

John Hancock

MUTUAL FUNDS

John Hancock
Classic Value Fund



Annual Report

12.31.07

CEO corner



To Our Shareholders,

Financial markets grew increasingly volatile as 2007 progressed, faced with a litany of challenges. The U.S. economy slowed, the hot merger and acquisition market in the first half dried up in the second half, corporate earnings decelerated, energy prices soared and the subprime lending industry experienced a meltdown that led to a seize-up in the mortgage and credit markets. Nonetheless, the broad U.S. market still managed to produce single-digit gains, with the Standard & Poor's 500 Index returning 5.49%. Bonds fared better, as the Federal Reserve Board cut short-term interest rates three times to help stabilize the credit markets, and safe-haven bonds — particularly Treasuries — were the beneficiaries. The Lehman Brothers U.S. Aggregate Index returned 6.97% for the year. And for the fifth year in a row, world stock markets outperformed the U.S., largely on the strength of outsized gains from emerging markets and a weak dollar.

On a more personal note, the end of the year marked a sad event for John Hancock Funds, with the sudden death at age 61 of your fund's Chairman of the Board of Trustees, Ronald Dion. Ron joined the John Hancock Funds Board in September 1998 and was named Chairman in 2005. He was a dedicated and insightful leader who was committed to supporting the growth of the company's mutual funds.

I had the honor of working alongside Ron in his role as Chairman of the Funds group — a position in which he took great pride. Despite the fact that he was CEO of his own company with an incredibly full schedule of business and charitable work, he always made time for John Hancock Funds' business.

In his stead, your Board of Trustees has chosen Independent Trustee James F. Carlin to serve as Interim Chairman until a vote on a permanent successor is taken. Jim joined the John Hancock Funds Board in 1992 and has been an active, involved Trustee since then. Jim is Chairman and CEO of Alpha Analytical Laboratories, Inc. and was a founder of Adion, Inc., which later became Monster.com. He also served as Chairman of the Board of Higher Education in Massachusetts.

While we mourn the loss of Ron Dion, shareholders can rest assured that the stewardship of the Board of Trustees on behalf of you and our funds has remained constant during this time of change.

Sincerely,

Keith F. Hartstein,
President and Chief Executive Officer

This commentary reflects the CEO's views as of December 31, 2007. They are subject to change at any time.

Not part of the annual report

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ANNUAL REPORT

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Your fund at a glance

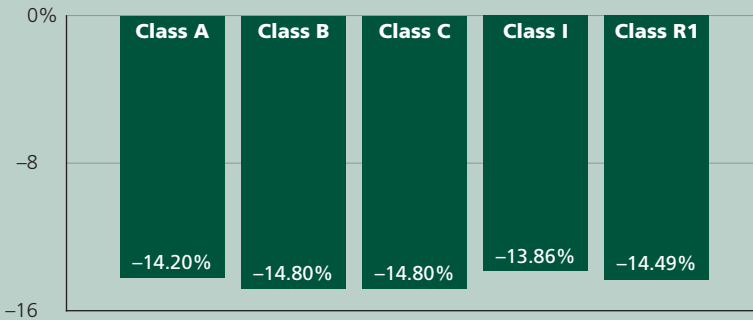
The Fund seeks long-term growth of capital by investing at least 80% of its assets in domestic equity securities that the subadviser believes are currently undervalued relative to the market, based on estimated future earnings and cash flow.

Over the last twelve months

- ▶ Stocks advanced despite a downturn late in the year caused by fallout from the subprime lending meltdown.
- ▶ The Fund declined in 2007, underperforming its value-oriented benchmark index and peer group average.
- ▶ A heavy weighting in financial stocks and limited exposure to commodity-based sectors contributed to the Fund's underperformance.

John Hancock Classic Value Fund

Fund performance for the year ended December 31, 2007.



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.

Top 10 holdings

Freddie Mac	5.6%	Allstate Corp. (The)	3.9%
Citigroup, Inc.	4.7%	Torchmark Corp.	3.9%
Alcatel-Lucent	4.6%	Whirlpool Corp.	3.7%
Wal-Mart Stores, Inc.	4.5%	XL Capital Ltd. (Class A)	3.6%
Fannie Mae	4.1%	Pfizer, Inc.	3.3%

As a percentage of net assets on December 31, 2007.

Managers' report

John Hancock Classic Value Fund

U.S. stocks navigated a challenging environment to post moderate gains in 2007.

In the first half of the year, the market moved steadily higher, driven by strong earnings in commodity-based sectors such as energy and utilities. Market conditions changed dramatically in the last six months as a meltdown in the subprime mortgage industry, a credit crunch in the financial sector and a slowing U.S. economy led to a sharp increase in volatility and a stock market decline over the last few months of the year.

In a momentum-driven market, growth stocks outperformed value by a considerable margin in 2007. Consequently, the valuation spread between the overall market and its most undervalued segment — the area where we look for investment opportunities — widened dramatically after several years at very narrow levels. In fact, we have seen large-cap valuation spreads this wide only five times in the last 40 years.

Fund performance

For the year ended December 31, 2007, John Hancock Classic Value Fund's Class A, Class B, Class C, Class I and Class R1 shares posted total returns of -14.20%, -14.80%, -14.80%, -13.86% and -14.49%, respectively, at net asset value. The Fund trailed both the -0.17% return of the Russell 1000 Value Index and the 1.42% return of the average large value fund, according to Morningstar, Inc.¹ Keep in mind that your net asset

INVESTMENT

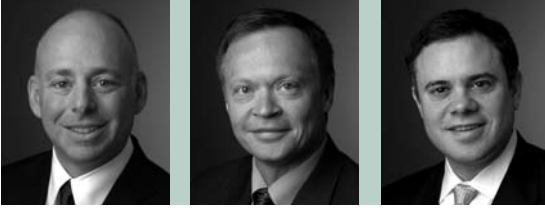
Union Pacific

Alcatel-Lucent

**Capital One
Financial**

PERIOD'S PERFORMANCE ... AND WHAT'S BEHIND THE NUMBERS

- ▲ Railroad company benefited from robust demand and improving operational efficiency
- ▼ Industry downturn and price war hurt stock
- ▼ Credit-card company declined amid increased credit concerns



Portfolio Managers, Pzena Investment Management LLC
Richard S. Pzena, John P. Goetz, Antonio DeSpirito III

value return will be different from the Fund's performance if you were not invested in the Fund for the entire period or did not reinvest all distributions. See pages seven and eight for historical performance information.

The perfect storm

2007 proved to be challenging for the Fund, particularly over the last six months. While the outperformance of commodity-based sectors — which we largely avoided because earnings are substantially above historic norms — was a drag on performance throughout the year, the more significant issue was the recent decline in financial stocks, which comprised the portfolio's largest sector weighting. Financials fell sharply in the wake of the subprime debacle and accompanying credit crunch, and finished the year as the worst-performing sector in the benchmark index.

“U.S. stocks navigated a challenging environment to post moderate gains in 2007.”

The irony is that we were wary of the excesses in the housing and subprime finance markets early in the year, so we steered clear of companies directly associated with those segments of the economy and focused on high-quality franchises that we believed would weather any potential storm. But in our view fear of the unknown — specifically, uncertainty regarding the depth and duration of the subprime fiasco — has led to overreactions and panic selling in the market.

Case in point: Fannie and Freddie

A good example of this was the two government-sponsored mortgage lenders, Fannie Mae and Freddie Mac, both of which are among the largest positions in the portfolio. These are two world-class franchises with an enormous competitive advantage — their government charter provides

a funding advantage that generates consistently strong returns on equity. In addition, both are well positioned to benefit from the current turmoil in the mortgage market. They are gaining market share, raising credit guarantee fees, imposing stricter underwriting standards and generating higher rates of return on their new investments because of the wider spreads between mortgage rates and their borrowing costs.

However, the market has focused on the write-downs both companies have had to take on their balance sheets. For example, Fannie and Freddie package the vast majority of their mortgages into securities, and accounting regulations require these securities to be “marked-to-market” — that is, assigned a value based on current market prices. Since the prices of many mortgage-related securities have declined, the companies have suffered some losses on their securities. These are paper losses, though, and they have not changed the fundamental strength of the companies’ business models nor our expectations of their normalized earnings power. Consequently, we believe that Fannie and Freddie are trading at a 70% discount to fair value — the most undervalued stocks in our universe. True to our discipline, we have been adding to our positions in these two companies, and they remain among our top holdings.

Other noteworthy decliners

Citigroup, Inc. was another victim, in our view, of the market’s focus on subprime losses instead of the strength of its overall business.

Citigroup is a huge franchise, diversified across its lines of business as well as geographic footprint — almost half of its earnings come from outside the U.S. Citigroup is continuing to generate high returns and we believe the current share price reflects investor panic rather than rational analysis.

Another weak performer was telecommunications equipment maker Alcatel-Lucent, which fell amid concerns about soft orders, the timing of acquisition synergies and intense price competition. The crux of our investment thesis lies in the merger synergies, and we expect the cost savings from the merger to come through as the integration progresses.

SECTOR DISTRIBUTION²

Financials	44%
Health care	15%
Consumer discretionary..	12%
Information technology..	8%
Consumer staples.....	6%
Telecommunication services	5%
Industrials	4%
Utilities	4%
Energy	2%

The good stuff

On the positive side, software makers Microsoft Corp. and Oracle Corp. were the top performance contributors in the portfolio in 2007. Microsoft benefited from a robust new product cycle, including new versions of its operating system and business software, while Oracle successfully integrated the application businesses it acquired over the past couple of years. As valuations have increased, we have been trimming our positions in these two stocks.

Energy and utilities produced the best returns in the broader market, and our modest holdings in these two sectors — including natural gas utility Sempra Energy and oil producer BP Plc — were also among the best performers in the portfolio.

Outlook

The recent market dislocation could create valuation opportunities. In our 12-year history, we have taken advantage of this phenomenon many times, purchasing outstanding businesses at a fraction of their fair value. This approach has led to several themes within the portfolio as we move into 2008. The first involves taking large positions in high-quality businesses, which could hold up well in a recessionary environment. The second is an “anti-commodities” bias, where we continue to see signs of a bubble; and third involves a continued emphasis on financial stocks, which we believe could produce significant outperformance once the subprime crisis abates.

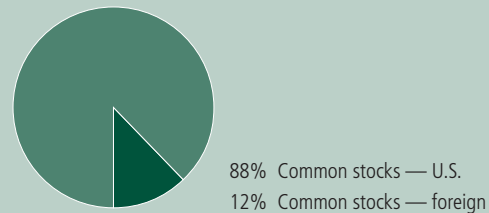
This commentary reflects the views of the portfolio managers through the end of the Fund's period discussed in this report. The managers' statements reflect their own opinions. As such, they are in no way guarantees of future events, and are not intended to be used as investment advice or a recommendation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

¹ Figures from Morningstar, Inc. include reinvested dividends and do not take into account sales charges. Actual load-adjusted performance is lower.

² As a percentage of net assets on December 31, 2007.

“2007 proved to be challenging for the Fund, particularly over the last six months.”

PORTFOLIO DIVERSIFICATION²



Discussion of Fund performance

By Pzena Investment Management LLC

U.S. stocks navigated a challenging environment to post moderate gains in 2007. The market advanced in the first half of the year, but a meltdown in the subprime mortgage industry, a credit crunch in the financial sector and a slowing U.S. economy led to a sharp increase in volatility and a stock market decline over the last few months. As growth stocks outperformed value in 2007, the valuation spread between the overall market and its most undervalued segment widened dramatically after several years at very narrow levels. In fact, we have seen large-cap valuation spreads this wide only five times in the last 40 years.

For the year ended December 31, 2007, John Hancock Classic Value Fund's Class A, Class B, Class C, Class I and Class R1 shares posted total returns of -14.20%, -14.80%, -14.80%, -13.86% and -14.49%, respectively, at net asset value. The Fund trailed both the -0.17%

return of the Russell 1000 Value Index and the 1.42% return of the average large value fund, according to Morningstar, Inc.

“U.S. stocks navigated a challenging environment to post moderate gains in 2007.”

The Fund lagged its benchmark index and peer group average in 2007, with most of the underperformance occurring over the last six

months. The recent decline in financial stocks, which comprised the portfolio's largest sector weighting, had the biggest negative impact on performance. Government-sponsored mortgage lenders Fannie Mae and Freddie Mac, as well as diversified financial services provider Citigroup, Inc. were the most significant detractors. Outside of financials, telecommunications equipment maker Alcatel-Lucent was the weakest performer.

On the positive side, software makers Microsoft Corp. and Oracle Corp. were the top performance contributors in the portfolio. Energy and utilities produced the best returns in the broader market, and our modest holdings in these two sectors — including natural gas utility Sempra Energy and oil producer BP Plc — were also among the Fund's best performers.

This commentary reflects the views of the portfolio managers through the end of the Fund's period discussed in this report. The managers' 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.

A look at performance

For the periods ended December 31, 2007

Class	Inception date	Average annual returns with maximum sales charge (POP)			Since inception	Cumulative total returns with maximum sales charge (POP)			Since inception
		1-year	5-year	10-year		1-year	5-year	10-year	
A ¹	6-24-96	-18.50%	9.99%	8.15%	—	-18.50%	60.97%	118.96%	—
B	11-11-02	-18.69	10.05	—	11.30%	-18.69	61.43	—	73.31%
C	11-11-02	-15.58	10.31	—	11.41	-15.58	63.36	—	74.24
I ²	11-11-02	-13.86	11.58	—	12.70	-13.86	72.94	—	84.83
R1 ²	8-5-03	-14.49	—	—	9.01	-14.49	—	—	46.25

Performance figures assume all distributions are reinvested. Public offering price (POP) figures reflect maximum sales charge on Class A shares of 5% and the applicable contingent deferred sales charge (CDSC) on Class B and Class C shares. The returns for Class C shares have been adjusted to reflect the elimination of the front-end sales charge effective July 15, 2004. The Class B shares' CDSC declines annually between years 1 to 6 according to the following schedule: 5, 4, 3, 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 charge is not applicable for Class I and Class R1 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 4-30-08. The net expenses are as follows: Class I — 0.89%. Had the fee waivers and expense limitations not been in place, the gross expenses would be as follows: Class I — 0.94%. The net expenses equal the gross expenses and are as follows: Class A — 1.30%, Class B — 2.05%, Class C — 2.05%, Class R1 — 1.68%.

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 performance data current to the most recent month end, 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 Effective November 8, 2002, shareholders of the former Pzena Focused Value Fund became owners of that number of full and fractional shares of John Hancock Classic Value Fund. Additionally, the accounting and performance history of the former Pzena Focused Value Fund was redesignated as that of Class A of John Hancock Classic Value Fund. The performance of the former Pzena Focused Value Fund reflects stocks selected from the largest 1,000 publicly traded U.S. companies, whereas the Fund invests in stocks selected from the 500 largest such companies.

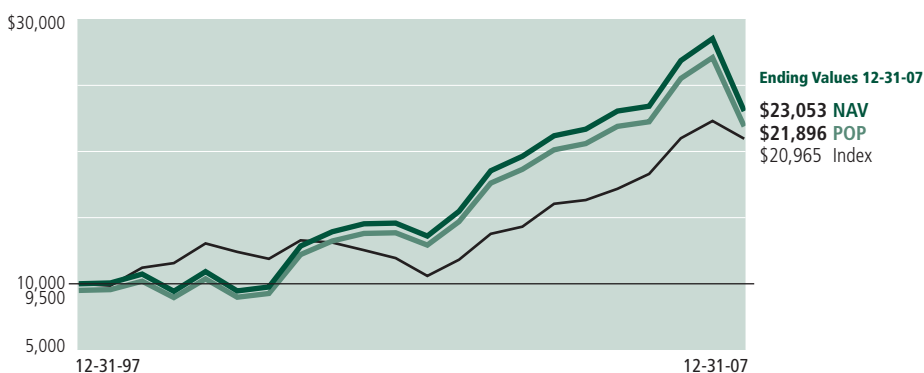
² For certain types of investors as described in the Fund's Class I and Class R1 share prospectuses.

A look at performance

Growth of \$10,000

This chart shows what happened to a hypothetical \$10,000 investment in Classic Value Fund Class A shares for the period indicated. For comparison, we've shown the same investment in the Russell 1000 Value Index.

NAV¹ — Class A without sales charge
 POP¹ — Class A with sales charge
 Index — Russell 1000 Value Index



Class	Period beginning	Without sales charge	With maximum sales charge	Index
B	11-11-02	\$17,431	\$17,331	\$20,395
C²	11-11-02	17,424	17,424	20,395
I³	11-11-02	18,483	18,483	20,395
R1³	8-5-03	14,625	14,625	17,727

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 and Class R1 shares, respectively, as of December 31, 2007. The Class C shares investment with maximum sales charge has been adjusted to reflect the elimination of the front-end sales charge effective July 15, 2004. 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.

Russell 1000 Value Index is an unmanaged index containing those securities in the Russell 1000 Index with a less-than-average growth orientation.

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 No contingent deferred sales charge applicable.

³ For certain types of investors as described in the Fund's Class I and Class R1 share 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 your fund's actual ongoing operating expenses, and is based on your fund's actual return. It assumes an account value of \$1,000.00 on July 1, 2007, with the same investment held until December 31, 2007.

	Account value on 7-1-07	Ending value on 12-31-07	Expenses paid during period ended 12-31-07 ¹
Class A	\$1,000.00	\$808.00	\$5.71
Class B	1,000.00	805.30	9.11
Class C	1,000.00	805.20	9.10
Class I	1,000.00	809.40	4.08
Class R1	1,000.00	806.40	7.49

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 December 31, 2007, 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 your 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 your fund's actual return). It assumes an account value of \$1,000.00 on July 1, 2007, with the same investment held until December 31, 2007. Look in any other fund shareholder report to find its hypothetical example and you will be able to compare these expenses.

	Account value on 7-1-07	Ending value on 12-31-07	Expenses paid during period ended 12-31-07 ¹
Class A	\$1,000.00	\$1,018.89	\$6.38
Class B	1,000.00	1,015.12	10.16
Class C	1,000.00	1,015.12	10.16
Class I	1,000.00	1,020.70	4.55
Class R1	1,000.00	1,016.91	8.36

Remember, these examples do not include any transaction costs, such as sales charges; 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 1.25%, 2.00%, 2.00%, 0.89% and 1.65% for Class A, Class B, Class C, Class I and Class R1, respectively, multiplied by the average account value over the period, multiplied by number of days in most recent fiscal half-year/365 or 366 (to reflect the one-half year period).

Portfolio summary

Top 10 holdings¹

Freddie Mac	5.6%	Allstate Corp. (The)	3.9%
Citigroup, Inc.	4.7%	Torchmark Corp.	3.9%
Alcatel-Lucent ADR	4.6%	Whirlpool Corp.	3.7%
Wal-Mart Stores, Inc.	4.5%	XL Capital Ltd. (Class A)	3.6%
Fannie Mae	4.1%	Pfizer, Inc.	3.3%

Sector distribution¹

Financials	44%	Telecommunication services	5%
Health care	15%	Industrials	4%
Consumer discretionary	12%	Utilities	4%
Information technology	8%	Energy	2%
Consumer staples	6%		

PORTFOLIO DIVERSIFICATION¹



88% Common stocks — U.S.
12% Common stocks — foreign

¹ As a percentage of net assets on December 31, 2007.

Fund's investments

Securities owned by the Fund on 12-31-07

This schedule is divided into two main categories: common stocks and short-term investments. Common stocks are further broken down by industry group. Short-term investments, which represent the Fund's cash position, are listed last.

Issuer	Shares	Value
Common stocks 100.41%		\$6,022,698,284
(Cost \$6,801,965,927)		
Aerospace & Defense 2.81%		168,732,374
L-3 Communications Holdings, Inc.	454,500	48,149,730
Northrop Grumman Corp.	1,533,350	120,582,644
Apparel Retail 3.03%		182,274,612
TJX Cos., Inc. (The)	6,344,400	182,274,612
Auto Parts & Equipment 2.03%		122,046,493
Magna International, Inc. (Class A) (Canada) (F)	1,517,425	122,046,493
Biotechnology 2.49%		149,096,456
Amgen, Inc. (I)(L)	3,210,518	149,096,456
Consumer Finance 3.51%		210,419,697
Capital One Financial Corp.	4,077,750	192,714,465
Discover Financial Services	1,174,087	17,705,232
Data Processing & Outsourced Services 2.01%		120,369,754
Affiliated Computer Services, Inc. (Class A) (I)	872,100	39,331,710
Computer Sciences Corp. (I)	1,638,125	81,038,044
Diversified Banks 2.15%		128,943,478
Comerica, Inc.	2,962,175	128,943,478
Diversified Financial Services 7.99%		479,375,498
Bank of America Corp.	4,532,425	187,007,856
Citigroup, Inc.	9,707,675	285,793,952
JPMorgan Chase & Co.	150,600	6,573,690
Electric Utilities 1.95%		117,108,582
Wisconsin Energy Corp.	2,404,200	117,108,582
Electrical Components & Equipment 1.53%		91,666,530
Tyco Electronics Ltd. (Bermuda) (F)	1,198,275	44,491,951
Tyco International Ltd. (Bermuda) (F)	1,189,775	47,174,579
Health Care Distributors 2.70%		161,722,698
AmerisourceBergen Corp.	3,604,250	161,722,698
Health Care Supplies 0.93%		55,562,912
Covidien Ltd.	1,254,525	55,562,912

Issuer	Shares	Value
Home Improvement Retail 3.20%		\$191,957,603
Home Depot, Inc. (The)	7,125,375	191,957,603
Household Appliances 3.70%		222,196,860
Whirlpool Corp.	2,722,000	222,196,860
Household Products 2.00%		119,748,447
Kimberly-Clark Corp.	1,726,975	119,748,447
Hypermarkets & Super Centers 4.48%		268,658,572
Wal-Mart Stores, Inc.	5,652,400	268,658,572
Integrated Oil & Gas 1.99%		119,512,220
BP Plc ADR (United Kingdom) (F)	1,633,350	119,512,220
Investment Banking & Brokerage 4.27%		256,011,261
Lehman Brothers Holdings, Inc.	1,733,275	113,425,516
Morgan Stanley	2,684,725	142,585,745
Life & Health Insurance 4.85%		290,838,035
MetLife, Inc.	950,025	58,540,541
Torchmark Corp.	3,837,725	232,297,494
Multi-Utilities 2.02%		120,967,665
Sempra Energy	1,954,875	120,967,665
Pharmaceuticals 8.74%		524,133,042
Bristol-Myers Squibb Co.	5,510,225	146,131,167
Johnson & Johnson	2,688,900	179,349,630
Pfizer, Inc.	8,739,650	198,652,245
Property & Casualty Insurance 9.43%		565,452,341
Allstate Corp. (The)	4,450,750	232,462,673
Fidelity National Financial, Inc. (Class A)	7,751,931	113,255,712
XL Capital Ltd. (Class A) (Cayman Islands) (F)	4,367,600	219,733,956
Systems Software 6.34%		380,284,505
CA, Inc.	6,303,300	157,267,335
Microsoft Corp.	4,180,000	148,808,000
Oracle Corp. (I)	3,286,500	74,209,170
Thriffs & Mortgage Finance 11.68%		700,863,912
Countrywide Financial Corp. (L)	8,163,924	72,985,481
Fannie Mae	6,175,950	246,914,481
Freddie Mac	9,924,913	338,141,786
Washington Mutual, Inc.	3,146,375	42,822,164
Wireless Telecommunication Services 4.58%		274,754,737
Alcatel-Lucent ADR (France) (F)(L)	37,534,801	274,754,737

Issuer, description, maturity date	Interest rate	Shares	Value
Short-term investments 2.52%			\$151,207,807
(Cost \$151,207,807)			
Cash Equivalents 2.52%			151,207,807
John Hancock Cash Investment Trust (T)(W)	5.10% (Y)	151,207,807	151,207,807
Total investments (Cost \$6,953,173,734) 102.93%			\$6,173,906,091
Other assets and liabilities, net (2.93%)			(\$175,637,326)
Total net assets 100.00%			\$5,998,268,765

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

ADR American Depositary Receipt

(F) Parenthetical disclosure of a foreign country in the security description represents country of a foreign issuer.

(I) Non-income-producing security.

(L) All or a portion of this security is on loan as of December 31, 2007.

(T) Represents investment of securities lending collateral.

(W) Issuer is an affiliate of John Hancock Advisers, LLC.

(Y) Represents current yield as of December 31, 2007.

Financial statements

Statement of assets and liabilities 12-31-07

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 offering price per share.

Assets	
Investments in unaffiliated issuers, at value (cost \$6,801,965,927) including \$149,778,723 of securities loaned (Note 2)	\$6,022,698,284
Investments in affiliated issuers, at value (cost \$151,207,807)	151,207,807
Total investments, at value (cost \$6,953,173,734)	6,173,906,091
Receivable for investments sold	72,747,961
Receivable for shares sold	24,255,940
Dividends and interest receivable	7,338,407
Receivable from affiliates	161,975
Other assets	1,791
Total assets	6,278,412,165
Liabilities	
Due to custodian	41,773,924
Payable for shares repurchased	80,174,213
Payable upon return of securities loaned (Note 2)	151,207,807
Payable to affiliates	
Management fees	4,542,390
Distribution and service fees	309,309
Other	956,128
Other payables and accrued expenses	1,179,629
Total liabilities	280,143,400
Net assets	
Capital paid-in	6,691,631,211
Accumulated net realized gain on investments	85,906,832
Net unrealized depreciation of investments	(779,267,643)
Distributions in excess of net investment income	(1,635)
Net assets	\$5,998,268,765
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 (\$4,000,906,223 ÷ 185,801,023 shares)	\$21.53
Class B (\$208,303,954 ÷ 9,762,618 shares) ¹	\$21.34
Class C (\$612,496,145 ÷ 28,715,999 shares) ¹	\$21.33
Class I (\$1,154,954,051 ÷ 53,535,554 shares)	\$21.57
Class R1 (\$21,608,392 ÷ 1,002,767 shares)	\$21.55
Maximum offering price per share	
Class A ² (\$21.53 ÷ 95%)	\$22.66

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 12-31-07

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 (net of foreign withholding taxes of \$2,119,763)	\$211,053,480
Interest	9,326,985
Securities lending	489,624
Total investment income	220,870,089
Expenses	
Investment management fees (Note 3)	72,747,627
Distribution and service fees (Note 3)	28,110,920
Transfer agent fees (Note 3)	12,645,000
Accounting and legal services fees (Note 3)	1,059,992
Custodian fees	1,231,426
Printing fees	675,374
Trustees' fees	409,021
Professional fees	276,165
Blue sky fees	18,780
Miscellaneous	346,343
Total expenses	117,520,648
Less expense reductions (Note 3)	(844,180)
Net expenses	116,676,468
Net investment income	104,193,621
Realized and unrealized gain	
Net realized gain on investments	678,062,273
	678,062,273
Change in net unrealized appreciation (depreciation) of investments	(1,950,836,569)
	(1,950,836,569)
Net realized and unrealized loss	(1,272,774,296)
Decrease in net assets from operations	(\$1,168,580,675)

Statement 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 12-31-06	Year ended 12-31-07
Increase (decrease) in net assets		
From operations		
Net investment income	\$56,644,978	\$104,193,621
Net realized gain	337,448,543	678,062,273
Change in net unrealized appreciation (depreciation)	731,449,003	(1,950,836,569)
Increase (decrease) in net assets resulting from operations	1,125,542,524	(1,168,580,675)
Distributions to shareholders		
From net investment income		
Class A	(40,222,324)	(73,327,961)
Class B	—	(1,891,117)
Class C	—	(5,821,733)
Class I	(16,820,199)	(26,404,824)
Class R1	(88,050)	(279,498)
From net realized gain		
Class A	(176,103,905)	(326,653,899)
Class B	(10,051,102)	(16,975,708)
Class C	(34,218,336)	(52,259,104)
Class I	(46,267,925)	(93,211,048)
Class R1	(853,592)	(1,642,127)
	(324,625,433)	(598,467,019)
From Fund share transactions (Note 4)	3,423,713,999	(1,280,560,604)
Total increase (decrease)	4,224,631,090	(3,047,608,298)
Net assets		
Beginning of year	4,821,245,973	9,045,877,063
End of year¹	\$9,045,877,063	\$5,998,268,765

¹ Includes distributions in excess of net investment of \$1,636 and \$1,635, respectively.

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	12-31-03	12-31-04	12-31-05	12-31-06	12-31-07
Per share operating performance					
Net asset value, beginning of period	\$15.07	\$20.27	\$23.01	\$24.64	\$27.67
Net investment income ¹	0.20	0.17	0.15	0.23	0.34
Net realized and unrealized gain (loss) on investments	5.25	2.73	1.88	3.84	(4.24)
Total from investment operations	5.45	2.90	2.03	4.07	(3.90)
Less distributions					
From net investment income	(0.13)	(0.09)	(0.10)	(0.19)	(0.41)
From net realized gain	(0.12)	(0.07)	(0.30)	(0.85)	(1.83)
	(0.25)	(0.16)	(0.40)	(1.04)	(2.24)
Net asset value, end of period	\$20.27	\$23.01	\$24.64	\$27.67	\$21.53
Total return² (%)	36.25³	14.28³	8.81³	16.54	(14.20)
Ratios and supplemental data					
Net assets, end of period (in millions)	\$145	\$1,223	\$3,017	\$5,987	\$4,000
Ratio of net expenses to average net assets (%)	1.16	1.30	1.32	1.30	1.28 ⁵
Ratio of gross expenses to average net assets (%)	1.52 ⁴	1.40 ⁴	1.36 ⁴	1.30	1.28
Ratio of net investment income to average net assets (%)	1.13	0.81	0.65	0.89	1.22
Portfolio turnover (%)	25	16	27	20	35

¹ Based on the average of the shares outstanding.

² Assumes dividend reinvestment and does not reflect the effect of sales charges.

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

⁴ Does not take into consideration expense reductions during the periods shown.

⁵ Includes transfer agent fee earned credits of less than 0.01% to average net assets.

Financial highlights

CLASS B SHARES

Period ended	12-31-03	12-31-04	12-31-05	12-31-06	12-31-07
Per share operating performance					
Net asset value, beginning of period	\$15.05	\$20.24	\$22.89	\$24.42	\$27.40
Net investment income (loss) ¹	0.07	0.01	(0.03)	0.04	0.13
Net realized and unrealized gain (loss) on investments	5.24	2.71	1.86	3.79	(4.16)
Total from investment operations	5.31	2.72	1.83	3.83	(4.03)
Less distributions					
From net investment income	— ²	—	—	—	(0.20)
From net realized gain	(0.12)	(0.07)	(0.30)	(0.85)	(1.83)
	(0.12)	(0.07)	(0.30)	(0.85)	(2.03)
Net asset value, end of period	\$20.24	\$22.89	\$24.42	\$27.40	\$21.34
Total return³ (%)	35.36⁴	13.44⁴	7.99⁴	15.68	(14.80)
Ratios and supplemental data					
Net assets, end of period (in millions)	\$47	\$200	\$296	\$332	\$208
Ratio of net expenses to average net assets (%)	1.91	2.05	2.07	2.01	2.03 ⁶
Ratio of gross expenses to average net assets (%)	2.27 ⁵	2.15 ⁵	2.11 ⁵	2.01	2.03
Ratio of net investment income (loss) to average net assets (%)	0.38	0.03	(0.11)	0.17	0.46
Portfolio turnover (%)	25	16	27	20	35

¹ Based on the average of the shares outstanding.

² Less than \$0.01 per share.

³ Assumes dividend reinvestment and does not reflect the effect of sales charges.

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

⁵ Does not take into consideration expense reductions during the periods shown.

⁶ Includes transfer agent fee earned credits of less than 0.01% to average net assets.

Financial highlights

CLASS C SHARES

Period ended	12-31-03	12-31-04	12-31-05	12-31-06	12-31-07
Per share operating performance					
Net asset value, beginning of period	\$15.05	\$20.24	\$22.89	\$24.42	\$27.39
Net investment income (loss) ¹	0.07	0.01	(0.02)	0.03	0.13
Net realized and unrealized gain (loss) on investments	5.24	2.71	1.85	3.79	(4.16)
Total from investment operations	5.31	2.72	1.83	3.82	(4.03)
Less distributions					
From net investment income	— ²	—	—	—	(0.20)
From net realized gain	(0.12)	(0.07)	(0.30)	(0.85)	(1.83)
	(0.12)	(0.07)	(0.30)	(0.85)	(2.03)
Net asset value, end of period	\$20.24	\$22.89	\$24.42	\$27.39	\$21.33
Total return³ (%)	35.36⁴	13.44⁴	7.99⁴	15.64	(14.80)
Ratios and supplemental data					
Net assets, end of period (in millions)	\$82	\$423	\$832	\$1,132	\$612
Ratio of net expenses to average net assets (%)	1.91	2.05	2.07	2.05	2.03 ⁶
Ratio of gross expenses to average net assets (%)	2.26 ⁵	2.15 ⁵	2.11 ⁵	2.05	2.03
Ratio of net investment income (loss) to average net assets (%)	0.39	0.04	(0.10)	0.13	0.46
Portfolio turnover (%)	25	16	27	20	35

¹ Based on the average of the shares outstanding.

² Less than \$0.01 per share.

³ Assumes dividend reinvestment and does not reflect the effect of sales charges.

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

⁵ Does not take into consideration expense reductions during the periods shown.

⁶ Includes transfer agent fee earned credits of less than 0.01% to average net assets.

Financial highlights

CLASS I SHARES

Period ended	12-31-03	12-31-04	12-31-05	12-31-06	12-31-07
Per share operating performance					
Net asset value, beginning of period	\$15.08	\$20.30	\$23.05	\$24.69	\$27.73
Net investment income ¹	0.27	0.27	0.26	0.34	0.45
Net realized and unrealized gain (loss) on investments	5.26	2.73	1.88	3.86	(4.26)
Total from investment operations	5.53	3.00	2.14	4.20	(3.81)
Less distributions					
From net investment income	(0.19)	(0.18)	(0.20)	(0.31)	(0.52)
From net realized gain	(0.12)	(0.07)	(0.30)	(0.85)	(1.83)
	(0.31)	(0.25)	(0.50)	(1.16)	(2.35)
Net asset value, end of period	\$20.30	\$23.05	\$24.69	\$27.73	\$21.57
Total return^{2,3} (%)	36.81	14.77	9.28	17.01	(13.86)
Ratios and supplemental data					
Net assets, end of period (in millions)	\$23	\$206	\$665	\$1,567	\$1,155
Ratio of net expenses to average net assets (%)	0.76	0.86	0.89	0.89	0.88 ⁵
Ratio of gross expenses to average net assets ⁴ (%)	1.12	1.01	0.98	0.94	0.92
Ratio of net investment income to average net assets (%)	1.54	1.25	1.09	1.30	1.61
Portfolio turnover (%)	25	16	27	20	35

¹ Based on the average of the shares outstanding.

² Assumes dividend reinvestment and does not reflect the effect of sales charges.

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

⁴ Does not take into consideration expense reductions during the periods shown.

⁵ Includes transfer agent fee earned credits of less than 0.01% to average net assets.

Financial highlights

CLASS R1 SHARES

Period ended	12-31-03 ¹	12-31-04	12-31-05	12-31-06	12-31-07
Per share operating performance					
Net asset value, beginning of period	\$17.20	\$20.27	\$23.02	\$24.63	\$27.67
Net investment income ²	0.05	0.07	0.08	0.13	0.23
Net realized and unrealized gain (loss) on investments	3.24	2.75	1.86	3.85	(4.21)
Total from investment operations	3.29	2.82	1.94	3.98	(3.98)
Less distributions					
From net investment income	(0.10)	—	(0.03)	(0.09)	(0.31)
From net realized gain	(0.12)	(0.07)	(0.30)	(0.85)	(1.83)
	(0.22)	(0.07)	(0.33)	(0.94)	(2.14)
Net asset value, end of period	\$20.27	\$23.02	\$24.63	\$27.67	\$21.55
Total return³ (%)	19.21^{4,5}	13.91⁴	8.44⁴	16.15	(14.49)
Ratios and supplemental data					
Net assets, end of period (in millions)	— ⁶	\$2	\$12	\$29	\$22
Ratio of net expenses to average net assets (%)	1.55 ⁷	1.72	1.65	1.68	1.64 ¹⁰
Ratio of gross expenses to average net assets (%)	1.91 ^{7,8}	1.82 ⁸	1.69 ⁸	1.68	1.64
Ratio of net investment income to average net assets (%)	0.69 ⁷	0.35	0.34	0.51	0.85
Portfolio turnover (%)	25 ⁹	16	27	20	35

¹ Class R1 shares began operations on 8-5-03.

² Based on the average of the shares outstanding.

³ Assumes dividend reinvestment and does not reflect the effect of sales charges.

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 Annualized.

⁸ Does not take into consideration expense reductions during the periods shown.

⁹ Portfolio turnover shown is calculated for the Fund for the full fiscal year.

¹⁰ Includes transfer agent fee earned credits of less than 0.01% to average net assets.

Notes to financial statements

Note 1

Organization

John Hancock Classic Value Fund (the Fund) is a non-diversified series of John Hancock Capital Series, an open-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act). The investment objective of the Fund is to provide long-term growth of capital. The Fund was closed to most new investors from September 2006 to October 2007.

The Trustees have authorized the issuance of multiple classes of shares of the Fund, designated as Class A, Class B, Class C, Class I and Class R1 shares. The shares of each class represent an interest in the same portfolio of investments of the Fund and have equal rights as to voting, redemptions, dividends and liquidation, except that certain expenses, subject to the approval of the Trustees, may be applied differently to each class of shares in accordance with current regulations of the Securities and Exchange Commission (SEC) and the Internal Revenue Service. Shareholders of a class that bears distribution and service expenses under the terms of a distribution plan have exclusive voting rights to that distribution plan. Class B shares will 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. The following summarizes the significant accounting policies of the Fund:

Security valuation

The net asset value of Class A, Class B, Class C, Class I and Class R1 shares of the Fund is determined daily as of the close of the

New York Stock Exchange (NYSE), normally at 4:00 P.M., Eastern Time. Short-term debt investments that have a remaining maturity of 60 days or less are valued at amortized cost, and thereafter assume a constant amortization to maturity of any discount or premium, which approximates market value. Investments in John Hancock Cash Investment Trust (JHCIT), an affiliate of John Hancock Advisers, LLC (the Adviser), a wholly owned subsidiary of John Hancock Financial Services, Inc., a subsidiary of Manulife Financial Corporation (MFC), are valued at their net asset value each business day. All other securities held by the Fund are valued at the last sale price or official closing price (closing bid price or last evaluated quote if no sale has occurred) as of the close of business on the principal securities exchange (domestic or foreign) on which they trade or, lacking any sales, at the closing bid price. 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. Securities for which there are no such quotations, principally debt securities, are valued based on the evaluated prices provided by an independent pricing service, which utilizes both dealer-supplied and electronic data processing techniques, which take into account factors such as institutional-size trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics and other market data.

Other assets and securities for which no such quotations are readily available are valued at fair value as determined in good faith under consistently applied procedures established by and under the general supervision of the Board of Trustees. Generally, trading in non-U.S. securities is substantially completed each day at various times prior to the close of trading on the NYSE. The values of such securities used in computing the net asset value of the Fund's shares are generally determined as of

such times. Occasionally, significant events that affect the values of such securities may occur between the times at which such values are generally determined and the close of the NYSE. Upon such an occurrence, these securities will be valued at fair value as determined in good faith under consistently applied procedures established by and under the general supervision of the Board of Trustees.

Joint repurchase agreement

Pursuant to an exemptive order issued by the SEC, the Fund, along with other registered investment companies having a management contract with the Adviser, may participate in a joint repurchase agreement transaction. Aggregate cash balances are invested in one or more large repurchase agreements, whose underlying securities are obligations of the U.S. government and/or its agencies. The Fund's custodian bank receives delivery of the underlying securities for the joint account on the Fund's behalf.

Investment transactions

Investment transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment security transactions are reported on trade date. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date net of foreign withholding taxes. Discounts/premiums are accreted/amortized for financial reporting purposes. Realized gains and losses from investment transactions are recorded on an identified cost basis.

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 appropriate net asset value of the respective classes. Distribution and service fees, if any, and transfer agent fees for Class A, Class B, Class C, Class I and Class R1 shares are calculated daily at the class level based on the appropriate net asset value of each class and the specific expense rate(s) applicable to each class.

Guarantees and indemnifications

Under the Fund's organizational documents, its Officers and Trustees are indemnified against certain liability 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.

Expenses

The majority of expenses are directly identifiable to an individual fund. Expenses that are not readily identifiable to a specific fund are allocated in such a manner as deemed equitable, taking into consideration, among other things, the nature and type of expense and the relative size of the funds.

Bank borrowings

The Fund is permitted to have bank borrowings for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The Fund has entered into a line of credit agreement with The Bank of New York Mellon (BNYM), the Swing Line Lender and Administrative Agent. This agreement enables the Fund to participate, with other funds managed by the Adviser, in an unsecured line of credit with BNYM, which permits borrowings of up to \$100 million, collectively. Interest is charged to each fund based on its borrowing. In addition, a commitment fee is charged to each fund based on the average daily unused portion of the line of credit and is allocated among the participating funds. The Fund had no borrowing activity under the line of credit during the year ended December 31, 2007.

Securities lending

The Fund has entered into an agreement with Morgan Stanley & Co. Incorporated and MS Securities Services Inc. (collectively, Morgan Stanley) which permits the Fund to lend securities to Morgan Stanley on a principal basis. Morgan Stanley is the primary borrower of securities of the Fund. The risk of having one primary borrower of Fund securities (as

opposed to several borrowers) is that should Morgan Stanley fail financially, all securities lent will be affected by the failure and by any delays in recovery of the securities (or in the rare event, loss of rights in the collateral).

The Fund may lend portfolio securities from time to time in order to earn additional income. The Fund retains beneficial ownership of the securities it has loaned and continues to receive interest and dividends paid by the issuer of securities and to participate in any changes in their value. On the settlement date of the loan, the Fund receives collateral against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The market value of the loaned securities is determined at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day. Any cash collateral received is invested in the JHCIT. If the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund could experience delays and costs in recovering the securities loaned or in gaining access to the collateral. The Fund receives compensation for lending their securities either in the form of fees, guarantees, and/or by retaining a portion of interest on the investment of any cash received as collateral. Prior to May 8, 2007, the Fund paid the Adviser \$1,540 for security lending services relating to an arrangement which ended on May 7, 2007.

Federal income taxes

The Fund qualifies 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.

The Fund adopted the provisions of Financial Accounting Standards Board (FASB) Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, an interpretation of FASB Statement 109 (FIN 48), on January 1, 2007. FIN 48 prescribes a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in

a tax return. The implementation of FIN 48 did not result in any unrecognized tax benefits in the accompanying financial statements. Each of the Fund's federal tax returns for the prior three fiscal years remains subject to examination by the Internal Revenue Service.

New accounting pronouncement

In September 2006, FASB Standard No. 157, *Fair Value Measurements* (FAS 157), was issued and is effective for fiscal years beginning after November 15, 2007. FAS 157 defines fair value, establishing a framework for measuring fair value and expands disclosure about fair value measurements. Management is currently evaluating the application of FAS 157 to the Fund and its impact, if any, resulting from the adoption of FAS 157 on the Fund's financial statement disclosures.

Distribution of income and gains

The Fund records distributions to shareholders from net investment income and net realized gains, if any, on the ex-dividend date. During the year ended December 31, 2006 the tax character of distributions paid was as follows: ordinary income \$89,265,564 and long-term capital gain \$235,359,869. During the year ended December 31, 2007 the tax character of distributions paid was as follows: ordinary income \$122,281,257 and long-term capital gain \$476,185,762. 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 December 31, 2007, the components of distributable earnings on a tax basis included \$88,579,770 of undistributed long-term capital gain.

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. 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 will reverse in a subsequent period. Permanent differences are primarily attributable to treating a portion of the proceeds from redemptions as a distribution for tax purposes.

Note 3
Management fee and transactions with affiliates and others

The Fund has an investment management contract with the Adviser. Under the investment management contract, the Fund pays a daily management fee to the Adviser equivalent, on an annual basis, to the sum of: (a) 0.85% of the first \$2,500,000,000 of the Fund's average daily net asset value, (b) 0.825% of the next \$2,500,000,000 and (c) 0.80% in excess of \$5,000,000,000 of the Fund's daily net asset value. The effective rate for the year ended December 31, 2007 is 0.82% of the Fund's average daily net asset value. The Adviser has a subadvisory agreement with Pzena Investment Management LLC. The Fund is not responsible for payment of the subadvisory fees.

The Adviser had agreed to limit the Fund's total expenses, excluding distribution and service fees and transfer agent fees, to 0.89% of the Fund's average daily net asset value, on an annual basis, and total operating expenses of Class A shares to 1.32% and Class B and Class C shares to 2.07% of the net asset value of each respective class, on an annual basis, at least until April 30, 2008. There were no expense reductions related to these total expense limitations during the year ended December 31, 2007. The Adviser reserves the right to terminate this limitation in the future.

The Fund has a Distribution Agreement with John Hancock Funds, LLC (JH Funds), a wholly owned subsidiary of the Adviser. The Fund has adopted Distribution Plans with respect to Class A, Class B, Class C and Class R1, pursuant to Rule 12b-1 under the 1940 Act, to reimburse JH Funds for the services it provides as distributor of shares of the Fund. Accordingly, the Fund makes

monthly payments to JH Funds at an annual rate not to exceed 0.25%, 1.00%, 1.00% and 0.50% of average daily net asset value of Class A, Class B, Class C and Class R1, respectively. A maximum of 0.25% of such payments may be service fees, as defined by the Conduct Rules of the Financial Industry Regulatory Authority (formerly the National Association of Securities Dealers). Under the Conduct Rules, curtailment of a portion of the Fund's 12b-1 payments could occur under certain circumstances. In addition, under a Service Plan for Class R1 shares, the Fund pays up to 0.25% of Class R1 average daily net asset value for certain other services.

Class A shares are assessed up-front sales charges. During the year ended December 31, 2007, JH Funds received net up-front sales charges of \$2,000,020 with regard to sales of Class A shares. Of this amount, \$139,190 was retained and used for printing prospectuses, advertising, sales literature and other purposes, \$1,809,150 was paid as sales commissions to unrelated broker-dealers and \$51,680 was paid as sales commissions to sales personnel of Signator Investors, Inc. (Signator Investors), a related broker-dealer. The Adviser's indirect parent, John Hancock Life Insurance Company (JHLICO), is the indirect sole shareholder of Signator Investors.

Class B shares that are redeemed within six years of purchase are subject to a contingent deferred sales charge (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 CDSC at a rate of 1.00% of the lesser of the current market value at the time of redemption or the original purchase cost of the shares being redeemed. Proceeds from the CDSCs are paid to JH Funds and are used in whole or in part to defray its expenses for providing distribution-related services to the Fund in connection with the sale of Class B and Class C shares. During the year ended December 31, 2007, CDSCs received by JH Funds amounted to \$749,313 for Class B shares and \$104,195 for Class C shares.

The Fund has a transfer agent agreement with John Hancock Signature Services, Inc. (Signature Services), an indirect subsidiary of JHLICO. For Class A, Class B, Class C, Class I and Class R1 shares, the Fund pays a monthly transfer agent fee at an annual rate of 0.05% of each class's average daily net asset value, plus a fee based on the number of shareholder accounts and reimbursement for certain out-of-pocket expenses, aggregated and allocated to each class on the basis of its relative net asset value. Effective June 1, 2007, for the Class I shares, the Fund pays a monthly transfer agent fee at a total annual rate of 0.04% of Class I average daily net asset value. The Adviser has agreed to reimburse the Class I transfer agent fee. Accordingly, the transfer agent expense for Class I shares was reduced by \$689,976 for the year ended December 31, 2007. The Adviser terminated this limitation September 30, 2007. The Fund pays a monthly fee which is based on an annual rate of \$15.00 for each Class A shareholder account, \$17.50 for each Class B shareholder account, \$16.50 for each Class C shareholder account, \$15.00 for each Class I shareholder account and \$15.00 for each Class R1 shareholder account. Signature Services had agreed to limit Class A, Class B and Class C transfer agent fees to 0.18% of each respective class's average daily net asset value until April 30, 2008. There were no expense reductions related to this transfer agent fee limitation during the year ended December 31, 2007.

In May 2007, the Fund began receiving earnings credits from its transfer agent as a result of uninvested cash balances. These credits are used to reduce a portion of the Fund's transfer agent fees and out of pocket expenses. During the year ended December 31, 2007, the Fund's transfer agent fees and out of pocket expenses were reduced by \$154,204 for transfer agent credits earned.

Expenses under the agreements described above for the year ended December 31, 2007, were as follows:

Share class	Transfer agent fees	Distribution and service fees
Class A	\$9,568,205	\$14,837,961
Class B	487,365	3,002,807
Class C	1,626,145	10,131,774
Class I	888,382	—
Class R1	74,903	138,378
Total	\$12,645,000	\$28,110,920

The Fund has an agreement with the Adviser and affiliates to perform necessary tax, accounting, compliance, legal and other administrative services for the Fund. The compensation for the year amounted to \$1,059,992 with an effective rate of 0.01% of the Fund's average daily net asset value.

Mr. James R. Boyle is Chairman of the Adviser, as well as affiliated Trustee of the Fund, and is compensated by the Adviser and/or its affiliates. The compensation of unaffiliated Trustees is borne by the Fund. The unaffiliated Trustees may elect to defer, for tax purposes, their receipt of this compensation under the John Hancock Group of Funds Deferred Compensation Plan. The Fund makes investments into other John Hancock funds, as applicable, to cover its liability for the deferred compensation. Investments to cover the Fund's deferred compensation liability are recorded on the Fund's books as an other asset. The deferred compensation liability and the related other asset are always equal and are marked to market on a periodic basis to reflect any income earned by the investments, as well as any unrealized gains or losses. The Deferred Compensation Plan investments had no impact on the operations of the Fund.

Note 4

Fund share transactions

This listing illustrates the number of Fund shares sold, reinvested and repurchased during the years ended December 31, 2006, and December 31, 2007, along with the corresponding dollar value.

	Year ended 12-31-06		Year ended 12-31-07	
	Shares	Amount	Shares	Amount
Class A shares				
Sold	117,043,819	\$3,048,623,694	58,641,767	\$1,616,890,345
Distributions reinvested	7,355,963	203,613,033	17,287,953	378,260,416
Repurchased	(30,461,645)	(800,976,770)	(106,520,477)	(2,788,561,199)
Net increase (decrease)	93,938,137	\$2,451,259,957	(30,590,757)	(\$793,410,438)
Class B shares				
Sold	2,326,765	\$59,227,030	376,700	\$10,255,929
Distributions reinvested	335,892	9,210,152	789,591	17,126,244
Repurchased	(2,681,332)	(69,005,560)	(3,522,251)	(93,121,578)
Net decrease	(18,675)	(\$568,378)	(2,355,960)	(\$65,739,405)
Class C shares				
Sold	11,926,885	\$302,851,168	1,606,141	\$43,429,412
Distributions reinvested	1,148,648	31,484,442	2,477,560	53,713,489
Repurchased	(5,825,831)	(150,272,344)	(16,681,013)	(430,300,693)
Net increase (decrease)	7,249,702	\$184,063,266	(12,597,312)	(\$333,157,792)
Class I shares				
Sold	34,873,183	\$910,196,703	\$21,957,511	592,709,537
Distributions reinvested	1,789,171	49,631,588	4,735,716	103,806,886
Repurchased	(7,086,402)	(185,474,374)	(29,653,564)	(783,321,846)
Net increase (decrease)	29,575,952	\$774,353,917	(2,960,337)	(\$86,805,423)
Class R1 shares				
Sold	782,124	\$20,447,707	350,637	9,363,128
Distributions reinvested	33,785	935,166	87,625	1,919,000
Repurchased	(260,381)	(6,777,636)	(473,051)	(12,729,674)
Net increase (decrease)	555,528	\$14,605,237	(34,789)	(\$1,447,546)
Net increase (decrease)	131,300,644	\$3,423,713,999	(48,539,155)	(\$1,280,560,604)

Note 5

Purchase and sale of securities

Purchases and proceeds from sales or maturities of securities, other than short-term securities and obligations of the U.S. government, during the year ended December 31, 2007, aggregated \$2,979,503,197 and \$4,213,559,424, respectively.

The cost of investments owned on December 31, 2007, including short-term investments, for federal income tax purposes was \$6,955,846,672. Gross unrealized appreciation and depreciation of investments aggregated \$456,635,669 and \$1,238,576,250, respectively, resulting in net

unrealized depreciation of \$781,940,581. The difference between book basis and tax basis net unrealized appreciation of investments is attributable primarily to the tax deferral of losses on certain sales of securities.

Note 6

SEC settlement

On June 25, 2007, the Adviser and John Hancock Funds, LLC (the Distributor) and two of their affiliates (collectively, the John Hancock Affiliates) reached a settlement with SEC that resolved an investigation of certain practices relating to the John Hancock Affiliates' variable annuity and mutual fund operations involving directed brokerage and revenue

sharing. Under the terms of the settlement, each John Hancock Affiliate was censured and agreed to pay a \$500,000 civil penalty to the United States Treasury. In addition, the Adviser and the Distributor agreed to pay disgorgement of \$2,087,477 and prejudgment interest of \$359,460 to entities, including certain John Hancock Funds, that participated in the Adviser's directed brokerage program during the period from 2000 to October 2003. Collectively, all John Hancock Affiliates agreed to pay a total disgorgement of \$16,926,420 and prejudgment interest of \$2,361,460 to the entities advised or distributed by John Hancock Affiliates. The Adviser discontinued the use of directed brokerage in recognition of the sale of fund shares in October 2003. As a result of this settlement, the Fund received \$4,200, which was recorded as a realized gain to the Fund's books on June 25, 2007.

Auditors' report

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of John Hancock Capital Series and Shareholders of John Hancock Classic Value Fund,

In our opinion, the accompanying statement of assets and liabilities, including the schedule 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 Classic Value Fund (the Fund) at December 31, 2007, and the results of its operations, the changes in its net assets and the financial highlights for 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 December 31, 2007 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Boston, Massachusetts
February 28, 2008

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 December 31, 2007.

The Fund has designated distributions to shareholders of \$647,273,191 as a long-term capital gain dividend.

With respect to the ordinary dividends paid by the Fund for the fiscal year ended December 31, 2007, 100% of the dividends qualifies for the corporate dividends-received deduction.

The Fund hereby 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 2007.

Shareholders will be mailed a 2007 U.S. Treasury Department Form 1099-DIV in January 2008. This will reflect the total of all distributions that are taxable for calendar year 2007.

Board Consideration of and Continuation of Investment Advisory and Subadvisory Agreement: John Hancock Classic Value Fund

The Investment Company Act of 1940 (the 1940 Act) requires the Board of Trustees (the Board) of John Hancock Capital Series (the Trust), including a majority of the Trustees who have no direct or indirect interest in the investment advisory agreement and are not “interested persons” of the Trust, as defined in the 1940 Act (the Independent Trustees), annually to meet in person to review and consider the continuation of: (i) the investment advisory agreement (the Advisory Agreement) with John Hancock Advisers, LLC (the Adviser) and (ii) the investment subadvisory agreement (the Subadvisory Agreement) with Pzena Investment Management, LLC (the Subadviser) for the John Hancock Classic Value Fund (the Fund). The investment advisory agreement with the Advisor and the investment subadvisory agreement with the Subadviser are collectively referred to as the Advisory Agreements.

At meetings held on May 7 and June 4–5, 2007, the Board considered the factors and reached the conclusions described below relating to the selection of the Adviser and Subadviser and the continuation of the Advisory Agreements. During such meetings, the Board’s Contracts/Operations Committee and the Independent Trustees also met in executive sessions with their independent legal counsel.

In evaluating the Advisory Agreements, the Board, including the Contracts/Operations Committee and the Independent Trustees, reviewed a broad range of information requested for this purpose by the Independent Trustees, including: (i) the investment performance of the Fund relative to a category of relevant funds (the Category) and a peer group of comparable funds (the Peer Group) each selected by Morningstar, Inc. (Morningstar), an independent provider of investment company data, for a range of periods ended December 31, 2006, (ii) advisory and other fees incurred by, and the expense ratios of, the Fund relative to a Category and a Peer Group, (iii) the advisory fees of comparable portfolios of other clients of the Adviser and the Subadviser, (iv) the Adviser’s financial results and

condition, including its and certain of its affiliates’ profitability from services performed for the Fund, (v) breakpoints in the Fund’s and the Peer Group’s fees, and information about economies of scale, (vi) the Adviser’s and Subadviser’s record of compliance with applicable laws and regulations, with the Fund’s investment policies and restrictions, and with the applicable Code of Ethics, and the structure and responsibilities of the Adviser’s and Subadviser’s compliance department, (vii) the background and experience of senior management and investment professionals, and (viii) the nature, cost and character of advisory and non-investment management services provided by the Adviser and its affiliates and by the Subadviser.

The Independent Trustees considered the legal advice of independent legal counsel and relied on their own business judgment in determining the factors to be considered in evaluating the materials that were presented to them and the weight to be given to each such factor. The Board’s review and conclusions were based on a comprehensive consideration of all information presented to the Board and not the result of any single controlling factor. They principally considered performance and other information from Morningstar as of December 31, 2006. The Board also considered updated performance information provided to it by the Adviser or Subadviser at the May and June 2007 meetings. Performance and other information may be quite different as of the date of this shareholders report. The key factors considered by the Board and the conclusions reached are described below.

Nature, extent and quality of services

The Board considered the ability of the Adviser and the Subadviser, based on their resources, reputation and other attributes, to attract and retain qualified investment professionals, including research, advisory and supervisory personnel. The Board considered the investment philosophy, research and investment decision-making processes of the Adviser and, in particular, the Subadviser. The Board met with representatives of the Subadviser that were responsible for the daily investment activities of the Fund. The Board considered the representatives’ history and experience with the Fund. The Board further considered the culture of

compliance, resources dedicated to compliance, compliance programs and compliance records of the Adviser and Subadviser. In addition, the Board took into account the administrative and other non-advisory services provided to the Fund by the Adviser and its affiliates.

Based on the above factors, together with those referenced below, the Board concluded that, within the context of its full deliberations, the nature, extent and quality of the investment advisory services provided to the Fund by the Adviser and Subadviser supported renewal of the Advisory Agreements.

Fund performance

The Board considered the performance results for the Fund over various time periods ended December 31, 2006. The Board also considered these results in comparison to the performance of the Category, as well as the Fund's benchmark index. Morningstar determined the Category and Peer Group for the Fund. The Board reviewed with a representative of Morningstar the methodology used by Morningstar to select the funds in the Category and the Peer Group.

The Board favorably noted that the Fund's performance during the 5- and 10-year periods was appreciably higher than the performance of the Peer Group and Category medians, and its benchmark index, the Russell 1000 Value Index. The Board also noted that the Fund's performance was lower than the performance of the Peer Group median and benchmark index for the 3-year period, but higher than the performance of the Category median. The Board noted that the Fund's performance for the more recent 1-year period was lower than the performance of the Peer Group and Category medians, and its benchmark index. The Subadviser provided the Board with supplemental information, including more recent information regarding the Fund's performance results, which showed an improvement. The Subadviser also discussed with the Board additional measures that may be taken in the future with the objective of improving performance. The Board intends to continue to monitor the Fund's performance trends to assess whether remedial changes are warranted.

Investment advisory fee and subadvisory fee rates and expenses

The Board reviewed and considered the contractual investment advisory fee rate payable by the Fund to the Adviser for investment advisory services (the Advisory Agreement Rate). The Board received and considered information comparing the Advisory Agreement Rate with the advisory fees for the Peer Group. The Board noted that the Advisory Agreement Rate was higher than the median rate of the Peer Group and the Category.

The Board received and considered expense information regarding the Fund's various components, including advisory fees, distribution and fees other than advisory and distribution fees, including transfer agent fees, custodian fees and other miscellaneous fees (e.g., fees for accounting and legal services). The Board considered comparisons of these expenses to the Peer Group median. The Board also received and considered expense information regarding the Fund's total operating expense ratio (Gross Expense Ratio) and total operating expense ratio after taking the fee waiver arrangement applicable to the Advisory Agreement Rate into account (Net Expense Ratio). The Board received and considered information comparing the Gross Expense Ratio and Net Expense Ratio of the Fund to that of the Peer Group and Category medians. The Board noted that the Fund's Gross and Net Expense Ratios were higher than the medians of the Peer Group and Category.

The Adviser also discussed the Morningstar data and rankings, and other relevant information, for the Fund. Based on the above-referenced considerations and other factors, the Board concluded that the Fund's overall performance and expenses supported the re-approval of the Advisory Agreements.

The Board also received information about the investment subadvisory fee rate (the Subadvisory Agreement Rate) payable by the Adviser to the Subadviser for investment subadvisory services. The Board concluded that the Subadvisory Agreement Rate was fair and equitable, based on its consideration of the factors described here.

Profitability

The Board received and considered a detailed profitability analysis of the Adviser based on the Advisory Agreements, as well as on other relationships between the Fund and the Adviser and its affiliates. The Board also considered a comparison of the Adviser's profitability to that of other similar investment advisers whose profitability information is publicly available. The Board concluded that, in light of the costs of providing investment management and other services to the Fund, the profits and other ancillary benefits reported by the Adviser were not unreasonable.

The Board did not consider profitability information with respect to the Subadviser, which is not affiliated with the Adviser. The Board considered that the Subadvisory Rate paid to the Subadviser had been negotiated by the Adviser on an arm's length basis and that the Subadviser's separate profitability from its relationship with the Fund was not a material factor in determining whether to renew the agreement.

Economies of scale

The Board received and considered general information regarding economies of scale with respect to the management of the Fund, including the Fund's ability to appropriately benefit from economies of scale under the Fund's fee structure. The Board recognized the inherent limitations of any analysis of economies of scale, stemming largely from the Board's understanding that most of the Adviser's costs are not specific to individual Funds, but rather are incurred across a variety of products and services.

To the extent the Board and the Adviser were able to identify actual or potential economies of scale from Fund-specific or allocated expenses, in order to ensure that any such economies continue to be reasonably shared with the Fund as its assets increase, the Adviser and the Board agreed to additional breakpoints to the Advisory Agreement Rate.

Information about services to other clients

The Board also received information about the nature, extent and quality of services and fee rates offered by the Adviser and Subadviser to their other clients, including other registered

investment companies, institutional investors and separate accounts. The Board concluded that the Advisory Agreement Rate and the Subadvisory Agreement Rate were not unreasonable, taking into account fee rates offered to others by the Adviser and Subadviser, respectively, after giving effect to differences in services.

Other benefits to the Adviser

The Board received information regarding potential "fall-out" or ancillary benefits received by the Adviser and its affiliates as a result of the Adviser's relationship with the Fund. Such benefits could include, among others, benefits directly attributable to the relationship of the Adviser with the Fund and benefits potentially derived from an increase in the business of the Adviser as a result of its relationship with the Fund (such as the ability to market to shareholders other financial products offered by the Adviser and its affiliates).

The Board also considered the effectiveness of the Adviser's, Subadviser's and Fund's policies and procedures for complying with the requirements of the federal securities laws, including those relating to best execution of portfolio transactions and brokerage allocation.

Other factors and broader review

As discussed above, the Board reviewed detailed materials received from the Adviser and Subadviser as part of the annual re-approval process. The Board also regularly reviews and assesses the quality of the services that the Fund receives throughout the year. In this regard, the Board reviews reports of the Adviser at least quarterly, which include, among other things, a detailed portfolio review, detailed fund performance reports and compliance reports. In addition, the Board meets with portfolio managers and senior investment officers at various times throughout the year.

After considering the above-described factors and based on its deliberations and its evaluation of the information described above, the Board concluded that approval of the continuation of the Advisory Agreements for the Fund was in the best interest of the Fund and its shareholders. Accordingly, the Board unanimously approved the continuation of the Advisory Agreements.

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 Fund since ¹	Number of John Hancock funds overseen by Trustee
James F. Carlin , Born: 1940	2005	55

Interim Chairman (since December 2007); Director and Treasurer, Alpha Analytical Laboratories, Inc. (chemical analysis) (since 1985); Part Owner and Treasurer, Lawrence Carlin Insurance Agency, Inc. (since 1995); Part Owner and Vice President, Mone Lawrence Carlin Insurance Agency, Inc. (until 2005); Chairman and Chief Executive Officer, Carlin Consolidated, Inc. (management/investments) (since 1987); Trustee, Massachusetts Health and Education Tax Exempt Trust (1993–2003).

William H. Cunningham , Born: 1944	2005	55
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Professor, University of Texas at Austin (since 1971); former Chancellor, University of Texas System and former President, University of Texas at Austin (until 2001); Chairman and Chief Executive Officer, IBT Technologies (until 2001); Director of the following: Hicks Acquisition Company I, Inc. (since 2007); Hire.com (until 2004), STC Broadcasting, Inc. and Sunrise Television Corp. (until 2001), Symtx, Inc. (electronic manufacturing) (since 2001), Adorno/Rogers Technology, Inc. (until 2004), Pinnacle Foods Corporation (until 2003), rateGenius (until 2003), Lincoln National Corporation (insurance) (since 2006), Jefferson-Pilot Corporation (diversified life insurance company) (until 2006), New Century Equity Holdings (formerly Billing Concepts) (until 2001), eCertain (until 2001), ClassMap.com (until 2001), Agile Ventures (until 2001), AskRed.com (until 2001), Southwest Airlines (since 2000), Introgen (manufacturer of biopharmaceuticals) (since 2000) and Viasystems Group, Inc. (electronic manufacturer) (until 2003); Advisory Director, Interactive Bridge, Inc. (college fundraising) (until 2001); Advisory Director, Q Investments (until 2003); Advisory Director, JPMorgan Chase Bank (formerly Texas Commerce Bank–Austin), LIN Television (until 2008), WilTel Communications (until 2003) and Hayes Lemmerz International, Inc. (diversified automotive parts supply company) (since 2003).

Charles L. Ladner , ² Born: 1938	2004	55
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Chairman and Trustee, Dunwoody Village, Inc. (retirement services) (until 2003); Senior Vice President and Chief Financial Officer, UGI Corporation (public utility holding company) (retired 1998); Vice President and Director, AmeriGas, Inc. (retired 1998); Director, AmeriGas Partners, L.P. (gas distribution) (until 1997); Director, EnergyNorth, Inc. (until 1997); Director, Parks and History Association (until 2005).

John A. Moore , ² Born: 1939	2002	55
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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 and Deputy Administrator, Environmental Protection Agency; Principal, Hollyhouse (consulting) (since 2000); Director, CIIT Center for Health Science Research (nonprofit research) (until 2007).

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 Fund since ¹	Number of John Hancock funds overseen by Trustee
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Patti McGill Peterson, ² Born: 1943	2002	55
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Senior Associate, Institute for Higher Education Policy (since 2007); Executive Director, Council for International Exchange of Scholars and Vice President, Institute of International Education (until 2007); Senior Fellow, Cornell Institute of Public Affairs, Cornell University, Ithaca, NY (until 1998); Former President, Wells College, Aurora, NY, and St. Lawrence University, Canton, NY; Director, Niagara Mohawk Power Corporation (until 2003); Director, Ford Foundation, International Fellowships Program (since 2002); Director, Lois Roth Endowment (since 2002); Director, Council for International Educational Exchange (since 2003).

Steven R. Pruchansky, Born: 1944	2005	55
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Chairman and Chief Executive Officer, Greenscapes of Southwest Florida, Inc. (since 2000); Director and President, Greenscapes of Southwest Florida, Inc. (until 2000); Managing Director, JonJames, 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).

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 Fund since ¹	Number of John Hancock funds overseen by Trustee
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James R. Boyle, Born: 1959	2005	265
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Executive Vice President, Manulife Financial Corporation (since 1999); President, John Hancock Variable Life Insurance Company (since March 2007); Executive Vice President, John Hancock Life Insurance Company (since 2004); Chairman and Director, John Hancock Advisers, LLC (the Adviser), John Hancock Funds, LLC and The Berkeley Financial Group, LLC (The Berkeley Group) (holding company) (since 2005); Senior Vice President, The Manufacturers Life Insurance Company (U.S.A.) (until 2004).

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 Fund since
<p>Keith F. Hartstein, Born: 1956</p> <p><i>President and Chief Executive Officer</i> Senior Vice President, Manulife Financial Corporation (since 2004); Director, President and Chief Executive Officer, the Adviser, The Berkeley Group and John Hancock Funds, LLC (since 2005); Director, MFC Global Investment Management (U.S.), LLC (MFC Global (U.S.)) (since 2005); Director, John Hancock Signature Services, Inc. (since 2005); President and Chief Executive Officer, John Hancock Investment Management Services, LLC (since 2006); President and Chief Executive Officer, John Hancock Funds, John Hancock Funds II, John Hancock Funds III and John Hancock Trust (since 2005); Director, Chairman and President, NM Capital Management, Inc. (since 2005); Member, Investment Company Institute Sales Force Marketing Committee (since 2003); President and Chief Executive Officer, MFC Global (U.S.) (2005–2006); Executive Vice President, John Hancock Funds, LLC (until 2005).</p>	2005
<p>Thomas M. Kinzler, Born: 1955</p> <p><i>Secretary and Chief Legal Officer</i> Vice President and Counsel, John Hancock Life Insurance Company (U.S.A.) (since 2006); Secretary and Chief Legal Officer, John Hancock Funds and John Hancock Funds II (since 2006); Chief Legal Officer and Assistant Secretary, 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 Institutional Funds (2000–2004); Secretary and Chief Legal Counsel, MassMutual Select Funds and MassMutual Premier Funds (2004–2006).</p>	2006
<p>Francis V. Knox, Jr., Born: 1947</p> <p><i>Chief Compliance Officer</i> Vice President and Chief Compliance Officer, John Hancock Investment Management Services, LLC, the Adviser and MFC Global (U.S.) (since 2005); Vice President and Chief Compliance Officer, John Hancock Funds, John Hancock Funds II, John Hancock Funds III and John Hancock Trust (since 2005); Vice President and Assistant Treasurer, Fidelity Group of Funds (until 2004); Vice President and Ethics & Compliance Officer, Fidelity Investments (until 2001).</p>	2005
<p>Charles A. Rizzo, Born: 1957</p> <p><i>Chief Financial Officer</i> Chief Financial Officer, John Hancock Funds, John Hancock Funds II, John Hancock Funds III and John Hancock Trust (since June 2007); Assistant Treasurer, Goldman Sachs Mutual Fund Complex (registered investment companies) (2005–June 2007); Vice President, Goldman Sachs (2005–June 2007); Managing Director and Treasurer of Scudder Funds, Deutsche Asset Management (2003–2005); Director, Tax and Financial Reporting, Deutsche Asset Management (2002–2003); Vice President and Treasurer, Deutsche Global Fund Services (1999–2002).</p>	2007
<p>Gordon M. Shone, Born: 1956</p> <p><i>Treasurer</i> Senior Vice President, John Hancock Life Insurance Company (U.S.A.) (since 2001); Treasurer, John Hancock Funds (since 2006), John Hancock Funds II, John Hancock Funds III and John Hancock Trust (since 2005); Vice President and Chief Financial Officer, John Hancock Trust (2003–2005); Vice President, John Hancock Investment Management Services, Inc., John Hancock Advisers, LLC (since 2006) and The Manufacturers Life Insurance Company (U.S.A.) (1998–2000).</p>	2006

Principal officers who are not Trustees (continued)

Name, Year of Birth Position(s) held with Fund Principal occupation(s) and other directorships during past 5 years	Officer of Fund since
John G. Vrysen , Born: 1955	2005

Chief Operating Officer

Senior Vice President, Manulife Financial Corporation (since 2006); Director, Executive Vice President and Chief Operating Officer, the Adviser, The Berkeley Group and John Hancock Funds, LLC (since June 2007); Executive Vice President and Chief Operating Officer, John Hancock Investment Management Services, LLC (since December 2007); Chief Operating Officer, John Hancock Funds, John Hancock Funds II, John Hancock Funds III and John Hancock Trust (since June 2007); Director, Executive Vice President and Chief Financial Officer, the Adviser, The Berkeley Group and John Hancock Funds, LLC (2005–2007); Executive Vice President and Chief Financial Officer, John Hancock Investment Management Services, LLC (2005–2007); Executive Vice President and Chief Financial Officer, MFC Global (U.S.) (2005 until August 2007); Director, John Hancock Signature Services, Inc. (since 2005); Chief Financial Officer, John Hancock Funds, John Hancock Funds II, John Hancock Funds III and John Hancock Trust (2005 until June 2007); Vice President and General Manager, John Hancock Fixed Annuities, U.S. Wealth Management (2004–2005); Vice President, Operations, Manulife Wood Logan (2000–2004).

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 serves until resignation, retirement age or until his or her successor is elected.

² Member of Audit and Compliance Committee.

³ Non-Independent Trustee holds positions with the Fund’s investment adviser, underwriter and certain other affiliates.

For more information

The Fund's proxy voting policies, procedures and records are available without charge, upon request:

By phone

1-800-225-5291

On the Fund's Web site

www.jhfunds.com/proxy

On the SEC's Web site

www.sec.gov

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A listing of month-end portfolio holdings is available on our Web site, www.jhfunds.com. A more detailed portfolio holdings summary is available on a quarterly basis 60 days after the fiscal quarter on our Web site or upon request by calling 1-800-225-5291, or on the SEC's Web site, www.sec.gov.

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For more than three decades, John Hancock Funds has been helping individual, corporate and institutional clients reach their most important financial goals. With so many fund companies to choose from, why should you invest with us?

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Committed to you

Our shareholders come first. We work hard to provide you with the products you need to build a solid financial foundation. We're proud to offer you award-winning services and tools, like the www.jhfunds.com Web site, to help you every step of the way.

EQUITY

Balanced Fund
 Classic Value Fund
 Classic Value Fund II
 Classic Value Mega Cap Fund
 Core Equity Fund
 Growth Fund
 Growth Opportunities Fund
 Growth Trends Fund
 Intrinsic Value Fund
 Large Cap Equity Fund
 Large Cap Select Fund
 Mid Cap Equity Fund
 Optimized Value Fund
 Small Cap Equity Fund
 Small Cap Fund
 Small Cap Intrinsic Value Fund
 Sovereign Investors Fund
 U.S. Core Fund
 U.S. Global Leaders Growth Fund
 Value Opportunities Fund

ASSET ALLOCATION

Lifecycle 2045 Portfolio
 Lifecycle 2040 Portfolio
 Lifecycle 2035 Portfolio
 Lifecycle 2030 Portfolio
 Lifecycle 2025 Portfolio
 Lifecycle 2020 Portfolio
 Lifecycle 2015 Portfolio
 Lifecycle 2010 Portfolio
 Lifecycle Retirement Portfolio
 Lifestyle Aggressive Portfolio
 Lifestyle Growth Portfolio
 Lifestyle Balanced Portfolio
 Lifestyle Moderate Portfolio
 Lifestyle Conservative Portfolio

SECTOR

Financial Industries Fund
 Global Real Estate Fund
 Health Sciences Fund
 Regional Bank Fund
 Technology Fund
 Technology Leaders Fund

INTERNATIONAL/GLOBAL

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

INCOME

Bond Fund
 Floating Rate Income Fund
 Government Income Fund
 High Yield Fund
 Investment Grade Bond Fund
 Strategic Income 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
 Patriot Premium Dividend Fund II
 Preferred Income Fund
 Preferred Income II Fund
 Preferred Income III Fund
 Tax-Advantaged Dividend Income Fund
 Tax-Advantaged Global Shareholder Yield Fund

A Fund's investment objectives, risks, charges and expenses should be considered carefully before investing. The prospectus includes this and other important information about the Fund. To obtain a prospectus, contact your financial professional, call John Hancock Funds at 1-800-225-5291 or visit 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
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This report is for the information of the shareholders of John Hancock Classic Value Fund.
It is not authorized for distribution to prospective investors unless preceded or accompanied by a prospectus.

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2/08