



MUTUAL FUNDS

Fund Commentary

Q4 | 2011

John Hancock Balanced Fund

FROM THE JOHN HANCOCK ASSET MANAGEMENT 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

For the quarter ended December 31, 2011, the Fund returned 7.68%, beating the average 6.69% gain posted by the Morningstar, Inc. peer group of moderate allocation funds. The equity portfolio — on average about 63% of assets — nearly matched the S&P 500 Index's 11.82% advance, while the fixed-income portfolio beat the 1.12% return of the Barclays Capital U.S. Aggregate Bond Index.* In the fixed-income portfolio, overweights in corporate bonds and commercial mortgage-backed securities aided results, as both sectors outperformed government bonds.

MARKET ENVIRONMENT

Stocks rallied, as low valuations attracted investors, corporate earnings beat expectations and U.S. economic growth improved. All sectors within the S&P 500 Index were up, with especially strong gains from more economically sensitive segments, such as energy, industrials and materials. However, large-cap stocks lagged small caps. Within fixed-income markets, the improving economy helped corporate bonds beat government bonds. Treasury yields were largely unchanged as interest rates remained near historic lows.

PERFORMANCE REVIEW

Stock picking focused on companies with assets worth more than their stock prices reflected, good free cash flow, improving prospects, solid management teams and potential catalysts to help unlock value.

Security selection in the information technology and health care sectors aided relative performance. Top contributors included Google, Inc. (technology), whose stock gained as the company's core search business, Android smart phone operating platform, Google Plus social networking site helped drive strong revenue and earnings growth.

The Fund's timely purchase of data base management software giant Oracle Corp. (technology) also helped, as we bought the stock following an earnings miss. Shares of pharmaceutical benefits manager Express Scripts, Inc. (health care) gained from expectations that it would keep a lot of its customers after severing ties with Walgreen Company. Elsewhere, an investment in Denbury Resources Inc. (energy), an exploration and production company that uses carbon dioxide to extract more oil from old fields, rallied nicely, as oil prices climbed.

Security selection in the industrials sector detracted from performance. Disappointments included Republic Services, Inc., a waste management company, and Iron Mountain, Inc., a paper storage company. Both stocks suffered as investors moved into more economically sensitive stocks. The Fund lost added ground from energy, mainly because it did not have more exposure to the integrated, diversified companies in the index. Elsewhere, detractors included Hospira Inc. (health care), whose injectable drug business was pressured by manufacturing issues, and Barrick Gold Corp. (materials), whose mining operation was hurt by declining gold prices.

OUTLOOK

We expect equities to benefit as the U.S. economy recovers, central banks worldwide ease and commodity prices come down. However, the market is likely to remain volatile, given various overhangs, including the U.S. budget deficit, a possible recession in Europe, slowdowns in China and India, and continued tensions in the Middle East. Going forward, we think investors will likely renew their focus on corporate fundamentals, such as revenues and earnings, benefiting portfolios like ours that rely on stock picking. The Fund ended the quarter with a slight tilt toward economically-sensitive equity sectors and an overweight in corporate bonds.

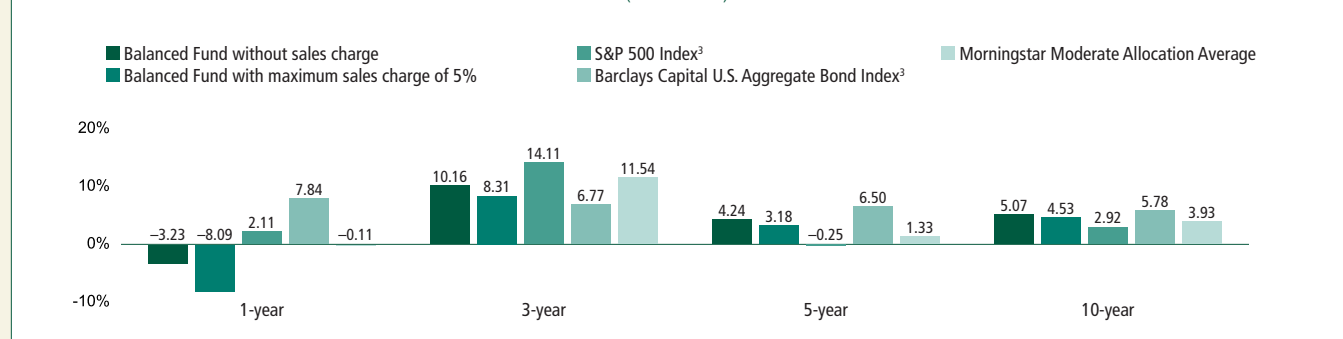
*Performance for Class A shares only at net asset value. Please visit our Web site at www.jhfunds.com for performance of other share classes.

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. John Hancock Asset Management, John Hancock Advisers, LLC, and their affiliates, employees and clients may hold or trade the securities mentioned in this commentary.

TEN LARGEST HOLDINGS (12/31/11)¹

QUALCOMM	2.83%	Express Scripts	1.98%
Google	2.80%	CVS Caremark	1.93%
Federal National Mortgage Association	2.67%	Suncor Energy	1.79%
Apple	2.63%	Danaher	1.74%
Microsoft	2.58%	Ecolab	1.70%

AVERAGE ANNUAL TOTAL RETURNS — CLASS A (12/31/11)²



The Fund's total annual operating expense ratio as of the current prospectus is 1.21%. 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. Please read the prospectus carefully before investing or sending money.

The value of a company's equity securities is subject to changes in the company's financial condition, and overall market and economic conditions. 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. Investments in higher-yielding, lower-rated securities involve additional risks as these securities include a higher risk of default and loss of principal. Foreign investing, especially in emerging markets, has additional risks, such as currency and market volatility and political and social instability. Mortgage and asset-backed securities may be sensitive to changes in interest rates, subject to early repayment risk and their value may fluctuate in response to the market's perception of issuer creditworthiness. The use of hedging and derivatives transactions could produce disproportionate gains or losses and may increase volatility and costs. The distribution rate and income amounts reflect past amounts distributed and may not be indicative of future rates or income amounts. Distribution rates and income amounts can change at any time. 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 S&P 500 Index is an unmanaged index of 500 widely traded common stocks. The Barclays Capital U.S. Aggregate Bond Index is an unmanaged index of dollar-denominated and nonconvertible investment-grade debt issues. 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