



MUTUAL FUNDS

# Fund Commentary

Q1 | 2008

## John Hancock Large Cap Equity Fund

FROM THE MFC GLOBAL INVESTMENT MANAGEMENT (U.S.), LLC'S 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 returned 0.11% for the quarter ended March 31, 2008, outpacing the -9.44% return of the Standard & Poor's 500 Index and the -11.67% return of the average Morningstar Inc. large growth fund.\* Energy and materials stocks made the biggest contribution to outperformance, more than offsetting disappointing stock selection in consumer staples, industrials and health care.

### MARKET ENVIRONMENT

The stock market posted its worst quarterly return since 2002, as recession fears mounted, commodity prices climbed and inflation rose. The Federal Reserve moved aggressively to stabilize the economy by lowering interest rates, providing liquidity and helping to save investment banker Bear Stearns Cos. from collapse. Materials stocks largely benefited from the weak U.S. dollar, while many energy stocks were helped by record high oil prices. Financials and technology stocks sustained the biggest losses, pressured by the spread of subprime problems and the likelihood of slower capital spending.

### PERFORMANCE REVIEW

We stayed focused on undervalued securities with assets worth more than their stock prices reflected. As always, we targeted companies with high free cash flow businesses, improving prospects and management teams that could create value for shareholders. Winners included Southwestern Energy Co. (energy), British Energy Group (utilities) and Freeport-McMoRan Copper & Gold, Inc.

(materials). Southwestern, an integrated energy company in Arkansas, climbed nicely fueled by higher natural gas prices, an improved production outlook and solid reserve growth. British Energy, a nuclear power producer in the United Kingdom, gained on rumors that the company would be acquired or would sell pieces of its business. A large investment in Freeport-McMoRan, a low-cost copper producer, also helped as positive copper pricing, good production growth and solid earnings projections kept the stock ahead of the market.

Detractors included Bunge Ltd. (consumer staples), Wellpoint Inc. (health care) and KBR Inc. (industrials). Bunge, a U.S.-based soybean processor with operations in Brazil, suffered from a softening global economy, higher input costs in certain regions and currency exposure. Wellpoint, a health insurer, declined as pricing failed to keep pace with rising costs. KBR, a global infrastructure company, was hurt by an earnings miss and fears related to slower economic growth worldwide.

### OUTLOOK

We plan to take advantage of further market volatility by investing in what we view as great companies when their stocks go on sale. While we continue to find good valuations in the energy and materials sectors, we believe the recent sell-off could also attract us to investment opportunities in other sectors. However, we expect to keep underweights in financials and consumer discretionary stocks, which remain under pressure.

### SCORECARD

#### Investment

#### Period's performance ... and what's behind the numbers

- Southwestern Energy** ▲ Improved production outlook, positive gas pricing
- British Energy Group** ▲ Rumors of acquisition or spin-off of parts of business
- Bunge** ▼ Softer global growth, higher input costs, currency exposure

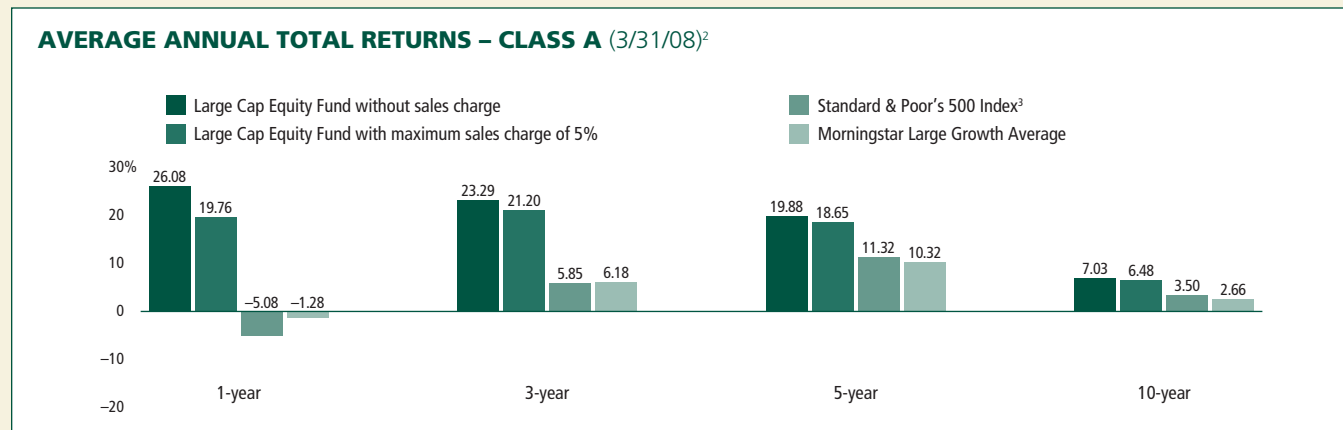
\*Performance for Class A shares only at net asset value. Please visit our Web site at [www.jhfunds.com](http://www.jhfunds.com) for performance of other share classes.

This commentary reflects the views of the portfolio managers through March 31, 2008. 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. MFC Global Investment Management (U.S.), LLC, John Hancock Advisers, LLC, and their affiliates, employees and clients may hold or trade the securities mentioned in this commentary.

**TEN LARGEST EQUITY HOLDINGS (3/31/08)<sup>1</sup>**

Suncor Energy .....	4.84%	Bunge .....	4.40%
Canadian Natural Resources .....	4.70%	Smith International.....	4.36%
Equitable Resources.....	4.69%	Archer-Daniels-Midland .....	4.24%
Barrick Gold .....	4.58%	Newmont Mining .....	4.19%
Freeport-McMoRan Copper & Gold.....	4.41%	Southwestern Energy .....	3.86%

**AVERAGE ANNUAL TOTAL RETURNS – CLASS A (3/31/08)<sup>2</sup>**



Performance reflects a total annual fund operating expense ratio of 1.23%. There is currently no contractual expense reimbursement in effect; therefore, the net and gross expense ratio is the same figure. 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, call your financial professional, 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.**

*Large-capitalization stocks as a group could fall out of favor with the market, causing the Fund to underperform investments that focus on small- or medium-capitalization stocks. Foreign investments carry additional risks, including currency fluctuations, differences in accounting standards and political instability. The Fund may focus its investments in certain regions or industries, thereby increasing its vulnerability to market volatility.*

**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.
- 2 Source: Morningstar, Inc. Performance for other share classes may vary, and returns assume all dividends and capital gains are reinvested. For some periods, the Fund's performance may have been influenced by investments in unusually hot industries, IPOs or other factors. Similar opportunities may or may not be available in the future.
- 3 The Standard & Poor's 500 Index is an unmanaged index of 500 widely traded common stocks. 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