



MUTUAL FUNDS

Fund Commentary

Q4 | 2011

John Hancock Municipal Bond Funds

FROM THE JOHN HANCOCK ASSET MANAGEMENT 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.

ENVIRONMENT

While events in European financial markets produced a volatile investment climate during the fourth quarter of 2011, the U.S. tax-exempt municipal bond market was largely insulated from these conditions. The combination of improving investor demand and manageable new-issue supply enabled tax-exempt bonds to post positive returns for the quarter.

The well-publicized predictions of severe credit problems in the municipal market, which frightened many investors early in the year, failed to materialize. Renewed investor confidence fueled increased market participation, both through the direct purchase of municipal bonds or through increased subscriptions to tax-exempt funds.

A decline in new-issue supply also contributed to the market's steady performance. State and local jurisdictions, as they continued to address their strained financial condition, curtailed new borrowings. Throughout the fourth quarter, strong relative value in the municipal market versus other fixed-income markets proved positive for issuers. For example, the much delayed financings for development projects in New York City received a strong investor response. The net result was a positive tone to year-end in a market which began the year under much uncertainty.

PERFORMANCE

Tax-Free Bond Fund: The Fund returned 1.50% in the fourth quarter of 2011, trailing the 2.10% average return of Morningstar, Inc.'s muni national long peer group. The underperformance of the Fund's holdings in the water/sewer sector limited the Fund's returns. For the year, the Fund returned 10.22%, trailing the 10.64% peer-group average.

High Yield Municipal Bond Fund: The Fund returned 1.81% for the fourth quarter of 2011, exceeding the Morningstar, Inc. peer-group average of 1.69%. For the year, the Fund returned 10.17%, in line with Morningstar, Inc.'s high yield muni fund category average of 10.17%.

California Tax-Free Income Fund: The Fund returned 2.40% in the fourth quarter of 2011, exceeding the Morningstar, Inc.'s peer-group average 2.27%. For the year, the Fund returned 12.05%, exceeding the peer group average return of 11.74%. Longer duration (interest-rate sensitivity) and credit exposure benefited the Fund in the quarter.

Massachusetts Tax-Free Income Fund: The Fund returned 2.07% in the fourth quarter of 2011, exceeding Morningstar, Inc.'s muni Massachusetts peer-group average of 1.90%. For the year, the Fund returned 11.71%, exceeding the peer group's average 10.46% return. Duration (interest-rate sensitivity), credit exposure and advance refundings of certain Puerto Rico bonds aided performance in the quarter.

New York Tax-Free Income Fund: The Fund returned 1.92% in the fourth quarter of 2011, exceeding Morningstar, Inc.'s muni New York long peer-group average of 1.76%. For the year, the Fund returned 9.54%, slightly off the peer group's 9.85% average return. Credit exposure combined with timely purchases at the longer end of the market boosted returns in the quarter.

OUTLOOK

While these favorable conditions are anticipated to carry over into 2012, new-issue supply is expected to increase, spurred by the combination of low nominal interest rates and renewed borrowing by state and local governments. While still feeling the impact of the recent recession,

lower revenues have imposed budgetary discipline on most municipalities, and improving economic conditions have slowly increased tax collections. State governments have benefited from this trend, while local governments continue to struggle with weakened assessed values on homes and businesses. However, as credit conditions stabilize, we expect issuers to take

advantage of the attractive rate environment with an increase in issuance.

We believe investor interest in tax-exempt municipal bonds should remain strong. Despite a range of concerns over the last year, munis continue to offer investors attractive, relative value in the fixed-income space.

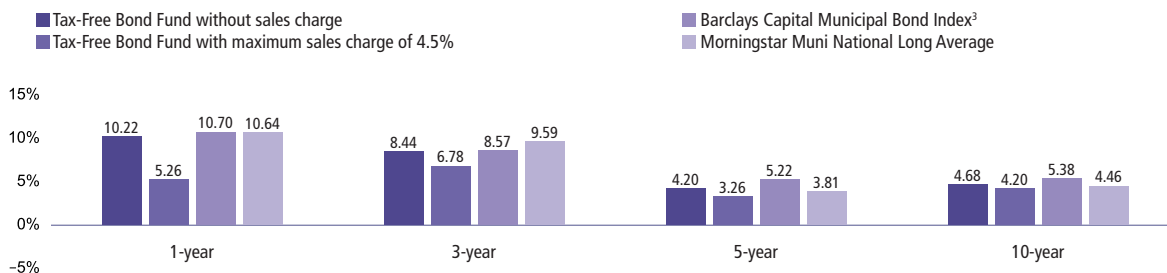
John Hancock Tax-Free Bond Fund

Class A: TAMBX Class B: TSMBX Class C: TBMBX

LARGEST INDUSTRIES (12/31/11)¹

Transportation	17.48%	Other Revenue.....	6.65%
Power	12.70%	Tobacco.....	5.88%
Education & Civic Organizations	10.65%	Health Care	5.77%
Utilities	8.31%	Water & Sewer	5.06%
Airport.....	7.21%	Development.....	4.62%

AVERAGE ANNUAL TOTAL RETURNS — CLASS A (12/31/11)²



The Fund's net annual operating expense ratio as of the current prospectus is 0.86%. The gross annual operating expense ratio of 0.96% is reduced due to a contractual expense reimbursement, which is in effect until at least 9/30/12 and may be terminated by the Adviser any time after this 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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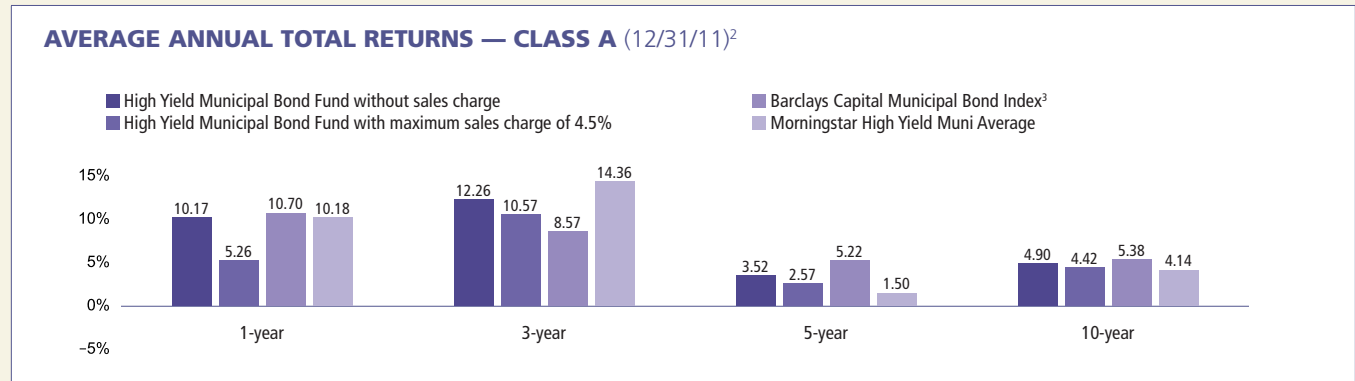
John Hancock High Yield Municipal Bond Fund

Class A: JHTFX Class B: TSHTX Class C: JCTFX

LARGEST INDUSTRIES (12/31/11)¹

Development	16.12%	Other Revenue.....	7.55%
Pollution	10.49%	Water & Sewer	6.11%
Transportation	10.18%	Health Care	5.81%
Airport.....	9.34%	Tobacco.....	4.89%
Power.....	8.02%	Health Care Services	4.50%

AVERAGE ANNUAL TOTAL RETURNS — CLASS A (12/31/11)²



The Fund's net annual operating expense ratio as of the current prospectus is 0.88%. The gross annual operating expense ratio of 0.98% is reduced due to a contractual expense reimbursement, which is in effect until at least 9/30/12 and may be terminated by the Adviser any time after this 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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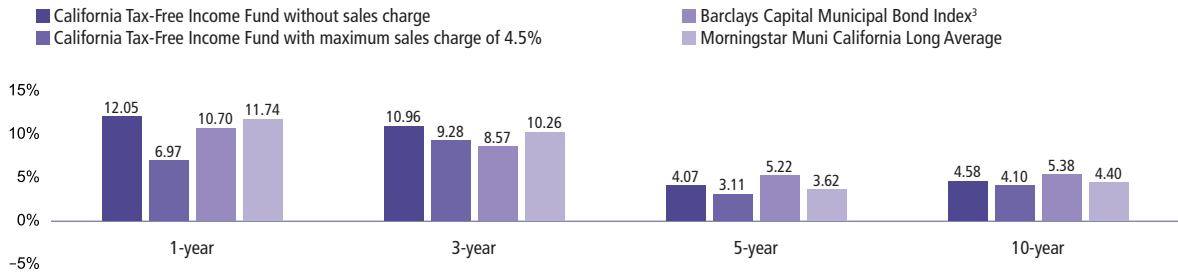
John Hancock California Tax-Free Income Fund

Class A: TACAX Class B: TSCAX Class C: TCCAX

LARGEST INDUSTRIES (12/31/11)¹

Education & Civic Organizations	14.30%	Other Revenue.....	9.99%
General Obligation	13.20%	Special Tax.....	8.59%
Transportation	11.68%	Tax Obligation	5.75%
Facilities	11.27%	Health Care	3.67%
Tobacco.....	10.92%	Power.....	2.35%

AVERAGE ANNUAL TOTAL RETURNS — CLASS A (12/31/11)²



The Fund's total annual operating expense ratio as of the current prospectus is 0.86%. 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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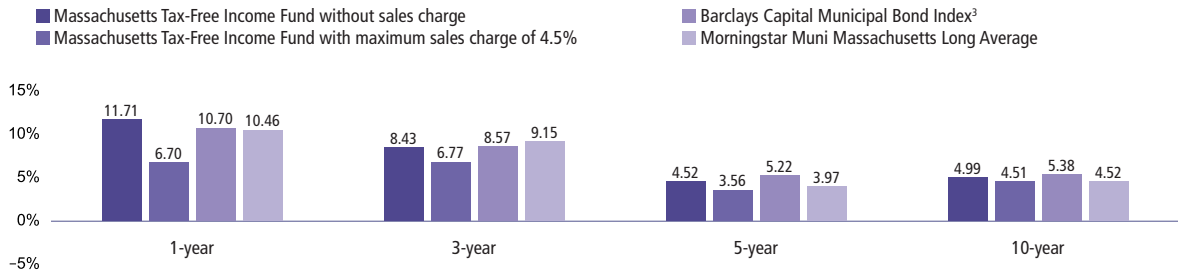
John Hancock Massachusetts Tax-Free Income Fund

Class A: JHMAX Class B: JHMBX Class C: JMACX

LARGEST INDUSTRIES (12/31/11)¹

Transportation	18.49%	General Obligation	6.17%
Education & Civic Organizations	18.16%	Tax Obligation	5.05%
Water & Sewer	12.89%	Development	5.03%
Housing	8.40%	Utilities	4.54%
Health Care	7.44%	Pollution	3.80%

AVERAGE ANNUAL TOTAL RETURNS — CLASS A (12/31/11)²



The Fund's net annual operating expense ratio as of the current prospectus is 0.85%. The gross annual operating expense ratio of 1.00% is reduced due to a contractual expense reimbursement, which is in effect until at least 9/30/12 and may be terminated by the Adviser any time after this 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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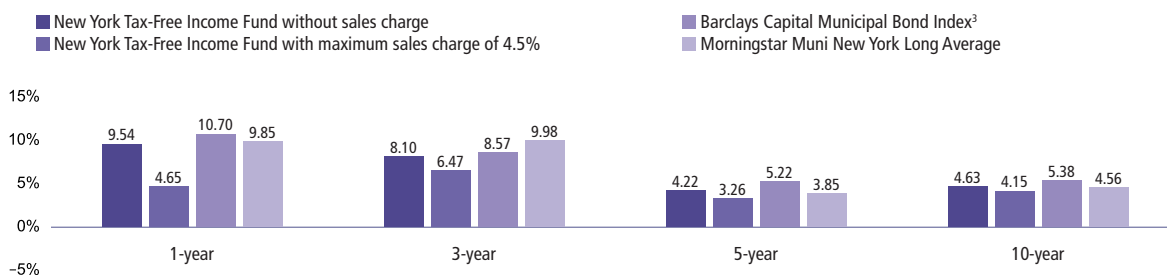
John Hancock New York Tax-Free Income Fund

Class A: JHNYX Class B: JNTRX Class C: JNYCX

LARGEST INDUSTRIES (12/31/11)¹

Education & Civic Organizations	19.71%	Health Care	7.90%
Development	10.41%	Airport.....	7.04%
Water & Sewer	10.38%	Tax Obligation	5.52%
Other Revenue.....	8.24%	Power	4.52%
Transportation	8.03%	General Obligation	4.39%

AVERAGE ANNUAL TOTAL RETURNS — CLASS A (12/31/11)²



The Fund's net annual operating expense ratio as of the current prospectus is 0.92%. The gross annual operating expense ratio of 1.07% is reduced due to a contractual expense reimbursement, which is in effect until at least 9/30/12 and may be terminated by the Adviser any time after this 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, contact your financial professional, call 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.

Fixed-income investments are subject to interest-rate and credit risk; their value will normally decline as interest rates rise or if the creditor is unable or unwilling to make principal or interest payments. Investments in higher-yielding, lower-rated securities involve additional risks as these securities include a higher risk of default and loss of principal. Municipal bond prices can decline due to fiscal mismanagement or tax shortfalls, or if related projects become unprofitable. If the Fund invests heavily in any one state or region, performance could be disproportionately affected by factors particular to that state or region. The use of hedging and derivatives transactions could produce disproportionate gains or losses and may increase volatility and costs. The distribution rate and income amounts reflect past amounts distributed and may not be indicative of future rates or income amounts. Distribution rates and income amounts can change at any time. For additional information on these and other risk considerations, please see the Fund's prospectus.

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 and exclude cash and cash equivalents.
- 2 Source: Morningstar, Inc. Performance for other share classes may vary, and returns assume all dividends and capital gains are reinvested. Performance results reflect any expense reductions. Without these reductions, performance would have been less favorable.
- 3 The Barclays Capital Municipal Bond Index is an unmanaged index representative of the tax-exempt bond market. It is not possible to invest directly in an index.

NOT FDIC INSURED MAY LOSE VALUE NO BANK GUARANTEE
NOT INSURED BY ANY GOVERNMENT AGENCY