



MUTUAL FUNDS

Fund Commentary

Q4 | 2011

John Hancock Small Cap Equity 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

In the fourth quarter of 2011, the Fund returned 16.43%, outperforming the 14.99% return for the Fund's benchmark, the Russell 2000 Growth Index, and the 13.56% average return for Morningstar, Inc.'s small growth fund category.* Security selection and allocation benefited performance during the quarter. Stock selection in consumer discretionary, health care and energy was strong, while industrials and materials disappointed.

MARKET ENVIRONMENT

U.S. stocks rallied in the fourth quarter despite macro concerns regarding European credit market uncertainty and its potential impact on global economic growth. Despite much volatility, markets were generally flat for the year. In the fourth quarter, stocks were bolstered by indications of a strengthening U.S. economy, robust company earnings and signs of progress with respect to resolution of the ongoing European debt crisis. Gradually, the markets discounted potential sovereign credit downgrades and Greek challenges to implement austerity measures. Fortunately, key economic data in the U.S. pertaining to housing and unemployment and the holiday retail season showed signs of improvement.

PERFORMANCE REVIEW

Holdings in Global Education & Technology, Americas Petrogas and Trex Company were the main contributors to Fund performance for the quarter. Global Education & Technology, which offers university test preparation services in China, rose sharply after Pearson PLC announced its plans to acquire the company for a significant premium. Shares of Americas Petrogas rose as the market began to discount the company's appreciable opportunity for reserve growth in the Neuquen Basin of

Argentina. In industrials, Trex Company, a manufacturer of composite decking products, gained ground as the company indicated an improving demand environment for next year.

The stock of HomeAway, which operates an online marketplace for vacation rentals, fell after delivering disappointing fourth quarter guidance because higher than expected marketing costs may temporarily depress margins. Materials name, Karnalyte Resources, a Canadian pre-operational potash company, fell sharply after the company withdrew the prospectus on \$115 million financing due to a regulatory review issue.

OUTLOOK

The market recalibrated its appetite for risk and growth expectations during the past quarter. It is still unclear what the impact of last year's external events — like the unseasonably severe spring weather across this country, the earthquake in Japan, the continued sovereign debt concerns in Europe, political instability in Washington and worries of slowing economic growth in China — will be on global economic growth. We do not believe that there will be a double-dip recession in the United States. In fact, we are encouraged by continued strong corporate profit growth, and by improving job and housing data that may point to improving economic growth. On the margin, the Fund's positioning is focused more on durable capital compounders rather than commodity cyclicals. We continue to believe that the scarcity value of high-quality, attractively priced small-cap companies with strong growth prospects will earn a premium valuation. Against this backdrop, we remain focused on maintaining a disciplined bottom-up process of identifying high-quality growth ideas and allocating capital to our highest conviction names.

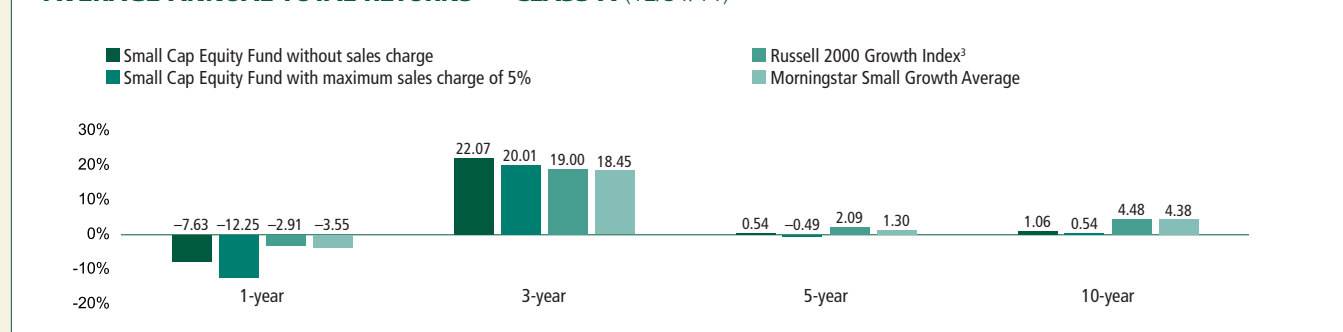
*Performance for Class A shares only at net asset value. Please visit our Web site at www.jhfunds.com for performance of other share classes.

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 EQUITY HOLDINGS (12/31/11)¹

Americas Petrogas	3.14%	Cavium	2.66%
Hexcel	3.08%	Lufkin	2.59%
IMAX	2.90%	KVH Industries	2.51%
Trex Company	2.85%	MEDNAX	2.41%
Cardtronics	2.82%	Concur Technologies	2.39%

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



The Fund's total annual operating expense ratio as of the current prospectus is 1.36%. 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 prices of small company stocks can change more frequently and dramatically than those of large company stocks. Foreign investing, especially in emerging markets, has additional risks, such as currency and market volatility and political and social instability. Hedging and other strategic transactions may increase volatility of a fund and, if the transaction is not successful, could result in a significant loss. 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 2000 Growth Index measures the performance of those companies within the Russell 2000 Index with high price-to-book ratios and higher forecasted values. It is not possible to invest directly in an index.

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