

John Hancock

MUTUAL FUNDS

John Hancock
U.S. Core Fund



Annual Report
2.28.11

CEO corner



To Our Shareholders,

Stocks advanced sharply in the 12 months ended February 28, 2011, but the climb was hardly straight up. The market took several nosedives in the first six months and the broad market, as measured by the S&P 500 Index, was in negative territory midway through the period.

The period began in turmoil for equities, as weak economic data promoted fears of a double-dip recession, and the sovereign debt crisis in Europe made matters worse. But word that the U.S. Federal Reserve was ready to stimulate the economy via a second round of quantitative easing (QE2), plus improving economic data and strong corporate revenue growth, erased most thoughts of a return to recession. As a result, the market began a sustained rally in November 2010 that gathered strength through the end of the period, despite growing turmoil in the Middle East and rising oil prices.

For the entire 12-month period, the S&P 500 Index returned 22.57% — primarily on the strength of the last four months. The improving conditions also helped financial markets around the world to produce double-digit returns.

The bond market also posted positive, but much more modest, returns in the period, with their strongest showing coming in the first six months — the reverse of stocks' performance. In the first part of the period, the uncertain economy sparked a flight to the relative safety of Treasuries, sending their yields (which go down as prices go up) down to levels not seen in decades. Corporate bonds benefited from stronger corporate balance sheets and a demand for higher yields.

But in the second half of the period, growing confidence that the U.S. economy had turned a corner sent bond prices down and yields up as investors began to price in better economic conditions. For the 12-month period, the broad bond market returned 4.93%, as measured by the Barclays Capital U.S. Aggregate Bond Index.

The disparity in stock and bond results in this period supports the argument for having an investment portfolio that's well diversified among asset classes, styles and managers. The goal is to mitigate risk and help bolster long-term results by having at least one asset class performing well to offset the underperforming asset class of the moment. John Hancock Mutual Funds asset allocation strategies provide such diversity and are designed to boost and protect performance in unsettled markets.

Indeed, the markets grew more unsettled shortly after the period ended. In mid-March, a major earthquake and tsunami rocked northeastern Japan and, aside from the human tragedy, sparked fears about radiation contamination from a damaged nuclear power plant. Japan's stock market and other major financial markets around the world swooned briefly in response. Financial markets could remain volatile in the near term as events unfold. At times like these, we believe it is important to stay focused on your long-term investment objectives and remain steadfast in the midst of the markets' daily ups and downs.

Sincerely,

Keith F. Hartstein

Keith F Hartstein,
President and Chief Executive Officer

P.S. If you haven't already done so, we encourage you to consider choosing electronic delivery for your John Hancock Mutual Funds reports and statements. You'll add a layer of identity protection for your documents and at the same time do well by planet Earth. To sign up, please go to www.jhfunds.com/edelivery. Thank you.

This commentary reflects the CEO's views as of March 31, 2011. They are subject to change at any time. For more up-to-date information, you can visit our Web site at www.jhfunds.com.

Not part of the annual report

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Your fund at a glance

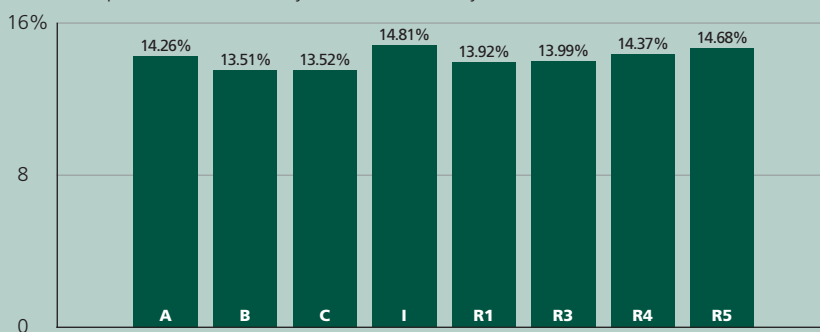
The Fund seeks high total return. Under normal circumstances, the Fund invests at least 80% of its net assets (plus any borrowing for investment purposes) in investments tied economically to the United States, and it typically invests in equity investments in U.S. companies whose stocks are included in the S&P 500 Index or in companies with size and growth characteristics similar to companies that issue stocks included in the index.

Over the last twelve months

- ▶ U.S. stocks recorded healthy gains, as concerns about the European sovereign debt crisis and mixed economic data were overshadowed in the second half of the period by the Federal Reserve Board's efforts to stimulate the economy through a second round of quantitative easing (QE2).
- ▶ The Fund trailed its benchmark due mainly to its emphasis on high-quality stocks in sectors such as health care and consumer staples and lighter-than-benchmark exposures in cyclical sectors, especially energy, materials and industrials.
- ▶ The U.S. economy continued its tentative recovery, but housing and employment remained subpar compared with most other post-World War II recoveries.

John Hancock U.S. Core Fund

Fund performance for the year ended February 28, 2011.



Total returns for the Fund are at net asset value with all distributions reinvested. These returns do not reflect the deduction of the maximum sales charge, which would reduce the performance shown above.

Past performance is no guarantee of future results.

Managers' report

John Hancock U.S. Core Fund

U.S. stocks delivered solid gains during the 12 months ended February 28, 2011, all of them occurring in the second half of the period.

The first six months, from March through August 2010, saw the market struggle with concern about the European sovereign debt crisis — especially the fiscal challenges of Greece — weakness in the energy sector following the explosion of a drilling rig in the Gulf of Mexico and subsequent massive oil spill and tepid data on the U.S. economy that led investors to fear a double-dip recession.

However, those concerns moved to the back burner when Federal Reserve Board Chairman Ben Bernanke remarked during a speech on August 27 that the Fed was considering another round of quantitative easing, which involves the purchase of longer-term Treasury securities in an effort to stimulate economic growth. This second round of quantitative easing, dubbed QE2, began in November. Although QE2 didn't

have the expected impact of lowering long-term interest rates, investors took Bernanke's speech as a sign of the Fed's commitment to backstopping the U.S. economy, which triggered an impressive rally and caused the Fund's benchmark, the S&P 500 Index, to post a gain of 22.57% for the year.

Along the way, there was another scare about eurozone sovereign debt — this time focusing on Ireland — and growing concern near the end of the period about political instability in the Middle East, which caused crude oil prices to spike higher. Despite these headwinds, the stock market rally proceeded in remarkably smooth fashion.

Lifted by surging oil prices, the energy sector posted the benchmark's strongest return. Double-digit returns also were

TOP 10 HOLDINGS¹

Microsoft Corp.....	4.7%
Pfizer, Inc.....	4.6%
Google, Inc., Class A.....	4.1%
Wal-Mart Stores, Inc.....	3.9%
Oracle Corp.....	3.6%
The Procter & Gamble Company.....	2.7%
Johnson & Johnson.....	2.6%
Merck & Company, Inc.....	2.5%
International Business Machines Corp.....	2.4%
The Coca-Cola Company..	2.3%



**Portfolio Managers Dr. Thomas Hancock and Sam Wilderman
Grantham, Mayo, Van Otterloo & Co. LLC (GMO)**

recorded by materials, consumer discretionary, telecommunication services and industrials. Conversely, health care finished with a single-digit gain, making it the benchmark's weakest sector by a wide margin.

Performance explained

For the 12 months ended February 28, 2011, John Hancock U.S. Core Fund's Class A shares returned 14.26% at net asset value (NAV), falling short of the 22.57% mark of the S&P 500 Index. The Fund also trailed the 20.92% gain of the average large blend fund monitored by Morningstar, Inc.² Please see page one for NAV performance data on other share classes during the period, and pages seven and eight for historical performance information. Keep in mind that your NAV return will be different from the Fund's performance if you were not invested for the entire period or did not reinvest all Fund distributions.

“U.S. stocks delivered solid gains during the 12 months ended February 28, 2011, all of them occurring in the second half of the period.”

The Fund's emphasis on quality was the main factor holding back its relative results. In response to Chairman Bernanke's remarks about quantitative easing, investors eagerly sought out the more cyclical sectors of the market, such as industrials, materials and energy. Companies in these sectors tend to score poorly on our quality tests, which take account of factors such as overall profitability, stability of profits and debt levels. As a result, the Fund carried underweighted exposures there, which hurt us. By the same token, two sectors where we usually find an ample supply of companies that score well on our quality yardsticks, consumer staples and health care, held less appeal for investors during the period. Consequently, the Fund's overweightings in those groups worked against it.

Health care undermines results

In health care, performance suffered due to an overweighting in Merck & Company, Inc., a major pharmaceutical manufacturer. Ongoing challenges regarding the company's assimilation of Schering-Plough, a competitor acquired in 2009, and concern about Merck's ability to grow revenue hampered its stock. Health/personal products maker Johnson & Johnson also disappointed us, as several product recalls temporarily clouded the company's prospects. Meanwhile, medical device maker Medtronic, Inc. saw its revenue and earnings tail off because an increasing number of patients postponed elective surgery due to the weak economic environment. In all three cases, we believed the stocks continued to represent excellent values, but the market obviously disagreed with us in the short term.

In consumer staples, one notable detractor was discount retailer Wal-Mart Stores, Inc. Despite the company's solid growth in international markets, disappointing same-store sales in the United States hurt the stock. Another pillar of the consumer staples sector, The Procter & Gamble Company, struggled with the rising cost of raw materials and tepid domestic sales amid increasing competition from generic products. In both cases, we saw good value and were confident in the ability of these companies to work through their short-term difficulties.

In energy, sizable underweightings in two benchmark components, integrated energy holding Exxon Mobil Corp. and services/equipment provider Schlumberger, Ltd., detracted from relative performance, as both stocks benefited from rising oil prices.

Although the technology sector had only a modestly negative impact on the Fund's results, it was home to the Fund's biggest individual detractor during the period: Microsoft Corp., which was also the Fund's largest holding at the end of the period. Amid a generally speculative backdrop for the market, the software heavyweight suffered by comparison with smaller, faster-growing tech companies who were players in "hot" niches such as cloud computing and wireless communications.

SECTOR COMPOSITION³

Information Technology....	27%
Health Care	25%
Consumer Staples	19%
Consumer Discretionary ...	8%
Industrials.....	4%
Energy.....	4%
Financials.....	4%
Telecommunication Services	3%
Materials	1%
Short-Term Investments & Other	5%

Light exposure to big banks proves helpful

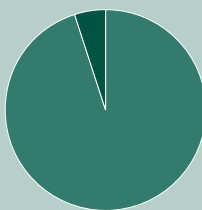
Conversely, the Fund benefited from underweighting or not owning several weak-performing commercial banks, notably Bank of America Corp. and JPMorgan Chase & Co. Ongoing questions about banks' residential loan portfolios and related litigation connected with loan processing procedures were issues dampening these stocks' returns. Overweighting consumer electronics and computer maker Apple, Inc. also added value. With the introduction of its iPad tablet computer, the company added yet another hugely popular product to its lineup, contributing to outstanding growth in the company's sales and earnings. Wireless infrastructure manufacturer QUALCOMM, Inc. and enterprise software maker Oracle Corp. were other holdings from the technology sector that lifted Fund performance.

Outlook

Although our emphasis on quality was out of step with the prevailing mood during the reporting period, we remain confident that the excellent values we perceive in high-quality companies should eventually be recognized by the investing public. Valuations sometimes become skewed in one direction or another, but reversion to the mean has a way of evening out the market's imbalances. Accordingly, we think the extremely modest valuations of high-quality stocks relative to cyclical shares should improve at some point in the future.

“The Fund’s emphasis on quality was the main factor holding back its relative results.”

PORTFOLIO COMPOSITION³



95% Common Stocks
5% Short-Term Investments & Other

This commentary reflects the views of the portfolio management team through the end of the Fund's period discussed in this report. The team's statements reflect their own opinions. As such, they are in no way guarantees of future events and are not intended to be used as investment advice or a recommendation regarding any specific security. They are also subject to change at any time as market and other conditions warrant.

Past performance is no guarantee of future results.

Sector investing is subject to greater risks than the market as a whole. Because the Fund may focus on particular sectors of the economy, its performance may depend on the performance of those sectors.

¹ As a percentage of net assets on 2-28-11. Cash and cash equivalents are not included in Top 10 Holdings.

² Figures from Morningstar, Inc. include reinvested dividends and do not take into account sales charges. Actual load-adjusted performance is lower.

³ As a percentage of net assets on 2-28-11.

Management's discussion of Fund performance

By Grantham, Mayo, Van Otterloo & Co. LLC

U.S. stocks delivered solid gains during the 12 months ended February 28, 2011, all of them occurring in the second half of the period. The first six months saw the market struggle with concern about the European sovereign debt crisis, weakness in the energy sector following a massive oil spill in the Gulf of Mexico and tepid data on the U.S. economy. However, after Fed Chairman Ben Bernanke proposed another round of quantitative easing at the end of August to stimulate economic growth, his remarks ignited an impressive rally that boosted the S&P 500 Index to a gain of 22.57%, while the average large blend fund monitored by Morningstar, Inc. advanced 20.92%.

During the 12-month period, John Hancock U.S. Core Fund's Class A shares returned 14.26% at net asset value, trailing the S&P 500 Index and the Morningstar peer average. The Fund's emphasis on quality was the main factor weighing on its results, particularly overweightings in health care and consumer staples, which underperformed the broader market. Conversely, the Fund had light exposures to outperforming cyclical sectors such as energy, materials and industrials. At the stock level, Microsoft Corp. was the Fund's biggest detractor and largest holding at period end. In health care, drug manufacturer Merck & Company, Inc., health/personal products maker Johnson & Johnson and medical device maker Medtronic, Inc. held back performance. Positions in consumer staples holdings Wal-Mart Stores, Inc. and The Procter & Gamble Company also were unrewarding. Additionally, underweighting strong-performing energy companies Exxon Mobil Corp. and Schlumberger, Ltd. detracted. On the positive side, the Fund benefited from underweighting or not owning several weak-performing commercial banks, notably Bank of America Corp. and JPMorgan Chase & Co. Overweighting consumer electronics and computer maker Apple, Inc. also added value, as did wireless infrastructure manufacturer QUALCOMM, Inc. and enterprise software maker Oracle Corp.

This commentary reflects the views of the portfolio management team through the end of the Fund's period discussed in this report. The team's statements reflect their own opinions. As such, they are in no way guarantees of future events and are not intended to be used as investment advice or a recommendation regarding any specific security. They are also subject to change at any time as market and other conditions warrant.

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A look at performance

For the period ended February 28, 2011

	Average annual total returns (%) with maximum sales charge (POP)				Cumulative total returns (%) with maximum sales charge (POP)			
	1-year	5-year	10-year	Since inception	1-year	5-year	10-year	Since inception
Class A ¹	8.53	—	—	-0.02	8.53	—	—	-0.08
Class B ¹	8.51	—	—	-0.02	8.51	—	—	-0.09
Class C ¹	12.52	—	—	0.38	12.52	—	—	1.79
Class I ^{1,2}	14.81	—	—	1.50	14.81	—	—	7.28
Class R1 ^{1,2}	13.92	—	—	0.84	13.92	—	—	4.03
Class R3 ^{2,3}	13.99	—	—	20.21	13.99	—	—	38.64
Class R4 ^{2,3}	14.37	—	—	20.57	14.37	—	—	39.38
Class R5 ^{2,3}	14.68	—	—	20.93	14.68	—	—	40.12

Performance figures assume all distributions are reinvested. Public offering price (POP) figures reflect maximum sales charges on Class A shares of 5%, and the applicable contingent deferred sales charge (CDSC) on Class B shares and Class C shares. The Class B shares' CDSC declines annually between years 1 to 6 according to the following schedule: 5, 4, 3, 2, 1%. No sales charge will be assessed after the sixth year. Class C shares held for less than one year are subject to a 1% CDSC. Sales charges are not applicable for Class I, Class R1, Class R3, Class R4 and Class R5 shares.

The expense ratios of the Fund, both net (including any fee waivers or expense limitations) and gross (excluding any fee waivers or expense limitations), are set forth according to the most recent publicly available prospectuses for the Fund and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. The waivers and expense limitations are contractual at least until 6-30-11. The net expenses are as follows: Class A — 1.35%, Class B — 2.05%, Class C — 2.05%, Class I — 0.89%, Class R1 — 1.64%. Class R3 — 1.54%, Class R4 — 1.24% and Class R5 — 0.94%. Had the fee waivers and expense limitations not been in place, the gross expenses would be as follows: Class A — 1.91%, Class B — 7.27%, Class C — 3.86%, Class I — 1.33%, Class R1 — 19.92%, Class R3 — 7.43%, Class R4 — 7.17% and Class R5 — 6.92%.

The returns reflect past results and should not be considered indicative of future performance. The return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Due to market volatility, the Fund's current performance may be higher or lower than the performance shown. For current to the most recent month-end performance data, please call 1-800-225-5291 or visit the Fund's Web site at www.jhfunds.com.

The performance table above and the chart on the next page do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

The Fund's performance results reflect any applicable expense reductions, without which the expenses would increase and results would have been less favorable.

¹ From 6-12-06.

² For certain types of investors, as described in the Fund's Class I, Class R1, Class R3, Class R4 and Class R5 share prospectuses.

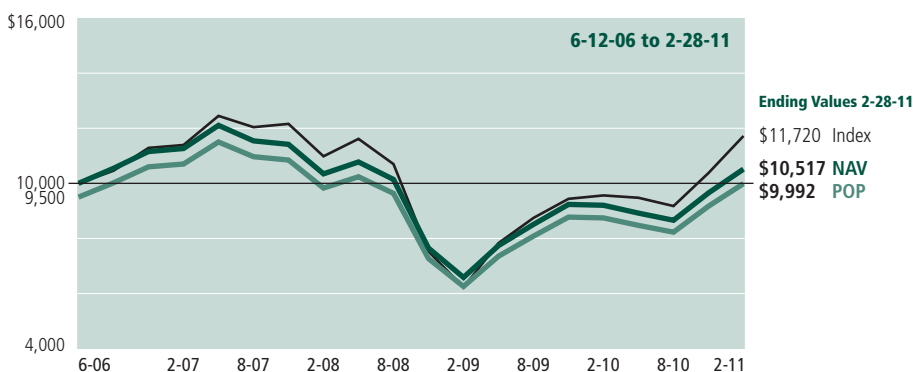
³ From 5-22-09.

A look at performance

Growth of \$10,000

This chart shows what happened to a hypothetical \$10,000 investment in John Hancock U.S. Core Fund Class A shares for the period indicated. For comparison, we've shown the same investment in the S&P 500 Index.

NAV¹ — Class A without sales charge
 POP¹ — Class A with sales charge
 Index — S&P 500 Index



	Period beginning	Without sales charge	With maximum sales charge	Index
Class B	6-12-06	\$10,184	\$9,991	\$11,720
Class C²	6-12-06	10,179	10,179	11,720
Class I³	6-12-06	10,728	10,728	11,720
Class R1³	6-12-06	10,403	10,403	11,720
Class R3³	5-22-09	13,864	13,864	15,489
Class R4³	5-22-09	13,938	13,938	15,489
Class R5³	5-22-09	14,012	14,012	15,489

Assuming all distributions were reinvested for the period indicated, the table above shows the value of a \$10,000 investment in the Fund's Class B, Class C, Class I, Class R1, Class R3, Class R4 and Class R5 shares, respectively, as of 2-28-11. Performance of the classes will vary based on the difference in sales charges paid by shareholders investing in the different classes and the fee structure of those classes.

S&P 500 Index is an unmanaged index that includes 500 widely traded common stocks.

It is not possible to invest directly in an index. Index figures do not reflect sales charges, which would have resulted in lower values if they did.

¹ NAV represents net asset value and POP represents public offering price.

² The contingent deferred sales charge, if any, is not applicable.

³ For certain types of investors, as described in the Fund's Class I, Class R1, Class R3, Class R4 and Class R5 shares prospectuses.

Your expenses

These examples are intended to help you understand your ongoing operating expenses.

Understanding fund expenses

As a shareholder of the Fund, you incur two types of costs:

- **Transaction costs** which include sales charges (loads) on purchases or redemptions (varies by share class), minimum account fee charge, etc.
- **Ongoing operating expenses** including management fees, distribution and service fees (if applicable), and other fund expenses.

We are going to present only your ongoing operating expenses here.

Actual expenses/actual returns

This example is intended to provide information about the Fund's actual ongoing operating expenses, and is based on the Fund's actual return. It assumes an account value of \$1,000.00 on September 1, 2010 with the same investment held until February 28, 2011.

	Account value on 9-1-10	Ending value on 2-28-11	Expenses paid during period ended 2-28-11 ¹
Class A	\$1,000.00	\$1,214.50	\$7.41
Class B	1,000.00	1,210.50	11.24
Class C	1,000.00	1,210.70	11.24
Class I	1,000.00	1,217.30	4.84
Class R1	1,000.00	1,213.30	9.00
Class R3	1,000.00	1,213.80	8.51
Class R4	1,000.00	1,215.70	6.87
Class R5	1,000.00	1,217.50	5.17

Together with the value of your account, you may use this information to estimate the operating expenses that you paid over the period. Simply divide your account value at February 28, 2011, by \$1,000.00, then multiply it by the "expenses paid" for your share class from the table above. For example, for an account value of \$8,600.00, the operating expenses should be calculated as follows:

Example

$$\left[\frac{\text{My account value}}{\$8,600.00} / \$1,000.00 = 8.6 \right] \times \$ \left[\begin{array}{l} \text{"expenses paid"} \\ \text{from table} \end{array} \right] = \text{My actual expenses}$$

Your expenses

Hypothetical example for comparison purposes

This table allows you to compare the Fund's ongoing operating expenses with those of any other fund. It provides an example of the Fund's hypothetical account values and hypothetical expenses based on each class's actual expense ratio and an assumed 5% annualized return before expenses (which is not the Fund's actual return). It assumes an account value of \$1,000.00 on September 1, 2010, with the same investment held until February 28, 2011. Look in any other fund shareholder report to find its hypothetical example and you will be able to compare these expenses.

	Account value on 9-1-10	Ending value on 2-28-11	Expenses paid during period ended 2-28-11 ¹
Class A	\$1,000.00	\$1,018.10	\$6.76
Class B	1,000.00	1,014.60	10.24
Class C	1,000.00	1,014.60	10.24
Class I	1,000.00	1,020.30	4.41
Class R1	1,000.00	1,016.70	8.20
Class R3	1,000.00	1,017.10	7.75
Class R4	1,000.00	1,018.60	6.26
Class R5	1,000.00	1,020.10	4.71

Remember, these examples do not include any transaction costs, therefore, these examples will not help you to determine the relative total costs of owning different funds. If transaction costs were included, your expenses would have been higher. See the prospectus for details regarding transaction costs.

¹ Expenses are equal to the Fund's annualized expense ratio of 1.35%, 2.05%, 2.05%, 0.88%, 1.64%, 1.55%, 1.25% and 0.94% for Class A, Class B, Class C, Class I, Class R1, Class R3, Class R4 and Class R5 shares, respectively, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Portfolio summary

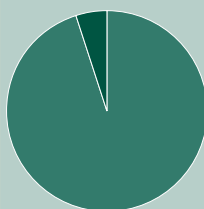
Top 10 Holdings¹

Microsoft Corp.	4.7%	The Procter & Gamble Company	2.7%
Pfizer, Inc.	4.6%	Johnson & Johnson	2.6%
Google, Inc., Class A	4.1%	Merck & Company, Inc.	2.5%
Wal-Mart Stores, Inc.	3.9%	International Business Machines Corp.	2.4%
Oracle Corp.	3.6%	The Coca-Cola Company	2.3%

Sector Composition^{2,3}

Information Technology	27%	Energy	4%
Health Care	25%	Financials	4%
Consumer Staples	19%	Telecommunication Services	3%
Consumer Discretionary	8%	Materials	1%
Industrials	4%	Short-Term Investments & Other	5%

PORTFOLIO COMPOSITION²



95% Common Stocks
5% Short-Term Investments & Other

¹ As a percentage of net assets on 2-28-11. Cash and cash equivalents are not included in Top 10 Holdings.

² As a percentage of net assets on 2-28-11.

³ Sector investing is subject to greater risks than the market as a whole. Because the Fund may focus on particular sectors of the economy, its performance may depend on the performance of those sectors.

Fund's investments

As of 2-28-11

	Shares	Value
Common Stocks 94.50%		\$64,985,279
(Cost \$57,685,254)		
Consumer Discretionary 8.63%		5,931,530
Auto Components 0.12%		
Autoliv, Inc.	500	37,445
TRW Automotive Holdings Corp. (I)	800	45,440
Distributors 0.14%		
Genuine Parts Company	1,800	94,842
Diversified Consumer Services 0.36%		
Apollo Group, Inc., Class A (I)	3,000	135,780
ITT Educational Services, Inc. (I)	500	37,925
Strayer Education, Inc.	50	6,872
Weight Watchers International, Inc.	1,100	67,243
Hotels, Restaurants & Leisure 2.13%		
Chipotle Mexican Grill, Inc. (I)	160	39,200
Darden Restaurants, Inc.	900	42,417
Las Vegas Sands Corp. (I)	3,800	177,232
McDonald's Corp.	13,700	1,036,816
Yum! Brands, Inc.	3,300	166,089
Household Durables 0.15%		
Fortune Brands, Inc.	1,000	61,860
Mohawk Industries, Inc. (I)	700	40,677
Internet & Catalog Retail 0.22%		
Liberty Media Corp. — Interactive, Series A (I)	5,200	83,512
Netflix, Inc. (I)(L)	330	68,201
Leisure Equipment & Products 0.06%		
Hasbro, Inc.	900	40,410
Media 1.55%		
Charter Communications, Inc., Class A (I)	1,000	45,770
Comcast Corp., Class A	13,400	345,184
Gannett Company, Inc.	2,900	47,879
Liberty Global, Inc., Series A (I)	1,300	54,730
The McGraw-Hill Companies, Inc.	2,200	85,096
The Washington Post Company, Class B	80	34,647
Time Warner Cable, Inc.	1,800	129,924
Time Warner, Inc.	6,100	233,020
Viacom, Inc., Class B	2,000	89,320

	Shares	Value
Multiline Retail 0.71%		
Dollar Tree, Inc. (I)	2,300	\$115,736
Family Dollar Stores, Inc.	1,600	80,128
Macy's, Inc.	3,700	88,430
Sears Holdings Corp. (I)(L)	2,000	166,620
Target Corp.	700	36,785
Specialty Retail 1.91%		
Advance Auto Parts, Inc.	1,600	100,288
Aeropostale, Inc. (I)	4,549	118,001
AutoNation, Inc. (I)(L)	2,400	80,736
AutoZone, Inc. (I)	760	196,042
Best Buy Company, Inc.	4,400	141,856
Foot Locker, Inc.	1,900	37,753
Home Depot, Inc.	5,000	187,350
Jos. A. Bank Clothiers, Inc. (I)	359	16,553
Limited Brands, Inc.	1,700	54,434
O'Reilly Automotive, Inc. (I)	1,200	66,696
PetSmart, Inc.	900	36,783
Ross Stores, Inc.	1,100	79,244
TJX Companies, Inc.	3,400	169,558
Tractor Supply Company	600	31,242
Textiles, Apparel & Luxury Goods 1.28%		
Coach, Inc. (L)	3,400	186,728
Fossil, Inc. (I)	600	46,044
NIKE, Inc., Class B	6,300	560,889
VF Corp.	900	86,103
Consumer Staples 19.62%		13,492,030
Beverages 4.51%		
Brown Forman Corp., Class B	1,900	131,385
Coca-Cola Enterprises, Inc.	3,600	94,680
Hansen Natural Corp. (I)	1,500	86,325
PepsiCo, Inc.	18,600	1,179,612
The Coca-Cola Company	25,200	1,610,784
Food & Staples Retailing 5.77%		
Costco Wholesale Corp.	2,400	179,496
CVS Caremark Corp.	3,500	115,710
Safeway, Inc.	2,400	52,368
SUPERVALU, Inc.	2,000	17,260
Sysco Corp.	7,600	211,204
The Kroger Company	5,900	135,110
Wal-Mart Stores, Inc.	51,640	2,684,247
Walgreen Company	13,300	576,422
Food Products 1.93%		
Campbell Soup Company (L)	3,600	121,176
Dean Foods Company (I)	900	9,504
Flowers Foods, Inc.	1,600	42,560
General Mills, Inc.	6,700	248,838
H.J. Heinz Company	2,000	100,440

	Shares	Value
Food Products (continued)		
Hormel Foods Corp.	4,000	\$109,600
Kellogg Company	4,000	214,240
Kraft Foods, Inc., Class A	5,400	171,936
McCormick & Company, Inc., Class B	1,600	76,240
Sara Lee Corp.	2,800	47,936
The Hershey Company	3,500	183,120
Household Products 4.08%		
Church & Dwight Company, Inc.	800	60,352
Clorox Company	2,000	135,520
Colgate-Palmolive Company	5,600	439,712
Kimberly-Clark Corp.	4,800	316,320
The Procter & Gamble Company	29,400	1,853,670
Personal Products 0.48%		
Avon Products, Inc.	2,200	61,182
Herbalife, Ltd.	1,000	78,410
The Estee Lauder Companies, Inc., Class A	2,000	188,820
Tobacco 2.85%		
Altria Group, Inc.	27,900	707,823
Lorillard, Inc.	2,161	165,900
Philip Morris International, Inc.	14,918	936,552
Reynolds American, Inc.	4,300	147,576
Energy 3.79%		2,607,664
Energy Equipment & Services 0.35%		
Halliburton Company	241	11,313
National Oilwell Varco, Inc.	1,900	151,183
Rowan Companies, Inc. (I)	900	38,403
Schlumberger, Ltd.	455	42,506
Oil, Gas & Consumable Fuels 3.44%		
Anadarko Petroleum Corp.	217	17,757
Apache Corp.	108	13,459
Chevron Corp.	5,697	591,064
ConocoPhillips	14,773	1,150,374
Exxon Mobil Corp.	1,228	105,031
Marathon Oil Corp.	4,400	218,240
Occidental Petroleum Corp.	680	69,340
Pioneer Natural Resources Company	600	61,404
Sunoco, Inc.	1,200	50,232
Valero Energy Corp.	3,100	87,358
Financials 2.70%		1,857,394
Commercial Banks 0.21%		
CapitalSource, Inc.	5,700	43,206
CIT Group, Inc. (I)	1,500	64,980
First Citizens BancShares, Inc.	50	10,100
TCF Financial Corp.	700	11,361
Valley National Bancorp	900	12,267

	Shares	Value
Consumer Finance 0.10%		
SLM Corp. (I)	4,900	\$72,618
Diversified Financial Services 0.14%		
Bank of America Corp.	6,610	94,457
Insurance 2.08%		
Allied World Assurance Company Holdings, Ltd.	800	49,368
American Financial Group, Inc.	1,400	48,482
American International Group, Inc. (I)(L)	7,600	281,656
Arch Capital Group, Ltd. (I)	600	54,300
Aspen Insurance Holdings, Ltd.	1,000	29,550
Assurant, Inc.	1,100	44,693
Axis Capital Holdings, Ltd.	1,000	36,320
Brown & Brown, Inc.	1,900	49,666
Chubb Corp.	1,000	60,680
Endurance Specialty Holdings, Ltd.	600	29,754
Everest Re Group, Ltd.	400	35,460
Hartford Financial Services Group, Inc.	1,900	56,240
PartnerRe, Ltd.	500	39,650
Platinum Underwriters Holdings, Ltd.	200	8,340
Prudential Financial, Inc.	1,500	98,745
RenaissanceRe Holdings, Ltd.	600	40,212
StanCorp Financial Group, Inc.	200	9,200
The Travelers Companies, Inc.	4,900	293,657
Torchmark Corp.	600	39,150
Transatlantic Holdings, Inc.	600	30,558
Validus Holdings, Ltd.	1,800	55,710
W.R. Berkley Corp.	1,400	41,930
Real Estate Investment Trusts 0.17%		
Annaly Capital Management, Inc.	4,900	87,857
National Retail Properties, Inc.	500	12,845
Omega Healthcare Investors, Inc.	600	14,382
Health Care 24.66%		16,960,349
Biotechnology 1.65%		
Amgen, Inc. (I)	12,300	631,359
Biogen Idec, Inc. (I)(L)	2,300	157,320
Cephalon, Inc. (I)	600	33,786
Gilead Sciences, Inc. (I)	8,000	311,840
Health Care Equipment & Supplies 3.86%		
Alere, Inc. (I)	2,659	102,744
Baxter International, Inc.	7,863	417,918
Becton, Dickinson & Company	2,600	208,000
C.R. Bard, Inc.	800	78,208
DENTSPLY International, Inc.	1,300	48,581
Edwards Lifesciences Corp. (I)	1,480	125,859
Gen-Probe, Inc. (I)	500	31,440
IDEXX Laboratories, Inc. (I)(L)	900	69,930
Intuitive Surgical, Inc. (I)	160	52,472
Kinetic Concepts, Inc. (I)	1,100	53,867
Medtronic, Inc.	16,400	654,688

	Shares	Value
Health Care Equipment & Supplies (continued)		
ResMed, Inc. (I)(L)	1,700	\$53,720
St. Jude Medical, Inc. (I)	3,400	162,792
STERIS Corp.	400	13,540
Stryker Corp.	4,200	265,692
Varian Medical Systems, Inc. (I)	1,200	83,136
Zimmer Holdings, Inc. (I)	3,700	230,658
Health Care Providers & Services 4.56%		
Aetna, Inc.	4,200	156,912
AMERIGROUP Corp. (I)	500	28,675
AmerisourceBergen Corp.	4,800	181,968
Cardinal Health, Inc.	3,900	162,396
Catalyst Health Solutions, Inc. (I)	300	13,563
Coventry Health Care, Inc. (I)	2,000	60,400
Express Scripts, Inc. (I)	5,300	297,966
Health Net, Inc. (I)	1,400	41,188
Henry Schein, Inc. (I)	900	62,082
Humana, Inc. (I)	2,300	149,523
Laboratory Corp. of America Holdings (I)	1,500	135,195
Lincare Holdings, Inc. (L)	3,340	97,996
McKesson Corp.	1,500	118,920
MEDNAX, Inc. (I)	600	38,958
Omnicare, Inc.	1,100	31,493
Owens & Minor, Inc.	300	9,360
Patterson Companies, Inc.	1,400	46,732
Quest Diagnostics, Inc.	1,900	107,825
Triple-S Management Corp., Class B (I)	3,591	70,958
UnitedHealth Group, Inc.	21,356	909,338
VCA Antech, Inc. (I)	700	17,528
WellPoint, Inc. (I)	5,986	397,889
Health Care Technology 0.11%		
Cerner Corp. (I)(L)	720	72,324
Life Sciences Tools & Services 0.38%		
Covance, Inc. (I)	600	33,858
Mettler-Toledo International, Inc. (I)	490	83,971
Pharmaceutical Product Development, Inc.	1,500	41,205
Techne Corp.	300	21,507
Waters Corp. (I)	1,000	83,050
Pharmaceuticals 14.10%		
Abbott Laboratories	19,400	933,140
Allergan, Inc.	3,900	289,263
Bristol-Myers Squibb Company	20,200	521,362
Eli Lilly & Company	24,900	860,544
Endo Pharmaceuticals Holdings, Inc. (I)	2,900	103,008
Forest Laboratories, Inc. (I)	7,000	226,800
Johnson & Johnson	28,700	1,763,328
Merck & Company, Inc.	52,683	1,715,885
Pfizer, Inc.	165,488	3,183,989
Warner Chilcott PLC, Class A	4,337	102,700

	Shares	Value
Industrials 4.44%		\$3,055,280
Aerospace & Defense 1.15%		
General Dynamics Corp.	3,700	281,644
L-3 Communications Holdings, Inc.	800	63,432
Northrop Grumman Corp.	1,300	86,684
Precision Castparts Corp.	970	137,498
Rockwell Collins, Inc.	1,200	77,328
United Technologies Corp.	1,700	142,018
Air Freight & Logistics 0.35%		
C.H. Robinson Worldwide, Inc.	2,400	173,736
Expeditors International of Washington, Inc.	1,400	66,920
Airlines 0.09%		
United Continental Holdings, Inc. (I)	2,600	62,504
Commercial Services & Supplies 0.36%		
Copart, Inc. (I)(L)	1,000	42,010
Pitney Bowes, Inc.	2,800	70,504
Rollins, Inc.	2,250	44,145
Stericycle, Inc. (I)	1,100	95,062
Industrial Conglomerates 1.02%		
3M Company	7,600	700,948
Machinery 1.07%		
Caterpillar, Inc.	1,700	174,981
Cummins, Inc.	1,070	108,198
Danaher Corp.	5,500	278,300
Deere & Company	1,300	117,195
Joy Global, Inc.	600	58,428
Professional Services 0.13%		
Dun & Bradstreet Corp.	400	32,320
IHS, Inc., Class A (I)	700	58,590
Road & Rail 0.17%		
Union Pacific Corp.	1,200	114,492
Trading Companies & Distributors 0.10%		
Fastenal Company (L)	1,100	68,343
Information Technology 26.84%		18,457,845
Communications Equipment 3.07%		
Aruba Networks, Inc. (I)	400	12,180
Cisco Systems, Inc. (I)	36,600	679,296
F5 Networks, Inc. (I)	580	68,446
Harris Corp.	800	37,328
QUALCOMM, Inc.	21,800	1,298,844
Tellabs, Inc.	2,400	12,936
Computers & Peripherals 3.51%		
Apple, Inc. (I)	4,310	1,522,335
Dell, Inc. (I)	11,015	174,367
Hewlett-Packard Company	9,300	405,759
Lexmark International, Inc., Class A (I)	900	33,777
NCR Corp. (I)	1,800	34,380

	Shares	Value
Computers & Peripherals (continued)		
NetApp, Inc. (I)	1,700	\$87,822
Seagate Technology PLC (I)	2,900	36,830
Western Digital Corp. (I)	3,919	119,843
Electronic Equipment, Instruments & Components 0.21%		
Dolby Laboratories, Inc., Class A (I)	1,500	75,855
Ingram Micro, Inc., Class A (I)	2,600	51,818
Tech Data Corp. (I)	300	14,874
Internet Software & Services 4.92%		
eBay, Inc. (I)	17,500	586,338
Google, Inc., Class A (I)	4,567	2,801,398
IT Services 4.61%		
Accenture PLC, Class A	5,900	303,732
Amdocs, Ltd. (I)	2,400	71,616
Automatic Data Processing, Inc.	3,700	185,000
Broadridge Financial Solutions, Inc.	1,700	38,964
Cognizant Technology Solutions Corp., Class A (I)	3,700	284,419
Computer Sciences Corp.	900	43,317
Fiserv, Inc. (I)	1,100	69,597
Global Payments, Inc.	1,200	57,588
International Business Machines Corp.	10,321	1,670,763
Jack Henry & Associates, Inc.	1,300	41,483
MasterCard, Inc., Class A	907	218,188
NeuStar, Inc., Class A (I)	200	5,050
Paychex, Inc.	4,000	134,520
Total Systems Services, Inc. (L)	2,500	44,375
Office Electronics 0.14%		
Xerox Corp.	8,800	94,600
Semiconductors & Semiconductor Equipment 0.16%		
Texas Instruments, Inc.	3,100	110,391
Software 10.22%		
Adobe Systems, Inc. (I)	2,300	79,350
ANSYS, Inc. (I)	600	33,792
BMC Software, Inc. (I)	1,900	94,050
Citrix Systems, Inc. (I)	1,600	112,256
FactSet Research Systems, Inc.	820	86,002
Informatica Corp. (I)	1,400	65,814
Intuit, Inc. (I)	5,600	294,448
McAfee, Inc. (I)	900	43,155
MICROS Systems, Inc. (I)	1,300	61,932
Microsoft Corp.	122,241	3,249,166
Oracle Corp.	74,147	2,439,436
Quest Software, Inc. (I)	1,700	45,543
Salesforce.com, Inc. (I)	610	80,685
Symantec Corp. (I)	9,100	164,073
TIBCO Software, Inc. (I)	1,200	29,544
VMware, Inc., Class A (I)	1,800	150,570

	Shares	Value		
Materials 0.73%		\$497,786		
Chemicals 0.55%				
E.I. Du Pont de Nemours & Company	3,900	213,993		
Ecolab, Inc.	2,000	97,280		
Sigma-Aldrich Corp.	1,000	63,890		
Metals & Mining 0.02%				
Commercial Metals Company	600	10,002		
Paper & Forest Products 0.16%				
Schweitzer-Mauduit International, Inc.	2,054	112,621		
Telecommunication Services 3.09%		2,125,401		
Diversified Telecommunication Services 2.97%				
AT&T, Inc.	28,000	794,640		
CenturyLink, Inc. (L)	1,900	78,242		
Verizon Communications, Inc.	31,700	1,170,364		
Wireless Telecommunication Services 0.12%				
MetroPCS Communications, Inc. (I)	2,200	31,680		
Telephone & Data Systems, Inc.	1,500	50,475		
Investment Companies 1.01%		\$692,247		
(Cost \$635,987)				
Financials 1.01%		692,247		
SPDR S&P 500 ETF Trust	5,199	692,247		
	Yield	Shares	Value	
Securities Lending Collateral 1.63%			\$1,124,229	
(Cost \$1,124,155)				
John Hancock Collateral Investment Trust (W)	0.2855% (Y)	112,340	1,124,229	
Short-Term Investments 3.34%			\$2,299,518	
(Cost \$2,299,512)				
	Yield*	Maturity date	Par value	Value
U.S. Government 0.43%				299,993
U.S. Treasury Bill	0.180%	3-10-11	\$300,000	299,993
			Shares	Value
Short-Term Securities 2.91%				1,999,525
State Street Institutional Treasury Money Market Fund	0.0453% (Y)		1,999,525	1,999,525
Total investments (Cost \$61,744,908)† 100.48%				\$69,101,273
Other assets and liabilities, net (0.48%)				(\$329,900)
Total net assets 100.00%				\$68,771,373

The percentage shown for each investment category is the total value of the category as a percentage of the net assets of the Fund.

Notes to Schedule of Investments

- (I) Non-income producing security.
 - (L) All or a portion of this security is on loan as of 2-28-11.
 - (W) Investment is an affiliate of the Fund, the adviser and/or subadviser. Also, it represents the investment of securities lending collateral received.
 - (Y) The rate shown is the annualized seven-day yield as of 2-28-11.
- † At 2-28-11, the aggregate cost of investment securities for federal income tax purposes was \$62,554,907. Net unrealized appreciation aggregated \$6,546,366, of which \$6,969,277 related to appreciated investment securities and \$422,911 related to depreciated investment securities.

Financial statements

Statement of assets and liabilities 2-28-11

This Statement of Assets and Liabilities is the Fund's balance sheet. It shows the value of what the Fund owns, is due and owes. You'll also find the net asset value and the maximum public offering price per share.

Assets	
Investments in unaffiliated issuers, at value (Cost \$60,620,753) including \$1,091,259 of securities loaned (Note 2)	\$67,977,044
Investments in affiliated issuers, at value (Cost \$1,124,155) (Note 2)	1,124,229
Total investments, at value (Cost \$61,744,908)	69,101,273
Receivable for fund shares sold	791,944
Dividends and interest receivable	142,140
Receivable for securities lending income	2,226
Other receivables and prepaid expenses	6,271
Total assets	70,043,854
Liabilities	
Payable for investments purchased	4,513
Payable for fund shares repurchased	14,187
Payable upon return of securities loaned (Note 2)	1,125,131
Payable to affiliates	
Accounting and legal services fees	874
Transfer agent fees	12,832
Distribution and service fees	3
Trustees' fees	615
Due to adviser	102,961
Other liabilities and accrued expenses	11,365
Total liabilities	1,272,481
Net assets	
Capital paid-in	\$63,928,417
Undistributed net investment income	144,998
Accumulated net realized loss on investments and futures contracts	(2,658,407)
Net unrealized appreciation (depreciation) on investments	7,356,365
Net assets	\$68,771,373

Statement of assets and liabilities (continued)

Net asset value per share

Based on net asset values and shares outstanding — the Fund has an unlimited number of shares authorized with no par value

Class A (\$31,179,454 ÷ 1,608,524 shares)	\$19.38
Class B (\$824,284 ÷ 42,665 shares) ¹	\$19.32
Class C (\$2,377,992 ÷ 123,169 shares) ¹	\$19.31
Class I (\$34,172,344 ÷ 1,761,956 shares)	\$19.39
Class R1 (\$113,771 ÷ 5,879 shares)	\$19.35
Class R3 (\$34,510 ÷ 1,779.359 shares)	\$19.39
Class R4 (\$34,509 ÷ 1,779.359 shares)	\$19.39
Class R5 (\$34,509 ÷ 1,779.359 shares)	\$19.39

Maximum offering price per share

Class A (net asset value per share ÷ 95%) ²	\$20.40
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¹ Redemption price is equal to net asset value less any applicable contingent deferred sales charge.

² On single retail sales of less than \$50,000. On sales of \$50,000 or more and on group sales the offering price is reduced.

Statement of operations For the year ended 2-28-11

This Statement of Operations summarizes the Fund's investment income earned and expenses incurred in operating the Fund. It also shows net gains (losses) for the period stated.

Investment income	
Dividends	\$1,070,628
Securities lending	11,561
Interest	2,090
Less foreign taxes withheld	(18)
Total investment income	1,084,261
Expenses	
Investment management fees (Note 5)	386,107
Distribution and service fees (Note 5)	106,110
Accounting and legal services fees (Note 5)	6,737
Transfer agent fees (Note 5)	62,533
Trustees' fees (Note 5)	3,510
State registration fees (Note 5)	56,044
Printing and postage (Note 5)	11,383
Professional fees	48,721
Custodian fees	12,140
Registration and filing fees	32,269
Other	7,702
Total expenses	733,256
Less expense reductions (Note 5)	(140,827)
Net expenses	592,429
Net investment income	491,832
Realized and unrealized gain (loss)	
Net realized gain (loss) on	
Investments in unaffiliated issuers	1,571,228
Investments in affiliated issuers	(819)
Futures contracts (Note 3)	89,593
	1,660,002
Change in net unrealized appreciation (depreciation) of	
Investments in unaffiliated issuers	5,111,297
Investments in affiliated issuers	(137)
Futures contracts (Note 3)	(18,147)
Translation of assets and liabilities in foreign currencies	215
	5,093,228
Net realized and unrealized gain	6,753,230
Increase in net assets from operations	\$7,245,062

Statements of changes in net assets

These Statements of Changes in Net Assets show how the value of the Fund's net assets has changed during the last two periods. The difference reflects earnings less expenses, any investment gains and losses, distributions, if any, paid to shareholders and the net of Fund share transactions.

	Year ended 2-28-11	Year ended 2-28-10
Increase (decrease) in net assets		
From operations		
Net investment income	\$491,832	\$197,722
Net realized gain (loss)	1,660,002	(1,312,068)
Change in net unrealized appreciation (depreciation)	5,093,228	7,710,519
Increase in net assets resulting from operations	7,245,062	6,596,173
Distributions to shareholders		
From net investment income		
Class A	(167,314)	(77,787)
Class I	(207,682)	(124,896)
Class R1	(282)	(22)
Class R3	(117)	(34)
Class R4	(209)	(113)
Class R5	(301)	(193)
Total distributions	(375,905)	(203,045)
From Fund share transactions (Note 6)	20,847,789	22,212,754
Total increase	27,716,946	28,605,882
Net assets		
Beginning of year	41,054,427	12,448,545
End of year	\$68,771,373	\$41,054,427
Undistributed net investment income	\$144,998	\$29,071

Financial highlights

The Financial Highlights show how the Fund's net asset value for a share has changed since the end of the previous period.

CLASS A SHARES Period ended	2-28-11	2-28-10	2-28-09	2-29-08	2-28-07 ¹
Per share operating performance					
Net asset value, beginning of period	\$17.06	\$12.25	\$19.42	\$22.24	\$20.00
Net investment income ²	0.14	0.11	0.15	0.16	0.12
Net realized and unrealized gain (loss) on investments	2.29	4.76	(7.19)	(1.88)	2.41
Total from investment operations	2.43	4.87	(7.04)	(1.72)	2.53
Less distributions					
From net investment income	(0.11)	(0.06)	(0.13)	(0.17)	(0.09)
From net realized gain	—	—	—	(0.93)	(0.20)
Total distributions	(0.11)	(0.06)	(0.13)	(1.10)	(0.29)
Net asset value, end of period	\$19.38	\$17.06	\$12.25	\$19.42	\$22.24
Total return (%) ^{3,4}	14.26	39.78	(36.34)	(8.16)	12.64 ⁵
Ratios and supplemental data					
Net assets, end of period (in millions)	\$31	\$22	\$11	\$18	\$19
Ratios (as a percentage of average net assets):					
Expenses before reductions	1.50	1.76 ⁶	1.75	1.86	1.93 ⁷
Expenses net of fee waivers	1.35	1.35 ⁶	1.35	1.34	1.34 ⁷
Expenses net of fee waivers and credits	1.35	1.35 ⁶	1.35	1.34	1.34 ⁷
Net investment income	0.82	0.72	0.86	0.70	0.76 ⁷
Portfolio turnover (%)	78	44	61	81	36

¹ The inception date for Class A shares is 6-12-06.

² Based on the average daily shares outstanding.

³ Does not reflect the effect of sales charges, if any.

⁴ Total returns would have been lower had certain expenses not been reduced during the periods shown.

⁵ Not annualized.

⁶ Includes the impact of proxy expenses, which amounted to 0.02% of average net assets.

⁷ Annualized.

CLASS B SHARES Period ended	2-28-11	2-28-10	2-28-09	2-29-08	2-28-07 ¹
Per share operating performance					
Net asset value, beginning of period	\$17.02	\$12.26	\$19.38	\$22.20	\$20.00
Net investment income ²	0.03	0.01	0.04	— ³	0.02
Net realized and unrealized gain (loss) on investments	2.27	4.75	(7.16)	(1.88)	2.40
Total from investment operations	2.30	4.76	(7.12)	(1.88)	2.42
From net investment income	—	—	—	(0.01)	(0.02)
From net realized gain	—	—	—	(0.93)	(0.20)
Total distributions	—	—	—	(0.94)	(0.22)
Net asset value, end of period	\$19.32	\$17.02	\$12.26	\$19.38	\$22.20
Total return (%)^{4,5}	13.51	38.83	(36.74)	(8.84)	12.07⁶
Ratios and supplemental data					
Net assets, end of period (in millions)	\$1	— ⁷	— ⁷	— ⁷	— ⁷
Ratios (as a percentage of average net assets):					
Expenses before reductions	3.02	7.67 ⁸	8.79	6.98	13.58 ⁹
Expenses net of fee waivers	2.05	2.08 ⁸	2.40	2.05	2.04 ⁹
Expenses net of fee waivers and credits	2.05	2.05 ⁸	2.05	2.05	2.04 ⁹
Net investment income	0.19	0.03	0.24	— ¹⁰	0.12 ⁹
Portfolio turnover (%)	78	44	61	81	36

¹ The inception date for Class B shares is 6-12-06.

² Based on the average daily shares outstanding.

³ Less than \$0.005 per share.

⁴ Does not reflect the effect of sales charges, if any.

⁵ Total returns would have been lower had certain expenses not been reduced during the periods shown.

⁶ Not annualized.

⁷ Less than \$500,000.

⁸ Includes the impact of proxy expenses, which amounted to 0.03% of average net assets.

⁹ Annualized.

¹⁰ Less than 0.005%.

CLASS C SHARES Period ended	2-28-11	2-28-10	2-28-09	2-29-08	2-28-07 ¹
Per share operating performance					
Net asset value, beginning of period	\$17.01	\$12.26	\$19.39	\$22.21	\$20.00
Net investment income ²	0.02	— ³	0.01	— ⁴	0.03
Net realized and unrealized gain (loss) on investments	2.28	4.75	(7.14)	(1.88)	2.40
Total from investment operations	2.30	4.75	(7.13)	(1.88)	2.43
From net investment income	—	—	—	(0.01)	(0.02)
From net realized gain	—	—	—	(0.93)	(0.20)
Total distributions	—	—	—	(0.94)	(0.22)
Net asset value, end of period	\$19.31	\$17.01	\$12.26	\$19.39	\$22.21
Total return (%)^{5,6}	13.52	38.74	(36.77)	(8.84)	12.12⁷
Ratios and supplemental data					
Net assets, end of period (in millions)	\$2	\$2	\$1	\$3	\$3
Ratios (as a percentage of average net assets):					
Expenses before reductions	2.40	3.92 ⁸	3.43	2.94	3.82 ⁹
Expenses net of fee waivers	2.05	2.06 ⁸	2.07	2.05	2.04 ⁹
Expenses net of fee waivers and credits	2.05	2.05 ⁸	2.05	2.05	2.04 ⁹
Net investment income (loss)	0.12	— ¹⁰	0.06	(0.01)	0.16 ⁹
Portfolio turnover (%)	78	44	61	81	36

¹ The inception date for Class C shares is 6-12-06.

² Based on the average daily shares outstanding.

³ Less than (\$0.005) per share.

⁴ Less than \$0.005 per share.

⁵ Does not reflect the effect of sales charges, if any.

⁶ Total returns would have been lower had certain expenses not been reduced during the periods shown.

⁷ Not annualized.

⁸ Includes the impact of proxy expenses, which amounted to 0.02% of average net assets.

⁹ Annualized.

¹⁰ Less than (0.005%).

CLASS I SHARES Period ended	2-28-11	2-28-10	2-28-09	2-29-08	2-28-07 ¹
Per share operating performance					
Net asset value, beginning of period	\$17.06	\$12.25	\$19.43	\$22.26	\$20.00
Net investment income ²	0.24	0.16	0.21	0.25	0.18
Net realized and unrealized gain (loss) on investments	2.28	4.79	(7.19)	(1.89)	2.41
Total from investment operations	2.52	4.95	(6.98)	(1.64)	2.59
Less distributions					
From net investment income	(0.19)	(0.14)	(0.20)	(0.26)	(0.13)
From net realized gain	—	—	—	(0.93)	(0.20)
Total distributions	(0.19)	(0.14)	(0.20)	(1.19)	(0.33)
Net asset value, end of period	\$19.39	\$17.06	\$12.25	\$19.43	\$22.26
Total return (%)³	14.81	40.35	(36.06)	(7.82)	12.95⁴
Ratios and supplemental data					
Net assets, end of period (in millions)	\$34	\$16	— ⁵	— ⁵	— ⁵
Ratios (as a percentage of average net assets):					
Expenses before reductions	1.12	1.39 ⁶	10.44	12.79	17.83 ⁷
Expenses net of fee waivers	0.88	0.87 ⁶	0.95	0.95	0.95 ⁷
Expenses net of fee waivers and credits	0.88	0.87 ⁶	0.95	0.95	0.95 ⁷
Net investment income	1.34	0.94	1.19	1.10	1.16 ⁷
Portfolio turnover (%)	78	44	61	81	36

¹ The inception date for Class I shares is 6-12-06.

² Based on the average daily shares outstanding.

³ Total returns would have been lower had certain expenses not been reduced during the periods shown.

⁴ Not annualized.

⁵ Less than \$500,000.

⁶ Includes the impact of proxy expenses, which amounted to less than 0.005% of average net assets.

⁷ Annualized.

CLASS R1 SHARES Period ended	2-28-11	2-28-10	2-28-09	2-29-08	2-28-07 ¹
Per share operating performance					
Net asset value, beginning of period	\$17.03	\$12.23	\$19.37	\$22.20	\$20.00
Net investment income ²	0.09	0.07	0.13	0.13	0.06
Net realized and unrealized gain (loss) on investments	2.28	4.73	(7.16)	(1.88)	2.42
Total from investment operations	2.37	4.80	(7.03)	(1.75)	2.48
Less distributions					
From net investment income	(0.05)	— ³	(0.11)	(0.15)	(0.08)
From net realized gain	—	—	—	(0.93)	(0.20)
Total distributions	(0.05)	—³	(0.11)	(1.08)	(0.28)
Net asset value, end of period	\$19.35	\$17.03	\$12.23	\$19.37	\$22.20
Total return (%)⁴	13.92	39.28	(36.37)	(8.32)	12.38⁵
Ratios and supplemental data					
Net assets, end of period (in millions)	— ⁶	— ⁶	— ⁶	— ⁶	— ⁶
Ratios (as a percentage of average net assets):					
Expenses before reductions	4.66	20.80 ⁷	19.51	15.98	21.12 ⁸
Expenses net of fee waivers	1.67	1.66 ⁷	1.95	1.45	1.69 ⁸
Expenses net of fee waivers and credits	1.67	1.66 ⁷	1.45	1.45	1.69 ⁸
Net investment income	0.48	0.43	0.76	0.59	0.41 ⁸
Portfolio turnover (%)	78	44	61	81	36

¹ The inception date for Class R1 shares is 6-12-06.

² Based on the average daily shares outstanding.

³ Less than (\$0.005) per share.

⁴ Total returns would have been lower had certain expenses not been reduced during the periods shown.

⁵ Not annualized.

⁶ Less than \$500,000.

⁷ Includes the impact of proxy expenses, which amounted to 0.03% of average net assets.

⁸ Annualized.

CLASS R3 SHARES Period ended	2-28-11	2-28-10¹
Per share operating performance		
Net asset value, beginning of period	\$17.07	\$14.05
Net investment income ²	0.10	0.03
Net realized and unrealized gain on investments	2.29	3.01
Total from investment operations	2.39	3.04
Less distributions		
From net investment income	(0.07)	(0.02)
Net asset value, end of period	\$19.39	\$17.07
Total return (%)³	13.99	21.63⁴
Ratios and supplemental data		
Net assets, end of period (in millions)	— ⁵	— ⁵
Ratios (as a percentage of average net assets):		
Expenses before reductions	39.27	9.87 ⁶
Expenses net of fee waivers	1.58	1.66 ⁶
Expenses net of fee waivers and credits	1.58	1.66 ⁶
Net investment income	0.57	0.21 ⁶
Portfolio turnover (%)	78	44

¹ The inception date for Class R3 shares is 5-22-09.

² Based on the average daily shares outstanding.

³ Total returns would have been lower had certain expenses not been reduced during the periods shown.

⁴ Not annualized.

⁵ Less than \$500,000.

⁶ Annualized.

CLASS R4 SHARES Period ended	2-28-11	2-28-10¹
Per share operating performance		
Net asset value, beginning of period	\$17.06	\$14.05
Net investment income ²	0.15	0.06
Net realized and unrealized gain on investments	2.30	3.01
Total from investment operations	2.45	3.07
Less distributions		
From net investment income	(0.12)	(0.06)
Net asset value, end of period	\$19.39	\$17.06
Total return (%)³	14.37	21.87⁴
Ratios and supplemental data		
Net assets, end of period (in millions)	— ⁵	— ⁵
Ratios (as a percentage of average net assets):		
Expenses before reductions	39.00	9.61 ⁶
Expenses net of fee waivers	1.28	1.36 ⁶
Expenses net of fee waivers and credits	1.28	1.36 ⁶
Net investment loss	0.87	0.50 ⁶
Portfolio turnover (%)	78	44

¹ The inception date for Class R4 shares is 5-22-09.

² Based on the average daily shares outstanding.

³ Total returns would have been lower had certain expenses not been reduced during the periods shown.

⁴ Not annualized.

⁵ Less than \$500,000.

⁶ Annualized.

CLASS R5 SHARES Period ended	2-28-11	2-28-10¹
Per share operating performance		
Net asset value, beginning of period	\$17.06	\$14.05
Net investment income ²	0.21	0.10
Net realized and unrealized gain on investments	2.29	3.02
Total from investment operations	2.50	3.12
Less distributions		
From net investment income	(0.17)	(0.11)
Net asset value, end of period	\$19.39	\$17.06
Total return (%)³	14.68	22.18⁴
Ratios and supplemental data		
Net assets, end of period (in millions)	— ⁵	— ⁵
Ratios (as a percentage of average net assets):		
Expenses before reductions	38.74	9.36 ⁶
Expenses net of fee waivers	0.98	1.06 ⁶
Expenses net of fee waivers and credits	0.98	1.06 ⁶
Net investment income	1.17	0.81 ⁶
Portfolio turnover (%)	78	44

¹ The inception date for Class R5 shares is 5-22-09.

² Based on the average daily shares outstanding.

³ Total returns would have been lower had certain expenses not been reduced during the periods shown.

⁴ Not annualized.

⁵ Less than \$500,000.

⁶ Annualized.

Notes to financial statements

Note 1 — Organization

John Hancock U.S. Core Fund (the Fund) is a diversified series of John Hancock Funds III (the Trust), an open-end management investment company organized as a Massachusetts business trust and registered under the Investment Company Act of 1940, as amended (the 1940 Act). The investment objective of the Fund is to seek a high total return.

The Fund may offer multiple classes of shares. The shares currently offered are detailed in the Statement of Assets and Liabilities. Class A, Class B and Class C shares are offered to all investors. Class I shares are offered to institutions and certain investors. Class R1, Class R3, Class R4 and Class R5 shares are available only to certain retirement plans. Shareholders of each class have exclusive voting rights to matters that affect that class. The distribution and service fees, if any, printing and postage, registration and transfer agent fees for each class may differ. Class B shares convert to Class A shares eight years after purchase.

Note 2 — Significant accounting policies

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates. Events or transactions occurring after the end of the fiscal period through the date that the financial statements were issued have been evaluated in the preparation of the financial statements. The following summarizes the significant accounting policies of the Fund:

Security valuation. Investments are stated at value as of the close of regular trading on the New York Stock Exchange (NYSE), normally at 4:00 P.M., Eastern Time. The Fund uses a three-tier hierarchy to prioritize the pricing assumptions, referred to as inputs, used in valuation techniques to measure fair value. Level 1 includes securities valued using quoted prices in active markets for identical securities. Level 2 includes securities valued using significant observable inputs. Observable inputs may include quoted prices for similar securities, interest rates, prepayment speeds and credit risk. Prices for securities valued using these inputs are received from independent pricing vendors and brokers and are based on an evaluation of the inputs described. Level 3 includes securities valued using significant unobservable inputs when market prices are not readily available or reliable, including the Fund's own assumptions in determining the fair value of investments. Factors used in determining value may include market or issuer specific events, changes in interest rates and credit quality. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

As of February 28, 2011, all investments of the Fund are categorized as Level 1 under the hierarchy described above, except U.S. Treasury Bills, which are Level 2. Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. During the year ended February 28, 2011, there were no significant transfers in or out of Level 1 or Level 2 assets.

In order to value the securities, the Fund uses the following valuation techniques. Equity securities held by the Fund are valued at the last sale price or official closing price on the principal securities exchange on which they trade. In the event there were no sales during the day or closing prices are not available, then securities are valued using the last quoted bid or evaluated price. Investments in open-end mutual funds, including John Hancock Collateral Investment Trust (JHCIT), are valued at their closing net asset values each day. Certain securities traded only in the over-the-counter market are valued at the last bid price quoted by brokers making markets in the securities at the

close of trading. Other portfolio securities and assets, where market quotations are not readily available, are valued at fair value, as determined in good faith by the Fund's Pricing Committee, following procedures established by the Board of Trustees.

Security transactions and related investment income. Investment security transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is accrued as earned. Gains and losses on securities sold are determined on the basis of identified cost and may include proceeds from litigation. Dividend income is recorded on the ex-date.

Securities lending. The Fund may lend its securities to earn additional income. It receives and maintains cash collateral received from the borrower in an amount not less than the market value of the loaned securities. The Fund will invest its collateral in JHCIT, an affiliate of the Fund, and as a result, the Fund will receive the benefit of any gains and bear any losses generated by JHCIT. Although risk of the loss of the securities lent is mitigated by holding the collateral, the Fund could experience a delay in recovering its securities and a possible loss of income or value if the borrower fails to return the securities or if collateral investments decline in value. The Fund may receive compensation for lending its securities by retaining a portion of the return on the investment of the collateral and compensation from fees earned from borrowers of the securities. Income received from JHCIT is a component of securities lending income as recorded on the Statement of Operations.

Line of credit. The Fund may borrow from banks for temporary or emergency purposes, including meeting redemption requests that otherwise might require the untimely sale of securities. Pursuant to the custodian agreement, the custodian may loan money to a Fund to make properly authorized payments. The Fund is obligated to repay the custodian for any overdraft, including any related costs or expenses. The custodian has a lien, security interest or security entitlement in any Fund property that is not segregated, to the maximum extent permitted by law for any overdraft.

In addition, the Fund and other affiliated funds have entered into an agreement with State Street Bank and Trust Company (SSBT) which enables them to participate in a \$100 million unsecured committed line of credit. Prior to March 31, 2010, the amount of the line of credit was \$150 million. A commitment fee, payable at the end of each calendar quarter, based on the average daily unused portion of the line of credit, is charged to each participating fund on a pro rata basis and is reflected in other expenses on the Statement of Operations. For the year ended February 28, 2011, the Fund had no borrowings under the line of credit.

Effective March 30, 2011, the line of credit with SSBT expired and a similar arrangement was established with Citibank N.A.

Expenses. The majority of expenses are directly attributable to an individual fund. Expenses that are not readily attributable to a specific fund are allocated among all funds in an equitable manner, taking into consideration, among other things, the nature and type of expense and the fund's relative assets. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

Class allocations. Income, common expenses, and realized and unrealized gains (losses) are determined at the fund level and allocated daily to each class of shares based on the net asset value of the class. Class-specific expenses, such as distribution and service fees, if any, transfer agent fees, state registration fees and printing and postage, for all classes, are calculated daily at the class level based on the appropriate net asset value of each class and the specific expense rates applicable to each class.

Federal income taxes. The Fund intends to continue to qualify as a regulated investment company by complying with the applicable provisions of the Internal Revenue Code and will not be subject to federal income tax on taxable income that is distributed to shareholders. Therefore, no federal income tax provision is required.

For federal income tax purposes, the Fund has a capital loss carryforward of \$1,848,409 available to offset future net realized capital gains as of February 28, 2011. The loss carryforward expires as follows: February 28, 2018 — \$1,848,409.

Under the recently enacted Regulated Investment Company Modernization Act of 2010, the Fund will be permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to the losses incurred in pre-enactment taxable years. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

As of February 28, 2011, the Fund had no uncertain tax positions that would require financial statement recognition, de-recognition or disclosure. The Fund's federal tax return is subject to examination by the Internal Revenue Service for a period of three years.

Distribution of income and gains. Distributions to shareholders from net investment income and net realized gains, if any, are recorded on the ex-date. The Fund generally declares and pays dividends and capital gain distributions, if any, annually. The tax character of distributions for the years ended February 28, 2011 and 2010 was as follows:

	FEBRUARY 28, 2011	FEBRUARY 28, 2010
Ordinary Income	\$375,905	\$203,045

Distributions paid by the Fund with respect to each class of shares are calculated in the same manner, at the same time and are in the same amount, except for the effect of expenses that may be applied differently to each class. As of February 28, 2011, the components of distributable earnings on a tax basis included \$145,320 of undistributed ordinary income.

Such distributions and distributable earnings, on a tax basis, are determined in conformity with income tax regulations, which may differ from accounting principles generally accepted in the United States of America. Material distributions in excess of tax basis earnings and profits, if any, are reported in the Fund's financial statements as a return of capital.

Capital accounts within financial statements are adjusted for permanent book-tax differences. These adjustments have no impact on net assets or the results of operations. Temporary book-tax differences, if any, will reverse in a subsequent period. Book-tax differences are primarily attributable to wash sales loss deferrals.

Note 3 — Derivative instruments

The Fund may invest in derivatives in order to meet its investment objectives. The use of derivatives may involve risks different from, or potentially greater than, the risks associated with investing directly in securities. Specifically, derivatives expose the Fund to the risk that the counterparty to an over-the-counter (OTC) derivatives contract will be unable or unwilling to make timely settlement payments or otherwise honor its obligations. OTC derivatives transactions typically can only be closed out with the other party to the transaction. If the counterparty defaults, the Fund will have contractual remedies, but there is no assurance that the counterparty will meet its contractual obligations or that the Fund will succeed in enforcing them.

Futures. A futures contract is a contractual agreement to buy or sell a particular commodity, currency, or financial instrument at a pre-determined price in the future. Risks related to the use of futures contracts include possible illiquidity of the futures markets, contract prices that can be highly volatile and imperfectly correlated to movements in hedged security values and/or interest rates and potential losses in excess of the amounts recognized on the Statement of Assets and Liabilities.

Futures contracts are valued at the quoted daily settlement prices established by the exchange on which they trade. Upon entering into a futures contract, the Fund is required to deposit initial margin with the broker in the form of cash or securities. The amount of required margin is generally based on a percentage of the contract value; this amount is the initial margin for the trade. The margin deposit must then be maintained at the established level over the life of the contract. Futures contracts are marked-to-market daily and an appropriate payable or receivable for the change in value (variation margin) is recorded by the Fund.

During the year ended February 28, 2011, the Fund used futures contracts to gain market exposure. During year ended February 28, 2011, the Fund held futures contracts with notional absolute values ranging from zero to \$1.9 million, as measured at each quarter end. There were no open futures contracts as of February 28, 2011.

Effect of derivative instruments on the Statement of Operations

The table below summarizes the net realized gain (loss) included in the net increase (decrease) in net assets from operations, classified by derivative instrument and risk category, for the year ended February 28, 2011:

RISK	STATEMENT OF OPERATIONS LOCATION	FUTURES CONTRACTS
Equity contracts	Net realized gain	\$89,593

The table below summarizes the net change in unrealized appreciation (depreciation) included in the net increase (decrease) in net assets from operations, classified by derivative instrument and risk category, for the year ended February 28, 2011:

RISK	STATEMENT OF OPERATIONS LOCATION	FUTURES CONTRACTS
Equity contracts	Change in unrealized appreciation (depreciation)	(\$18,147)

Note 4 — Guarantees and indemnifications

Under the Fund's organizational documents, its Officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. The risk of material loss from such claims is considered remote.

Note 5 — Fees and transactions with affiliates

John Hancock Investment Management Services, LLC (the Adviser) serves as investment adviser for the Trust. John Hancock Funds, LLC (the Distributor), an affiliate of the Adviser, serves as principal underwriter of the Trust. The Adviser and the Distributor are indirect wholly owned subsidiaries of Manulife Financial Corporation (MFC).

Management fee. The Fund has an investment management contract with the Adviser under which the Fund pays a daily management fee to the Adviser equivalent, on an annual basis, to the sum of: (a) 0.78% of the first \$500,000,000 of the Fund's average daily net assets; (b) 0.76% of the next \$500,000,000; (c) 0.75% of the next \$1,000,000,000; (d) 0.74% of the next \$1,000,000,000; and (e) 0.72% of the Fund's average daily net assets in excess of \$3,000,000,000. The Adviser has a subadvisory agreement with Grantham, Mayo Van Otterloo & Co. LLC. The Fund is not responsible for payment of the subadvisory fees.

The investment management fees incurred for the year ended February 28, 2011 were equivalent to an annual effective rate of 0.78% of the Fund's average daily net assets.

The Adviser has contractually agreed to waive fees and/or reimburse certain expenses for each share class of the Fund. This agreement excludes taxes, portfolio brokerage commissions, interest, litigation and other extraordinary expenses not incurred in the ordinary course of the Fund's business. The fee waivers and/or reimbursements are such that these expenses will not exceed 1.35%, 2.05%, 2.05%, 0.89%, 1.64%, 1.54%, 1.24% and 0.94% for Class A, Class B, Class C, Class I, Class R1, Class R3, Class R4 and Class R5 shares, respectively. The fee waivers and/or reimbursements will continue in effect until June 30, 2011. Prior to July 1, 2010, the fee waivers and/or reimbursements were such that the above expenses would not exceed 0.87%, 1.75%, 1.65%, 1.35% and 1.05% for Class I, Class R1, Class R3, Class R4 and Class R5 shares, respectively.

Effective June 26, 2010, the Adviser has voluntarily agreed to waive fees and/or reimburse certain other fund level expenses. This agreement excludes advisory, interest, overdraft, litigation, Rule 12b-1, class specific and other extraordinary expenses not incurred in the ordinary course of business. The fee waivers and/or reimbursement are such that these expenses will not exceed 0.04% of average daily net assets. During the period from May 1, 2010 to June 26, 2010, the fee waiver and/or reimbursement was such that these expenses did not exceed 0.09% of average daily net assets.

Accordingly, these expense reductions amounted to \$40,615, \$5,407, \$7,461, \$48,692, \$2,975, \$11,875, \$11,890 and \$11,912 for Class A, Class B, Class C, Class I, Class R1, Class R3, Class R4 and Class R5 shares, respectively, for the year ended February 28, 2011.

Accounting and legal services. Pursuant to the service agreement the Fund reimburses the Adviser for all expenses associated with providing the administrative, financial, legal, accounting and recordkeeping services of the Fund, including the preparation of all tax returns, periodic reports to shareholders and regulatory reports, among other services. These expenses are allocated to each share class based on its relative net assets at the time the expense was incurred. The accounting and legal services fees incurred for the year ended February 28, 2011 amounted to an annual rate of 0.01% of the Fund's average daily net assets.

Distribution and service plans. The Fund has a distribution agreement with the Distributor. The Fund has adopted distribution and service plans with respect to Class A, Class B, Class C, Class R1, Class R3 and Class R4 shares pursuant to Rule 12b-1 under the 1940 Act, to pay the Distributor for services provided as the distributor of shares of the Fund. In addition, under a service plan for Class R1, Class R3, Class R4 and Class R5 shares, the Fund pays for certain other services. The Fund may pay up to the following contractual rates of distribution and service fees under these arrangements, expressed as an annual percentage of average daily net assets.

CLASS	12b-1 FEES	SERVICE FEES
Class A	0.30%	—
Class B	1.00%	—
Class C	1.00%	—
Class R1	0.50%	0.25%
Class R3	0.50%	0.15%
Class R4	0.25%	0.10%
Class R5	—	0.05%

Sales charges. Class A shares are assessed up-front sales charges, which resulted in payments to the Distributor amounting to \$32,941 for the year ended February 28, 2011. Of this amount, \$5,676 was retained and used for printing prospectuses, advertising, sales literature and other purposes, \$26,842 was paid as sales commissions to broker-dealers and \$423 was paid as sales commissions to sales personnel of Signator Investors, Inc. (Signator Investors), a broker-dealer affiliate of the Adviser.

Class B and Class C shares are subject to contingent deferred sales charges (CDSC). Class B shares that are redeemed within six years of purchase are subject to CDSC, at declining rates, beginning at 5.00% of the lesser of the current market value at the time of redemption or the original purchase cost of the shares being redeemed. Class C shares that are redeemed within one year of purchase are subject to a 1.00% CDSC on the lesser of the current market value at the time of redemption or the original purchase cost of the shares being redeemed. Proceeds from CDSCs are used to compensate the Distributor for providing distribution-related services in connection with the sale of these shares. During the year ended February 28, 2011, CDSCs received by the Distributor amounted to \$261 and \$121 for Class B and Class C shares, respectively.

Transfer agent fees. The Fund has a transfer agent agreement with John Hancock Signature Services, Inc. (Signature Services or Transfer Agent), an affiliate of the Adviser. The transfer agent fees paid to Signature Services are determined based on the cost to Signature Services (Signature Services Cost) of providing recordkeeping services. The Signature Services Cost includes a component of allocated John Hancock corporate overhead for providing transfer agent services to the Fund and to all other John Hancock affiliated funds. It also includes out-of-pocket expenses that are comprised of payments made to third-parties for recordkeeping services provided to their clients who invest in one or more John Hancock funds. In addition, Signature Services Cost may be reduced by certain revenues that Signature Services receives in connection with the service they provide to the funds. Signature Services Cost is calculated monthly and allocated, as applicable, to four categories of share classes: Institutional Share Classes, Retirement Share Classes, Municipal Bond Classes and all other Retail Share Classes. Within each of these categories, the applicable costs are allocated to the affected John Hancock affiliated funds and/or classes, based on the relative average daily net assets.

Prior to July 1, the transfer agent fees were made up of three components:

- The Fund paid a monthly transfer agent fee at an annual rate of 0.05% for Class A, Class B, Class C, Class R1, Class R3, Class R4 and Class R5 shares and 0.04% for Class I shares, based on each class's average daily net assets.
- The Fund paid a monthly fee based on an annual rate of \$16.50 per shareholder account.
- In addition, Signature Services was reimbursed for certain out-of-pocket expenses.

Class level expenses. Class level expenses for the year ended February 28, 2011 were:

SHARE CLASS	DISTRIBUTION AND SERVICE FEES	TRANSFER AGENT FEES	STATE REGISTRATION FEES	PRINTING AND POSTAGE
Class A	\$78,782	\$43,102	\$3,804	\$6,840
Class B	5,587	1,488	4,052	120
Class C	21,195	4,256	3,761	504
Class I	—	12,373	6,827	3,776
Class R1	310	350	2,923	66
Class R3	157	320	11,559	25
Class R4	79	320	11,559	25
Class R5	—	324	11,559	27
Total	\$106,110	\$62,533	\$56,044	\$11,383

Trustee expenses. The Trust compensates each Trustee who is not an employee of the Adviser or its affiliates. These Trustees may, for tax purposes, elect to defer receipt of this compensation under the John Hancock Group of Funds Deferred Compensation Plan (the Plan). Deferred amounts are invested in various John Hancock funds and remain in the funds until distributed in accordance with the Plan. The investment of deferred amounts and the offsetting liability are included within other receivables and prepaid expenses and payable to affiliates — trustees' fees, respectively, in the accompanying Statement of Assets and Liabilities.

Note 6 — Fund share transactions

Transactions in Fund shares for the year ended February 28, 2011 and for the year ended February 28, 2010 were as follows:

	Year ended 2-28-11		Year ended 2-28-10 ¹	
	Shares	Amount	Shares	Amount
Class A shares				
Sold	460,570	\$8,297,278	455,553	\$7,151,566
Distributions reinvested	8,755	163,886	4,368	75,873
Repurchased	(177,915)	(3,252,228)	(72,964)	(1,132,654)
Net increase	291,410	\$5,208,936	386,957	\$6,094,785
Class B shares				
Sold	25,910	\$455,620	11,993	\$182,687
Repurchased	(5,850)	(105,831)	(5,610)	(86,556)
Net increase	20,060	\$349,789	6,383	\$96,131
Class C shares				
Sold	40,635	\$708,765	68,921	\$1,077,457
Repurchased	(16,680)	(297,360)	(21,998)	(334,545)
Net increase	23,955	\$411,405	46,923	\$742,912
Class I shares				
Sold	1,074,227	\$19,696,800	1,020,503	\$16,466,223
Distributions reinvested	9,115	170,640	6,074	105,386
Repurchased	(279,012)	(4,999,129)	(80,937)	(1,367,705)
Net increase	804,330	\$14,868,311	945,640	\$15,203,904

	Year ended 2-28-11		Year ended 2-28-10 ¹	
	Shares	Amount	Shares	Amount
Class R1 shares				
Sold	502	\$9,066	—	—
Distributions reinvested	15	282	1	\$22
Net increase	517	\$9,348	1	\$22
Class R3 shares				
Sold	—	—	1,779	\$25,000
Net increase	—	—	1,779	\$25,000
Class R4 shares				
Sold	—	—	1,779	\$25,000
Net increase	—	—	1,779	\$25,000
Class R5 shares				
Sold	—	—	1,779	\$25,000
Net increase	—	—	1,779	\$25,000
Net increase	1,140,272	\$20,847,789	1,391,241	\$22,212,754

¹ The inception date for Class R3, Class R4 and Class R5 shares is 5-22-09.

Affiliates of the Fund owned 49%, 91%, 100%, 100% and 100% of shares of beneficial interest of Class A, Class R1, Class R3, Class R4 and Class R5 shares on February 28, 2011.

Note 7 — Purchase and sale of securities

Purchases and sales of securities, other than short-term securities, aggregated \$57,073,926 and \$37,002,876, respectively, for the year ended February 28, 2011.

Auditors' report

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of John Hancock Funds III and Shareholders of John Hancock U.S. Core Fund:

In our opinion, the accompanying statement of assets and liabilities, including the portfolio of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of John Hancock U.S. Core Fund (the "Fund") at February 28, 2011, and the results of its operations, the changes in its net assets and the financial highlights for each of the periods indicated, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at February 28, 2011 by correspondence with the custodian and brokers, and the application of alternative auditing procedures where securities purchased confirmations had not been received, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Boston, Massachusetts
April 19, 2011

Tax information

Unaudited

For federal income tax purposes, the following information is furnished with respect to the distributions of the Fund, if any, paid during its taxable year ended February 28, 2011.

The Fund designates the maximum amount allowable for the corporate dividends received deduction for the fiscal year ended February 28, 2011.

The Fund designates the maximum amount allowable of its net taxable income as qualified dividend income as provided in the Jobs and Growth Tax Relief Reconciliation Act of 2003. This amount will be reflected on Form 1099-DIV for the calendar year 2011.

Shareholders will be mailed a 2011 Form 1099-DIV in January 2012. This will reflect the total of all distributions that are taxable for calendar year 2011.

Trustees and Officers

This chart provides information about the Trustees and Officers who oversee your John Hancock fund. Officers elected by the Trustees manage the day-to-day operations of the Fund and execute policies formulated by the Trustees.

Independent Trustees

Name, Year of Birth <i>Position(s) held with Fund</i> Principal occupation(s) and other directorships during past 5 years	Trustee of the Trust since ¹	Number of John Hancock funds overseen by Trustee
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Steven R. Pruchansky , Born: 1944	2006	47
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Chairperson (since January 2011); Chairman and Chief Executive Officer, Greenscapes of Southwest Florida, Inc. (since 2000); Director and President, Greenscapes of Southwest Florida, Inc. (until 2000); Member, Board of Advisors, First American Bank (since 2008); Managing Director, Jon James, LLC (real estate) (since 2000); Director, First Signature Bank & Trust Company (until 1991); Director, Mast Realty Trust (until 1994); President, Maxwell Building Corp. (until 1991).

James F. Carlin , Born: 1940	2006	47
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Chief Executive Officer, Director and Treasurer, Alpha Analytical Laboratories (environmental, chemical and pharmaceutical analysis) (since 1985); Part Owner and Treasurer, Lawrence Carlin Insurance Agency, Inc. (since 1995); Chairman and Chief Executive Officer, CIMCO, LLC (management/ investments) (since 1987).

William H. Cunningham , Born: 1944	2006	47
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Professor, University of Texas, Austin, Texas (since 1971); former Chancellor, University of Texas System and former President of the University of Texas, Austin, Texas; Director of the following: LIN Television (since 2009); Lincoln National Corporation (insurance) (Chairman since 2009 and Director since 2006); Resolute Energy Corporation (since 2009); Nanomedical Systems, Inc. (biotechnology company) (Chairman since 2008); Yorktown Technologies, LP (tropical fish) (Chairman since 2007); Greater Austin Crime Commission (since 2001); Southwest Airlines (since 2000); former Director of the following: Introgen (manufacturer of biopharmaceuticals) (until 2008); Hicks Acquisition Company I, Inc. (until 2007); Jefferson-Pilot Corporation (diversified life insurance company) (until 2006); and former Advisory Director, JP Morgan Chase Bank (formerly Texas Commerce Bank–Austin) (until 2009).

Deborah C. Jackson , ² Born: 1952	2008	47
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Chief Executive Officer, American Red Cross of Massachusetts Bay (since 2002); Board of Directors of Eastern Bank Corporation (since 2001); Board of Directors of Eastern Bank Charitable Foundation (since 2001); Board of Directors of American Student Assistance Corp. (1996–2009); Board of Directors of Boston Stock Exchange (2002–2008); Board of Directors of Harvard Pilgrim Healthcare (health benefits company) (since 2007).

Charles L. Ladner , ² Born: 1938	2006	47
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Vice Chairperson (since March 2011); Chairman and Trustee, Dunwoody Village, Inc. (retirement services) (since 2008); Director, Philadelphia Archdiocesan Educational Fund (since 2009); Senior Vice President and Chief Financial Officer, UGI Corporation (public utility holding company) (retired 1998); Vice President and Director for AmeriGas, Inc. (retired 1998); Director of AmeriGas Partners, L.P. (gas distribution) (until 1997); Director, EnergyNorth, Inc. (until 1995); Director, Parks and History Association (Cooperating Association, National Park Service) (until 2005).

Independent Trustees (continued)

Name, Year of Birth <i>Position(s) held with Fund</i> Principal occupation(s) and other directorships during past 5 years	Trustee of the Trust since ¹	Number of John Hancock funds overseen by Trustee
Stanley Martin,² Born: 1947	2008	47

Senior Vice President/Audit Executive, Federal Home Loan Mortgage Corporation (2004–2006); Executive Vice President/Consultant, HSBC Bank USA (2000–2003); Chief Financial Officer/Executive Vice President, Republic New York Corporation & Republic National Bank of New York (1998–2000); Partner, KPMG LLP (1971–1998).

Dr. John A. Moore, Born: 1939	2006	47
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President and Chief Executive Officer, Institute for Evaluating Health Risks, (nonprofit institution) (until 2001); Senior Scientist, Sciences International (health research) (until 2003); Former Assistant Administrator & Deputy Administrator, Environmental Protection Agency; Principal, Hollyhouse (consulting) (since 2000); Director, CIIT Center for Health Science Research (nonprofit research) (until 2007).

Patti McGill Peterson,² Born: 1943	2006	47
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Principal, PMP Globalinc (consulting) (since 2007); Senior Associate, Institute for Higher Education Policy (since 2007); Executive Director, CIES (international education agency) (until 2007); Vice President, Institute of International Education (until 2007); Senior Fellow, Cornell University Institute of Public Affairs, Cornell University (1997–1998); Former President Wells College, St. Lawrence University and the Association of Colleges and Universities of the State of New York. Director of the following: Niagara Mohawk Power Corporation (until 2003); Security Mutual Life (insurance) (until 1997); ONBANK (until 1993). Trustee of the following: Board of Visitors, The University of Wisconsin, Madison (since 2007); Ford Foundation, International Fellowships Program (until 2007); UNCF, International Development Partnerships (until 2005); Roth Endowment (since 2002); Council for International Educational Exchange (since 2003).

Gregory A. Russo, Born: 1949	2008	47
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Vice Chairman, Risk & Regulatory Matters, KPMG LLP (“KPMG”) (2002–2006); Vice Chairman, Industrial Markets, KPMG (1998–2002).

Non-Independent Trustees³

Name, Year of Birth <i>Position(s) held with Fund</i> Principal occupation(s) and other directorships during past 5 years	Trustee of the Trust since ¹	Number of John Hancock funds overseen by Trustee
Hugh McHaffie,⁴ Born: 1959	2010	47

Executive Vice President, John Hancock Financial Services (since 2006, including prior positions); President of John Hancock Trust and John Hancock Funds II (since 2009); Trustee, John Hancock retail funds (since 2010); Chairman and Director, John Hancock Advisers, LLC, John Hancock Investment Management Services, LLC and John Hancock Funds, LLC (since 2010); Senior Vice President, Individual Business Product Management, MetLife, Inc. (1999–2006).

Non-Independent Trustees³ (continued)

Name, Year of Birth <i>Position(s) held with Fund</i> Principal occupation(s) and other directorships during past 5 years	Trustee of the Trust since ¹	Number of John Hancock funds overseen by Trustee
John G. Vrysen , Born: 1955	2009	47

Senior Vice President, John Hancock Financial Services (since 2006); Director, Executive Vice President and Chief Operating Officer, John Hancock Advisers, LLC, John Hancock Investment Management Services, LLC and John Hancock Funds, LLC (since 2005); Chief Operating Officer, John Hancock Funds II and John Hancock Trust (since 2007); Chief Operating Officer, John Hancock retail funds (until 2009); Trustee, John Hancock retail funds (since 2009).

Principal officers who are not Trustees

Name, Year of Birth <i>Position(s) held with Fund</i> Principal occupation(s) and other directorships during past 5 years	Officer of the Trust since
Keith F. Hartstein , Born: 1956	2006

President and Chief Executive Officer

Senior Vice President, John Hancock Financial Services (since 2004); Director, President and Chief Executive Officer, John Hancock Advisers, LLC and John Hancock Funds, LLC (since 2005); Director, John Hancock Asset Management a division of Manulife Asset Management (US) LLC (since 2005); Director, John Hancock Investment Management Services, LLC (since 2006); President and Chief Executive Officer, John Hancock retail funds (since 2005); Member, Investment Company Institute Sales Force Marketing Committee (since 2003).

Andrew G. Arnott , Born: 1971	2009
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Senior Vice President and Chief Operating Officer

Senior Vice President, John Hancock Financial Services (since 2009); Executive Vice President, John Hancock Advisers, LLC (since 2005); Executive Vice President, John Hancock Investment Management Services, LLC (since 2006); Executive Vice President, John Hancock Funds, LLC (since 2004); Chief Operating Officer, John Hancock retail funds (since 2009); Senior Vice President, John Hancock retail funds (since 2010); Vice President, John Hancock Funds II and John Hancock Trust (since 2006); Senior Vice President, Product Management and Development, John Hancock Funds, LLC (until 2009).

Thomas M. Kinzler , Born: 1955	2006
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Secretary and Chief Legal Officer

Vice President, John Hancock Financial Services (since 2006); Secretary and Chief Legal Counsel, John Hancock Advisers, LLC, John Hancock Investment Management Services, LLC and John Hancock Funds, LLC (since 2007); Secretary and Chief Legal Officer, John Hancock retail funds, John Hancock Funds II and John Hancock Trust (since 2006); Vice President and Associate General Counsel, Massachusetts Mutual Life Insurance Company (1999–2006); Secretary and Chief Legal Counsel, MML Series Investment Fund (2000–2006); Secretary and Chief Legal Counsel, MassMutual Select Funds and MassMutual Premier Funds (2004–2006).

Principal officers who are not Trustees (continued)

<p>Name, Year of Birth Position(s) held with Fund Principal occupation(s) and other directorships during past 5 years</p>	<p>Officer of the Trust since</p>
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Francis V. Knox, Jr., Born: 1947	2006
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Chief Compliance Officer
 Vice President, John Hancock Financial Services (since 2005); Chief Compliance Officer, John Hancock retail funds, John Hancock Funds II, John Hancock Trust, John Hancock Advisers, LLC and John Hancock Investment Management Services, LLC (since 2005); Vice President and Chief Compliance Officer, John Hancock Asset Management a division of Manulife Asset Management (US) LLC (2005–2008).

Charles A. Rizzo, Born: 1957	2007
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Chief Financial Officer
 Vice President, John Hancock Financial Services (since 2008); Senior Vice President, John Hancock Advisers, LLC and John Hancock Investment Management Services, LLC (since 2008); Chief Financial Officer, John Hancock retail funds, John Hancock Funds II and John Hancock Trust (since 2007); Assistant Treasurer, Goldman Sachs Mutual Fund Complex (2005–2007); Vice President, Goldman Sachs (2005–2007).

Salvatore Schiavone,⁴ Born: 1965	2010
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Treasurer
 Assistant Vice President, John Hancock Financial Services (since 2007); Vice President, John Hancock Advisers, LLC and John Hancock Investment Management Services, LLC (since 2007); Treasurer, John Hancock retail funds (since 2010); Treasurer, John Hancock Closed-End Funds (since 2009); Assistant Treasurer, John Hancock Funds II and John Hancock Trust (since 2007); Assistant Treasurer, John Hancock retail funds, John Hancock Funds II and John Hancock Trust (2007–2009); Assistant Treasurer, Fidelity Group of Funds (2005–2007); Vice President, Fidelity Management Research Company (2005–2007).

The business address for all Trustees and Officers is 601 Congress Street, Boston, Massachusetts 02210-2805.
 The Statement of Additional Information of the Fund includes additional information about members of the Board of Trustees of the Fund and is available without charge, upon request, by calling 1-800-225-5291.

¹ Each Trustee holds office until his or her successor is elected and qualified, or until the Trustee’s death, retirement, resignation or removal.
² Member of Audit Committee.
³ Because Messrs. McHaffie and Vrysen are senior executives or directors with the Adviser and/or its affiliates, each of them is considered an “interested person,” as defined in the Investment Company Act of 1940, of the Fund.
⁴ Mr. McHaffie and Mr. Schiavone were appointed by the Board of Trustees effective 8-31-10.

More information

Trustees

Steven R. Pruchansky, *Chairperson*
James F. Carlin
William H. Cunningham
Deborah C. Jackson*
Charles L. Ladner, *Vice Chairperson**
Stanley Martin*
Hugh McHaffie
Dr. John A. Moore
Patti McGill Peterson*
Gregory A. Russo
John G. Vrysen

Officers

Keith F. Hartstein
President and Chief Executive Officer
Andrew G. Arnott
Senior Vice President and Chief Operating Officer
Thomas M. Kinzler
Secretary and Chief Legal Officer
Francis V. Knox, Jr.
Chief Compliance Officer
Charles A. Rizzo
Chief Financial Officer
Salvatore Schiavone
Treasurer

*Member of the Audit Committee

Investment adviser

John Hancock Investment Management
Services, LLC

Subadviser

Grantham, Mayo, Van Otterloo & Co. LLC

Principal distributor

John Hancock Funds, LLC

Custodian

State Street Bank and Trust Company

Transfer agent

John Hancock Signature Services, Inc.

Legal counsel

K&L Gates LLP

Independent registered

public accounting firm

PricewaterhouseCoopers LLP

The report is certified under the Sarbanes-Oxley Act, which requires mutual funds and other public companies to affirm that, to the best of their knowledge, the information in their financial reports is fairly and accurately stated in all material respects.

The Fund's proxy voting policies and procedures, as well as the Fund's proxy voting record for the most recent twelve-month period ended June 30, are available free of charge on the Securities and Exchange Commission (SEC) Web site at www.sec.gov or on our Web site.

The Fund's complete list of portfolio holdings, for the first and third fiscal quarters, is filed with the SEC on Form N-Q. The Fund's Form N-Q is available on our Web site and the SEC's Web site, www.sec.gov, and can be reviewed and copied (for a fee) at the SEC's Public Reference Room in Washington, DC. Call 1-800-SEC-0330 to receive information on the operation of the SEC's Public Reference Room.

We make this information on your fund, as well as **monthly portfolio holdings**, and other fund details available on our Web site www.jhfunds.com or by calling 1-800-225-5291.

You can also contact us:

1-800-225-5291
jhffunds.com

Regular mail:

John Hancock Signature Services, Inc.
P.O. Box 55913
Boston, MA 02205-5913

Express mail:

John Hancock Signature Services, Inc.
Mutual Fund Image Operations
30 Dan Road
Canton, MA 02021

DOMESTIC EQUITY

Balanced Fund
 Classic Value Fund
 Classic Value Mega Cap Fund
 Disciplined Value Fund
 Disciplined Value Mid Cap Fund
 Large Cap Equity Fund
 Mid Cap Equity Fund
 Rainier Growth Fund
 Small Cap Equity Fund
 Small Cap Intrinsic Value Fund
 Small Company Fund
 Sovereign Investors Fund
 U.S. Core Fund
 U.S. Global Leaders Growth Fund

ASSET ALLOCATION**TARGET RISK**

Lifestyle Aggressive Portfolio
 Lifestyle Balanced Portfolio
 Lifestyle Conservative Portfolio
 Lifestyle Growth Portfolio
 Lifestyle Moderate Portfolio

TARGET DATE

Lifecycle 2045 Portfolio
 Lifecycle 2040 Portfolio
 Lifecycle 2035 Portfolio
 Lifecycle 2030 Portfolio
 Lifecycle 2025 Portfolio
 Lifecycle 2020 Portfolio
 Lifecycle 2015 Portfolio
 Lifecycle 2010 Portfolio

RETIREMENT INCOME

Retirement Distribution Portfolio
 Retirement Rising Distribution Portfolio

GLOBAL/INTERNATIONAL EQUITY

Global Opportunities Fund
 Global Shareholder Yield Fund
 Greater China Opportunities Fund
 International Allocation Portfolio
 International Core Fund
 International Growth Fund
 International Value Equity Fund

SPECIALTY

Alternative Asset Allocation Fund
 Currency Strategies Fund
 Financial Industries Fund
 Natural Resources Fund
 Regional Bank Fund
 Technical Opportunities Fund

INCOME

Bond Fund
 Floating Rate Income Fund
 Government Income Fund
 High Yield Fund
 Investment Grade Bond Fund
 Strategic Income Fund
 Strategic Income Opportunities Fund

TAX-FREE INCOME

California Tax-Free Income Fund
 High Yield Municipal Bond Fund
 Massachusetts Tax-Free Income Fund
 New York Tax-Free Income Fund
 Tax-Free Bond Fund

MONEY MARKET

Money Market Fund

CLOSED-END

Bank and Thrift Opportunity Fund
 Income Securities Trust
 Investors Trust
 Preferred Income Fund
 Preferred Income Fund II
 Preferred Income Fund III
 Premium Dividend Fund
 Tax-Advantaged Dividend Income Fund
 Tax-Advantaged Global Shareholder Yield Fund

The Fund's investment objectives, risks, charges and expenses are included in the prospectus and should be considered carefully before investing. For a prospectus, call your financial professional, call John Hancock Funds at 1-800-225-5291 or visit the Fund's Web site at www.jhfunds.com. Please read the prospectus carefully before investing or sending money.



1-800-225-5291

1-800-554-6713 TDD

1-800-338-8080 EASI-Line

www.jhfunds.com

Now available: electronic delivery
www.jhfunds.com/edelivery

This report is for the information of the shareholders of John Hancock U.S. Core Fund.
It is not authorized for distribution to prospective investors unless preceded or accompanied by a prospectus.