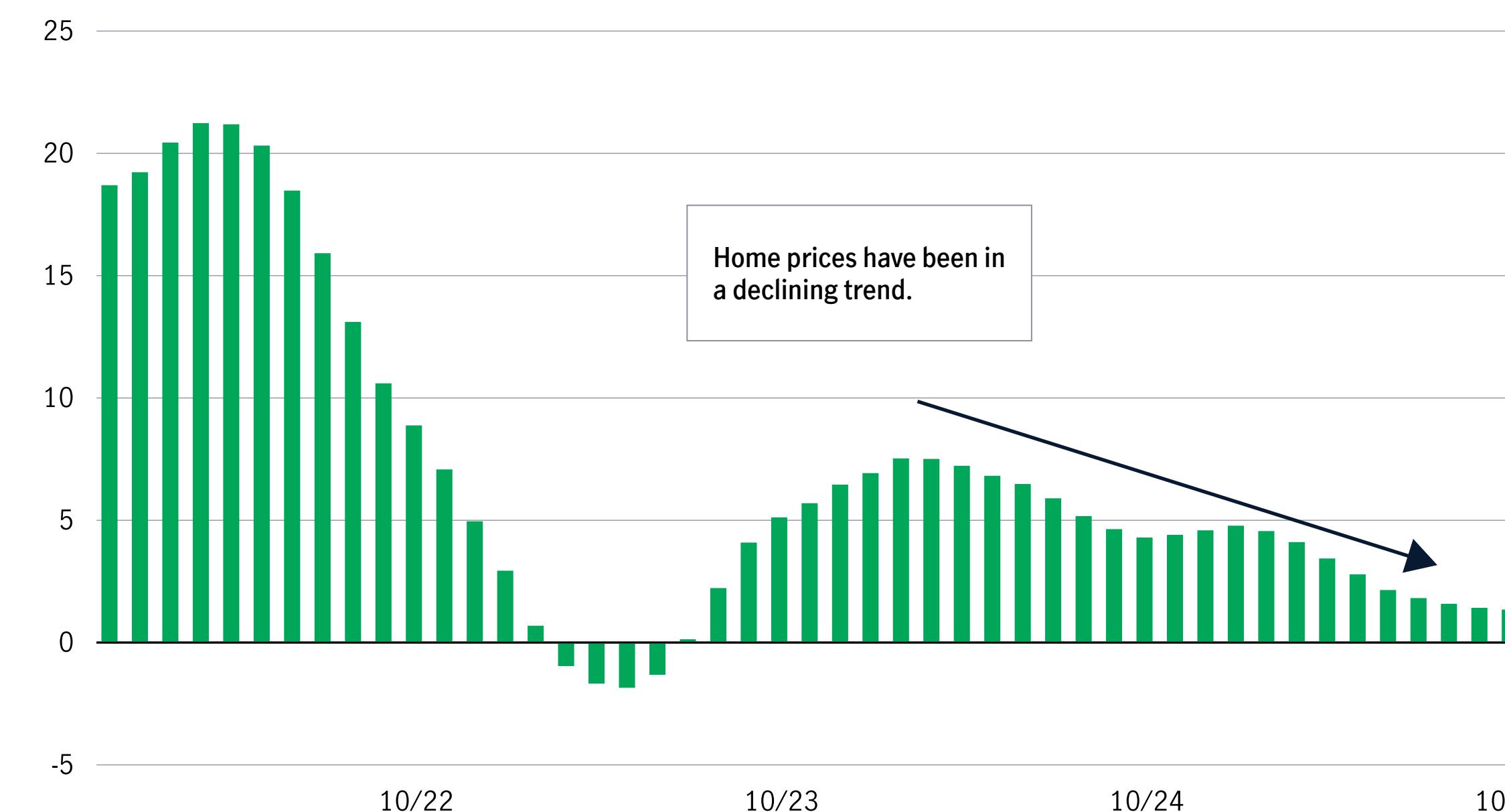
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After a sustained hot streak, shelter—the largest component of inflation—may be cooling off



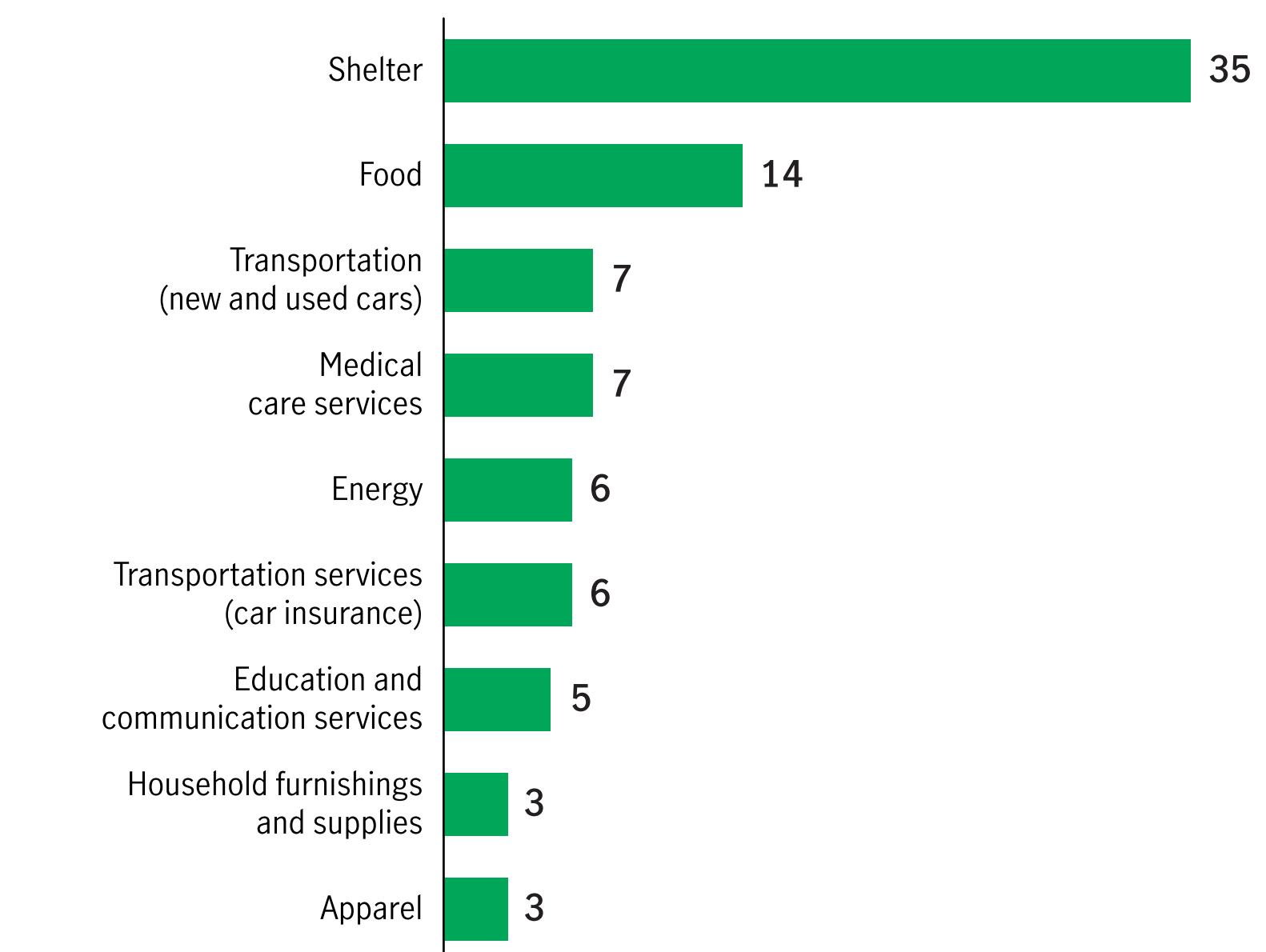
Year-over-year home price gains have eased in recent months

S&P CoreLogic Case-Shiller 20-City Composite Home Price SA Index (%)



Shelter prices account for 35% of U.S. inflation

Weightings of major U.S. CPI components (%)



Source: FactSet, Standard & Poor's, U.S. Bureau of Labor Statistics, as of 10/31/25. The S&P CoreLogic Case-Shiller 20-City Composite Home Price SA Index is a monthly index that tracks changes in the prices of residential real estate across 20 major U.S. metropolitan areas. The U.S. Consumer Price Index (CPI) is a broad measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Index weightings may be subject to change. It is not possible to invest directly in an index. Past performance is no guarantee of future results. No forecasts are guaranteed.

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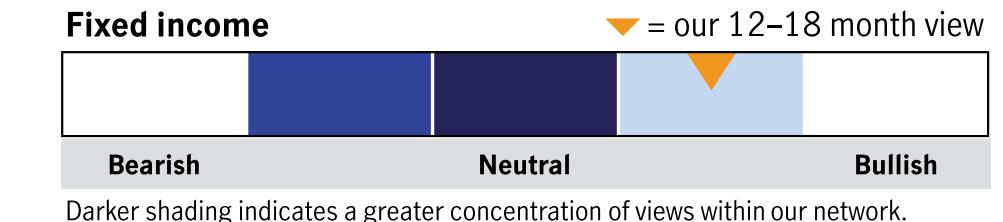
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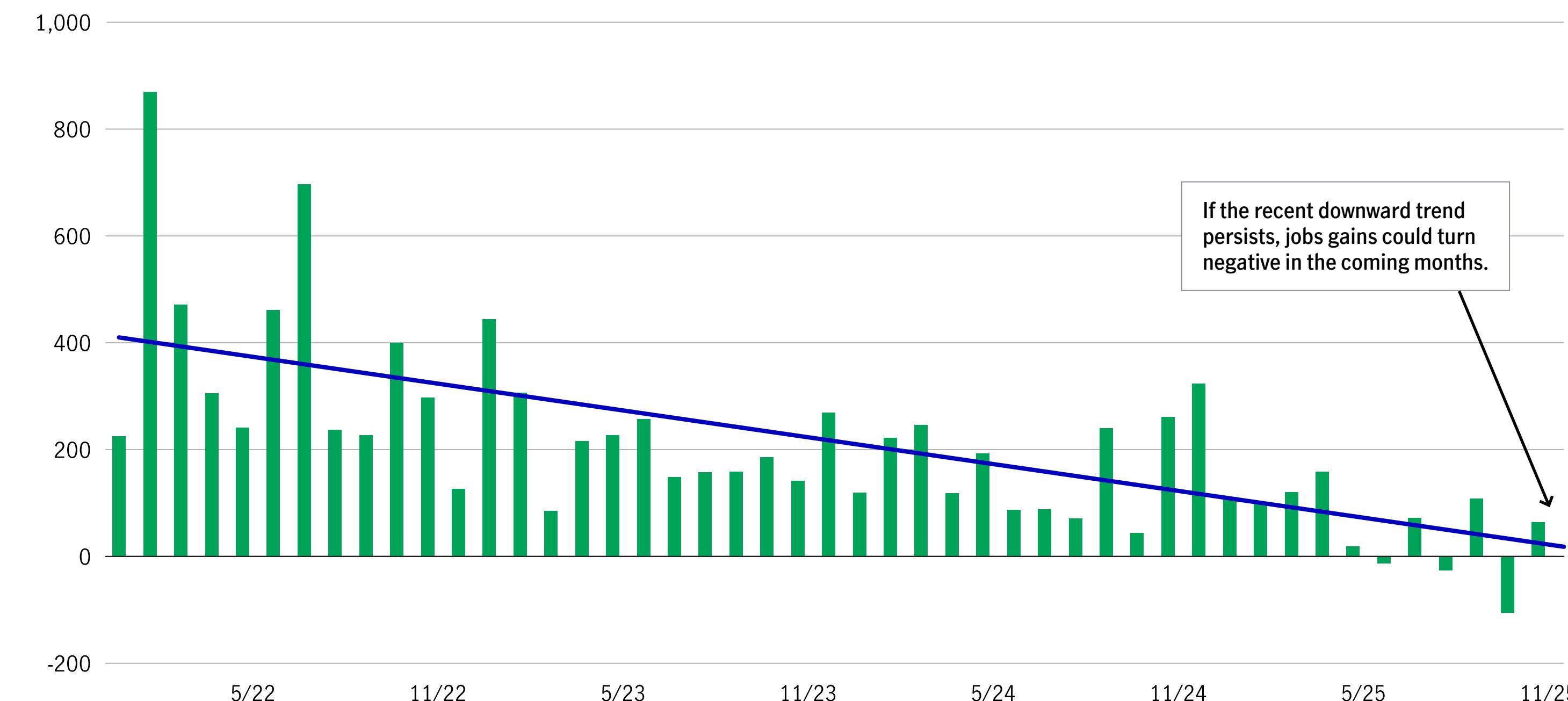
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Recent indicators point to a weakening U.S. labor market



Darker shading indicates a greater concentration of views within our network.

U.S. monthly jobs gains have been moderating for several years now



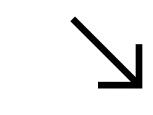
Source: FactSet, U.S. Bureau of Labor Statistics, as of 11/30/25. Based on U.S. non-farm payroll jobs. No forecasts are guaranteed.

Jobs market dashboard

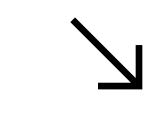
Job growth has been trending down for multiple years now, while the U.S. unemployment rate ticked up to **4.6%** in December 2025. However, still-low initial jobless claims do not signal significant labor market deterioration.

Trend (1-year)

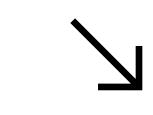
Conference board *jobs hard to get minus jobs plentiful*



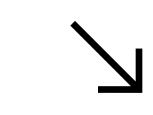
ISM Services & Manufacturing Employment Index



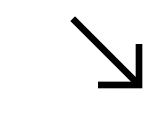
Challenger, Gray & Christmas layoff announcements



Job openings in Job Openings and Labor Turnover Survey (JOLTS)



Initial jobless claims



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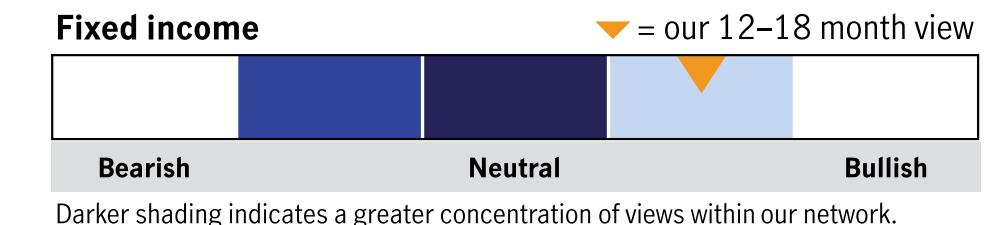
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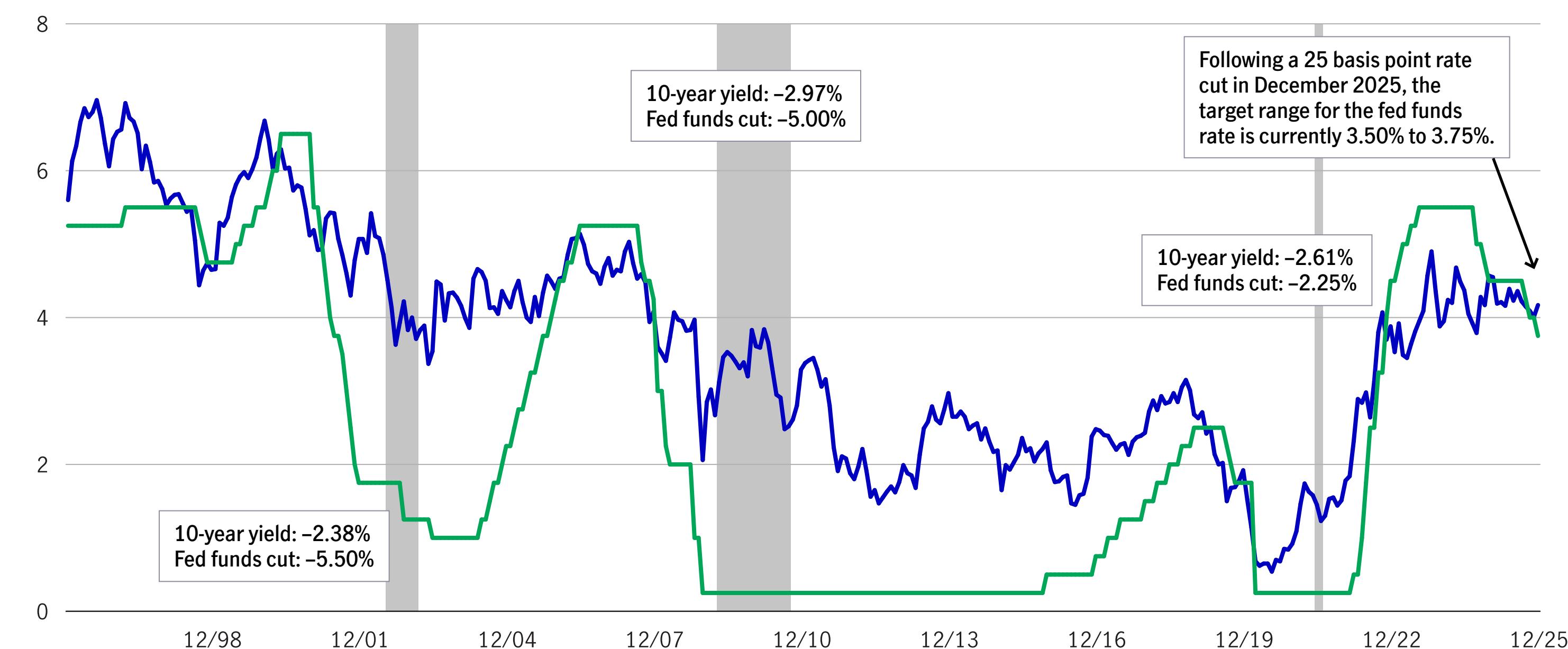
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We expect the Fed to keep cutting rates through 2026



Historically, the fed funds target rate tends to fall further than the 10-year U.S. Treasury yield once the Fed shifts policy

■ Fed funds target rate (%) ■ 10-year U.S. Treasury yield (%) ■ Recession



The CME Group's fed funds rate forecasts into 2026

Fed meeting date	Fed funds rate forecast (%)
1/28/26	3.75
3/18/26	3.50
4/29/26	3.50
6/17/26	3.25
7/29/26	3.25
9/16/26	3.25
10/29/26	3.25
12/9/26	3.25

Source: FactSet, U.S. Federal Reserve, U.S. Treasury, as of 12/31/25. No forecasts are guaranteed.

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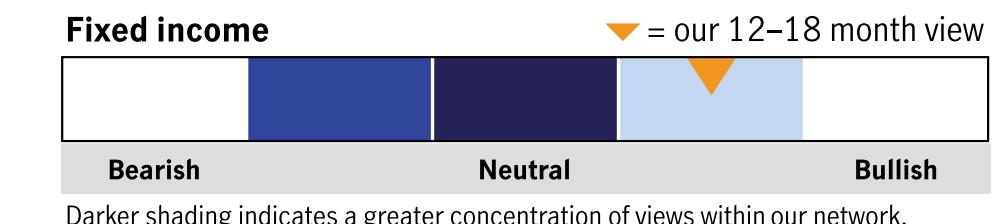
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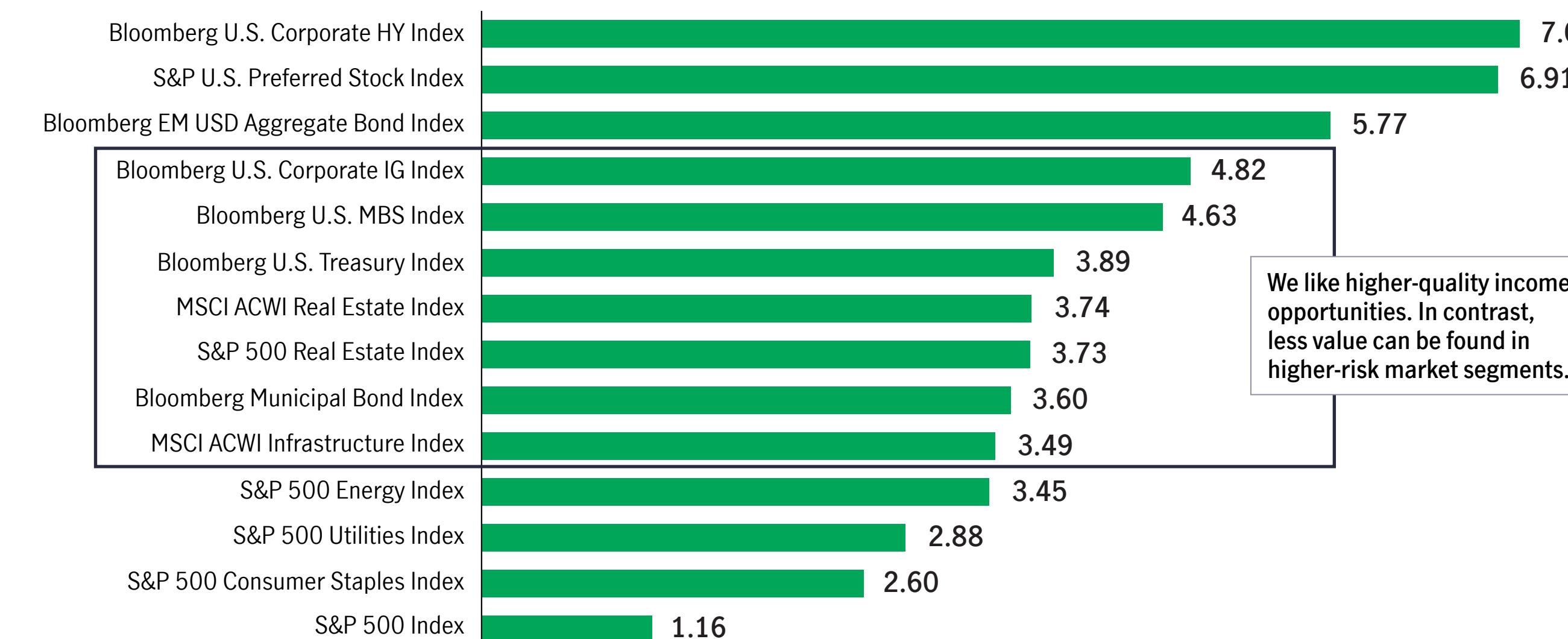
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Attractive income opportunities abound across markets



For income-seeking investors, we see high-quality bonds as the sweet spot

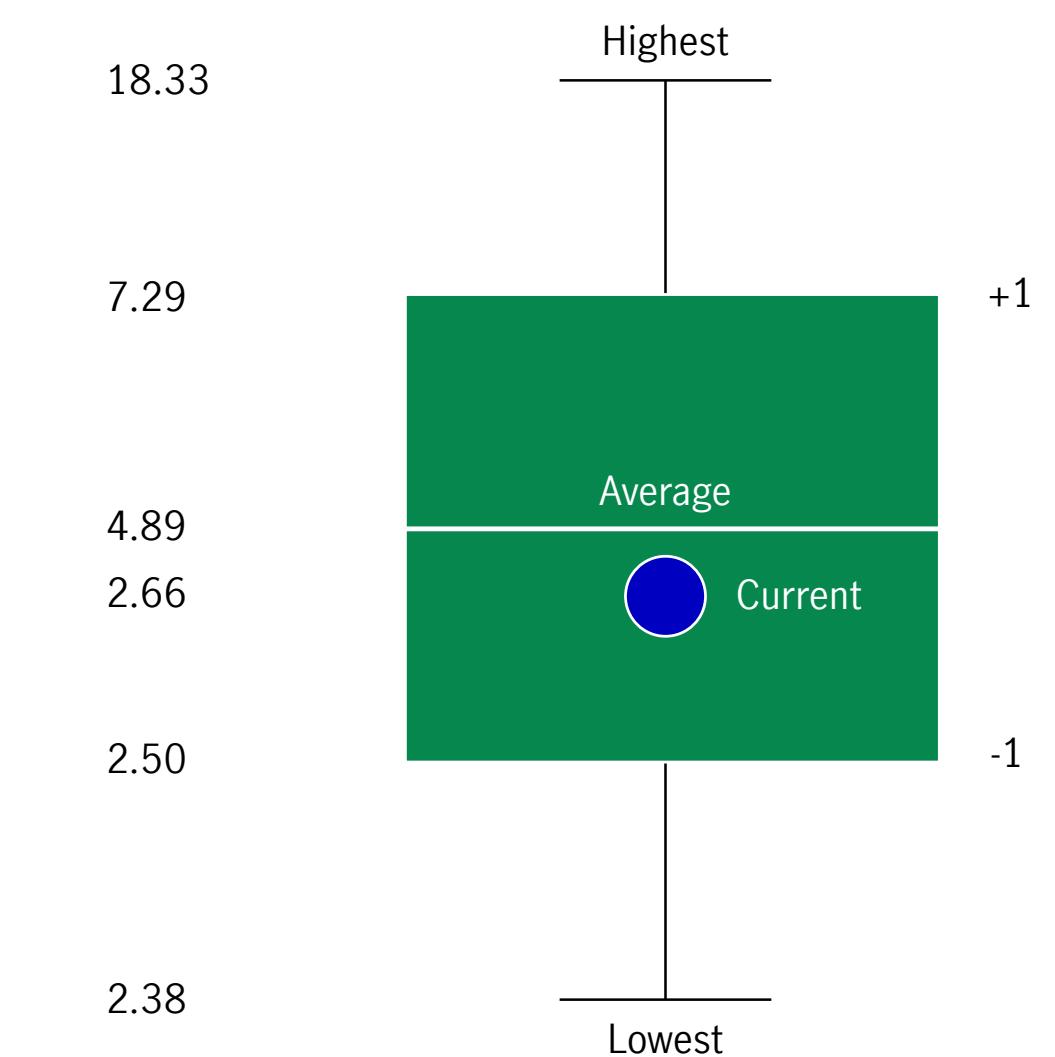
Current yields (%) for various asset classes/market indexes



We like higher-quality income opportunities. In contrast, less value can be found in higher-risk market segments.

High-yield spreads are tight relative to their 30-year history

U.S. high-yield credit spreads (%), 1995–2025



Source: FactSet, Bloomberg, S&P, MSCI, as of 12/31/25. The S&P 500 Index tracks the performance of 500 of the largest publicly traded companies in the United States. The S&P 500 Energy Index, the S&P 500 Real Estate Index, the S&P 500 Utilities Index, and the S&P 500 Consumer Staples Index track the performance of S&P 500 stocks within those respective market sectors. The S&P U.S. Preferred Stock Index is designed to serve the investment community's need for an investable benchmark representing the U.S. preferred stock market. The Bloomberg U.S. Corporate IG Index tracks the performance of the U.S. investment-grade (IG) corporate bond market. The Bloomberg U.S. Corporate High Yield (HY) Index tracks the performance of U.S. high-yield corporate bonds. The Bloomberg U.S. MBS Index tracks the performance of U.S. mortgage-backed securities (MBS). The Bloomberg U.S. Treasury Index tracks the performance of the U.S. Treasury bond market. The Bloomberg Municipal Bond Index tracks the performance of the U.S. investment-grade, tax-exempt bond market. The Bloomberg Emerging Markets (EM) U.S. Dollar (USD) Aggregate Bond Index is a flagship hard currency benchmark that tracks the performance of USD-denominated debt issued by sovereign, quasi-sovereign, and corporate EM issuers. The MSCI ACWI Real Estate Index and the MSCI ACWI Infrastructure Index track the performance of stocks within those respective market sectors in the MSCI All Country World Index (ACWI), which measures the performance of large- and mid-cap stocks of companies in both developed and emerging markets. It is not possible to invest directly in an index. Past performance is no guarantee of future results.

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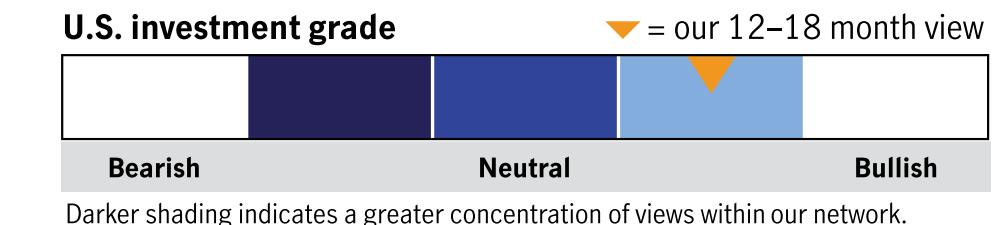
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Today's math looks like it has the potential to be favorable for high-quality bonds



Elevated yields have created an asymmetric total return profile, with the potential for both income and price appreciation

Bloomberg U.S. Aggregate Bond Index (%)	
Yield	4.32
Duration	5.92
10-year U.S. Treasury yield	4.17

10-year U.S. Treasury yield scenarios	6.00	5.50	5.00	4.50	4.00	3.50	3.00	2.50	2.00	1.50	1.00	0.50
Agg 12-month total return (Duration return + yield)	-6.52	-3.56	-0.60	2.36	5.31	8.27	11.23	14.19	17.15	20.11	23.07	26.03

Hypothetical performance only, assumes no spread changes and holds the U.S. Treasury yield curve constant. The green cells indicate positive hypothetical performance over the designated time period, with darker shading indicating a higher positive return. The red cells indicate negative performance over the designated time period, with darker shading indicating a lower negative return.

Source: Morningstar Direct, as of 12/31/25. The Bloomberg U.S. Aggregate Bond Index (Agg) tracks the performance of U.S. investment-grade bonds in government, asset-backed, and corporate debt markets. It is not possible to invest directly in an index. An inverted yield curve occurs when short-term interest rates move higher than long-term rates as a result of deteriorating economic performance. Duration measures the sensitivity of the price of bonds to a change in interest rates. Past performance does not guarantee future results.

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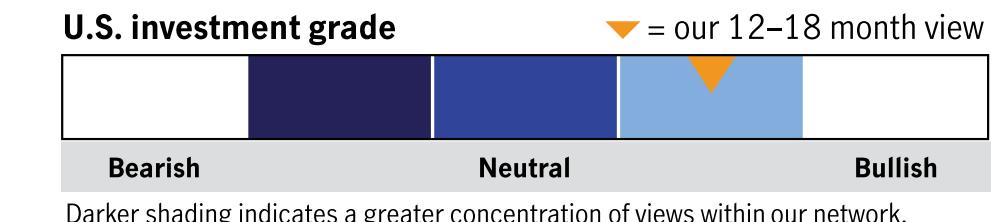
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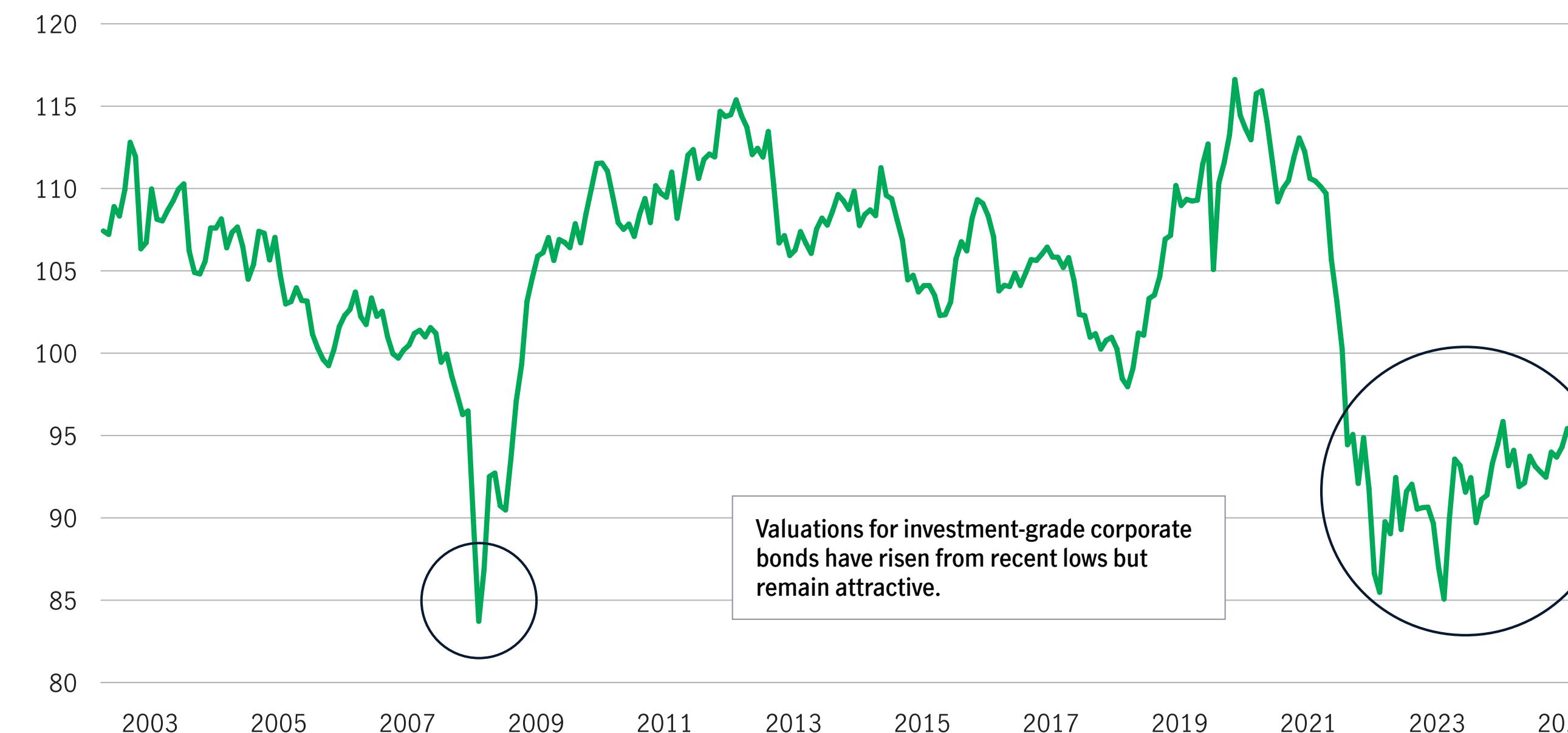
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Investment-grade corporates are still trading at prices that are at a discount to par



High-quality corporate bonds have seldom traded at valuations this low

■ Bloomberg U.S. Corporate Investment Grade Index price level



We prefer higher-quality corporates with yields in the 4%–5% range, especially A-rated issues

Bloomberg index/segment	Yield to maturity (%)
U.S. Corporate AAA	4.68
U.S. Corporate AA	4.62
U.S. Corporate A	4.67
U.S. Corporate Investment Grade	4.82
U.S. Corporate BAA	5.01
U.S. Credit/Corporate High Yield BA	5.92
U.S. High Yield Corporate	7.06
U.S. Credit/Corporate High Yield B	7.14
U.S. Credit/Corporate High Yield CAA	11.00

Source: FactSet, as of 12/31/25. The Bloomberg U.S. Corporate Investment Grade (IG) Index tracks the IG, fixed-rate, taxable corporate bond market. It is not possible to invest directly in an index. Past performance does not guarantee future results.

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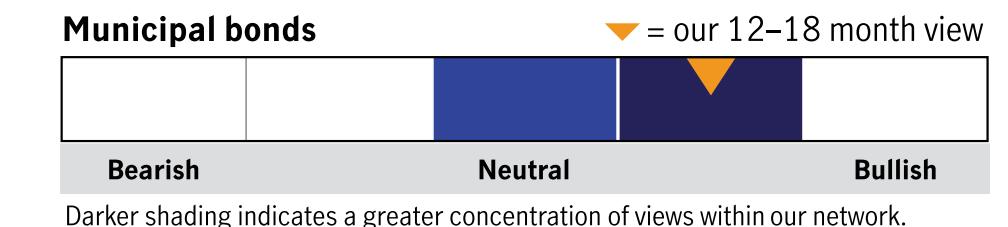
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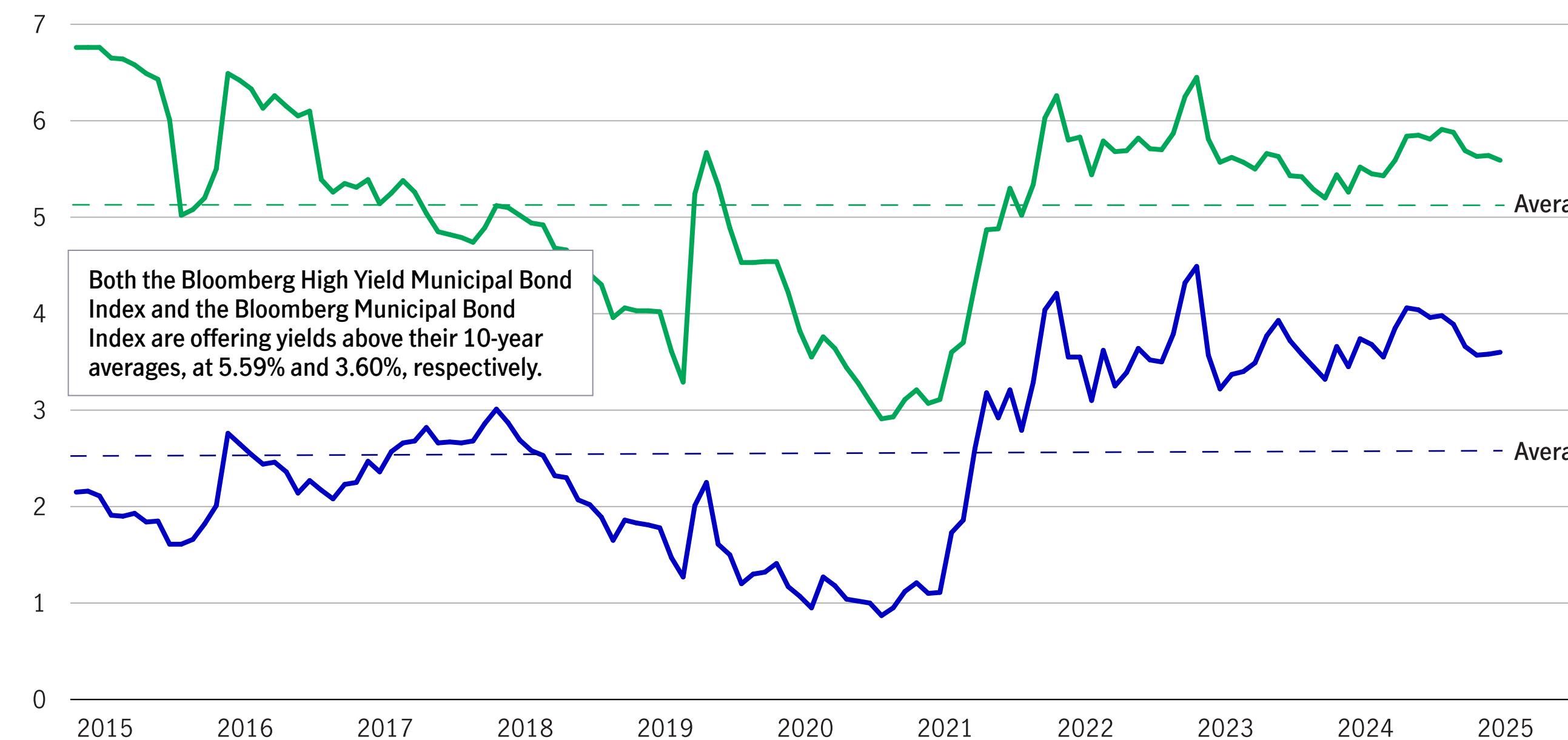
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Muni yields remain elevated, with potential opportunities across the credit spectrum



Municipal bond yields (%) are historically attractive, even before accounting for tax benefits

■ Bloomberg High Yield Municipal Bond Index, YTW ■ Bloomberg Municipal Bond Index, YTW



Our preference is for A-rated munis given their combination of attractive yield and higher credit quality

Bloomberg Municipal Bond Index yields (%) by credit rating

AAA	3.42
AA	3.46
A	3.86
BAA	4.48

Source: FactSet, as of 12/31/25. Yield to worst (YTW) is the lowest potential yield calculated by taking into account an issue's optionality, such as prepayment or calls. The Bloomberg Municipal Bond Index tracks the performance of the U.S. investment-grade tax-exempt bond market. The Bloomberg High Yield (HY) Municipal Bond Index tracks the performance of municipal bonds rated below investment grade (BBB/Baa) and those that are unrated. It is not possible to invest directly in an index. Past performance does not guarantee future results.

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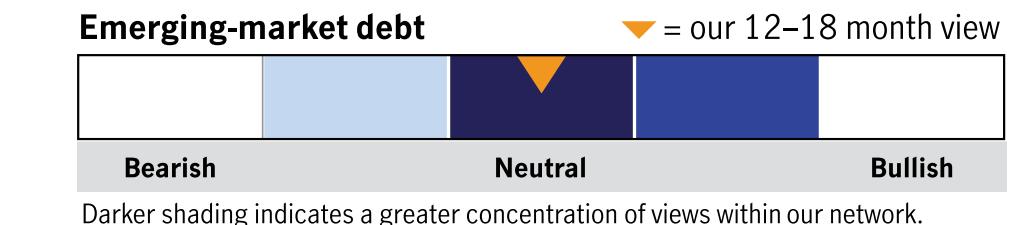
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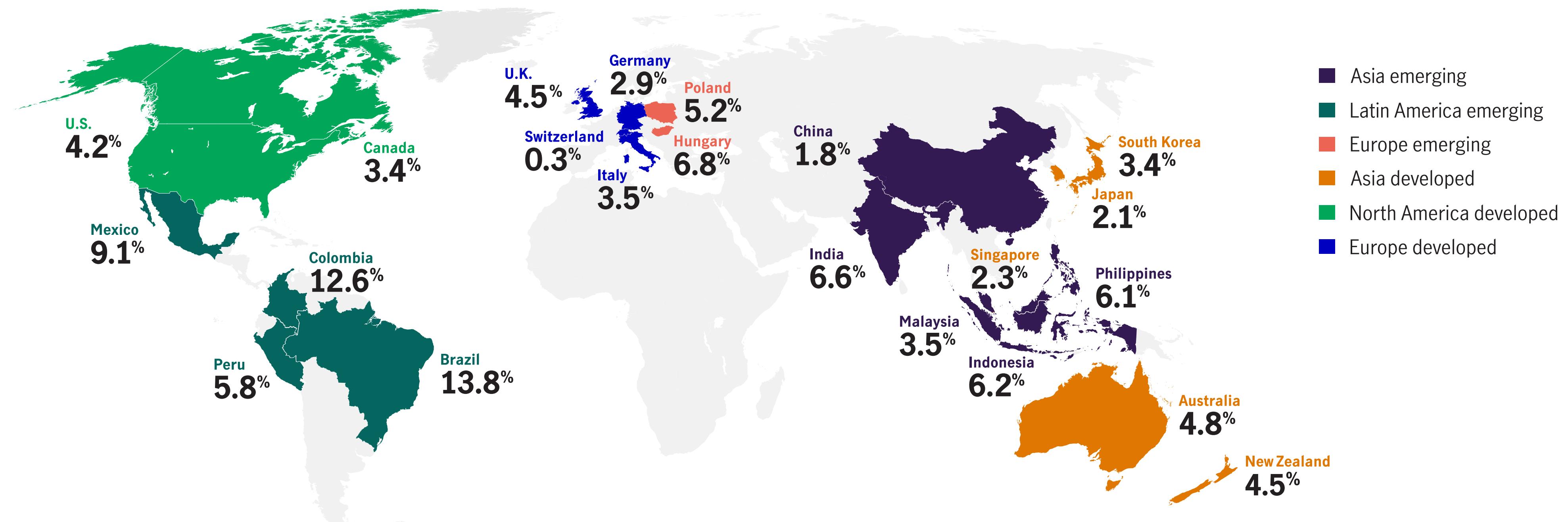
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While often riskier and more volatile, EM debt offers attractive yield potential



10-year government bond yields



Source: FactSet, as of 12/31/25. Foreign investing, especially in emerging markets, involves additional risks such as currency and market volatility and political and social instability. EM refers to emerging market. Past performance does not guarantee future results.

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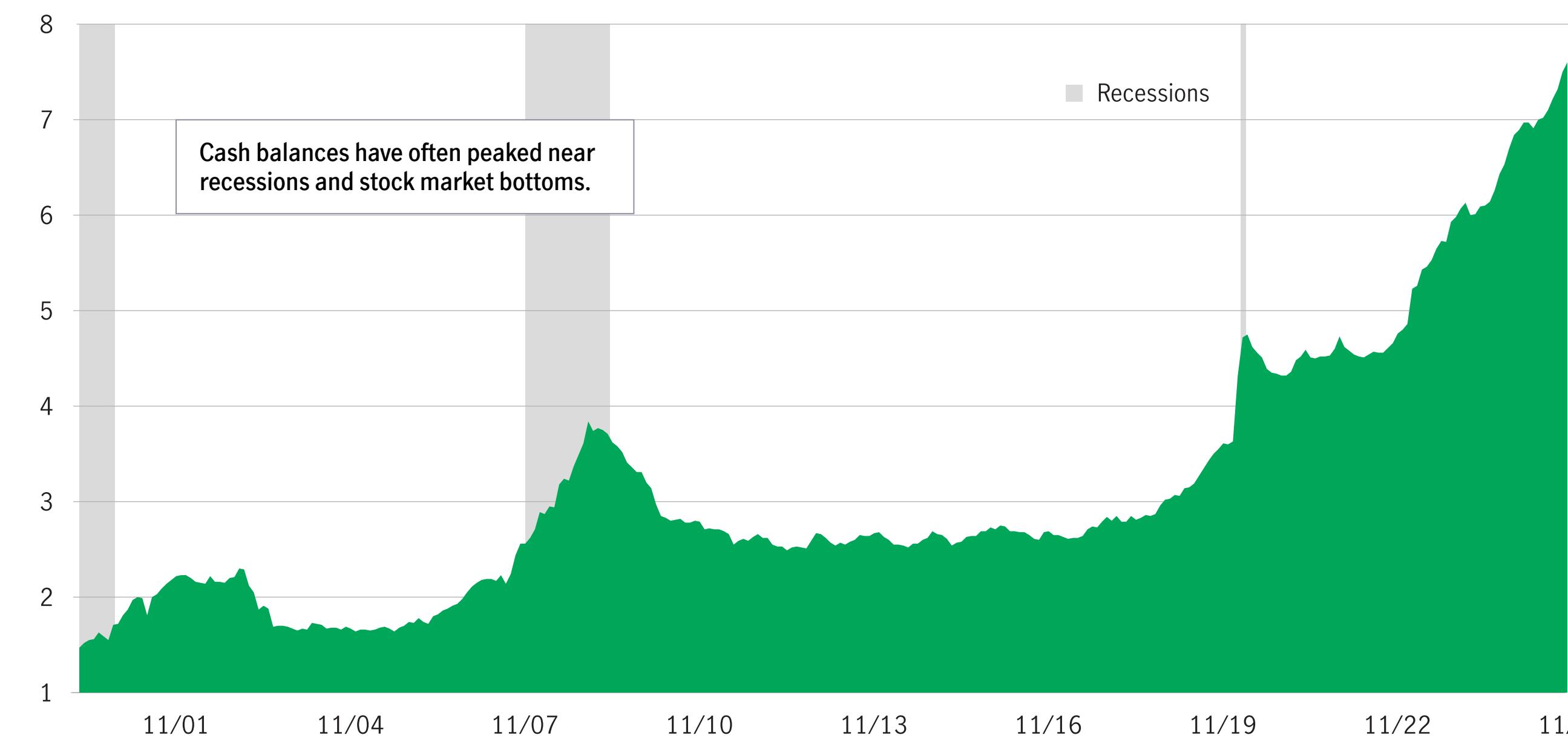
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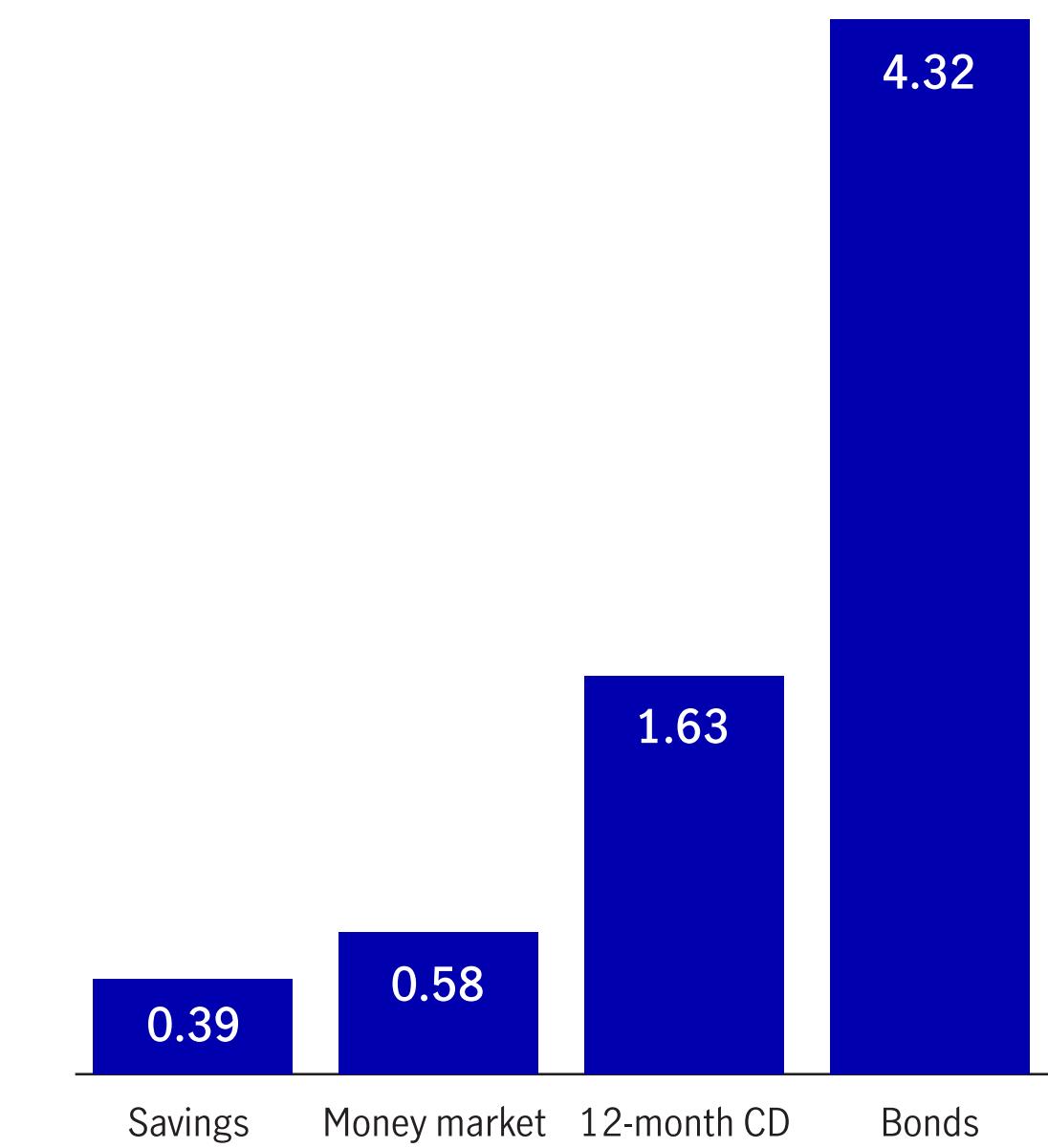


Cash balances have increased even as more attractive total return potential is available in high-quality bonds

Money market assets remain at all-time highs, with balances topping \$7.5 trillion
Trillions (\$)



Rates on cash alternatives lag bond yields by considerable margins (%)



Source: FactSet, as of 11/30/25. Savings, money market, and 12-month certificate of deposit (CD) rates are measured by the FDIC national averages. Bond yields are represented by the Bloomberg U.S. Aggregate Bond Index, which tracks the performance of U.S. investment-grade bonds in government, asset-backed, and corporate debt markets. It is not possible to invest directly in an index. Past performance does not guarantee future results.

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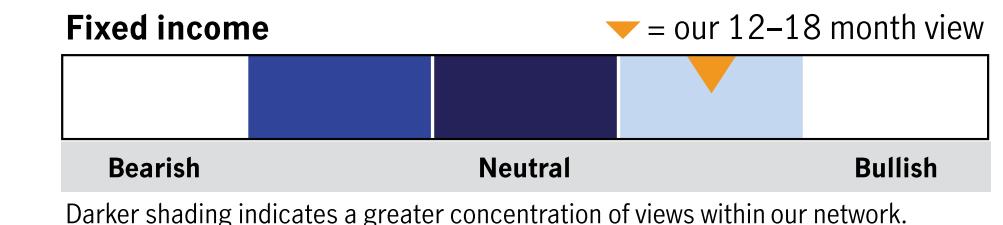
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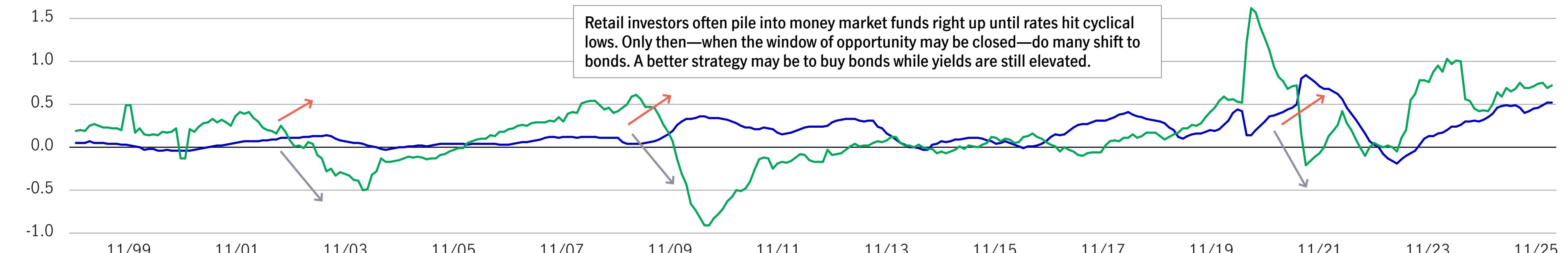
By the time investors shift to bonds, it may be too late



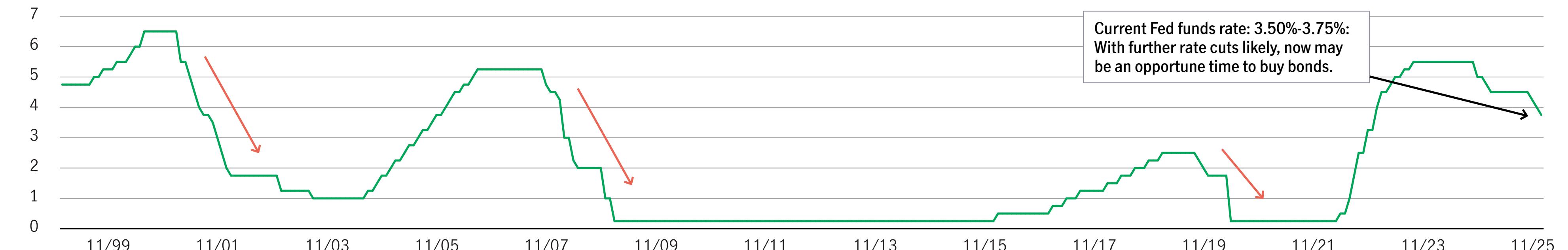
Money market and taxable bond flows over the past 25 years are telling

Trillions (\$)

Money market rolling 12-month net flows Taxable bond rolling 12-month net flows



Fed funds rate (%)



Source: FactSet, Bloomberg, U.S. Federal Reserve, as of 12/31/25. Money market and taxable bond flows are based on those respective categories as defined by Morningstar. They represent the sums of all the products within those respective categories and their asset flows. Past performance is no guarantee of future results.

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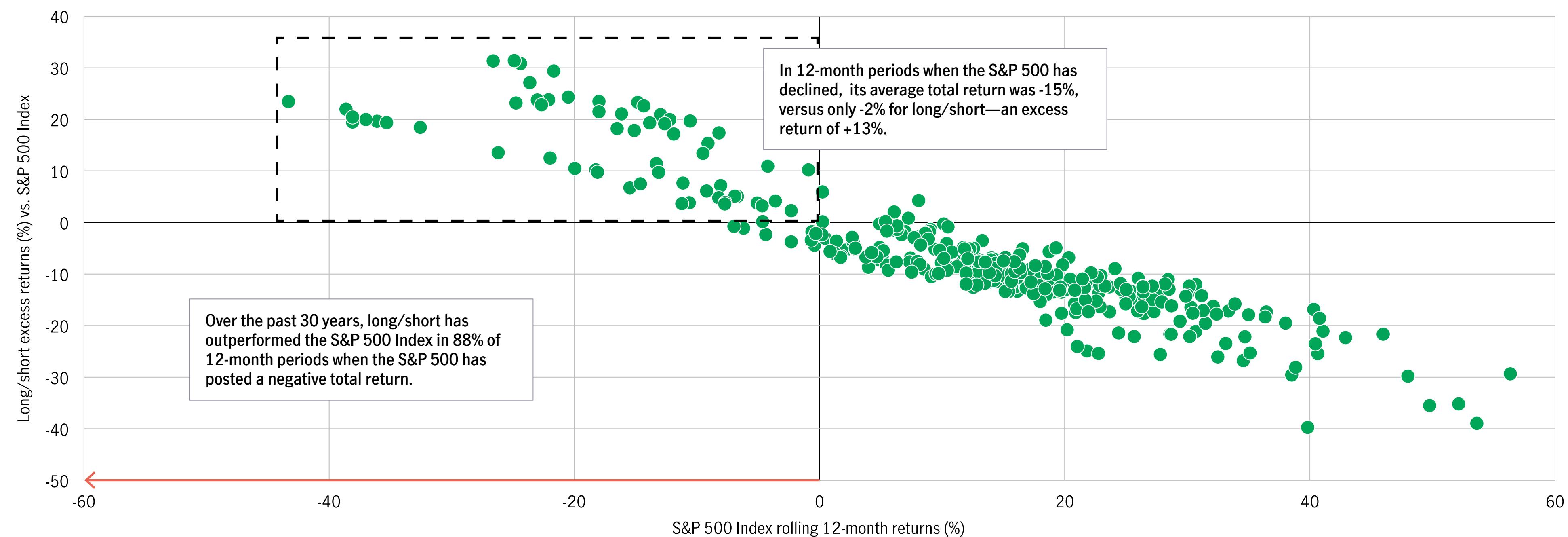
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In falling equity markets, a long/short strategy may help improve portfolio returns

Long/short has fared relatively well in down years for the S&P 500 Index

Morningstar Long/Short category average vs. S&P 500, 1995-2025



Source: FactSet, S&P Global, Morningstar, as of 12/31/25. Chart depicts the rolling 12-month excess returns of the Morningstar Long/Short category relative to the S&P 500 Index from 1995 through 2025. The S&P 500 Index tracks the stock performance of 500 of the largest publicly traded companies in the United States. It is not possible to invest directly in an index. **Past performance is no guarantee of future results.**



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Our top portfolio ideas to consider now

U.S. quality at a reasonable price

Emphasizing companies with a combination of strong balance sheets and reasonable multiples should help position portfolios for the late-cycle economic environment in the United States.

U.S. mid-cap stocks

In our opinion, mid-cap stocks occupy a Goldilocks position in the U.S. equity market, with generally higher quality than small caps and more attractive valuations than large caps.

Non-U.S. equities

Within non-U.S. markets, we favor bottom-up opportunities in the industrials, technology, and healthcare sectors across both the growth and value styles. A weaker U.S. dollar could buoy non-U.S. equity positions broadly.

High quality for fixed income

We see value in targeted high-quality segments of the fixed-income market, including municipal bonds, mortgage-backed securities, and investment-grade corporates.

Infrastructure and long/short

Within alternatives, we see infrastructure and long/short strategies as effective ways to lower equity beta and provide downside protection. Infrastructure offers compelling earnings estimates, while long/short strategies can provide alpha if markets broaden.

Diversification does not guarantee a profit or eliminate the risk of a loss.



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As co-chief investment strategists, Emily and Matt are responsible for developing and delivering timely market and economic insight to financial professionals and institutional investors across the country. Together, they lead the development of Manulife John Hancock Investments' flagship quarterly market outlook, *Market Intelligence*. In doing so, they combine insight from the firm's global network of asset managers, independent research firms, broker-dealers, and banks with top-down fundamental and macro analysis. They're featured regularly on CNBC and Bloomberg TV and are quoted frequently in the financial press.



Emily R. Roland, CIMA

Co-Chief Investment Strategist

[Emily Roland](#)

Emily has over 20 years of industry experience. She joined the company's investments division in 2004 and has held several positions in product management, competitive intelligence, and market and industry research. Prior to joining the firm, she held roles at GMO and the Boston Stock Exchange. Emily earned an M.B.A. from Boston College and a B.B.A. from James Madison University, and she holds the Certified Investment Management Analyst designation.



Matthew D. Miskin, CFA

Co-Chief Investment Strategist

[Matt Miskin](#)

Matt has over 20 years of industry experience. Prior to joining the company's investments division in 2014, he was a manager due diligence analyst at LPL Financial Research, where he was responsible for manager and asset allocation changes related to the firm's recommended list and discretionary models. Matt earned a B.S. in Finance from Elon University and an M.B.A. from Babson College, and he holds the Chartered Financial Analyst designation.

Views are those of Emily R. Roland, CIMA, and Matthew D. Miskin, CFA, of John Hancock Investment Management Distributors LLC and are subject to change. No forecasts are guaranteed. The commentary is provided for informational purposes only, is subject to change as market and other conditions warrant, and is not an endorsement of any security, mutual fund, sector, or index. Any economic or market performance is historical and is not indicative of future results. Investing involves risks, including the potential loss of principal.

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Asset manager views are compiled throughout the preceding calendar quarter through in-person discussions, reviewed research, and on-site visits. These inputs are complemented by third-party research collected during the calendar quarter. Our views reflect Manulife John Hancock Investments' proprietary weighting of these inputs.

A bearish reading indicates the potential for an asset to underperform its class or subclass on a risk-adjusted basis. A bullish reading indicates the potential for an asset to outperform its class or subclass on a risk-adjusted basis. A neutral reading indicates the potential for performance in line with the asset's historical averages.

Stocks and bonds can decline due to adverse issuer, market, regulatory, or economic developments; foreign investing, especially in emerging markets, has additional risks, such as currency and market volatility and political and social instability; value stocks may decline in price; growth stocks may be more susceptible to earnings disappointments; the securities of small companies are subject to higher volatility than those of larger, more established companies; and high-yield bonds are subject to additional risks, such as increased risk of default. Fixed-income investments are subject to interest-rate and credit risk; their value will normally decline as interest rates rise or if an issuer is unable or unwilling to make principal or interest payments. Liquidity—the extent to which a security may be sold or a derivative position closed without negatively affecting its market value, if at all—may be impaired by reduced trading volume, heightened volatility, rising interest rates, and other market conditions. Hedging and other strategic transactions may increase volatility and result in losses if not successful. Currency transactions are affected by fluctuations in exchange rates. This material is not intended to be, nor shall it be interpreted or construed as, a recommendation or providing advice, impartial or otherwise. John Hancock Investment Management and our representatives and affiliates may receive compensation derived from the sale of and/or from any investment made in our products and services.

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