Q2 ▪ 2018

All data as of 6/30/18

# John Hancock Variable Insurance Trust Managed Volatility Balanced Portfolio

## STRATEGY SUMMARY

**Objective:** Long-term growth of capital through a volatility-controlled approach

**Equity exposure:** 0%–55%

**Strategy inception:** 1/7/97

## MANAGED BY

**Nathan W. Thooft, CFA**
On the portfolio since 2013
Investing since 2000

**Robert E. Sykes, CFA**
On the portfolio since 2018
Investing since 2001

ASSET MANAGEMENT

**John Hancock Asset Management—**Established asset manager with global resources and expertise extending across equity, fixed-income, and alternative investments as well as asset allocation strategies

### Multimanager approach

Tapping a broad range of industry talent in and outside of John Hancock for each asset class and investment style

### Volatility management

Pursuing portfolio volatility within a target range of 8.25% to 10.25% using equity index futures

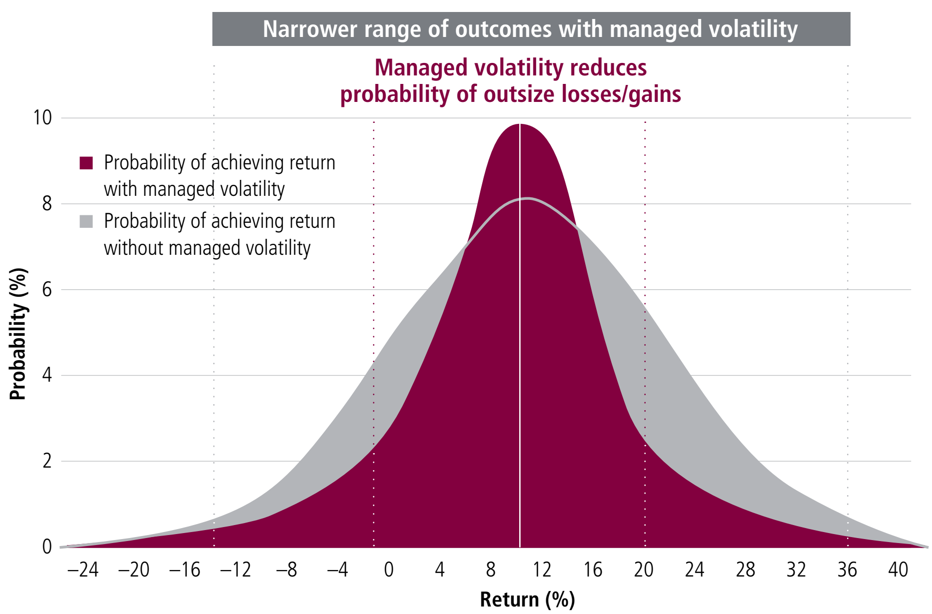
### Capital protection

Targeting a floor on portfolio losses, seeking to add additional downside protection in declining equity markets

## MANAGED VOLATILITY PORTFOLIO REDUCES PROBABILITY OF EXTREMES

**The investment team endeavors to forecast the future volatility of the portfolio**

- If the portfolio's forecasted volatility is expected to increase, the strategy calls for decreased exposure to stocks by selling equity index futures and raising cash.
- If the portfolio's forecasted volatility is expected to decrease, the strategy calls for increased exposure to stocks by buying equity index futures and decreasing cash.




The return distribution shown above is illustrative only and is not intended to show the performance of any current portfolio or investment of the advisor.

## MANAGED VOLATILITY OVERVIEW

**Expectations relative to traditional target-risk strategies**

### The strategy is expected to outperform in:

- Low-volatility bull markets (1990s, 2013)—The strategy's ability to increase equity weights when volatility levels are below the portfolio's target will generally enhance returns in this environment.
- High-volatility bear markets (1998, 2008)—The strategy would reduce equity exposure by selling equity index futures in an effort to control portfolio volatility levels; this approach seeks to offer protection when it's most needed.

### The strategy is expected to underperform in:

- Quick V-shaped markets, marked by sharp reversals (April, October 2014)—In response to sudden and severe market losses, the strategy would reduce equity exposure; if such an event is followed by a rapid return to the market's preloss levels, the strategy is unlikely to fully participate in the rebound.
- Recovery after a market decline (2009)—Following prolonged periods of high volatility, the strategy tends to be underexposed to equities, which once again can hinder its ability to fully participate in the initial stages of a market recovery.
- High-volatility bull markets (1998)—To manage the portfolio's targeted volatility levels, the strategy will hold reduced equity exposure, causing a relative performance drag.
- Single-day market drawdowns (October 19, 1987)—This is another instance where the strategy could be overexposed to equities, assuming it follows a low-volatility period.

### Market review and outlook

U.S. equities posted a second-quarter gain behind the continued strength of the domestic economy and the favorable outlook for corporate earnings, but signs of slowing growth overseas caused international stocks to finish in negative territory. Most segments of the bond market experienced losses due in part to continued interest-rate increases by the U.S. Federal Reserve (Fed), but high-yield bonds and senior loans—which tend to benefit from improving growth—generated gains. Ten of the 11 Multimanager Lifetime Portfolios produced positive absolute returns for the quarter, although all finished slightly short of their respective benchmarks. Although the portfolios lagged, it's important to keep in mind that our goal is to help investors meet their long-term objectives and not to exceed the benchmark return in any given quarter.

## STRATEGY ALLOCATION[1] (%)

| Category | Fund and asset manager | Total |
|---|---|---|
| **Intermediate-term bond** | Bond Trust (JHAM) | 30.64 |
| | New Income (T. Rowe Price) | 7.62 |
| | Core Bond (Wells Capital) | 4.40 |
| | Total Return (PIMCO) | 3.68 |
| | **Subtotal** | **46.34** |
| **U.S. large-cap equity** | Strategic Equity Allocation U.S. Large Cap Sleeve (JHAM) | 22.96 |
| | Equity Income (T. Rowe Price) | 4.04 |
| | Fundamental Large Cap Value (JHAM) | 3.27 |
| | Blue Chip Growth (T. Rowe Price) | 2.43 |
| | Strategic Growth (JHAM) | 2.36 |
| | Capital Appreciation (Jennison) | 2.36 |
| | John Hancock Multifactor Large Cap ETF (Dimensional) | 1.06 |
| | **Subtotal** | **38.48** |
| **Equity futures** | Equity futures | 5.28 |
| | **Subtotal** | **5.28** |
| **International equity** | International Value (Franklin Templeton) | 1.86 |
| | International Growth Stock (Invesco) | 1.83 |
| | **Subtotal** | **3.69** |
| **U.S. mid-cap equity** | Mid Value (T. Rowe Price) | 1.05 |
| | Mid Cap Stock (Wellington) | 1.03 |
| | John Hancock Multifactor Mid Cap ETF (Dimensional) | 0.54 |
| | **Subtotal** | **2.62** |

| Category | Fund and asset manager | Total |
|---|---|---|
| **Emerging-market equity** | Emerging Markets (Dimensional) | 1.84 |
| | Emerging Markets Equity (JHAM) | 0.74 |
| | **Subtotal** | **2.58** |
| **U.S. small-cap equity** | Small Cap Growth (Wellington) | 0.63 |
| | Small Company Value (T. Rowe Price) | 0.55 |
| | Small Cap Value (Wellington) | 0.55 |
| | Small Company Growth (Invesco) | 0.47 |
| | **Subtotal** | **2.20** |
| **Global bond** | Global Bond (PIMCO) | 2.02 |
| | **Subtotal** | **2.02** |
| **Cash** | Cash | 1.07 |
| | **Subtotal** | **1.07** |
| **Currency futures** | Currency futures | 0.85 |
| | **Subtotal** | **0.85** |
| **Short-term bond** | Short Term Government Income (JHAM) | 0.70 |
| | **Subtotal** | **0.70** |
| **Absolute return** | Global Conservative Absolute Return (Standard Life) | 0.30 |
| | **Subtotal** | **0.30** |
| **Futures cash offset** | Futures cash offset | –6.12 |
| | **Subtotal** | **–6.12** |

**1** John Hancock Investments. Listed holdings are a portion of the fund's total and may change at any time. They are not recommendations to buy or sell any security. Data is expressed as a percentage of net assets and excludes cash and cash equivalents.

## AVERAGE ANNUAL TOTAL RETURNS[2] (%)

| | QTD | YTD | 1 year | 3 year | 5 year | 10 year | Life of fund | Life of fund date |
|---|---|---|---|---|---|---|---|---|
| JHVIT Managed Volatility Balanced Portfolio I | 0.78 | 0.15 | 6.53 | 4.85 | 5.87 | 5.25 | 5.77 | 1/7/97 |
| JHVIT Managed Volatility Balanced Portfolio II | 0.78 | 0.08 | 6.37 | 4.64 | 5.67 | 5.05 | 5.69 | 1/28/02 |
| JHVIT Managed Volatility Balanced Portfolio NAV | 0.77 | 0.15 | 6.56 | 4.89 | 5.91 | 5.30 | 5.66 | 4/29/05 |
| 35% Russell 3000 Index/ 15% MSCI EAFE Index/ 50% Bloomberg Barclays U.S. Aggregate Bond Index[3] | 1.10 | –0.03 | 5.91 | 5.74 | 6.82 | 6.20 | 9.52 | — |
| S&P 500 Index[3] | 3.43 | 2.65 | 14.37 | 11.93 | 13.42 | 10.17 | 10.68 | — |
| Bloomberg Barclays U.S. Aggregate Bond Index[3] | –0.16 | –1.62 | –0.40 | 1.72 | 2.27 | 3.72 | 7.32 | — |

| Expense ratios (%) | Gross | Net (what you pay) | Contractual through |
|---|---|---|---|
| JHVIT Managed Volatility Balanced Portfolio I | 0.77 | 0.75 | 4/30/19 |
| JHVIT Managed Volatility Balanced Portfolio II | 0.97 | 0.95 | 4/30/19 |
| JHVIT Managed Volatility Balanced Portfolio NAV | 0.72 | 0.70 | 4/30/19 |

**The past performance shown here reflects reinvested distributions and the beneficial effect of any expense reductions, and does not guarantee future results. Returns for periods shorter than one year are cumulative, and results for other share classes will vary. Shares will fluctuate in value and, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance cited.**

**"Net (what you pay)" represents the effect of a fee waiver and/or expense reimbursement and is subject to change.**

## A WORD ABOUT RISK

*The portfolio's performance depends on the advisor's skill in determining asset class allocations, the mix of underlying funds, and the performance of those underlying funds. The portfolio is subject to the same risks as the underlying funds and exchange-traded funds in which it invests: 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; 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. 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. Please see the portfolio's prospectus for additional risks.*

**Contact your financial representative or visit jhannuities.com for more information, including product and fund prospectuses that contain complete details on investment objectives, risks, fees, charges, and expenses, as well as other important information about the investment company, which should be carefully considered. Please advise your clients to read the prospectuses carefully prior to investing.**

**2** Performance does not reflect any insurance-related charges. If these charges were reflected, performance would be lower. Series NAV shares were first offered on 4/29/05. For periods prior to 4/29/05, the performance shown links the performance of Series I shares. Series I shares have higher expenses than Series NAV shares. Had the performance reflected Series NAV share expenses, performance would be higher. **3** The Russell 3000 Index tracks the performance of 3,000 publicly traded large-, mid-, and small-cap companies in the United States. The MSCI Europe, Australasia, and Far East (EAFE) Index tracks the performance of publicly traded large- and mid-cap stocks of companies in those regions. Total returns are calculated gross of foreign withholding tax on dividends. The Bloomberg Barclays U.S. Aggregate Bond Index tracks the performance of U.S. investment-grade bonds in government, asset-backed, and corporate debt markets. The S&P 500 Index tracks the performance of 500 of the largest publicly traded companies in the United States. Index figures do not reflect expenses, which would have resulted in lower values. It is not possible to invest directly in an index.

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

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