



MUTUAL FUNDS

Fund Commentary

Q1 | 2008

John Hancock High Yield Fund

FROM THE MFC GLOBAL INVESTMENT MANAGEMENT (U.S.), LLC 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 High Yield Fund returned -9.43% in the first quarter of 2008, while the Merrill Lynch High Yield Master II Index and Morningstar's average high yield bond fund returned -3.04% and -3.58%, respectively. For some context, the S&P 500 Stock Index had a return of -9.44%.*

HIGH YIELD MARKET REVIEW

It was a difficult quarter for the high yield market because of the increasing likelihood of a recession; a very poor liquidity environment; and worries about the health of the banks, brokers and bond insurers necessary for the healthy functioning of financial markets. In addition, there is still an overhang of supply on the balance sheets of banks and brokers, putting pressure on spreads. In that environment, the spread above Treasuries widened out by 235 basis points (a basis point equals 0.01%) to 811, the highest level since 2003.

PERFORMANCE REVIEW

Rising fuel costs and questions about an economy in recession meant that airline securities significantly underperformed — higher expenses meant that many of these companies swung to losses despite putting through significant ticket price increases. That's important because airlines make up the largest industry segment in the portfolio, and their performance goes a long way toward explaining the Fund's negative return. Northwest Airlines' stock, and the convertible bonds of United Airlines, US Airways and American Airlines, were all notable

detractors. It's worth reminding investors that despite their recent underperformance, these positions have contributed significantly to the Fund's long-term track record.

Another notable detractor was Sprint Nextel stock, which underperformed in the face of increasing competition while struggling to realize the benefits of the Sprint-Nextel merger. We think it's a classic value play in the process of turning around under new management, restructuring its business and cutting costs. Unfortunately, Sprint detracted as telecommunication names were among the worst-performing segments of the market last quarter.

Looking at positive contributors, the portfolio benefited from some of our media holdings, led by XM Satellite Radio and Comcast. Comcast saw better-than-expected income and subscriber growth, promising to step up its dividend payout and share buyback plans. In addition, our position in high-yielding, interest-only, mortgage-backed securities contributed as home loan prepayments remained slow.

OUTLOOK

We remain cautious on high yield bonds because of the weakening economy, poor liquidity environment and excess supply overhanging the market. That said, the volatility and recent underperformance of the market mean we're finding some compelling values in what we believe are oversold names. In addition, the wide spread of high yield rates above treasuries may represent an opportunity to pick up bonds at deeply discounted levels.

SCORECARD

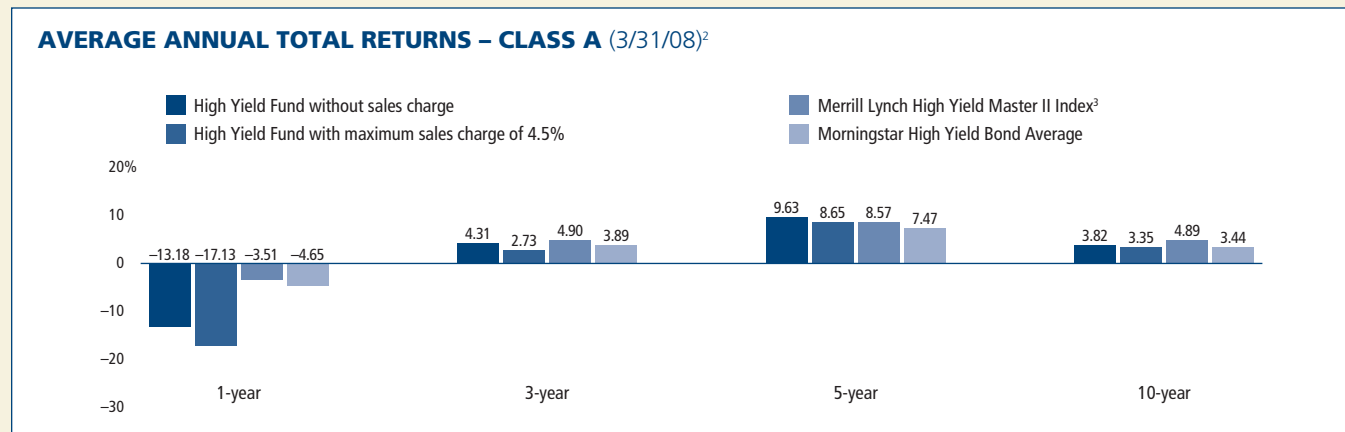
Investment	Period's performance ... and what's behind the numbers
United Airlines ▼	Rising fuel costs led to losses despite higher ticket prices
Sprint Nextel ▼	Lost market share to competitors amid continued merger integration issues
Comcast ▲	Better-than-expected revenue and subscriber growth; resumed dividend and share buyback programs

*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 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 ISSUERS (3/31/08)¹

Charter Communications	5.70%	Northwest Airlines	3.82%
XM Satellite Radio	5.66%	American Pacific	2.32%
American Airlines	5.09%	Fontainebleau Las Vegas	2.15%
Rural Cellular	3.97%	US Airways Group	1.92%
UAL	3.93%	Canadian Satellite Radio	1.90%



Performance reflects a total annual fund operating expense ratio of 0.93%. 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. Please read the prospectus carefully before investing or sending money.

The major factors in this Fund’s performance are interest rates and credit risk. When interest rates rise, bond prices usually fall. Generally, an increase in the Fund’s average maturity will make it more sensitive to interest-rate risk. Higher-yielding bonds are riskier than lower-yielding bonds and their value may fluctuate more in response to market conditions. The Fund may invest up to 20% of net assets in U.S. and foreign stocks which carry additional risks, including potentially unfavorable currency exchange rates, inadequate or inaccurate financial information, and social or political upheavals. 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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- 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.
- Source: Morningstar, Inc. Performance for other share classes may vary, and returns assume all dividends and capital gains are reinvested.
- The Merrill Lynch High Yield Master II Index is composed of U.S. currency high yield bonds issued by U.S. and non-U.S. issuers. It is not possible to invest directly in an index.

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 NOT INSURED BY ANY GOVERNMENT AGENCY