



MUTUAL FUNDS

Fund Commentary

Q1 | 2008

John Hancock Small Cap Fund

FROM THE INDEPENDENCE INVESTMENTS 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.

PERFORMANCE

The Small Cap Fund returned -13.98% for the first quarter of 2008, while the Russell 2000 Index returned -9.90% and Morningstar's average small cap growth fund returned -14.45%.*

MARKET REVIEW

The index recorded the lowest quarterly return since third quarter of 2002, as small cap stocks were not immune to the broader market turbulence and intra-day volatility neared record levels. The Fund underperformed its index this quarter but outperformed its peer group. With the Russell 2000 Index declining for the third consecutive quarter, stocks of companies with the highest expected growth rates within the index significantly underperformed. Because the Fund's strategy is focused on high-quality growth companies (that are attractively valued), the Fund underperformed relative to the index.

ENVIRONMENT

The financial markets are experiencing their greatest turmoil since the savings and loan failures of the 1980s. The real estate collapse has pressured lenders, and the unwinding of leverage across the entire financial system has caused credit spreads to widen to historic levels. Financial institution balance sheets are stressed, causing them to seek liquidity and sell undervalued securities. The Fed responded by lowering the Fed Funds rate by 200 basis points, as well as taking the unprecedented move of extending credit directly to financial institutions.

During the quarter, the Fund was helped by an underweighting in Technology and an overweighting in Transports. Specific stocks that made positive contributions to performance included Genesee & Wyoming and Goodrich Petroleum. Stock selection in Financials was disappointing. Insurance companies First Mercury and National Interstate, as well as Boston Private Bancorp and First Community Bancorp, were hard hit by concerns about credit issues and investor skittishness. NightHawk Radiology sold off due to a delay in ramping up a new product offering. The positions in Boston Private and First Community were eliminated.

OUTLOOK

The healing process will be slow, but the right steps are being made. Unprecedented stimulus by the Fed and tax rebate packages should result in money supply growth and increased consumer spending. Write-offs and deleveraging should ease, helping stabilize fixed-income securities, resulting in tighter credit spreads. Investors will regain confidence, and the markets will be based more on fundamentals. We are confident the portfolio will rebound strongly after a period of fundamentals being de-emphasized by the market. We look for signs of confidence returning, volatility subsiding and spreads narrowing as we seek outperformance for the Fund.

SCORECARD

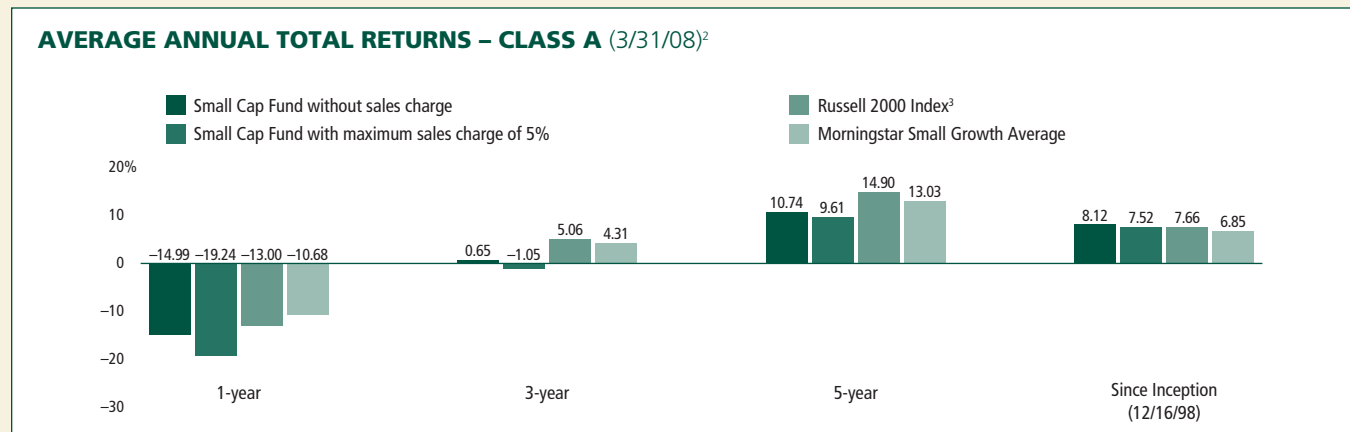
Investment	Period's performance ... and what's behind the numbers
Goodrich Petroleum	▲ Outperformed as commodity and energy stocks continued their upward momentum
First Community Bancorp	▼ Financial stocks hard hit by concerns about credit issues and investor skittishness
NightHawk Radiology	▼ Sold off due to a delay in ramping up a new product offering

*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. Independence Investments 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

Symmetry Medical.....	4.24%	Air Methods.....	3.52%
inVentiv Health.....	4.02%	Genesee & Wyoming.....	3.36%
iShares Russell 2000 Index Fund.....	3.97%	SVB Financial Group.....	3.28%
Kendle International.....	3.66%	Goodrich Petroleum.....	3.25%
Chart Industries.....	3.59%	Inter Parfums.....	3.08%



Performance reflects a gross annual fund expense ratio of 1.60%. 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, growth stocks could underperform value stocks. 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. On 12/3/04, the Fund acquired all of the assets of the Independence Small Cap Portfolio (Independence Portfolio), the Fund's predecessor, pursuant to a reorganization. Performance prior to 12/3/04 reflects the performance of the Fund's predecessor. On 6/24/02, the Independence Portfolio acquired all of the assets of the UAM Independence Small Cap Portfolio (UAM Portfolio), pursuant to a reorganization. Performance prior to 6/24/02 reflects the performance of the UAM Portfolio. Performance results reflect expense reductions which can be terminated in the future. Without these reductions expenses increase and results would have been less favorable.
- 3 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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