



MUTUAL FUNDS

# Fund Commentary

Q1 | 2008

## John Hancock International Core Fund

FROM THE GRANTHAM, MAYO, VAN OTTERLOO & CO. 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 Fund returned -9.23% during the first quarter of 2008.\* This was essentially in line with the -9.10% return of Morningstar's average foreign large value fund, but behind the MSCI EAFE index, which returned -8.91%.

### MARKET REVIEW

The first quarter of 2008 was a traumatic period for global equities. Financial meltdown and Fed policy dominated the news flow. Carlyle Capital and Bear Stearns collapsed, and write-downs increased across the financial sector. While the U.S. Federal Reserve cut interests rates aggressively, the European Central Bank stood pat, worried about the prospects of inflation. That and the deterioration of the U.S. economy led to record highs for the euro and a move below 100 yen to the dollar. Oil prices and gold also set records during the quarter. The numbers were bleak. The MSCI EAFE index of international equities declined 8.9% for the quarter, a result that was flattered by the appreciation of EAFE currencies against the dollar. In local currency terms the index fell -15.0%. The currency gain was sufficient to push international developed markets ahead of the S&P 500, which returned -9.44%.

### PERFORMANCE REVIEW

Within the portfolio, currency allocation was the major positive contributor to relative performance, while stock selection and sector exposures both detracted. Country allocation had minimal impact.

Currency allocation paid off as spreads between undervalued and expensive currencies narrowed significantly. In particular, overweights to the Swiss franc and Japanese yen and an underweight to the British pound added value. Good stock selection, especially within Hong Kong and Canada, helped offset poor stock selection within the U.K. and France. Sector exposures detracted, notably from an underweight in consumer staples and overweights in telecommunication services and energy.

Our stock-selection disciplines had mixed results in the quarter. Stocks ranked highly based on valuation outperformed, although stocks favored by intrinsic value did slightly better than those selected by quality-adjusted value. Stocks selected for their strong momentum characteristics underperformed somewhat. Positions in German automaker Volkswagen and not owning Swiss financial UBS helped this quarter's return. Stocks that detracted from performance included British wireless provider Vodafone, French drug maker Sanofi-Aventis and Finnish cell phone maker Nokia.

### OUTLOOK

The current case for international equities must rest less on valuations, which are not compelling in aggregate, and more on the view that over the long term, economies and, hence, markets will decouple, at least to a point. Asian markets, including Japan, have probably the best opportunity to survive problems emanating from the U.S., and even Europe may follow its own path as central bank policies and consumer behavior diverge.

### SCORECARD

Investment	Period's performance ... and what's behind the numbers
Volkswagen	▲ Climbed on rosy outlook after forecast of record sales and profits
Vodafone	▼ Regulators may reduce mobile termination rates to spur competition
Sanofi-Aventis	▼ Hurt by continuing threats of generic competition and loss of patent protection

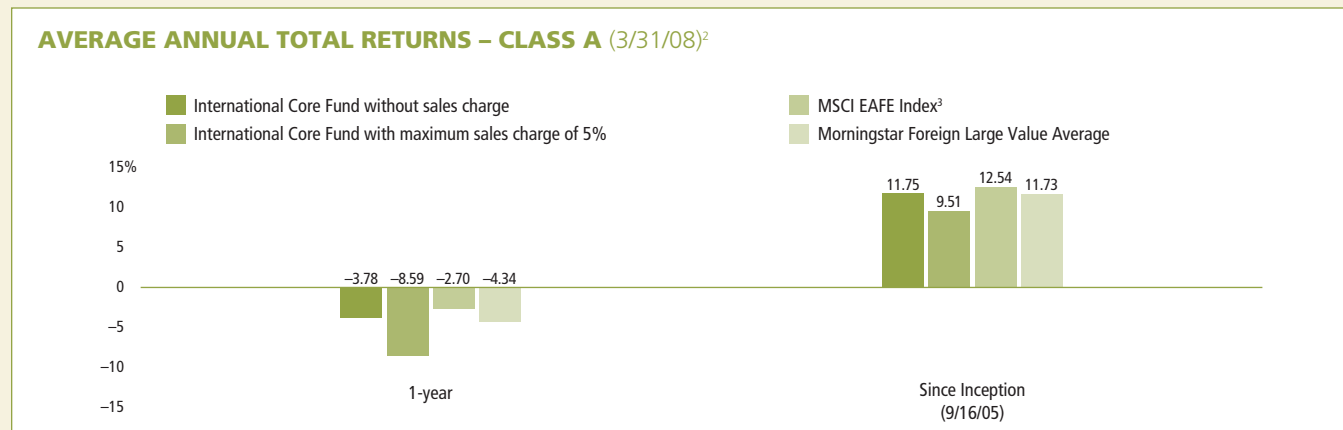
\*Performance for Class A shares only at net asset value. Please visit our Web site at www.jhfunds.com for performance of other share classes.

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. Grantham, Mayo, Van Otterloo & Co. 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>**

GlaxoSmithKline .....	3.87%	ENI .....	2.56%
Vodafone Group .....	3.13%	Novartis AG .....	2.36%
Total SA .....	3.12%	Royal Dutch Shell .....	1.91%
Nokia Oyj .....	2.81%	ING Groep NV .....	1.66%
Sanofi-Aventis .....	2.81%	Rio Tinto .....	1.57%

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



Performance reflects a net annual fund operating expense ratio of 1.61%. 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 6/30/2008 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](http://www.jhfunds.com). Please read the prospectus carefully before investing or sending money.

Investments in foreign securities are affected by currency fluctuations, differences in accounting standards and political instability. These risks are more significant in emerging markets. The Fund may not be appropriate for all investors.

**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 MSCI EAFE Index is a large-capitalization international stock index, which measures market performance in Europe, Australasia and the Far East. It is not possible to invest directly in an index.

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