



MUTUAL FUNDS

Fund Commentary

Q1 | 2008

John Hancock Small Cap Intrinsic Value 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

For the quarter ended March 31, 2008, the Fund returned -12.74%, trailing the Russell 2000 Index and the Morningstar, Inc. peer group of small blend funds, which returned -9.90% and -9.83%, respectively.* Stock selection in the financials, industrials and energy sectors pulled the Fund down further than the Index. Sector allocations, particularly overweights in consumer staples and energy, were positive.

MARKET ENVIRONMENT

Stocks posted one of their worst quarters in years, pressured by continued weakness in the financial sector, the housing downturn, rising energy and food costs, and fears of a U.S. recession. The Federal Reserve cut interest rates three times, expanded its lending window and engineered the bail-out of investment bank Bear Stearns Cos. — measures that kept the market from sustaining even more damage. Small-cap stocks suffered slightly more than larger-cap stocks, while beaten-down value stocks held up better than growth stocks.

PERFORMANCE REVIEW

During the first quarter, TradeStation Group, Inc. (financials), which provides a trading platform for retail and institutional customers, was a major disappointment, as the Bear Stearns collapse and lower interest rates pressured the stock. In addition, MRV Communications, Inc. (technology), a high-speed optical network solutions company, declined sharply after missing fourth-quarter

earnings expectations. Pinnacle Airlines Corp. (industrials), a regional North American carrier, also was down considerably, hurt by the weak economy and higher fuel prices.

On the upside, FNX Mining Co., Inc. (materials), a Canadian mining company, benefited from production at a new mine, positive earnings guidance for 2008, and positive copper and nickel pricing. Nu Skin Enterprises Inc. (consumer staples), a direct seller of personal care products and nutritional supplements that does over 80% of its sales outside the United States, produced better-than-expected earnings, thanks in part to the weak U.S. dollar and improved sales. Seaboard Corp. (consumer staples), a diversified agricultural company, was buoyed by news that it had beaten earnings estimates and would start an alternative energy facility.

OUTLOOK

Although investor sentiment improved late in the quarter, we believe volatility could continue as long as inflation concerns, recession fears and credit problems linger. Eventually, lower interest rates should help to stimulate economic growth. In the meantime, we plan to continue taking advantage of the excellent buying opportunities created by volatility. During the quarter, we increased investments in our highest conviction stocks, many of whose valuations were at five- or six-year lows, and reduced our stakes in non-core holdings with lower risk/return profiles.

SCORECARD

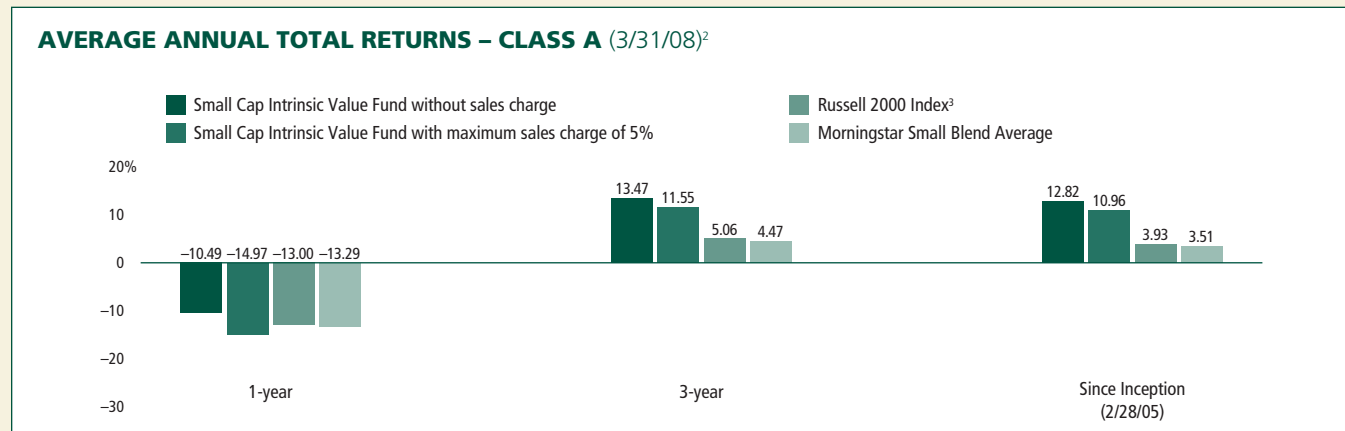
Investment	Period's performance ... and what's behind the numbers
TradeStation Group	▼ Concern about potential slowdown in business and impact of lower interest rates
MRV Communications	▼ Disappointing fourth-quarter earnings
FNX Mining	▲ Production from new mine and positive earnings guidance for 2008

*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's, 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)¹

Wright Express	5.73%	Diana Shipping	3.55%
Knot.....	4.27%	TXCO Resources.....	3.19%
FNX Mining.....	4.24%	Argenco	3.15%
Seaboard.....	4.17%	RealNetworks	3.15%
Diamond Foods.....	3.90%	Plains Exploration & Production	3.07%



Performance reflects a net annual fund operating expense ratio of 1.65%. The gross annual fund operating expense ratio of 2.23% is reduced due to a contractual expense reimbursement. This reimbursement is in effect until at least 4/30/2008 and may be terminated after such date. 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.

Investors should be aware that small companies are more volatile than the market as a whole. Small-capitalization stocks as a group could fall out of favor with the market, causing the Fund to underperform investments that focus on medium- or large-capitalization stocks. Similarly, value stocks could underperform growth stocks. Investments in foreign securities are affected by currency fluctuations, differences in accounting standards and political instability. These risks are more significant in emerging markets. Because the Fund may hold a concentrated portfolio of a limited number of securities, a decline in the value of an individual security may cause the Fund's overall value to decline more than if it was less concentrated.

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. These results reflect any expense reductions, which can be terminated in the future. Without these reductions expenses increase and results would have been less favorable. 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.
- The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index. It is not possible to invest directly in an index.

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 NOT INSURED BY ANY GOVERNMENT AGENCY