



# John Hancock Freedom 529





## Congratulations.

Just by meeting with your financial consultant, you've taken a good first step toward saving for college. Like most people, you have dreams for your children and you know the importance of a college education in helping to make those dreams a reality.

Although saving for college can seem overwhelming, remember that every contribution you make toward your child's education adds up over time. It doesn't matter at what stage in your child's life you start contributing. The important thing is that you start saving and you stick to your plan.

# Turning college dreams into reality.

Today, the average cost of a single year at a four-year private college is \$39,518<sup>1</sup> and will likely continue to rise. Although paying for college usually comes from a number of sources, including federal loans, grants and scholarships, saving as early as possible is more important than ever. One of the most attractive ways to help can be a 529 savings plan.

## **WHAT IS A 529 SAVINGS PLAN?**

Created by Section 529 of the Internal Revenue Code, a 529 savings plan is a qualified tuition program designed specifically to save for college. Tax-deferred growth on earnings and federal income tax-free distributions<sup>2</sup> set 529 savings plans apart from other investment vehicles used to save for college.

## **HOW DOES A 529 SAVINGS PLAN WORK?**

It's simple. Generally, the person who is funding the plan opens an account. He or she, known as the Account Holder, deposits money in either lump sums or through systematic contributions made over time, and selects the investment options into which the money is to be invested. The Account Holder also designates a Beneficiary for whom the funds will be used to pay for qualified higher education expenses.

Throughout the life of the account, the Account Holder maintains control, choosing when to distribute funds and changing the Beneficiary as needed.

# Discover John Hancock Freedom 529 the multi-managed way to save for college.

<sup>1</sup> Trends in College Pricing, 2012. © 2012 The College Board. [www.collegeboard.org](http://www.collegeboard.org).

<sup>2</sup> State tax laws and treatment may vary. Earnings on non-qualified distributions will be subject to income tax and a 10% federal penalty tax. Please consult your tax adviser for more information.

## TAX ADVANTAGES HELP YOUR INVESTMENTS WORK HARDER

Whether you are saving for a child, a grandchild or yourself, your money should work as hard as possible to keep up with the rising costs of education.

### The Value of Tax-Deferred Growth

Tax-deferred growth could allow you to save \$22,000<sup>3</sup> more than a taxable account during the accumulation phase.



Note: The above illustration does not depict an investment in John Hancock Freedom 529. It is a hypothetical example of tax-deferred growth and is for comparison purposes only. It is not a guarantee of future results. Rates are subject to change. This illustration does not reflect the effect of asset-based or account and program fees. These fees would reduce the performance shown in the above illustration. The investment return and principal value of an investment may fluctuate so that distributed investments may be worth more or less than the amounts originally contributed. Tax deferral may work best for long-term goals.

## MAINTAIN CONTROL AND FLEXIBILITY

What happens if your child changes his or her plans to attend college? What if your child doesn't need all of the money? With a 529 savings plan, you have the flexibility to control how the money is used. As the Account Holder, you can:

- Change the Beneficiary at any time to another family member of the current Beneficiary.
- Control when distributions are made. You, not the child, decide when to take the distributions for qualified higher education expenditures and how much money to take out at a time.
- Maintain control of the assets, even though your contributions are considered a gift and are removed from your federal taxable estate.

<sup>3</sup> The projected values assume that an initial lump sum of \$10,000 is invested and \$150 is invested each month thereafter for 18 years at a hypothetical compound annual growth rate of 7%, accrued monthly. At a 28% tax bracket, after 18 years, the investment would grow to \$77,172 in a taxable account compared with \$99,584 in a tax-deferred account. Assumes no fees or expenses, deductions, distributions, state or federal taxes. The rate of return is for illustrative purposes only and does not represent any specific investments. Returns will fluctuate.

# Your legacy is your gift for the future.

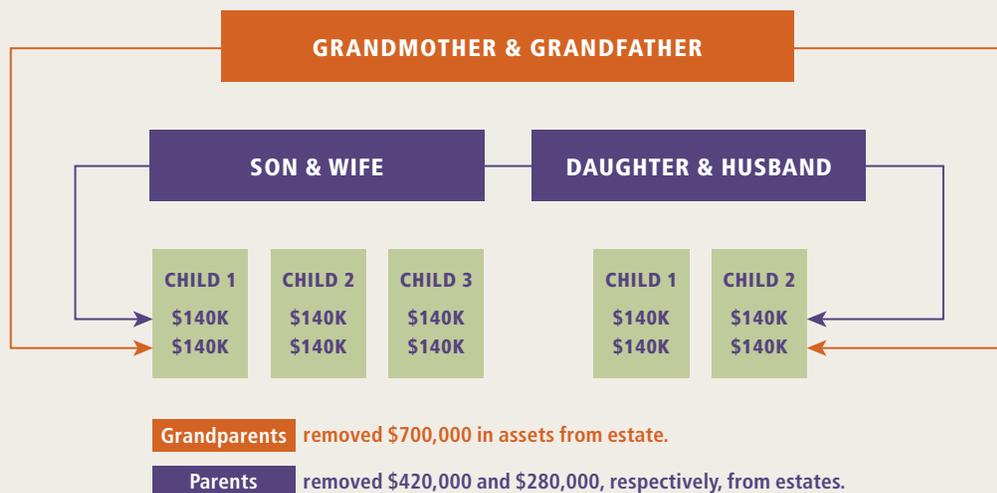


## GIVE THE GIFT OF EDUCATION

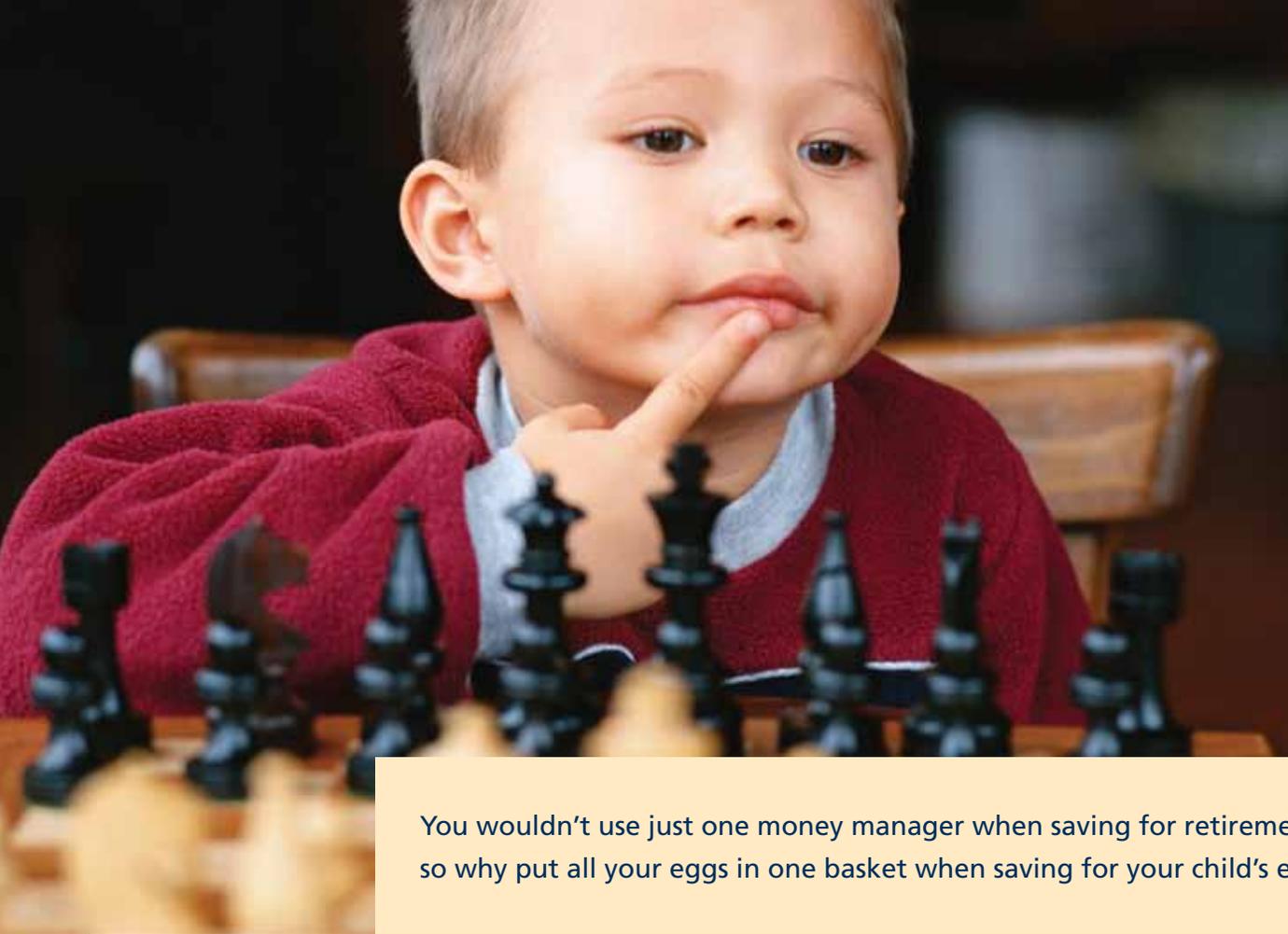
Often, grandparents or others help fund a college education by gifting money to a child. 529 savings plans have two important features that make gifting money for education an attractive benefit.

- Accelerated gifting allows you to make five years of contributions at one time — up to \$70,000 per Beneficiary or \$140,000 per Beneficiary if married filing jointly — without incurring a federal gift tax so you can realize the power of tax deferral and investment growth sooner.<sup>4</sup>
- It also removes significant assets from the donor's federal taxable estate. And, if the donor is the Account Holder, he or she does not relinquish control of the money.

## The Power of Gifting



<sup>4</sup> The donor must elect that the gift be treated as having occurred over a five-year period in order for it to qualify for the federal gift tax exclusion. If additional gifts are made to the same Beneficiary during this five-year period, a federal gift tax may apply. If the donor dies within this five-year period, a pro rata share will be included in the donor's estate for federal estate tax purposes. State gift and estate tax laws may vary.



You wouldn't use just one money manager when saving for retirement, so why put all your eggs in one basket when saving for your child's education?

## The power of diversification by asset class, investment style and manager.

### **THE MULTI-MANAGED WAY TO SAVE FOR COLLEGE**

While some college savings plans offer access to a limited number of portfolios or portfolios only from a single fund family, John Hancock Freedom 529 draws from a broad universe of funds and managers from leading fund families.

Following overall investment guidelines established by the Education Trust of Alaska, John Hancock and T. Rowe Price have jointly hand-selected some of the most respected managers who have consistently shown the ability to outperform their peers.

Our work doesn't stop there. Together, John Hancock and T. Rowe Price "manage the managers" to help keep your investments on track by continually evaluating all aspects of an investment company's performance, personnel and potential.

The result is an approach that is designed to give you confidence in your college savings strategy.

**When you invest with John Hancock Freedom 529, you get access to these fund managers:**



Logos as of May 31, 2013.

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# Choose the investment strategy that's right for you.

Your investment time frame. Your tolerance for risk. Your contribution amounts. Your unique needs are why John Hancock Freedom 529 offers four distinct ways to approach investing for college. Your financial consultant can help you use one or more of these in any combination, to develop the approach that's right for you.

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## ENROLLMENT-BASED PORTFOLIOS

Our six enrollment-based portfolios offer a blend of funds targeted to the number of years before a child's expected college enrollment date. As the date approaches, the allocation of investments is automatically shifted, becoming more conservative as the time for college enrollment approaches.

Target date portfolio	Years to college enrollment
Portfolio 2029–2032	17+ years
Portfolio 2025–2028	13–16 years
Portfolio 2021–2024	9–12 years
Portfolio 2017–2020	5–8 years
Portfolio 2013–2016	1–4 years
College Portfolio	

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## STATIC PORTFOLIOS

These portfolios are appropriate when you want to invest for a specific risk tolerance for the duration of your investment.

- Equity Portfolio
- Fixed Income Portfolio
- Future Trends Portfolio
- JH Money Market Portfolio<sup>5</sup>
- Short-Term Bond Portfolio

<sup>5</sup> The John Hancock Money Market Portfolio is available to all investors except for exchanges of Class B units from other portfolios.

**An investment in the JH Money Market Portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency and there is no assurance that a \$1.00 share price will be maintained. Although the portfolio seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the portfolio.**



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### LIFESTYLE PORTFOLIOS

Our Lifestyle Portfolios target a specific risk tolerance for the duration of your investment, using a wide array of managers, asset classes and investment styles.

- Lifestyle Growth 529 Portfolio
- Lifestyle Balanced 529 Portfolio
- Lifestyle Moderate 529 Portfolio

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### INDIVIDUAL PORTFOLIOS

Choose an individual portfolio when you want to complement one of the other investment strategies or build your own portfolio.

- American Mutual 529 Portfolio
- Jennison Capital Appreciation 529 Portfolio
- T. Rowe Price Blue Chip Growth Portfolio
- T. Rowe Price Equity Income 529 Portfolio
- T. Rowe Price Mid-Cap Value Portfolio
- T. Rowe Price New Horizons 529 Portfolio
- T. Rowe Price Small-Cap Stock 529 Portfolio
- Templeton International Value 529 Portfolio

Investments in small, medium and international companies involve greater risks not associated with investing in more established companies. Small companies tend to have less experienced management, unpredictable earnings growth and limited product lines, which can cause their share prices to fluctuate more than those of larger firms. Foreign investing, especially in emerging markets, has additional risks such as currency and market volatility, and political and social instability. Bond portfolios are subject to interest-rate risk. In particular, as interest rates rise, bond prices generally fall, which can adversely affect overall performance.



## John Hancock Freedom 529. More choices. More flexibility. More freedom.

You have many college savings options. That's why, when it comes to saving for college, John Hancock's multi-managed platform provides you with the freedom of choice that sets it apart from the competition. Opening a John Hancock Freedom 529 account is easy, so start saving for college today.

**STEP 1: Talk to your financial consultant.**

Your financial consultant can assess your financial situation and your college savings goals to determine the right investment strategy and investment options for you.

**STEP 2: Use our online tools.**

Not sure how much to invest? Just go to [www.johnhancockfreedom529.com](http://www.johnhancockfreedom529.com) to use our helpful college cost calculators.

**STEP 3: Complete the New Account Agreement to open your account with John Hancock Freedom 529.**

This material does not constitute tax, legal or accounting advice and neither John Hancock nor any of its agents, employees or registered representatives are in the business of offering such advice. It was not intended or written for use and cannot be used by any taxpayer for the purpose of avoiding any IRS penalty. It was written to support the marketing of the transactions or topics it addresses. Anyone interested in these transactions or topics should seek advice based on his or her particular circumstances from independent professional advisers.

When it comes to saving for college,  
choose the multi-managed way to save —  
**John Hancock Freedom 529.**

For more information, please contact  
your financial consultant or visit  
[www.johnhancockfreedom529.com](http://www.johnhancockfreedom529.com).



John Hancock Freedom 529 is intended to be a "qualified tuition program" under section 529 of the Internal Revenue Code. Investment in any of the John Hancock Freedom 529 portfolios is subject to investment risk. Returns on John Hancock Freedom 529 portfolios will fluctuate with those of the underlying mutual funds and are not guaranteed by the Education Trust of Alaska, the State or University of Alaska, the Program Manager or John Hancock. This is not legal or tax advice. You should discuss tax implications with your legal and/or tax advisers. For more information, including a description of all fees, expenses, and risks, please consult the Plan Disclosure Document and your financial consultant.

**If your state or your designated Beneficiary's state offers a 529 plan you may want to consider what, if any, potential state income tax or other benefits it offers, before investing.** State tax or other benefits should be one of many factors to be considered prior to making an investment decision. Please consult with your financial, tax or other adviser about how these state benefits, if any, may apply to your specific circumstances. You may also contact your state 529 plan or any other 529 college savings plan to learn more about their features. **Please contact your financial consultant or call 1-866-222-7498 to obtain a Plan Disclosure Document or prospectus for any of the underlying funds.** The Plan Disclosure Document contains complete details on investment objectives, risks, fees, charges and expenses, as well as more information about municipal fund securities and the underlying investment companies that should be considered before investing. **Please read the Plan Disclosure Document carefully prior to investing.**

John Hancock Freedom 529 is a college savings plan offered by the Education Trust of Alaska, managed by T. Rowe Price, and distributed by John Hancock Distributors LLC through other broker/dealers that have a selling agreement with John Hancock Distributors LLC. John Hancock Distributors LLC is a member of FINRA and is listed with the Municipal Securities Rulemaking Board (MSRB). © 2013. John Hancock. All rights reserved. Information included in this material is believed to be accurate as of the June 2013 printing date.



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**529 plans are not FDIC insured, may lose value and are not bank or state guaranteed.**

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