

Understanding John Hancock's Protection UL & Protection SUL INVESTMENT STRATEGY

OVERALL STRATEGY

At John Hancock, our investment strategy is rooted in a bottom-up approach to developing an asset mix that responds to the objectives of our underlying products. Where appropriate, we may extend our portfolio beyond fixed income investments to hold a blend of assets which aim to produce superior returns and risk reduction for our policyholders. We use this disciplined approach across all our segments, including our life insurance products.

Although the assets in our portfolio may change over the life of a policy, our commitment to disciplined investing and maximizing opportunities for our policyholders will not waver.

PROTECTION UL & PROTECTION SUL'S OBJECTIVE

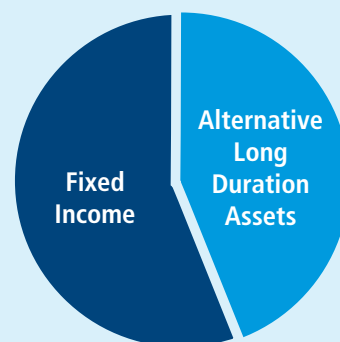
Each product in our life insurance portfolio is generally targeted to a specific policyholder objective, and the investment strategies that we employ are designed to help us meet those objectives. For Protection UL and Protection SUL, flexible premium universal life insurance policies, the objective is death benefit protection at the lowest possible cost. To achieve this, we expect to invest the portfolio in the general account segment funding the product primarily in high quality corporate bonds (rated A- and above) and common equities, as well as a number of alternative long duration assets that are designed to diversify risk and enhance the long-term investment yield.

SPECIALIZED EXPERIENCE

The general account investments in the segment funding your Protection UL and Protection SUL policies are managed by the investment division of Manulife Financial, the parent company of John Hancock, and represent the unique access and experience Manulife has as an institutional investor. We offer specialized expertise investing in alternative asset classes typically not available to individuals – such as agriculture, commercial real estate, private ownership and timber land. The Hancock Timber Resource Group, for instance, is the largest timber investment group in the world, and manages land around the globe.

ASSET MIX

The accompanying chart shows an approximation of the expected asset mix for the portion of the general account assets in the segment funding the policy.



EXAMPLES OF FIXED INCOME ASSETS

- **Public and Private Bonds** – consists of high quality Government and Corporate bonds, highly diversified by industry sector and geography.
- **Private Placements** – fixed income securities sold directly to institutional investors. These investments benefit from covenants and collateral which may provide for better credit protections and potential recoveries on default.
- **Commercial and Agriculture Mortgages** – are conservatively underwritten with low loan-to-value and high debt-service coverage ratios. We are heavily diversified by property type and limit our investment in riskier segments of the market such as hotels, construction loans and second liens. Our agricultural loans are well diversified by business type and geography.

EXAMPLES OF ALTERNATIVE LONG DURATION ASSETS

- **Agriculture** – investments in row and permanent crop properties, which are leased or directly operated.
- **Commercial Real Estate** – high quality holdings in large, economically diverse regions of the U.S., Canada and Asia. The focus is on current income with gains on turnover.
- **Infrastructure** – refers to the large-scale public systems, services and facilities that are necessary for economic activity. Examples are power, utility, pipeline and transportation projects.
- **Private Equity** – consisting of equity securities in operating companies that are not publicly traded.
- **Timber Land** – investments in tree farms and managed natural forests. Returns are derived from biological growth, upward product class movement, timber price appreciation and land price appreciation.

Strength. Stability. **John Hancock.**

John Hancock is among the highest-rated companies for financial strength and stability as demonstrated by its A+ rating from A.M. Best.* Financial strength ratings are a comprehensive measure of a company's financial strength and stability, and are important as they reflect a life insurance company's ability to pay claims in the future. With over 155 years of experience, John Hancock offers clients a diverse range of insurance products and services through its extensive network of employees, agents, and distribution partners. For more information on this or other life insurance products, please contact your insurance agent.

* Second highest of 13 ratings (superior ability to meet ongoing insurance obligations). Financial strength rating is current as of September 30, 2018, is subject to change, and applies to John Hancock Life Insurance Company (U.S.A.) and John Hancock Life Insurance Company of New York as a measure of each company's financial ability to pay claims and to honor any guarantees provided by the contract and any applicable optional riders. These companies have also received additional financial strength ratings from other rating agencies. Financial strength ratings are not an assessment, recommendation, or guarantee of specific products and their investment returns or value, do not apply to individual securities held in any portfolio or the practices of an insurance company, and do not apply to the safety and performance of separate accounts.

Insurance policies and/or associated riders and features may not be available in all states.

Insurance products are issued by John Hancock Life Insurance Company (U.S.A.), Boston, MA 02210 (not licensed in New York) and John Hancock Life Insurance Company of New York, Valhalla, NY 10595.

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