



MUTUAL FUNDS

Fund Commentary

Q4 | 2011

John Hancock Tax-Advantaged Global Shareholder Yield Fund

FROM THE EPOCH INVESTMENT PARTNERS, INC. PORTFOLIO MANAGEMENT TEAM

FUND RESULTS

The Fund returned 10.15% at net asset value for the fourth quarter of 2011, outperforming its benchmark, the MSCI World Index, which rose 7.72%, and the 9.25% average return of the closed-end diversified equity dividend fund tracked by UBS.

MARKET ENVIRONMENT

Global equities produced strong returns in the fourth quarter. Stock prices were volatile, having to contend with setbacks in managing the sovereign debt crisis, faltering economies in Europe and Japan and slower growth in China. The U.S. had better returns than Europe and Asia, helped by resilient earnings reports and improved economic data.

PERFORMANCE REVIEW

The Fund remains focused on investing in high-quality companies that can deliver sustainable shareholder yield by various means: attractive dividends, share buybacks and debt repayments.

Security selection in the utilities sector helped the portfolio outperform its benchmark, as good stock picking outweighed the negative impact of having a large weighting in that sector, which lagged the broader market. One example of a Fund contributor from this sector is NiSource, which had its electric rate case approved by regulators with attractive terms in December, which could lead to higher revenues.

Having no exposure to Japan and minimal exposure to financials helped portfolio results relative to the benchmark. Stock selection within the financials sector was a positive factor. Insurance broker Arthur J. Gallagher reported a rise in revenues and stated pricing in the insurance market was growing firmer. Even with a series of acquisitions, the company has a history of raising its dividend. We tend to

avoid the large banks, believing they will not return to their former levels of profitability.

The largest individual contributor to results was Philip Morris International, which reported a sharp rise in earnings from price increases and double-digit volume growth in Asian markets.

Stock selection among telecommunication services stocks helped results, although having a large exposure to the sector was a negative factor. All telecom companies face the prospect of upgrading infrastructure to keep up with rising data usage and to accommodate the next generation of handsets. Portfolio holdings Telefonica, Deutsche Telekom and Swisscom all had negative returns. A less-than-benchmark weight in the energy sector also hindered results relative to the index.

OPTIONS OVERLAY

Equities posted strong results for the final quarter of 2011 as the S&P 500 Index returned 11.82%. A strong market is typically a challenging environment for covered call option strategies, but the path toward nearly 12.00% was actually beneficial and the BXM Index, which is the S&P 500 Index coupled with S&P 500 Index call options, outperformed and returned 15.66% for the quarter. During the quarter, options written on certain indexes contributed positively to performance, such as options written on the S&P 100, S&P MidCap and the S&P SmallCap Indexes. The only negative contributor was an option written on the S&P 500 Index in December as equities moved higher toward the end of the quarter.

OUTLOOK

Debt relative to GDP in the OECD countries has risen to a level that will inhibit economic growth and elevate unemployment. In this environment, we believe companies with the ability to sustain margins and free cash flow will prevail.

This commentary reflects the views of the portfolio managers through 12/31/11 and may include forward-looking statements. The statements may include projections, estimates and descriptions of future events. These statements are subject to a variety of risks and uncertainties, which may cause actual results to differ materially. The managers' views are subject to change as market and other conditions warrant and should not be construed as a recommendation for any securities discussed herein.

Unlike open-end funds, closed-end funds are not continuously offered. After a one-time public offering, shares of closed-end funds are sold in the secondary market and frequently trade at a discount to net asset value. A closed-end fund cannot predict whether its shares will trade at, below or above net asset value. Specialized funds carry additional risks.

Fund-specific information is provided for informational purposes only and is not intended for trading purposes.

If you are interested in investing in any of the John Hancock closed-end funds, please contact your financial professional. Before investing, prospective investors should consider carefully a fund's objective, risks, charges and expenses. For current fund information or to request closed-end fund literature, call 1-800-843-0090 or visit our Web site at www.jhfunds.com.



John Hancock Funds

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