



MUTUAL FUNDS

Fund Commentary

Q1 | 2008

John Hancock Financial Industries 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 Fund returned -15.75% for the first quarter of 2008, compared with -13.96% for the S&P 500 Financial Index and -11.99% for Morningstar's peer group of specialty-finance funds.*

MARKET ENVIRONMENT

The economy continued to weaken in the quarter, with further deterioration in the housing and mortgage markets. The broad S&P 500 Index fell 9.44%, with many sectors experiencing declines. The Federal Reserve continued to lower interest rates and took other measures to add liquidity to the market. The federal government announced a fiscal stimulus package and proposed various programs to assist struggling homeowners.

PERFORMANCE REVIEW

Financial stocks were weak during the first quarter, with liquidity issues straining some companies and others working to shore up capital. The financial groups that outperformed included the real estate investment trusts (REITs) and the regional banks, which both potentially benefit from the Fed rate cuts, and the life and health insurance stocks, due to a flight to quality. The investment banks, mortgage finance companies and multi-line insurance companies had the weakest showings.

The Fund continues to be overweight the asset managers and custody banks, specialized finance companies and foreign banks — areas that should benefit from global secular growth. We remain underweight U.S. commercial banks, thrifts and mortgage finance companies, and

investment banks. We believe that higher credit costs and asset write-downs will continue to weigh on these companies' fundamentals. However, we are looking for the right point to get more positive on some of these names.

Asset managers BlackRock and T. Rowe Price contributed positively. BlackRock is a high quality asset manager that has avoided many of the problem areas and should gain market share. T. Rowe Price is experiencing solid asset flows. Credit card issuer Discover Financial also outperformed, and we continue to believe that the sum of the parts of the company support a higher stock price. Discover has good control over its credit exposure and has a high quality receivables portfolio.

MF Global, a broker of exchange-traded futures and options, was a negative, as the stock fell following the announcement of a large trading loss and the emergence of concerns about the company's liquidity. American International Group's stock continued to suffer due to a large write-down on its mortgage-related businesses.

OUTLOOK

Our outlook for financials remains cautiously positive. Valuations are attractive as financial stocks continue to lag the market. In the near term, we expect weak fundamentals as the fallout from the housing and mortgage crisis continues to spread and the economy remains weak. Nevertheless, the trends of global capitalism, bank consolidation, payment system innovation and product adoption, and the demand for savings and retirement vehicles should fuel the sector over the longer term.

SCORECARD

Investment

BlackRock

▲ High quality asset manager with growing assets during an uncertain environment

MF Global

▼ Fears of a liquidity crisis hit the company's stock price

American International Group

▼ Took an \$11 billion write-down of derivatives in part tied to subprime mortgages

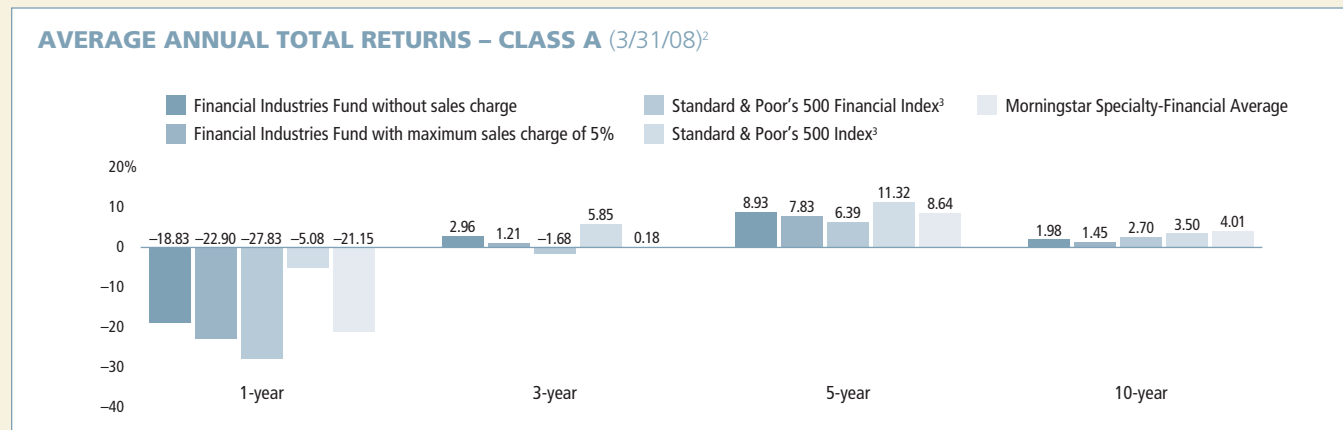
Period's performance ... and what's behind the numbers

*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 EQUITY HOLDINGS (3/31/08)¹

Bank of America	5.21%	American International Group	3.47%
Berkshire Hathaway.....	4.05%	Bank of New York Mellon	3.39%
Prudential Financial	3.88%	MetLife	3.13%
Aon.....	3.72%	Wright Express	3.10%
State Street	3.57%	Kookmin Bank.....	3.03%



Performance reflects a total annual fund operating expense ratio of 1.35%. The gross annual fund operating expense ratio of 1.40% is reduced due to a contractual expense reimbursement. This reimbursement is in effect until at least 2/28/2009 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.

Investments concentrated in one sector may fluctuate more widely than investments diversified across sectors. Foreign investments carry additional risks, including currency fluctuations, differences in accounting standards and political instability. The Fund may be considered a vehicle for diversification, but, on its own, does not represent a well-balanced investment program. 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 Standard & Poor's 500 Financial Index is an unmanaged index designed to measure the financial sector of the S&P 500. The Standard & Poor's 500 Index is an unmanaged index that includes 500 widely traded common stocks. It is not possible to invest directly in an index.

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