

John Hancock[®]

MUTUAL FUNDS

A guide to understanding investing and finances:
The Successful Investor



NOT FDIC INSURED. MAY LOSE VALUE. NO BANK GUARANTEE. NOT INSURED BY ANY GOVERNMENT AGENCY.

*What do you need to know
about the financial markets?*

*What strategies will help you
to keep your goals on target?*



*What steps
should you take
to help you build
wealth over time?*

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The performance data contained within this material represents past performance, which does not guarantee future results. Performance, especially for short time periods, should not be the sole factor in making your investment decisions.

Introduction: To some people, investing is a mystery.

To some, investing is an unpredictable world of formulas and strange terminology. Others will tell you it's simply a matter of luck.



These perceptions are perfectly normal. But they are generally wrong. Investing is about raising capital for companies, creating jobs for people and helping local, state and the federal government build roads, schools and airports. Investing helps families buy their first home and meet the rising cost of college education. It has also put the dream of a comfortable retirement within reach for millions of American workers.

Investing can work for you if you understand how to take advantage of the opportunities. In the pages that follow, we'll explain:

- the key principles of investment success,
- how you can benefit from professional financial advice, and
- how John Hancock Mutual Funds can help you achieve your long-term financial goals.

Investment success is neither an accident nor a magic formula. It doesn't require an advanced degree. However, there are certain principles and habits that set the successful investor apart, some of which you may already know. If not, you can learn them and become a successful investor.

This guide can help you become a successful investor.





Why invest?

To build wealth over time.

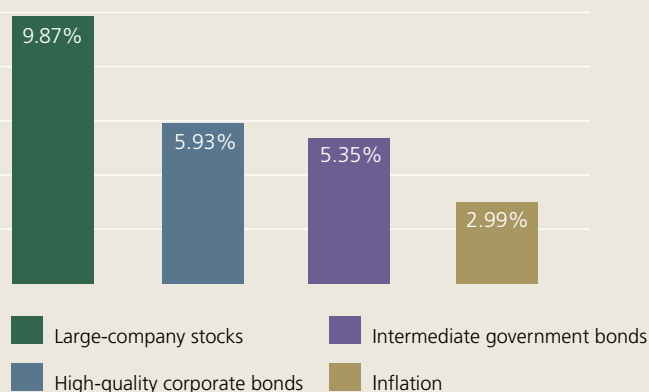
Life is full of events that define our lives and give us reasons to invest for the long term: graduation, a first home, family and retirement. In order to attain your goals, you'll need to earn a healthy return, or your money will lose ground to taxes and inflation.

To leverage the historical advantage of stocks

Over the long term, you want your investment to grow. One of the best ways to achieve that goal is by investing in equities. It is important to remember that past performance does not guarantee future results and that equity investing does involve risks. However, when compared with other investments, stocks have consistently generated the best long-term results, as the chart to the right illustrates.

Investing can help you build wealth over time¹

Average annual return, 1926–2010



For illustrative purposes only.

To stay ahead of inflation

While corporate and government bonds are attractive due to their stability, they may not keep up with inflation. Over time, inflation diminishes your purchasing power. Historically, inflation averages 2.99%.¹ Assuming the historic average, \$1,000 will lose nearly half its value in 25 years. That means you will need to keep your investment dollars growing right through retirement in order to beat inflation.

Inflation-adjusted values can reduce the purchasing power of \$1,000

Years	Inflation rate		
	3%	4%	5%
5	\$859	\$815	\$774
10	\$737	\$665	\$599
15	\$633	\$542	\$463
20	\$544	\$442	\$358
25	\$467	\$360	\$277

For illustrative purposes only.

¹ Source: ENCORR Software, ©2010 Morningstar, Inc. All rights reserved. Used with permission. This information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Large-company stocks are represented by the Standard & Poor's 500 Stock Index, an unmanaged commonly used measure of common stock total return performance. Corporate bonds are represented by the Ibbotson U.S. Long-Term Corporate Bond Index. Intermediate government bonds are represented by the Ibbotson U.S. Long-Term Government Bond Index. Inflation is measured by the Consumer Price Index published by the U.S. Bureau of Labor Statistics. Common stocks generally provide an opportunity for more capital appreciation than bond investments but are also subject to greater market fluctuations. Corporate bonds and U.S. government bonds fluctuate in value, but if held to maturity, offer a timely payment of interest and provide return of principal. Only government securities are guaranteed as to the timely payment of interest and principal. Past performance is no guarantee of future results. It is not possible to invest directly in an index. Performance figures assume reinvestment of dividends and capital gains. This chart does not illustrate the performance of any John Hancock fund.

What about risk?

Most people think of risk as the possibility that an investment could lose money. But there's more than one way of losing money on your investments. Stocks are exposed to market risk. Their value can rise or fall with investor expectations or a change in business prospects. Stocks and bonds are exposed to interest-rate risk. International stocks and bonds are subject to currency and political risk. Guaranteed investments, such as bank accounts and CDs, are subject to inflation risk. When it comes to saving and investing, there's no such thing as "risk free."



Here are some ways to think about risk:

1 Volatility is risk with possibilities

A volatile investment is one that has the potential to gain or lose money in the short term. It offers no guarantees. However, savvy investors are willing to ride out short-term volatility because they believe there is the potential for longer-term gains. As you can see from the chart below, investors who stayed with IBM through the introduction of the PC and the decline of the mainframe reaped strong gains when the company rebounded in the 1990s.

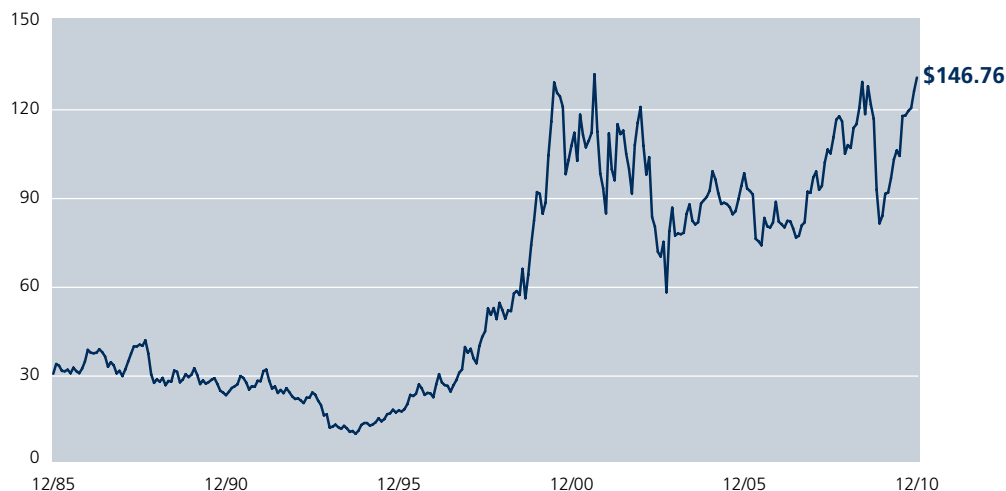
2 It's easier to take risks you understand

Before you invest in a stock, you can research news that affects the company's prospects. Online sites offer a wealth of financial information. Before you invest in a mutual fund, you should read the prospectus to find out what kinds of stocks or bonds the manager invests in and how much risk the fund expects to take. The more you understand about an investment, the more comfortable you are likely to be with its fluctuations.



The value of IBM stock²

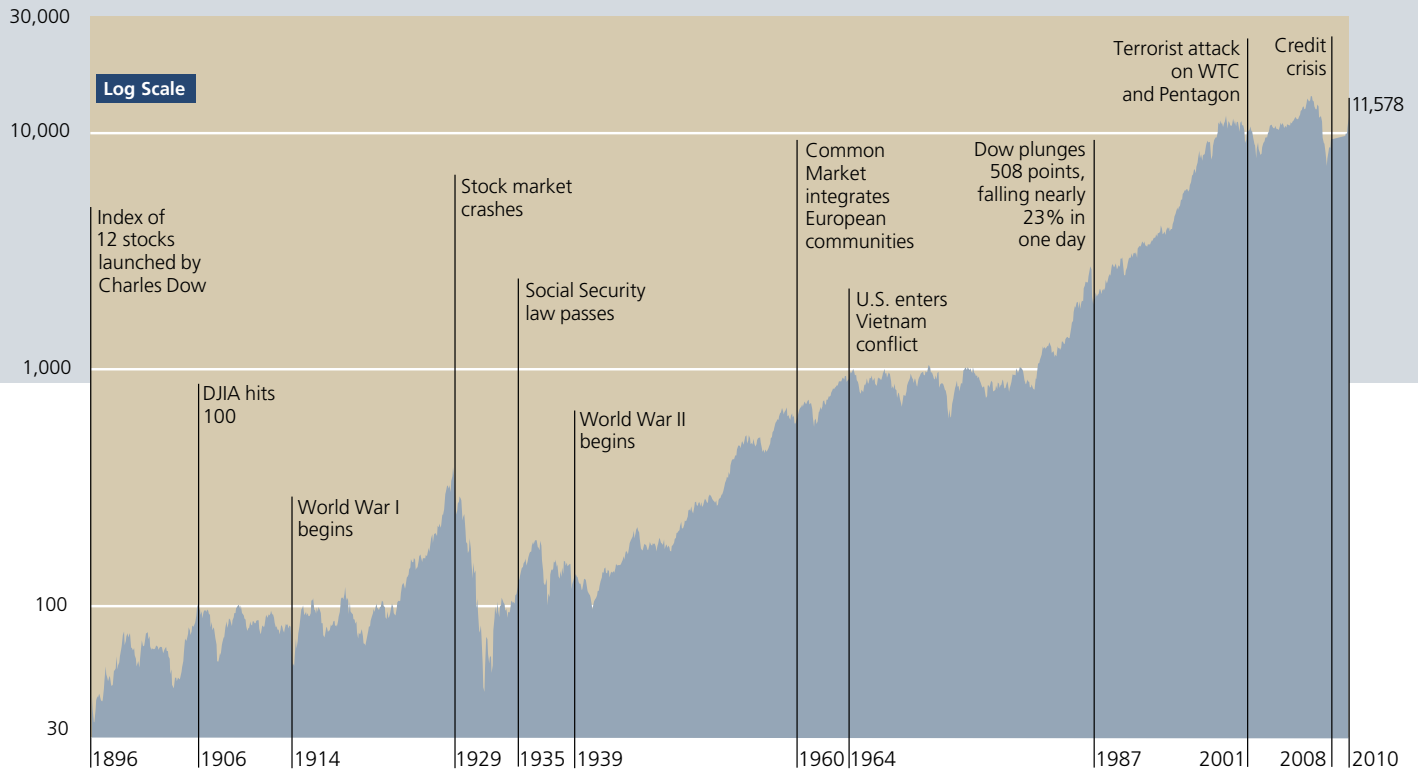
December 1985 to December 2010



² Source: Bloomberg L.P. Information provided is for illustrative purposes only and is not a recommendation to buy or sell the security. The security may or may not be currently represented in any of our portfolios. Past performance is no guarantee of future results.

Dow Jones Industrial Average 1896–2010³

Despite wars, recessions and political uncertainty, stocks have appreciated over time.



3 The stock market is a market of extremes

What kind of average annual returns should you expect in each calendar year? The long-term average annual return of the S&P 500 is 9.87%.⁴ However, the reality is that “normal” returns of 10%–12% in any given calendar year are extremely rare. Since 1926, the S&P 500 has posted returns of 10%–12% in only five calendar years. Interestingly enough, the calendar-year total return for stocks has been 18% or more 38 times and in negative territory 24 times.

For more information on risk, see the discussion of stocks and bonds on pages 10–13.

4 Time is on your side when you invest

The range of returns from common stocks in any given year is wide, and there’s about a one-in-three chance that stocks could lose money, as measured by the broad market averages. However, when measured over longer periods of time, the stock market’s prospects improve. The lesson? If you want to succeed in the stock market, be a long-term investor. History shows that the longer you hold on to an investment, the lower the volatility.

Investment volatility decreases over time⁴

If you invested in the stock market for...				
number of years	1	5	10	15
Your chance of an overall negative return was	26.7%	13.1%	5.9%	0.2%

3 Source: Dow Jones and Company. Market conditions during the periods varied from depression to robust growth. It is not possible to invest directly in an unmanaged index such as the Dow Jones Industrial Average. Past performance is not a guarantee of future results. The Dow Jones Industrial Average represents share prices of selected blue-chip industrial corporations, as well as public utility and transportation companies.

4 Source: Calculated by John Hancock Funds, LLC using information and data presented in ENCRR Software, ©2010 Morningstar, Inc. All rights reserved. Used with permission. This information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Market conditions during the periods varied from recession to robust growth. Investors should note that it is not possible to invest directly in an unmanaged index, such as the S&P 500 Index. The S&P 500 is an unmanaged index commonly used to measure stock market performance. Past performance is no guarantee of future results.

Start with a plan



Any important endeavor begins with a plan. In order to be a successful investor, you need to know where you're going, you need strategies to achieve your goals and you need a way to measure your progress.

Be ready

Before you make any investment, put your financial safety net in place:

- Set aside three to six months' salary in a bank savings or money market account. This can act as a cushion against life's unexpected events.
- Make sure you have life and disability insurance to meet your family's needs if something happens to your earning power.
- Team up with a financial professional, who can bring perspective, experience and knowledge to the entire investment process.

Be flexible

An investment strategy doesn't have to be long or formal, but it should be flexible. It will change over time as your family, your resources and your goals change.

Be involved

You can look to your financial professional for advice and for help in developing a personal financial strategy. But keep in mind that you have an important role to play, too. Be open about your financial circumstances. Share important life changes with your adviser. Read your statements and ask questions about matters you don't understand. The best relationships develop when you play an active role.

Begin your personal financial strategy right here



▶ Step 1

Identify your goals.

The down payment for your first home?
A fabulous vacation? College expenses?
Retirement? Most investors have more than one goal. Because you will need to approach them with different strategies, it's important to spell them out.

Goals:

▶ Step 2

Assign your time horizons.

Use these time frames as a rule of thumb.

SHORT TERM	MEDIUM TERM	LONG TERM
less than 3 years	3 to 7 years	7+ years

Time horizon:

▶ Step 3

Estimate your risk tolerance.

Only you know how comfortable you are with your investments and their degree of risk. Circle the number that matches the statement that best describes your feelings about risk.

Highest risk tolerance

1 ← 2 → 3

I'm knowledgeable about the stock market, and I'm comfortable with volatility. I also understand that my investments could fluctuate 20% or more.

I'm somewhat comfortable with volatility, but I would get nervous if my investments fluctuated more than 20%.

Lowest risk tolerance

Market volatility makes me nervous. If the value of my investments declined 10%, I would feel that I had made a wrong choice.

▶ Step 4

Strategize with your financial professional.

Now that you've set the framework for your plan, you're ready to have a discussion with a financial professional who will recommend different types of investments for each of your goals. For example, if you are saving to remodel your kitchen and you need the funds within one year, your financial professional will recommend a conservative investment with little or no volatility. The reason? You won't have time to ride out a downturn. On the other hand, if your goal is to create a financial legacy that you can pass on to the next generation, you may want to consider more aggressive investments because your portfolio may have time to recover from a downturn and it may benefit from the superior return potential of more aggressive investments.

Start early and invest regularly

Time is a powerful ally. And you can put time on your side if you start early and discipline yourself to take a percentage of your income from your very first paycheck and continue to make regular investments over time. This exercise is a time-tested investment strategy called “dollar cost averaging.”

Early is easier⁵

The earlier you begin a systematic investment program, the easier it will be to achieve your investment goals. Consider the hypothetical example of Chris and Pat:

	Chris <i>The benefits of starting early</i>	Pat <i>The cost of waiting</i>
Each invested:	\$4,000/year	\$4,000/year
Beginning at age:	25	45
At an annual rate of:	8%	8%
Value at age 65:	\$1,200,000	\$218,000

How much would Pat have had to invest to catch up with Chris at age 65?

More than \$20,000 a year from age 45 to age 65!

The early investor sets a good example

An added benefit for investors who get an early start is the example they set for their children. When mom and dad make investing a priority and live within their means, their positive influence often extends to their children. Research shows that parents are the strongest influence on a child’s future financial habits.

But it’s never too late

Even if you got a late start, the money you save today can provide a cushion against future needs. Invest \$2,000 a year for 10 years at 8%, and you can build a nest egg of more than \$31,000 to add to your retirement resources.

Dollar cost averaging

Of all the qualities that successful investors share, the discipline to invest regularly, no matter what, may be one of the most important.

Studies show that investors who use a strategy called dollar cost averaging to invest regularly in the same investment, month after month, year after year, may pay less for the shares they purchase because the average cost per share will be lower than if the shares were bought all at once. A regular investment plan can also help you avoid the urge to rush into an investment when it is hot and rush out when it is cooling down.



⁵ These examples are provided for illustrative purposes only. They are not intended to indicate the performance of a particular investment. Generally, mutual funds do not offer a fixed rate of return. An investor’s principal is not guaranteed or protected from a decline. The growth of your assets will be based on an actual rate of return provided by the investment you choose.



Of course, dollar cost averaging does not guarantee a profit or protect against a loss, but it can reduce your overall risk, and it's a great way to increase assets by putting your investments on automatic pilot. For the strategy to be effective, you must continue to purchase shares in both up and down markets.

Regular investing has other benefits

If you combine the discipline of regular investing with the benefits of an automatic investment plan, you won't have to rely on your best intentions. Most fund families will waive their minimum investment requirements when you sign up to have a set amount deducted from your bank account and invested automatically in one or more funds. With John Hancock's Monthly Automatic Accumulation Plan (MAAP), you can get started for as little as \$25 a month.

Raise the bar

Once you have a regular investment plan in place, consider the benefits of increasing your investment amount when you get a raise or receive a bonus. Better yet, make a commitment to find an extra 10% to invest simply by cutting back on frills and incidental spending.

How dollar cost averaging works⁶

The table below demonstrates a hypothetical investment of \$100 every month. As you can see, the average cost per share was less than the average price per share.

In...	You invest \$100	At the fund's current share price of...	And purchase this number of shares...
January	\$100	\$10	10
February	\$100	\$20	5
March	\$100	\$25	4
April	\$100	\$20	5
TOTAL:	\$400	\$75	24

YOUR AVERAGE SHARE COST: \$400 ÷ 24 = \$16.67

AVERAGE SHARE PRICE: \$75 ÷ 4 = \$18.75

The power of compounding⁵

Chances are, you learned about compounding when you were in second grade. Maybe you were taught the concept with this simple brain teaser: If you were offered \$1,000 today or one penny on the promise that it would be doubled every day for a month, which would you choose? Most second graders — and many adults — would opt for the \$1,000. However, look what happens to the penny: On day seven, you're collecting a modest 64 cents. However, three weeks later your daily take is a whopping \$1,342,177!

Of course, real-life investments don't double overnight. However, even a modest annual rate of growth — say 7% — means that your investment will double in 10 years — even faster, if you continue to add to it.

DAY	AMOUNT
1	\$.01
2	.02
3	.04
4	.08
5	.16
6	.32
7	.64
8	1.28
9	2.56
10	5.12
11	10.24
12	20.48
13	40.96
14	81.92
15	163.84
16	327.68
17	655.36
18	1,310.72
19	2,621.44
20	5,242.88
21	10,485.76
22	20,971.52
23	41,943.04
24	83,886.08
25	167,772.16
26	335,544.32
27	671,088.64
28	1,342,177.28
29	2,684,354.56
30	5,368,709.12

⁶ This table is for illustrative purposes only and does not depict an actual investment of any John Hancock fund. Your actual results will vary. Most investments generally fluctuate according to market conditions. Past performance is not a guarantee of future results. Dollar cost averaging is the simple investment strategy of investing a consistent amount on a regular basis, usually monthly. By practicing dollar cost averaging, you ensure that you're buying fewer shares at a high price and more shares at a lower price, which is a goal among many investors. This may lower the average price you pay for an investment, while lowering the risk of buying at the wrong time. Be aware that dollar cost averaging does not assure a profit or protect against loss in a declining market. Such a plan involves continuous investment in securities regardless of fluctuating price levels. An investor should consider his/her financial ability to continue purchases through periods of low price levels. These examples are hypothetical and are not intended to imply the performance of any specific John Hancock fund.

Tap the wealth-building potential of the

Companies issue stock to investors to raise money to support their businesses. Investors who buy shares in a public company own a piece of the company. They even have the right to vote on big issues that affect the company. Investors buy stock in the hopes that the company will prosper and the stock will rise in value. Of course, a stock may also lose value. A successful company may pay investors a dividend out of its profits. Most companies issue common stock, but some companies issue a preferential class, called preferred stock, that pays a fixed dividend. Some companies issue both common and preferred stock.

What makes stock prices rise and fall?

Stocks are sold in a market, where the price is determined by how much a buyer is willing to pay or by how much a seller is asking for the stock.

Over the long term, a company's record of profits and its expectations for future profits determine its price. In the short term, a stock's price can fluctuate widely in response to other factors, such as:

News

"Glitches send Dow on wild ride."

CNNMoney.com, 5/6/10.

The economy

"Recession over, but recovery not felt."

The Washington Times, 9/20/10.

Interest rates

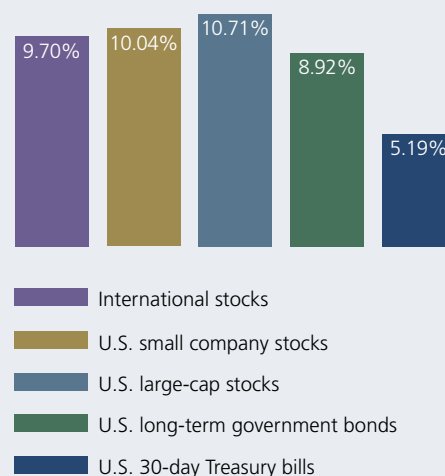
"Fed cuts rate half point, and markets soar." (Dow Jones Industrial Average ended day up 2.51%.)

The New York Times, 9/19/07.

Stocks have outperformed all other financial assets

Stocks involve higher risk than other types of investments. However, they also offer the greatest potential for gain. If they are part of a balanced portfolio, they can actually reduce long-term investment risk.

Long-term performance of financial assets 1980–2010⁷



⁷ Source: Lipper. International stocks are represented by the MSCI EAFE Index, U.S. small company stocks are represented by the Russell 2000 Index, U.S. large-cap stocks are represented by the S&P 500 Index, U.S. long-term government bonds are represented by the Barclays Capital U.S. Aggregate Bond Index. U.S. Treasury bills are represented by the U.S. 30-Day Treasury bill.

The prices of small company stocks can change more frequently and dramatically than those of large company stocks. Large company stocks as a group could fall out of favor with the market, causing the fund to underperform. Foreign investing, especially in emerging markets, has additional risks, such as currency and market volatility and political and social instability. Fixed-income investments are subject to interest-rate and credit risk; their value will normally decline as interest rates rise or if the creditor is unable or unwilling to make principal or interest payments. Government bonds are guaranteed by the U.S. government and, if held to maturity, offer a fixed rate of return and fixed principal value. Performance figures assume reinvestment of dividends and capital gains. Past performance is no guarantee of future results. It is not possible to invest directly in an index.

world's stock markets



The U.S. versus world markets⁸

Year	United States —Percentage gained/lost	Top-performing developed market	Percentage gained/lost	Top-performing emerging market	Percentage gained/lost
2010	15.45%	Sweden	34.81%	Thailand	56.27%
2009	27.14%	Norway	88.61%	Brazil	128.62%
2008	-37.14%	Japan	-29.11%	Morocco	-10.87%
2007	6.03%	Finland	50.09%	Peru	94.74%
2006	15.32%	Spain	50.17%	China	82.87%
2005	5.72%	Canada	28.86%	Egypt	161.59%
2004	10.71%	Austria	72.30%	Columbia	132.95%
2003	29.11%	Greece	69.52%	Thailand	144.55%
2002	-23.97%	New Zealand	20.03%	Pakistan	122.38%
2001	-12.03%	New Zealand	9.50%	Russia	55.85%

Investing beyond U.S. borders

Today, most investors believe that a truly diversified portfolio needs exposure to stock markets around the world. The reasons?

- 1 You get a wider choice of opportunities: half of the world's largest public companies are located outside the U.S.
- 2 Historically, foreign markets have racked up impressive gains (see table above).
- 3 Many foreign economies are growing faster than the U.S. economy.
- 4 The right mix of U.S. and foreign investments may actually reduce risk: Diversification offers the opportunity to benefit from strong performance in one market while offsetting downturns in another. Please keep in mind that diversification does not assure a profit or eliminate the risk of loss.

Investing in foreign stocks involves additional risks

Currency, accounting and regulatory differences, as well as potential political instability, can affect your investments in foreign markets.

Because it's complicated for Americans to invest in a foreign stock market, some large foreign companies make it easier by issuing American Depositary Receipts (ADRs), which are traded on an American stock exchange. An ADR is the equivalent of common stock but denominated in U.S. dollars and subject to American reporting standards.

⁸ Source: Morgan Stanley Capital International (MSCI), 2010 — a market value weighted, arithmetic average of the performance of more than 900 securities listed in several developed world markets. Country performance is represented by each MSCI country index. Annual returns are based on calendar years. Indexes are unmanaged and do not take the transactions costs or fees into consideration. It is not possible to invest directly in an index. Performance figures assume reinvestment of dividends and capital gains. This chart is for illustrative purposes only and does not represent the performance of any John Hancock fund. Past performance is no guarantee of future results. Share price will vary, and you may have a gain or loss when you sell your shares. The market gains illustrated by this table may have been the result of exceptional economic circumstances and the strong performance of certain industries. The gains evidenced may not be experienced again to the same extent, if at all.

Bonds provide income for investors



A bond is a loan to a company or government from a group of investors. Companies issue bonds to finance business projects. Governments issue bonds to build roads and schools. Government agencies issue bonds to back residential mortgages or student loans. A bond investor agrees to lend money to a company or government in exchange for a fixed amount of interest every year and a return of principal at maturity. Because the annual interest amount is generally set when the bond is issued, bonds are often referred to as fixed-income securities.



Bond basics

When a bond is issued, it states how much interest the investor will receive, how long the loan will last and any other special terms, such as whether the bond is callable — whether its issuer can repay the loan in advance. Individual bonds are issued in denominations of \$1,000 or more. The bond's face or par value is what the investor expects to receive back when the bond matures. However, a bond can also be traded in the secondary market, where its price may be higher or lower than its par value.

What's the difference between a stock and a bond?

	Stocks	Bonds
The investor's stake	Ownership, with voting rights	Debt to be repaid
Value of investor's principal	Fluctuates daily	Fluctuates daily, but if held to maturity, principal is returned if issuer is solvent
Income	Some pay dividends	Pay regular income, usually twice a year
Reason to invest	Potential for capital appreciation	Regular income; some opportunity for capital appreciation if interest rates fall or perceived quality improves. U.S. Treasury and agency bonds are backed by U.S. government
Primary risk	Business, market, economic Unlimited potential for gain or loss	Rising interest rates, declining credit quality Relatively lower potential for gain or loss

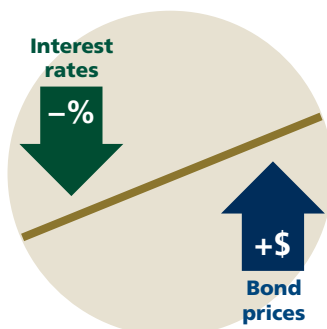
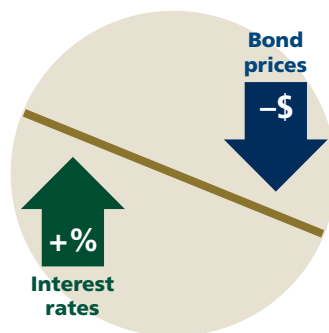


Why investors choose bonds

Investors often choose bonds or bond mutual funds because they pay a steady stream of income. Although bonds have a lower return potential than stocks, they are generally more stable investments. That's why successful investors often include bonds in their portfolios: They can add diversification and help balance risk.

What happens to a bond's price when interest rates change?

WHEN INTEREST RATES RISE, the value of older bonds with lower interest rates falls because the income they pay is less than what investors could receive on a new bond.



WHEN INTEREST RATES FALL, the value of older bonds with higher interest rates rises because the income they pay is more than what investors could receive on a new bond.

Interest rates drive the bond market

Bond values and interest rates move in opposite directions. That's because bond investors are hungry for income. They pay more for bonds that pay higher income and less for bonds with lower income payments. So when interest rates rise from 6% to 7%, the old 6% bonds are less attractive. When interest rates fall from 7% to 6%, the old 7% bonds are more attractive. How much should a bond's value change when interest rates change? Enough to compensate for the higher (or lower) income a new bond will pay. The bigger the change in interest rates, the greater the impact on the price of an existing bond.

Bonds under the microscope

A bond's creditworthiness also affects its value. Many bonds are reviewed for their creditworthiness by national agencies, such as Moody's and Standard & Poor's, which then assign ratings that indicate how likely it is that interest payments will be made on a timely basis and the bond's principal will be returned to investors.

Bonds are rated on a scale from AAA — the highest quality — to D — the lowest quality. A bond rated BB or lower is below investment grade and is referred to as a "junk bond," according to Standard & Poor's.

Nonrated bonds may be below investment grade. However, many small bonds may be unrated for reasons that have nothing to do with their quality.

Mutual funds help make investing easier and more convenient

Now that you understand something about stocks and bonds, how do you get your investment strategy started? Few investors have enough money to buy 10 or 20 stocks plus a variety of bonds, the time or knowledge to do their own investment research or the leverage to buy and sell securities at the best possible price. That's why so many investors build their financial strategies around mutual funds.

What is a mutual fund?

A mutual fund pools the money of many investors who share a similar goal, creating much greater buying power than they would have investing on their own. A mutual fund shareholder owns a proportionate share of the securities in the fund and pays a proportionate share of the fund's expenses. The value of all mutual fund shares are recalculated and reported every business day.

Depending upon the individual fund mandate, a mutual fund can own hundreds of different securities. Its success isn't dependent upon the performance of any particular holding.



Convenience where it counts

Mutual funds let you choose a way to do business that works with your lifestyle: You can buy, sell or exchange funds through a financial professional, over the phone or via the Internet. You can have your dividends reinvested or request payment by check. Mutual fund companies keep track of your shares, send regular reports on your account and provide you with important tax information.

All types of mutual funds for all types of investors

There are many different types of mutual funds to choose from, depending on what your needs may be. However, most mutual funds fall under one of three general categories: equity, income and money market. Equity funds invest in stocks, income funds invest in bonds, and money market funds hold cash investments and intend to keep a constant net asset value.

Risks of mutual funds

Mutual funds are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Because you could lose money by investing in a mutual fund, be sure to read carefully all risk disclosure contained within a fund's prospectus prior to investing.

Investors choose mutual funds because they offer:

1 Professional management

Mutual funds are managed by experienced investment professionals who use the pool of money to buy securities that, in their judgment, will help the fund achieve its stated objectives. These managers also monitor your investments on your behalf.

2 Diversification

Your money is often invested in hundreds of securities. A diverse mix of holdings can reduce volatility because the effect of one bad investment typically will be offset by better results in the rest of the portfolio. However, diversification does not ensure a profit or protect against a loss.

3 Liquidity

Generally, fund shareholders can sell shares at any time at the current market value, priced once daily at day's end.

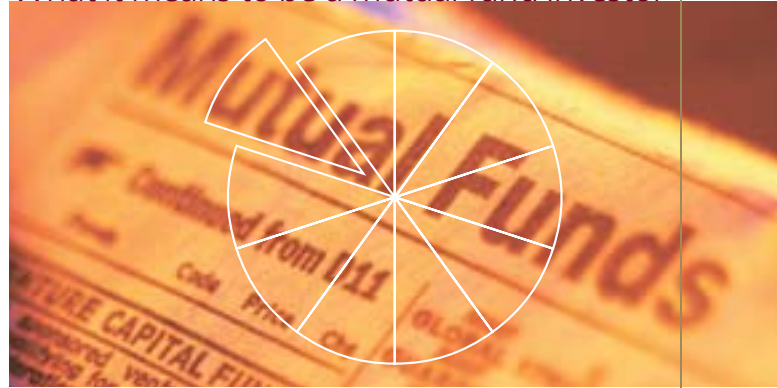
4 Convenient services

Most mutual fund companies offer shareholders a range of services, including automatic investing and withdrawal programs, reinvestment of fund distributions and exchanges between funds.

5 Access to a variety of markets

You can invest in broad-based funds that include stocks and bonds from the U.S. and abroad, or narrowly focused funds that target individual industry sectors, such as technology or health care, or specific asset classes, such as bonds or foreign stocks.

What it means to be a mutual fund investor



When you invest in a mutual fund, you own one piece of the larger mutual fund pie.



You have the right to vote on issues that are important to your fund, to sell shares in exchange for cash or to buy more shares.



You will get a proportionate share of the investment returns — *gains or losses*.



You pay a proportionate amount of fund expenses.

Divide and conquer: Understanding the

Your financial future should never depend on just one or two investments. If you divide your money among a mix of investments that complement each other, you can tap the potential of the world's stock and bond markets without putting your financial goals at extraordinary risk. When you diversify — or divide — your money among a variety of financial assets using a strategy called asset allocation, you can help smooth the ups and downs of investing. The idea is to own a wide enough selection so that you get the benefit when one asset scores big and protection when one segment does poorly. In fact, experts agree that how you divide your assets is one of the strongest determinants of long-term investment success.

Annual returns of asset classes, 2001–2010⁹

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
BEST	Small/Mid Cap Value 9.74	Bond 10.25	Small/Mid Cap Growth 46.31	Small/Mid Cap Value 21.58	International 14.02	International 26.86	Large Cap Growth 11.81	Bond 5.24	Small/Mid Cap Growth 41.66%	Small/Mid Cap Growth 28.86%
	Bond 8.44	Cash 1.61	Small/Mid Cap Value 44.93	International 20.70	Small/Mid Cap Growth 8.17	Large Cap Value 22.25	International 11.63	Cash 1.40	Large Cap Growth 37.21%	Small/Mid Cap Value 24.82%
	Cash 3.48	Small/Mid Cap Value -9.87	International 39.17	Large Cap Value 16.49	Small/Mid Cap Value 7.74	Small/Mid Cap Value 20.18	Small/Mid Cap Growth 9.69	Diversified Portfolio -31.10	International 32.46%	Diversified Portfolio 16.77%
	Large Cap Value -5.59	Diversified Portfolio -14.63	Diversified Portfolio 32.38	Small/Mid Cap Growth 14.59	Diversified Portfolio 7.45	Diversified Portfolio 15.83	Bond 6.97	Small/Mid Cap Value -31.99	Small/Mid Cap Value 27.68%	Large Cap Growth 16.71
	Diversified Portfolio -6.64	Large Cap Value -15.52	Large Cap Value 30.03	Diversified Portfolio 14.00	Large Cap Value 7.05	Small/Mid Cap Growth 12.26	Diversified Portfolio 5.44	Large Cap Value -36.85	Diversified Portfolio 27.44%	Large Cap Value 15.51%
	Small/Mid Cap Growth -10.83	International -15.66	Large Cap Growth 29.75	Large Cap Growth 6.30	Large Cap Growth 5.26	Large Cap Growth 9.07	Cash 4.40	Large Cap Growth -38.44	Large Cap Value 19.69%	International 8.21%
	Large Cap Growth -20.42	Large Cap Growth -27.88	Bond 4.10	Bond 4.34	Cash 3.07	Cash 4.67	Large Cap Value -0.17	Small/Mid Cap Growth -41.50	Bond 5.93%	Bond 6.54%
WORST	International -21.21	Small/Mid Cap Growth -29.09	Cash 1.03	Cash 1.38	Bond 2.43	Bond 4.33	Small/Mid Cap Value -7.27	International -43.06	Cash 0.15%	Cash 0.14%

9 Source: Lipper, Inc. as of 12/31/10. Annual returns are based on calendar years. Indexes are unmanaged and do not take transaction costs or fees into consideration. It is not possible to invest directly in an index. Performance figures assume reinvestment of dividends and capital gains. This chart is for illustrative purposes only and does not represent the performance of any John Hancock fund. Diversification does not guarantee against a loss. Past performance is no guarantee of future results.

Large cap growth is represented by the Russell 1000 Growth Index, a market capitalization weighted index of securities in the Russell 1000 Index with higher price-to-book ratios and higher forecasted growth values. **Large cap value** is represented by the Russell 1000 Value Index, a market capitalization weighted index of securities in the Russell 1000 Index with lower price-to-book ratios and lower forecasted growth values. **Small/Mid cap growth** is represented by the Russell 2500 Growth Index which measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. **Small/Mid cap value** is represented by the Russell 2500 Value Index which measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values. **International** is measured by the MSCI EAFE Index, a market value-weighted, arithmetic average of the performance of more than 900 securities listed in several developed world markets, excluding the United States. **Bonds** are measured by the Barclays Capital U.S. Aggregate Bond Index, which includes U.S. government, corporate and mortgage-backed securities with maturities up to 30 years. **Cash** represents the performance of the 3-month T-bill, published by the Federal Reserve. **Diversified** is represented by the average return of the six indexes above, excluding cash. It does not represent any specific index. You cannot invest directly in an index.

The value of a company's equity securities is subject to changes in the company's financial condition, and overall market and economic conditions. Large company stocks as a group could fall out of favor with the market, causing the fund to underperform. The prices of medium and small company stocks can change more frequently and dramatically than those of large company stocks. Growth stocks may be subject to greater price fluctuations because their prices tend to place more emphasis on earnings expectations. Value stocks may not increase in price as anticipated or may decline further in value. Fixed-income investments are subject to interest-rate and credit risk; their value will normally decline as interest rates rise or if the creditor is unable or unwilling to make principal or interest payments. Foreign investing, especially in emerging markets, has additional risks, such as currency and market volatility and political and social instability.

Asset allocation is a strategic process

It's not enough to own five different mutual funds or ten different stocks. Asset allocation is a strategic process. It involves choosing stocks from different industries, country origins and market caps, as well as bonds from different sectors and maturity ranges. In fact, one of the benefits of investing in mutual funds is that you get two levels of diversification. First, you choose the asset category. Then, the fund manager chooses a variety of investments that are part of that group.



benefits of diversification

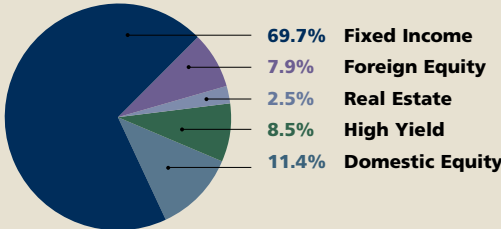


Building a diversified portfolio¹⁰

The management team at John Hancock Asset Management¹¹ have designed investment models of how to build a diversified portfolio to meet various financial goals. When referring to these models, it is important also to weigh the benefits of diversification and asset allocation. When creating a portfolio, we strongly encourage you to consult with your financial professional to construct an investment portfolio that is suited to your risk profile, objectives and your investment time frame.

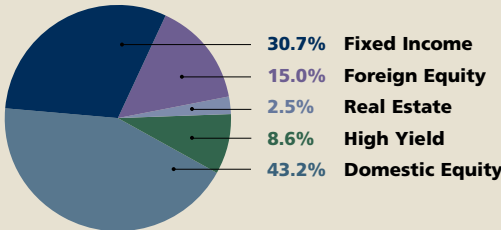
Conservative

The Conservative Portfolio is appropriate for investors for whom security is the greatest concern and who would not feel comfortable if the portfolio returns fluctuated greatly.



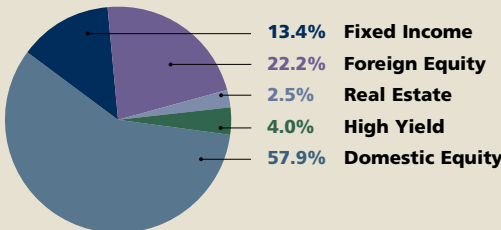
Balanced

The Balanced Portfolio is appropriate for investors who are equally concerned about growth potential and security.



Growth

The Growth Portfolio is appropriate for more aggressive investors who are concerned with growth of capital, but prefer to limit potential risk.



The suggested allocations are based upon model portfolio allocations developed by John Hancock Asset Management. It should not be considered investment advice or serve as the sole primary basis for making investment decisions. Instead, it should be considered together with all other information investors deem important in making their investment decisions. Remember that diversification does not ensure a profit or protect against a loss.

¹⁰ Source: Asset allocation portfolios developed by John Hancock Asset Management, 2010. The Conservative, Growth and Balanced Portfolios are based from categories consisting of Fixed Income (U.S., investment grade, global, TIPS, bank loans), High Yield (U.S. and global), Domestic Equity (large cap, mid cap, small cap), Real Estate (domestic and global) and Foreign Equity (international large-cap, international small-cap, emerging markets). Used with permission. All rights reserved.

¹¹ Manulife Asset Management (US) LLC and Manulife Asset Management (North America) Limited are doing business as John Hancock Asset Management.

Evaluating your investment performance



How do you know whether your investments are doing well? Before you can answer that question, you need to understand two things: how your investments report their returns and what to compare them with, so that your measurement is fair.

Stocks are easy

Compare the price you paid for the stock, plus the transaction fee, with today's market price. If you sell the stock, you'll also have to take taxes and your transaction cost into consideration when you figure the stock's net return.

Bonds are different

Bond prices are quoted daily. You can figure out whether you would have a gain or loss on the bond if you sold it, but most investors hold on to their bonds. They measure their bond's performance based primarily on its income or yield. Mutual fund managers who own bonds actively trade them, seeking the best combination of yield and potential appreciation for their shareholders. They measure the fund's performance in terms of total return.

Figuring total return

YOUR YEAR-END STATEMENT

Date	Description	Number of shares	Share price	Account value
1/2	Shares purchased	100	\$10	\$1,000
12/20	Dividend reinvested	10	\$10	\$1,100
12/31	Ending value	110	\$11	\$1,210

Your total return for the year is 21%.¹²



Here's how to figure it out:

Divide your account value at the end of the period by your account value at the beginning of the period and subtract 1.00.

$$\begin{array}{r}
 \$1,210.00 \\
 \div 1,000.00 \\
 \hline
 \$1.21 \\
 - 1.00 \\
 \hline
 \mathbf{21\%}
 \end{array}$$

Most mutual funds are measured by total return

Your fund measures its gains against its losses, then factors in any dividends or interest income received and paid to you as a distribution, to arrive at a total investment return for any given period. Your total return, however, will be different from the fund's total return if you owned the fund for less than the reporting period and/or took your dividends in cash.

¹² This example is hypothetical and is for illustrative purposes only. It does not depict an actual investment of any John Hancock fund. Your actual results will vary.



Common indexes to compare performance¹³

If you own...	Compare it with this index	And with a mutual fund peer group average
A large-cap stock fund	S&P 500	Lipper Multi-Cap Core Morningstar Large Blend
A small-cap value stock fund	Russell 2000 Value	Lipper Small Cap Value Morningstar Small Value
A high-yield bond fund	Bank of America Merrill Lynch High Yield Master II	Lipper High Current Yield Morningstar High Yield

Compare fund performance with a broad index

Whether you own a technology fund or a strategic bond fund, you can usually find a broad market index to compare performance. There are more than 30 major stock and bond indexes. If you don't know which one is a good yardstick for your investment, talk to your financial professional.

You should also compare fund performance with other, similar mutual funds

Fund-to-fund comparison can provide an even better picture of performance. That's because a mutual fund may own securities that are not included in an index — such as cash for liquidity or foreign investments. A mutual fund's performance is also affected by management and transaction costs.

There are two major fund performance reporting services: Lipper and Morningstar. It makes sense to compare the performance of your funds with that of both peer groups. The information is readily available in magazines, newspapers and on the Web. Most public libraries also subscribe to Morningstar reports or can offer access through their Internet subscription.

... and where to find them

Lipper averages	Morningstar averages
<ul style="list-style-type: none"> monthly updates in <i>The Wall Street Journal</i> 	<ul style="list-style-type: none"> weekly updates in <i>Business Week</i>
<ul style="list-style-type: none"> quarterly updates in <i>Barron's</i> 	<ul style="list-style-type: none"> on the Web at www.morningstar.com
<ul style="list-style-type: none"> on the Web at www.lipperweb.com 	

Keep a long-term perspective on performance

What should you do if your fund lags its benchmark and peer group? Consider a three- to five-year horizon of performance before you decide that it is time to make a change. One-year performance is insufficient information for a good comparison.

How can you tell if your portfolio is on track?

Figuring performance can be easy, but analyzing your portfolio is a more complicated exercise. Meet with your financial professional. A professional has the appropriate tools to perform a thorough review of portfolio performance.

¹³ These indexes do not represent any mutual fund. It is not possible to invest directly in an index.

Tools to help you monitor your portfolio

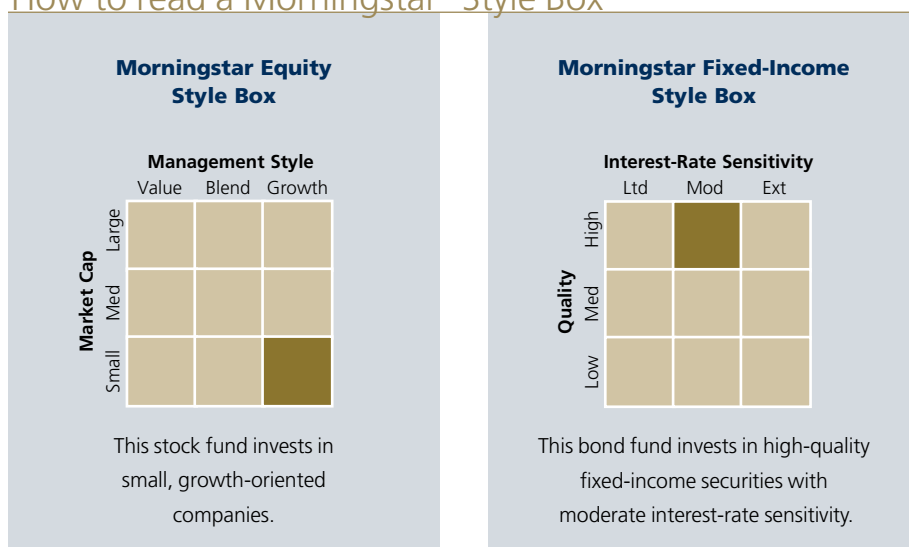
Holding a diverse group of mutual funds can make you less vulnerable to adverse developments in one segment of the market and raises the probability that some portion of your assets is growing at any given time. That's why it's so important for each fund you own to do the job it was picked to do. How can you tell? You can investigate, using tools that you can find on the Web, in the financial media or in most libraries.

Monitor your portfolio with Morningstar

Style boxes provide a current snapshot

Just because a fund calls itself a value fund — or a small-cap fund — doesn't mean it will stick to its style. But you can investigate using a Morningstar® Style Box™, which is a “snapshot” of a fund's composition at a given time. Keeping an eye on the fund's Style Box can alert you to changes in the fund's investment style and composition.

How to read a Morningstar® Style Box™



For illustrative purposes only. The Morningstar Style Box reveals the Fund's investment style. For equity funds, the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend or growth). For fixed-income funds, the vertical axis shows the credit quality of the bonds and the horizontal axis shows interest-rate sensitivity, as measured by average effective duration. Credit quality is "low" if the average credit rating is less than BBB-, "medium" if between AA- and BBB-, or "high" if greater than AA-. Interest-rate sensitivity is "limited" if average effective duration falls below 75% of the duration of the Morningstar Core Bond Index, "moderate" if between 75% and 125%, and "extensive" if above 125%. For municipal bond funds, Morningstar uses static breakpoints for effective duration where a fund is rated "limited" if less than or equal to 3.5 years, "moderate" if between 4.5 and 7 years and "extensive" if more than 7 years.

Size definitions

Domestic large-capitalization funds invest primarily in stocks whose average weighted market capitalization ranks in the top 70% of domestic stocks.

Domestic medium-capitalization funds invest primarily in stocks whose average weighted market capitalization ranks in the next 20% of domestic stocks.

Domestic small-capitalization funds invest primarily in stocks whose average weighted market capitalization ranks in the smallest 10% of domestic stocks.

Management style definitions

Value funds invest in stocks that are believed to be undervalued and should appreciate in price.

Blend funds invest in stocks that exhibit both growth and value characteristics.

Growth funds invest in stocks that have the potential to increase earnings faster than the general market.



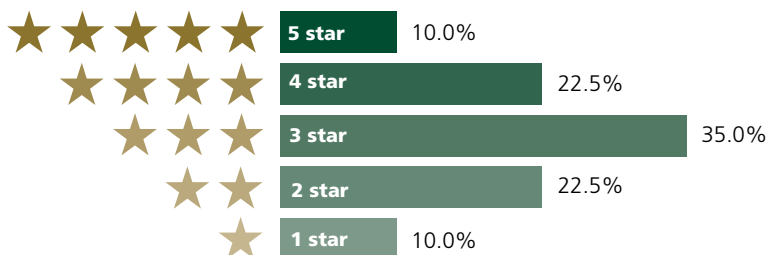
Where to find Morningstar Style Box information

Many fund companies will supply Style Boxes for their funds. You can also go directly to www.morningstar.com and find a fund's Style Box in its Quicktake® Report.



How do star ratings work?

The Morningstar Rating™ for funds, commonly called the star rating, is a measure of a fund's risk-adjusted return, relative to funds in its category. Funds are rated from one to five stars, with the best performers receiving five stars and the worst performers receiving one star.



Funds are ranked within their categories and are assigned star ratings, as shown in the “star” chart to the right.

Funds are rated for up to three periods trailing three, five and ten years — and ratings are recalculated each month. For funds that remain in the same Morningstar category for the entire evaluation period, the weights in the chart on the right are used to calculate an overall rating.

Age of fund	Overall rating
At least three years, but less than five	100% three-year rating
At least five years, but less than ten	60% five-year rating 40% three-year rating
At least ten years	50% ten-year rating 30% five-year rating 20% three-year rating

For illustrative purposes only.

Taxes matter

Investing is not just about how much you earn.

You can keep your taxes as low as possible and build more value in your investments over time by planning ahead, choosing tax-advantaged investments and keeping a long-term perspective. The investment tax structure is designed to favor long-term investors. Day traders, whose style is to buy and sell stocks they've owned for days — or even hours, face stiff tax consequences in addition to high transaction costs.

A quick lesson on taxes

Investors pay capital gains tax when they sell or exchange stocks, bonds or mutual fund shares at a profit. If you've owned the securities for less than a year, you pay a short-term capital gains tax that is equivalent to the federal income tax rate. If you've owned the shares for more than a year, you'll owe long-term capital gains tax.

If you own mutual funds in taxable accounts, you also owe taxes on all distributions of income dividends and capital gains, regardless of whether you reinvested them in additional shares or received them in cash.

It's also important to remember that it's the fund's holding period — not yours — that determines whether a gain is short or long term.

The impact of taxes on your investment¹⁴

Let's say you invested \$1,000 at the beginning of the year into a mutual fund. During the course of the year, your fund paid you a dividend of \$100. Meanwhile, the value of your account increased by \$300. Early the following year, you decide to sell all of your shares in this account.

YOUR STATEMENT

Date	Description	Account Value
1/2	Shares purchased	\$1,000
6/30	Dividend reinvested	\$100
	Appreciation in investment value at redemption	+\$300
1/31	Redemption	\$1,400

Let's take a look at how you may be taxed.

Here's how to figure it:

Take your ending account balance of \$1,400 and subtract the	\$1,400
Federal Income Tax that you owe on the \$100 in dividends, assuming a hypothetical income tax bracket of 15%. Next, subtract	— 15
the Capital Gains Tax of 15% that you owe on the \$300 gain.	— 45



Your final total, after taxes, is \$1,340.

\$1,340

¹⁴ This example is hypothetical and is for illustrative purposes only. It does not depict an actual investment of any John Hancock fund. Your actual results will vary.

It's about how much you keep.



Tax-advantaged investments	Contributions tax-deductible	Earnings tax-deferred	Earnings and withdrawals federal and/or state tax-free
Traditional IRAs	✓*	✓	
Roth IRAs		✓	✓*
Roth 401(k)s		✓	✓*
401(k)s	✓	✓	
403(b)s	✓	✓	
SIMPLE IRAs & 401(k)s	✓	✓	
Other qualified workplace retirement plans (Profit sharing, ESOPs, etc.)	✓	✓	
SEP IRAs	✓	✓	
Keoghs	✓	✓	
Municipal bonds & bond funds			✓
U.S. Treasury securities & funds			✓**

*Eligibility required.

**State & local tax-free; subject to federal income tax.

Four ways to save on taxes

1 Lower your current tax bill by choosing tax-deductible IRAs and other retirement plans

If you're eligible, you can contribute up to \$5,000 a year to a Traditional IRA. Many Americans are also eligible to take a deduction for IRA contributions for income tax purposes. You may also get a tax deduction on contributions to:

- your workplace 401(k), SIMPLE 401(k) or IRA, or 403(b)
- a Keogh or SEP IRA, if you're self-employed or part of a small business

2 Reduce income tax by choosing tax-free investments for your income needs

If you use mutual funds to generate income for retirement or to meet a regular commitment such as college tuition or child support, a tax-free municipal bond fund may result in a higher return. The income generated by tax-free funds is generally exempt from federal income tax (unless you are subject to the Alternative Minimum Tax — a tax computation that ensures that taxpayers with substantial deductions and credits pay at least some income tax). Tax-free funds may be exempt from state and local income tax as well.

3 Eliminate income tax on withdrawals from your retirement accounts with a Roth IRA

The Roth IRA is one of the most tax-advantaged investments ever introduced for long-term retirement savers. Your annual contributions automatically compound tax-deferred. And, after age 59½, if you've held your account for five years, all withdrawals are free of federal income tax. In most states, Roth IRA withdrawals are also exempt from state income tax. You must meet income eligibility requirements to contribute to a Roth IRA or to convert assets from a Traditional IRA to a Roth IRA.

4 Get more from your investments with tax-deferred compounding

Unlike regular, taxable investments, you won't pay tax on the capital gains or distributions from your investments in tax-advantaged IRAs and workplace retirement savings accounts. Instead, these earnings accumulate tax-deferred until you withdraw your savings, and they are taxed as ordinary income.

For more information about tax-advantaged IRAs, talk to your financial professional and tax adviser.

The benefits of a financial professional

You can get investment information from hundreds of different sources, but is the information specific to you and your family's needs? Can you evaluate the advice and turn it into an investment decision? And, do you have time to turn information into action?

A financial professional can do all this for you — and more. You'll have someone to stay on top of market trends, new opportunities, and tax- and retirement-law changes. Also, you'll have a knowledgeable person to turn to when the markets act up and you want advice.

If you don't have a financial adviser

- Seek a personal recommendation from someone you trust: your accountant or lawyer, or a successful family member or friend who is familiar with your financial situation.
- Check the business pages of your newspaper for the names of local financial professionals who are quoted in stories.
- Schedule an informational appointment with at least three financial specialists.
- Ask them about their credentials and how they charge.
- Ask about how the adviser's experience matches your situation; for example, if you have inherited a large sum of money or if you own your own business.
- Spend at least an hour asking questions. Be wary of anyone who is less than candid or who uses terms you don't understand.



How to reach us

We've made it easy to do business with John Hancock Mutual Funds. You can reach us by phone at 1-800-225-5291.

Our Customer Service Representatives are available Monday through Friday, 8:00 A.M. to 7:00 P.M., Eastern Time.

Or you can call our automated customer service line at 1-800-338-8080. It's voice-activated and available 24 hours a day for transactions, as well as fund and account information.

You can also reach us on the Web at www.jhfunds.com.



*Let John Hancock
Mutual Funds help
you become a
successful investor.*

Why John Hancock Mutual Funds?

For more than four decades, John Hancock Mutual Funds has been helping individual, corporate and institutional clients reach their most important financial goals. With so many fund companies to choose from, why should you invest with us?

A name you know and trust

When you invest with John Hancock Mutual Funds, you are investing with one of the most recognized and respected names in the financial services industry. Our parent company has been helping individuals and institutions increase and protect wealth since 1862.

Solutions across the investing spectrum

We offer equity, income, international, sector and asset-allocation investment solutions managed by leading institutional money managers. We take a disciplined, team approach to portfolio management and research, leveraging the expertise of seasoned investment professionals.

Committed to you

Our shareholders come first. We work hard to provide you with the products you may need to build a solid financial foundation. We believe in the value of advice and partner with financial professionals in a commitment to help you reach your long-term investing goals.



- The John Hancock Mutual Funds Web site won the 2010 **"Best of Industry"** award in the mutual funds category from the Web Marketing Association.
- In 2010, kasina ranked the John Hancock Mutual Funds Web site as **one of the Top 10 Websites** for Financial Intermediaries, for the fifth consecutive year.
- John Hancock Signature Services, Inc., the transfer and shareholder services agent for John Hancock Mutual Funds, attained the 2010 **"Support Team of the Year"** from the American Business Awards.

A fund's investment objectives, risks, charges and expenses should be considered carefully before investing. The prospectus contains this and other important information about the Fund. To obtain a prospectus, contact your financial professional, call John Hancock Funds at 1-800-225-5291 or visit our Web site at www.jhfunds.com. Please read the prospectus carefully before investing or sending money.



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