



MUTUAL FUNDS

# Fund Commentary

Q4 | 2011

## John Hancock Disciplined Value Fund

FROM THE ROBECO INVESTMENT MANAGEMENT, INC. PORTFOLIO MANAGEMENT TEAM

**The performance data contained within this material represents past performance, which does not guarantee future results. The return and principal value of an investment will fluctuate, so that shares, when redeemed, may be worth more or less than the original cost. The Fund's current performance may be higher or lower and is subject to substantial changes. For performance data current to the most recent month end, contact your financial professional or call John Hancock Funds at 1-800-225-5291.**

### FUND RESULTS

The Fund posted a total return of 13.39% in the fourth quarter of 2011, versus the 13.11% return of the Russell 1000 Value Index and the average 11.97% return of Morningstar, Inc.'s large value fund category.\*

### MARKET ENVIRONMENT

U.S. economic conditions improved in the back half of 2011, especially in the fourth quarter. We expect the economy to have grown between 2% to 3% for the period and anticipate that first half 2012 economic forecasts will be raised. The long-delayed employment recovery is beginning to emerge, as the economy has generated over 100,000 jobs per month in each of the last six months for the first time in over five years. Bank loan growth has improved over the past nine months, while construction spending and new home sales, with the help of some favorable weather, have shown glimmers of hope during the fourth quarter. Pockets of activity remain strong, as railcar loadings, oil rig counts and corporate profits have reached all-time highs during 2011. Absent Europe's debt issues, U.S. investors are receiving many signs that the pieces are in place for a self-sustaining, measured economic recovery.

### PERFORMANCE REVIEW

In the fourth quarter, the Fund outpaced its benchmark, the Russell 1000 Value Index, in a strong market, with contributions to relative performance coming from several sectors. Our energy position's 25% return helped lead relative performance, with notable contributions from independent exploration and production companies like EOG Resources, which has been successfully repositioning its business to oil from natural gas. Strong stock picking

within the banking industry steered the Fund's finance position's 13% return, which significantly contributed to relative performance. The Fund's underweights in consumer non-durables and utilities stocks also enhanced relative return, as these expensive, defensive areas lagged the broader market. In terms of detractors, the Fund's technology position was the main culprit, with a 7% return that was dampened by out-of-benchmark holding Oracle's unexpected earnings miss in a flummoxed business environment.

### OUTLOOK

We expect the global outlook to remain challenging, with no quick fix to the European quandary. However, we also do not anticipate another great recession in Europe, as the global financial system and corporate balance sheets are much stronger compared to four years ago. Many parts of the world, including the U.S. and the emerging economies, are in the midst of a self-sustaining recovery. We expect global deleveraging to dampen but not eliminate economic growth, with 2% to 3% growth over the next several years appearing achievable, in our view.

Equity valuations are generally factoring in much more dire circumstances. Despite strong earnings results — S&P 500 Index earnings are expected to have grown in excess of 16% in 2011 — equity prices finished the year about where they started, as investors became very defensive and implicitly lowered their growth expectations and raised their risk premiums to levels not seen before. We intend to take advantage of mispricings in the market by following our time-tested process of buying stocks with strong fundamentals and improving business momentum at extremely attractive prices.

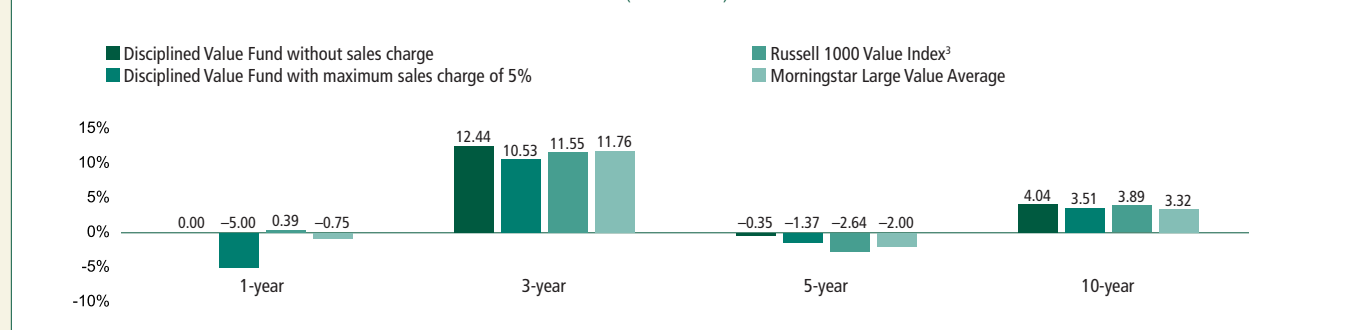
\*Performance for Class A shares only at net asset value. Please visit our Web site at [www.jhfunds.com](http://www.jhfunds.com) for performance of other share classes.

This commentary reflects the views of the portfolio managers through December 31, 2011. The managers' views are subject to change as market and other conditions warrant. No forecasts are guaranteed. This commentary is provided for informational purposes only and is not an endorsement of any security, mutual fund, sector or index. Robeco Investment Management, Inc., John Hancock Investment Management Services, LLC, and their affiliates, employees and clients may hold or trade the securities mentioned in this commentary.

**TEN LARGEST EQUITY HOLDINGS (12/31/11)<sup>1</sup>**

Wells Fargo.....	4.06%	JPMorgan Chase.....	2.72%
Pfizer.....	3.64%	Johnson & Johnson.....	2.64%
General Electric.....	3.37%	Occidental Petroleum.....	2.41%
Berkshire Hathaway.....	3.13%	Exxon Mobil.....	2.39%
Chevron.....	2.80%	Microsoft.....	2.25%

**AVERAGE ANNUAL TOTAL RETURNS — CLASS A (12/31/11)<sup>2</sup>**



On 12/19/08, John Hancock Disciplined Value Fund acquired the assets of the Robeco Boston Partners Large Cap Value Fund (predecessor fund). Returns of the predecessor fund’s Investor Class shares, first offered on 1/16/97, have been recalculated to apply the gross fees and expenses of Class A, first offered on 12/22/08.

The Fund’s total annual operating expense ratio as of the current prospectus is 1.26%. Expenses for other share classes will vary, which will affect returns. Performance figures assume that all distributions are reinvested. Performance quoted without sales charges would be reduced if the sales charges were applied.

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**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](http://www.jhfunds.com). Please read the prospectus carefully before investing or sending money.**

*Value stocks may not increase in price as anticipated or may decline further in value. Foreign investing, especially in emerging markets, has additional risks, such as currency and market volatility and political and social instability. Large company stocks as a group could fall out of favor with the market, causing the Fund to underperform. If the Fund invests in illiquid securities, it may be difficult to sell them at a price approximating their value. For additional information on these and other risk considerations, please see the Fund’s prospectus.*

**For more information, call your financial professional or John Hancock Funds at 1-800-225-5291.**



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1 Listed holdings do not represent all of the holdings in the Fund. Holdings are subject to change at any time and are not recommendations to buy or sell any security. Holdings are expressed as a percentage of net assets and exclude cash and cash equivalents.  
 2 Source: Morningstar, Inc. Performance for other share classes may vary, and returns assume all dividends and capital gains are reinvested. Performance results reflect any expense reductions. Without these reductions, performance would have been less favorable.  
 3 The Russell 1000 Value Index measures the performance of those companies within the Russell 1000 index with lower price-to-book ratios and lower forecasted growth values. It is not possible to invest directly in an index.

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