

*John Hancock*

MUTUAL FUNDS

John Hancock  
Classic Value Fund II



**Semiannual Report**

4.30.09

## CEO corner



### To Our Shareholders,

What can I say about the recent financial carnage that hasn't already been said or written by many others? As you no doubt know, almost everyone who has been invested in the financial markets since September 2008 has seen their equity assets decline significantly in value as the ongoing credit crunch and financial market turmoil turned into a full-blown worldwide economic crisis. The United States is 17 months into the worst recession since the Great Depression.

The stock market continued its decline for much of the six-month period ended April 30, 2009, but then began an upswing that dramatically pared the earlier losses. As a result, the S&P 500 Index ended the six-month period losing "just" 9%, thanks to a major rally between March 9, 2009 and April 30, 2009 in which the S&P rose by 29%.

Bonds fared better, generating positive results, as the recession and difficult credit environment led investors to seek out their relative safety. After significantly lagging early in the period, lower-quality, high-yield bonds and bonds in the bank loan or floating rate category rallied along with stocks to end the period with double-digit returns.

We know that investors who stayed the course and held onto their investments through the storm that began last fall are still feeling immense pain, even with the recent upsurge. But having stood your ground until now, we encourage you not to change course. Those who moved out of the market into cash may feel comforted in the short term, but the second half of the trade is trickier to get right. That is, when do you go back in? Many will wait too long and risk missing out on the first leg of the next bull market, if they haven't already.

Indeed, as we mentioned, between March 9 and the end of April, the S&P 500 Index rose by 29%, although it is still down significantly from its highs in October 2007. It is too early to know whether the bear has gone into hibernation or whether the current rally is just a temporary reprise. With the continued trying economic times, high unemployment and corporate earnings shortfalls, it's going to take some time before we can say for sure that we're out of the woods.

This type of volatile market could be a good time to start or continue dollar-cost averaging. By investing a consistent amount on a regular basis regardless of fluctuating price levels, you ensure that you're buying fewer shares at a high price and more shares at a lower price. Although this strategy does not assure a profit or protect against loss in a declining market, it may lower the average price you pay for an investment, while lowering the risk of buying at the wrong time. You may want to consider consulting your investment adviser about this strategy.

Time will tell whether the current market rebound is the beginning of a new bull market or if there is more downside volatility ahead. In the interim, it is important to keep your long-term perspective on investing. Also, working with your investment professional on your long-term plan is especially critical in turbulent times to avoid making emotional decisions.

Sincerely,

A handwritten signature in black ink that reads "Keith F. Hartstein". The signature is written in a cursive, slightly slanted style.

Keith F. Hartstein,  
President and Chief Executive Officer

This commentary reflects the CEO's views as of April 30, 2009. They are subject to change at any time.

**Not part of the semiannual report**

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### SEMIANNUAL REPORT

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# Your fund at a glance

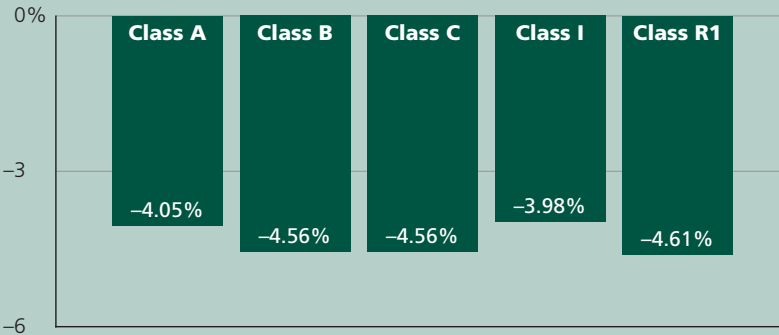
The Fund seeks long-term growth of capital by investing at least 80% of its net assets in domestic equity securities that the subadviser believes are currently undervalued relative to the market, based on estimated future earnings and cash flow.

## Over the last six months

- Stocks declined overall amid an economic downturn and financial sector crisis, but finished the period on a note of optimism about a potential recovery.
- The Fund outperformed its value-oriented benchmark index and peer group average.
- Stock selection across a broad range of industries and sectors contributed to the portfolio's outperformance.

## John Hancock Classic Value Fund II

Fund performance for the six months ended April 30, 2009.



Total returns for the Fund are at net asset value with all distributions reinvested. These returns do not reflect the deduction of the maximum sales charge, which would reduce the performance shown above. Past performance is no guarantee of future results.

## Top 10 holdings

Northrop Grumman Corp.	4.0%	Apache Corp.	3.1%
J.C. Penney Co., Inc.	4.0%	Allstate Corp.	3.1%
Magna International, Inc. (Class A)	3.7%	Cardinal Health, Inc.	2.9%
UBS AG	3.2%	Microsoft Corp.	2.7%
Alcatel-Lucent	3.1%	Boeing Co.	2.6%

As a percentage of net assets on April 30, 2009. Excludes cash and cash equivalents.

# Managers' report

## John Hancock Classic Value Fund II

**The U.S. stock market declined overall for the six months ended April 30, 2009, despite a dramatic swing in investor sentiment.** Stocks remained on a downward trajectory in the first four months of the period as the economy sank deeper into recession and the credit crisis in the financial sector worsened. By the end of February, the broad collapse in the equity market had brought stock valuations down to their lowest levels in decades.

In early March, however, market sentiment changed markedly as investors grew more optimistic about the prospects for a recovery and the federal government took decisive action to stimulate economic growth and shore up the financial sector. As a result, stocks surged during the last seven weeks of the period, with April producing the market's best monthly advance in more than nine years.

For the six-month period, value issues trailed their growth counterparts — the Russell 3000 Value Index returned -13.21%, compared with the -1.68% return of the Russell 3000 Growth Index. However, value shares outperformed during the sharp market rally over the last two months of the period.

### Fund performance

For the six months ended April 30, 2009, John Hancock Classic Value Fund II's Class A shares posted a total return of -4.05% at net asset value (NAV), outpacing both the -13.27% return of the Russell 1000 Value Index and the -9.08% return of the average large value fund, according to Morningstar, Inc.<sup>1</sup> See page

#### INVESTMENT

**Northrop Grumman** ▲

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

Defense contractor benefited from growing orders for unmanned aircraft and satellite tracking systems

**Sempra Energy** ▲

Lower natural gas prices and tighter cost controls boosted earnings for this utility

**Capital One Financial** ▼

Credit card issuer reported losses and cut its dividend amid rising delinquencies



## **Portfolio Managers, Pzena Investment Management, LLC**

**Richard S. Pzena, John P. Goetz, Antonio DeSpirito, III**

one for the NAV performance of other share classes in this period and pages six and seven for historical performance information. Keep in mind that your net asset 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.

### **Unprecedented opportunities**

The portfolio's outperformance of its benchmark index and peer group average was driven mainly by the attractive valuation opportunities in the market in late 2008 and early 2009. As the downturn broadened and valuation spreads widened in virtually every sector of the market, we were able to invest in industry-leading companies with healthy balance sheets across a broad range of industries and sectors at deeply discounted prices.

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**“The U.S. stock market declined overall for the six months ended April 30, 2009, despite a dramatic swing in investor sentiment.”**

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For example, we had avoided the energy sector in recent years because of inflated valuations, but the dramatic decline in this sector since mid-2008 created some attractive opportunities, allowing us to add stocks such as energy exploration and production company Apache Corp. and Brazilian energy producer Petrobras (Petroleo Brasileiro SA) to the portfolio. Other notable additions included aerospace company Boeing Co., computer maker Dell, Inc. and health care services provider WellPoint, Inc.

As a result, the portfolio was extremely well-positioned to benefit from the market rebound during the last two months of the period, and the performance figures bear this out. In the first four months of the period, the Fund's A shares returned -28.61%, trailing the -27.83% return of the Russell 1000 Value Index and the -23.91% return of the average large value fund, as tracked by Morningstar. However, in the last two months of the period, the Fund's 34.40% return comfortably outperformed the 20.19% return of the Russell index and the 19.51% return of the average large value fund.

## Consumer discretionary and health care holdings outperformed

The portfolio's consumer discretionary and health care stocks contributed the most to Fund outperformance during the six-month period. Retailers provided the biggest boost among consumer discretionary stocks. Department store owner J.C. Penney Co., Inc. was one of the portfolio's best performers. While sales remained weak, the company's profit outlook improved as inventory was brought in line with demand to reduce overhead expenses and avoid the need to discount.

Another top contributor was TJX Cos., Inc., which owns close-out apparel stores such as TJ Maxx. We sold TJX in mid-2008 but re-acquired the stock in early 2009, and it rallied as the economic downturn led more consumers to seek out discounted goods and services. Home furnishings retailer Bed Bath & Beyond, Inc. also fared well during the period.

In the health care sector, the best contributor was pharmaceutical firm Schering-Plough Corp., which surged by 60% for the period as the company received a takeover offer from competitor Merck. Drug distributor AmerisourceBergen Corp. and health services provider WellPoint also contributed favorably to performance.

Beyond these two sectors, the portfolio's best contributors reflected the breadth of the investment opportunities we witnessed in the last six months, including electronics maker Motorola, Inc., natural gas utility Sempra Energy and defense contractor Northrop Grumman Corp.

## Financials lagged

Although we reduced our exposure to financial stocks during the period in order to take advantage of opportunities in other sectors, we maintained a small overweight position in financials compared with the benchmark index. This positioning detracted from results as financials were the worst-performing sector of the market, but the negative impact on relative performance was muted by our smaller overweight and favorable security selection.

The biggest detractors in the portfolio were Citigroup, Inc., which reported more than \$25 billion in losses in 2008, and Bank of America Corp., which faced losses stemming from its acquisition of Merrill Lynch. We have maintained relatively small

### SECTOR COMPOSITION<sup>2</sup>

Financials.....	29%
Information technology....	16%
Consumer discretionary....	16%
Health care.....	11%
Industrials.....	10%
Energy.....	7%
Consumer staples.....	5%
Utilities.....	4%
Short-term investments & other.....	2%

positions in these two stocks. Because of their extremely low valuations, these stocks could provide a significant boost to portfolio performance if our expectations of an eventual recovery are realized, but the lower weighting helps limit the potential downside risks of continued weakness in the economy and the potential dilution of additional capital injections.

One of the portfolio's top performance contributors came from the financial sector: investment bank Morgan Stanley, which has been one of the survivors of the financial crisis and has lowered its risk profile to maintain liquidity in a challenging credit environment.

## Outlook

Despite the recent rally in the broad equity market, we have retraced just a fraction of the market's considerable decline over the last 18 months, and as a result, valuations remain at very attractive levels.

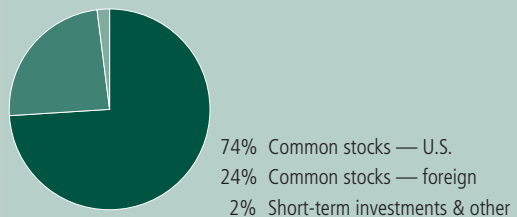
We believe that our portfolio of high-quality, deeply discounted businesses with strong balance sheets will reward the patient investor with substantial performance as current stresses abate and uncertainties are resolved.

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**“The portfolio’s outperformance of its benchmark index and peer group average was driven mainly by the tremendous valuation opportunities in the market in late 2008 and early 2009.”**

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### PORTFOLIO CONCENTRATION<sup>2</sup>



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.

### Past performance is no guarantee of future results.

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

International investing involves special risks such as political, economic and currency risks and differences in accounting standards and financial reporting. These risks are more significant in emerging markets.

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

<sup>2</sup> As a percentage of net assets on April 30, 2009.

# A look at performance

For the period ended April 30, 2009

Class	Inception date	Average annual returns (%) with maximum sales charge (POP)				Cumulative total returns (%) with maximum sales charge (POP)				
		1-year	5-year	10-year	Since inception	Six months	1-year	5-year	10-year	Since inception
A	7-7-06	-46.31	—	—	-21.82	-8.78	-46.31	—	—	-49.97
B	7-7-06	-46.73	—	—	-21.82	-9.26	-46.73	—	—	-49.97
C	7-7-06	-44.52	—	—	-20.98	-5.50	-44.52	—	—	-48.45
I <sup>1</sup>	7-7-06	-43.31	—	—	-20.08	-3.98	-43.31	—	—	-46.78
R1 <sup>1</sup>	7-7-06	-43.92	—	—	-20.38	-4.61	-43.92	—	—	-47.34

Performance figures assume all distributions are reinvested. Public offering price (POP) figures reflect maximum sales charges on Class A shares of 5% and the applicable contingent deferred sales charge (CDSC) on Class B and Class C shares. 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 net expenses are as follows: Class A — 1.33%, Class B — 2.08%, Class C — 2.08%, Class I — 0.94% and Class R1 — 1.83%. Had the fee waivers and expense limitations not been in place, the gross expenses would be as follows: Class A — 1.60%, Class B — 2.35%, Class C — 2.35%, Class I — 1.14% and Class R1 — 2.11%. The Fund's semiannual operating expenses will likely vary throughout the period and from year to year. Expenses for the current fiscal year may be higher than those shown above for one or more of the following reasons: (i) a significant decrease in average net assets may result in a higher advisory fee rate if advisory fee breakpoints are not achieved; (ii) a significant decrease in average net assets may result in an increase in the expense ratio because certain fund expenses do not decrease as asset levels decrease; or (iii) the termination of voluntary expense cap reimbursements and/or fee waivers, as applicable.

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

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

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

<sup>1</sup> For certain types of investors, as described in the Fund's Class I and Class R1 share prospectuses.

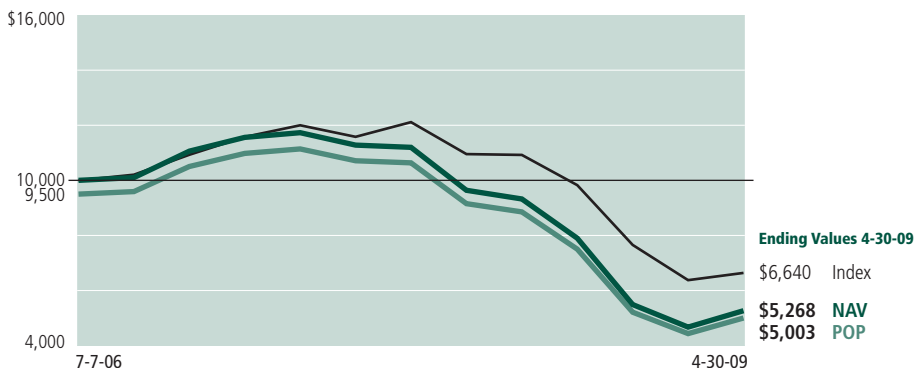
## Growth of \$10,000

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

NAV<sup>1</sup> — Class A without sales charge

POP<sup>1</sup> — Class A with sales charge

Index — Russell 1000 Value Index



Class	Period beginning	Without sales charge	With maximum sales charge	Index
<b>B</b>	7-7-06	\$5,155	\$5,003	\$6,640
<b>C<sup>2</sup></b>	7-7-06	5,155	5,155	6,640
<b>I<sup>3</sup></b>	7-7-06	5,322	5,322	6,640
<b>R1<sup>3</sup></b>	7-7-06	5,266	5,266	6,640

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 April 30, 2009. 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 or direct expenses, which would have resulted in lower values if they did.

<sup>1</sup> NAV represents net asset value and POP represents public offering price.

<sup>2</sup> No contingent deferred sales charge applicable.

<sup>3</sup> 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 November 1, 2008 with the same investment held until April 30, 2009.

	Account value on 11-1-08	Ending value on 4-30-09	Expenses paid during period ended 4-30-09 <sup>1</sup>
<b>Class A</b>	\$1,000.00	\$959.50	\$6.41
<b>Class B</b>	1,000.00	954.40	9.98
<b>Class C</b>	1,000.00	954.40	10.08
<b>Class I</b>	1,000.00	960.20	4.47
<b>Class R1</b>	1,000.00	953.90	10.17

Together with the value of your account, you may use this information to estimate the operating expenses that you paid over the period. Simply divide your account value at April 30, 2009, 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

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

### 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 November 1, 2008, with the same investment held until April 30, 2009. Look in any other fund shareholder report to find its hypothetical example and you will be able to compare these expenses.

	Account value on 11-1-08	Ending value on 4-30-09	Expenses paid during period ended 4-30-09 <sup>1</sup>
<b>Class A</b>	\$1,000.00	\$1,018.20	\$6.61
<b>Class B</b>	1,000.00	1,014.60	10.29
<b>Class C</b>	1,000.00	1,014.50	10.39
<b>Class I</b>	1,000.00	1,020.20	4.61
<b>Class R1</b>	1,000.00	1,014.40	10.49

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.

<sup>1</sup> Expenses are equal to the Fund's annualized expense ratio of 1.32%, 2.06%, 2.08%, 0.92% and 2.09% for Class A, Class B, Class C, Class I and Class R1 shares, respectively, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

# Portfolio summary

## Top 10 holdings<sup>1</sup>

Northrop Grumman Corp.	4.0%	Apache Corp.	3.1%
J.C. Penney Co., Inc.	4.0%	Allstate Corp.	3.1%
Magna International, Inc. (Class A)	3.7%	Cardinal Health, Inc.	2.9%
UBS AG	3.2%	Microsoft Corp.	2.7%
Alcatel-Lucent	3.1%	Boeing Co.	2.6%

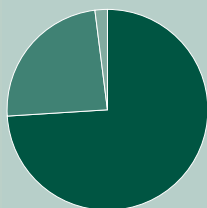
## Sector composition<sup>2,3</sup>

Financials	29%	Energy	7%
Information technology	16%	Consumer staples	5%
Consumer discretionary	16%	Utilities	4%
Health care	11%	Short-term investments & other	2%
Industrials	10%		

## Country diversification<sup>2</sup>

United States	74%	France	3%
Switzerland	4%	Netherlands	3%
Canada	4%	Others	7%
Japan	3%	Short-term investments & other	2%

## PORTFOLIO CONCENTRATION<sup>2</sup>



74% Common stocks — U.S.  
 24% Common stocks — foreign  
 2% Short-term investments & other

<sup>1</sup> As a percentage of net assets on April 30, 2009. Excludes cash and cash equivalents.

<sup>2</sup> As a percentage of net assets on April 30, 2009.

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

# Fund's investments

## Securities owned by the Fund on 4-30-09 (unaudited)

Issuer	Shares	Value
<b>Common stocks 97.66%</b>		<b>\$30,690,647</b>
(Cost \$46,449,451)		
<b>Advertising 2.17%</b>		<b>682,112</b>
Omnicom Group, Inc.	21,675	682,112
<b>Aerospace &amp; Defense 8.77%</b>		<b>2,756,805</b>
Boeing Co.	20,550	823,028
L-3 Communications Holdings, Inc.	8,775	668,216
Northrop Grumman Corp.	26,175	1,265,561
<b>Apparel Retail 0.96%</b>		<b>300,678</b>
The TJX Cos., Inc.	10,750	300,678
<b>Asset Management &amp; Custody Banks 1.93%</b>		<b>606,312</b>
Franklin Resources, Inc.	10,025	606,312
<b>Auto Parts &amp; Equipment 3.71%</b>		<b>1,164,760</b>
Magna International, Inc. (Class A)	34,298	1,164,760
<b>Communications Equipment 5.64%</b>		<b>1,771,779</b>
Alcatel-Lucent, ADR (I)	393,944	984,860
Motorola, Inc.	142,300	786,919
<b>Computer Hardware 2.56%</b>		<b>805,847</b>
Dell, Inc. (I)	69,350	805,847
<b>Consumer Finance 2.06%</b>		<b>646,013</b>
Capital One Financial Corp.	33,425	559,534
Discover Financial Services	10,637	86,479
<b>Department Stores 3.97%</b>		<b>1,247,548</b>
J.C. Penney Co., Inc.	40,650	1,247,548
<b>Diversified Banks 5.02%</b>		<b>1,579,494</b>
Comerica, Inc.	15,300	320,994
HSBC Holdings PLC	26,000	184,897
Mitsubishi UFJ Financial Group, Inc.	80,000	436,389
Royal Bank of Scotland Group PLC	413,325	252,253
Sumitomo Mitsui Financial Group, Inc. (I)	11,100	384,961
<b>Diversified Capital Markets 3.17%</b>		<b>995,826</b>
UBS AG (I)	72,495	995,826
<b>Diversified Financial Services 5.98%</b>		<b>1,878,630</b>
Bank of America Corp.	61,550	549,642
Citigroup, Inc. (I)(L)	82,825	252,616
ING Groep NV	41,425	377,597
JPMorgan Chase & Co.	21,175	698,775

Issuer	Shares	Value
<b>Electric Utilities 1.87%</b>		<b>\$587,866</b>
Korea Electric Power Corp.	27,215	587,866
<b>Electronic Manufacturing Services 2.44%</b>		<b>766,802</b>
Tyco Electronics, Ltd.	43,968	766,802
<b>Health Care Distributors 4.76%</b>		<b>1,495,928</b>
AmerisourceBergen Corp.	17,725	596,269
Cardinal Health, Inc.	26,625	899,659
<b>Health Care Equipment 2.13%</b>		<b>670,629</b>
Boston Scientific Corp. (I)	50,450	424,285
Zimmer Holdings, Inc. (I)	5,600	246,344
<b>Home Improvement Retail 1.60%</b>		<b>501,365</b>
Home Depot, Inc.	7,000	184,240
Lowe's Cos., Inc.	14,750	317,125
<b>Homefurnishing Retail 1.42%</b>		<b>444,893</b>
Bed Bath & Beyond, Inc. (I)	14,625	444,893
<b>Industrial Conglomerates 1.57%</b>		<b>492,816</b>
Koninklijke (Royal) Philips Electronics NV	17,150	309,437
Tyco International, Ltd.	7,718	183,379
<b>Integrated Oil &amp; Gas 1.90%</b>		<b>597,204</b>
BP PLC SADR	7,325	311,020
Petroleo Brasileiro SA, ADR	8,525	286,184
<b>Integrated Telecommunication Services 0.85%</b>		<b>268,370</b>
AT&T, Inc.	10,475	268,370
<b>Investment Banking &amp; Brokerage 1.70%</b>		<b>534,264</b>
Morgan Stanley	22,600	534,264
<b>Life &amp; Health Insurance 2.06%</b>		<b>645,770</b>
Aegon NV	31,684	159,358
MetLife, Inc.	16,350	486,412
<b>Managed Health Care 2.02%</b>		<b>634,986</b>
WellPoint, Inc. (I)	14,850	634,986
<b>Movies &amp; Entertainment 1.88%</b>		<b>591,720</b>
Time Warner, Inc.	12,916	281,956
Viacom, Inc. (Class B)(I)	16,100	309,764
<b>Multi-Utilities 2.38%</b>		<b>748,976</b>
Sempra Energy	16,275	748,976
<b>Office Electronics 0.83%</b>		<b>259,641</b>
Ricoh Co., Ltd.	21,000	259,641
<b>Oil &amp; Gas Equipment &amp; Services 1.49%</b>		<b>468,767</b>
Baker Hughes, Inc.	13,175	468,767
<b>Oil &amp; Gas Exploration &amp; Production 3.11%</b>		<b>978,145</b>
Apache Corp.	13,425	978,145
<b>Oil &amp; Gas Refining &amp; Marketing 0.45%</b>		<b>141,360</b>
Valero Energy Corp.	7,125	141,360
<b>Packaged Foods &amp; Meats 2.74%</b>		<b>862,446</b>
Kraft Foods, Inc.	12,750	298,350
Sara Lee Corp.	67,800	564,096

Issuer	Shares	Value
<b>Personal Products 2.24%</b>		<b>\$703,284</b>
Avon Products, Inc.	30,900	703,284
<b>Pharmaceuticals 2.55%</b>		<b>802,129</b>
Johnson & Johnson	8,450	442,442
Schering-Plough Corp.	15,625	359,687
<b>Property &amp; Casualty Insurance 4.06%</b>		<b>1,276,896</b>
ACE, Ltd.	3,675	170,226
Allstate Corp.	41,300	963,529
Chubb Corp.	3,675	143,141
<b>Regional Banks 1.18%</b>		<b>371,116</b>
PNC Financial Services Group, Inc.	9,348	371,116
<b>Systems Software 4.49%</b>		<b>1,409,470</b>
CA, Inc.	31,675	546,394
Microsoft Corp.	42,600	863,076

Issuer, description	Credit rating (A)	Shares	Value
<b>Preferred stocks 0.77%</b>			<b>\$242,786</b>
(Cost \$246,416)			
<b>Diversified Financial Services 0.77%</b>			<b>242,786</b>
Citigroup, Inc , 8.125%	C	13,655	242,786
Issuer	Interest rate	Shares	Value
<b>Short-term investments 0.81%</b>			<b>\$253,500</b>
(Cost \$253,500)			
<b>Cash Equivalents 0.81%</b>			<b>253,500</b>
John Hancock Cash Investment Trust (T)(W)	0.7696% (Y)	253,500	253,500
<b>Total investments (Cost \$46,949,367)† 99.24%</b>			<b>\$31,186,933</b>
<b>Other assets and liabilities, net 0.76%</b>			<b>\$237,724</b>
<b>Total net assets 100.00%</b>			<b>\$31,424,657</b>

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 Receipts

SADR Sponsored American Depositary Receipts

(A) Credit ratings are unaudited and are rated by Moody's Investors Service where Standard & Poor's ratings are not available.

(I) Non-income producing security.

(L) All or a portion of this security is on loan as of April 30, 2009.

(T) Represents investment of securities lending collateral.

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

(Y) Represents current yield on April 30, 2009.

† At April 30, 2009, the aggregate cost of investment securities for federal income tax purposes was \$47,145,274. Net unrealized depreciation aggregated \$15,958,341, of which \$1,698,051 related to appreciated investment securities and \$17,656,392 related to depreciated investment securities.

# Financial statements

## Statement of assets and liabilities 4-30-09 (unaudited)

**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.**

<b>Assets</b>	
Investments, at value (Cost \$46,695,867)	
including \$237,900 of securities loaned (Note 2)	\$30,933,433
Investments in affiliated issuers, at value (Cost \$253,500) (Note 2)	253,500
<b>Total investments, at value (Cost \$46,949,367)</b>	<b>31,186,933</b>
Cash	224,914
Receivable for investments sold	930,896
Receivable for fund shares sold	21,926
Dividends and interest receivable	47,679
Receivable for security lending income	10,006
Other receivables and prepaid assets	1,339
<b>Total assets</b>	<b>32,423,693</b>
<b>Liabilities</b>	
Payable for investments purchased	529,235
Payable for fund shares repurchased	42,149
Payable upon return of securities loaned (Note 2)	253,500
Payable to affiliates	
Accounting and legal services fees	1,666
Transfer agent fees	36,310
Distribution and service fees	10,880
Trustees' fees	845
Management fees	86,798
Other liabilities and accrued expenses	37,653
<b>Total liabilities</b>	<b>999,036</b>
<b>Net assets</b>	
Capital paid-in	\$95,463,771
Undistributed net investment income	87,421
Accumulated net realized loss on investments and foreign currency transactions	(48,364,370)
Net unrealized appreciation on investments and translation of assets and liabilities in foreign currencies	(15,762,165)
<b>Net assets</b>	<b>\$31,424,657</b>
<b>Net asset value per share</b>	
Class A (\$16,831,665 ÷ 3,340,795 shares)	\$5.04
Class B (\$2,762,320 ÷ 547,938 shares) <sup>1</sup>	\$5.04
Class C (\$7,437,342 ÷ 1,474,825 shares) <sup>1</sup>	\$5.04
Class I (\$4,268,482 ÷ 848,444 shares)	\$5.03
Class R1 (\$124,848 ÷ 24,464 shares)	\$5.10
<b>Maximum offering price per share</b>	
Class A (\$5.04 ÷ 95.0%) <sup>2</sup>	\$5.31

<sup>1</sup> Redemption price per share is equal to the net asset value less any applicable contingent deferred sales charge.

<sup>2</sup> 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 period ended 4-30-09 (unaudited)<sup>1</sup>

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.

<b>Investment income</b>	
Dividends	\$436,040
Securities lending	15,988
Income from affiliated issuers	370
Interest	224
Less foreign taxes withheld	(5,079)
<b>Total investment income</b>	<b>447,543</b>
<b>Expenses</b>	
Investment management fees (Note 5)	131,197
Distribution and service fees (Note 5)	77,543
Transfer agent fees (Note 5)	68,183
State registration fees	6,570
Printing and postage fees	11,200
Professional fees	24,222
Custodian fees	2,176
Accounting and legal services fees (Note 5)	3,374
Proxy fees	10,700
Miscellaneous	1,667
<b>Total expenses</b>	<b>336,832</b>
Less expense reductions (Note 5)	(86,699)
<b>Net expenses</b>	<b>250,133</b>
<b>Net investment income</b>	<b>197,410</b>
<b>Realized and unrealized gain (loss)</b>	
<b>Net realized loss on</b>	
Investments	(29,410,345)
Foreign currency transactions	(3,244)
	<b>(29,413,589)</b>
<b>Change in unrealized appreciation (depreciation) of</b>	
Investments	25,947,735
Translation of assets and liabilities in foreign currencies	(1,618)
	<b>25,946,117</b>
<b>Net realized and unrealized loss</b>	<b>(3,467,472)</b>
<b>Decrease in net assets from operations</b>	<b>(\$3,270,062)</b>

<sup>1</sup> Semiannual period from 11-1-08 to 4-30-09.

## Statements of changes in net assets

These Statements of Changes in Net Assets show how the value of the Fund's net assets has changed during the last three 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.

	Period ended 4-30-09 <sup>1</sup>	Year ended 10-31-08 <sup>2</sup>	Year ended 12-31-07
<b>Increase (decrease) in net assets</b>			
<b>From operations</b>			
Net investment income	\$197,410	\$762,440	\$1,099,237
Net realized loss	(29,413,589)	(18,240,480)	(728,248)
Change in unrealized appreciation (depreciation)	25,946,117	(22,745,038)	(22,153,376)
<b>Decrease in net assets resulting from operations</b>	<b>(3,270,062)</b>	<b>(40,223,078)</b>	<b>(21,782,387)</b>
<b>Distributions to shareholders</b>			
From net investment income			
Class A	(517,215)	—	(741,831)
Class B	(42,345)	—	(30,221)
Class C	(139,317)	—	(114,768)
Class I	(145,477)	—	(177,086)
Class R1	(2,077)	—	(1,175)
From net realized gain			
Class A	—	—	(115,384)
Class B	—	—	(15,346)
Class C	—	—	(58,279)
Class I	—	—	(20,380)
Class R1	—	—	(238)
<b>Total distributions</b>	<b>(846,431)</b>	<b>—</b>	<b>(1,274,708)</b>
<b>From Fund share transactions (Note 6)</b>	<b>(7,600,186)</b>	<b>(36,544,143)</b>	<b>78,718,688</b>
<b>Total increase (decrease)</b>	<b>(11,716,679)</b>	<b>(76,767,221)</b>	<b>55,661,593</b>
<b>Net assets</b>			
Beginning of period	43,141,336	119,908,557	64,246,964
<b>End of period</b>	<b>\$31,424,657</b>	<b>\$43,141,336</b>	<b>\$119,908,557</b>
<b>Undistributed net investment income</b>	<b>\$87,421</b>	<b>\$736,442</b>	<b>\$0</b>

<sup>1</sup> Semiannual period from 11-1-08 to 4-30-09. Unaudited.

<sup>2</sup> For the ten month period ended October 31, 2008. The Fund changed its fiscal year end from December 31 to October 31.

## 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.

<b>CLASS A SHARES</b> Period ended	4-30-09 <sup>1</sup>	10-31-08 <sup>2</sup>	12-31-07	12-31-06 <sup>3</sup>
<b>Per share operating performance</b>				
<b>Net asset value, beginning of period</b>	<b>\$5.40</b>	<b>\$9.67</b>	<b>\$11.39</b>	<b>\$10.00</b>
Net investment income <sup>4</sup>	0.03	0.09	0.12	0.03
Net realized and unrealized gain (loss) on investments	(0.26)	(4.36)	(1.71)	1.40
<b>Total from investment operations</b>	<b>(0.23)</b>	<b>(4.27)</b>	<b>(1.59)</b>	<b>1.43</b>
<b>Less distributions</b>				
From net investment income	(0.13)	—	(0.11)	(0.01)
From net realized gain	—	—	(0.02)	(0.03)
<b>Total distributions</b>	<b>(0.13)</b>	<b>—</b>	<b>(0.13)</b>	<b>(0.04)</b>
<b>Net asset value, end of period</b>	<b>\$5.04</b>	<b>\$5.40</b>	<b>\$9.67</b>	<b>\$11.39</b>
<b>Total return (%)</b> <sup>5,6</sup>	<b>(4.05)</b> <sup>6,7</sup>	<b>(44.16)</b> <sup>7</sup>	<b>(13.97)</b>	<b>14.29</b> <sup>7</sup>
<b>Ratios and supplemental data</b>				
Net assets, end of period (in millions)	\$17	\$22	\$65	\$39
Ratios (as a percentage of average net assets):				
Expenses before reductions	1.88 <sup>8</sup>	1.60 <sup>8</sup>	1.46	2.24 <sup>8</sup>
Expenses net of all fee waivers	1.32 <sup>8</sup>	1.33 <sup>8,9</sup>	1.32	1.30 <sup>8</sup>
Expenses net of all fee waivers and credits	1.32 <sup>8</sup>	1.33 <sup>8,9</sup>	1.32	1.30 <sup>8</sup>
Net investment income	1.41 <sup>8</sup>	1.35 <sup>8</sup>	1.04	0.63 <sup>8</sup>
Portfolio turnover (%)	38	30	52	12

<sup>1</sup> Semiannual period from 11-1-08 to 4-30-09. Unaudited.

<sup>2</sup> For the ten month period ended October 31, 2008.

<sup>3</sup> Beginning of operations from 7-7-06 to 12-31-06.

<sup>4</sup> Based on the average of the shares outstanding.

<sup>5</sup> Assumes dividend reinvestment and does not reflect the effect of sales charges.

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

<sup>7</sup> Not annualized.

<sup>8</sup> Annualized.

<sup>9</sup> Includes 0.01% related to interest expense.

<b>CLASS B SHARES</b> Period ended	<b>4-30-09<sup>1</sup></b>	<b>10-31-08<sup>2</sup></b>	<b>12-31-07</b>	<b>12-31-06<sup>3</sup></b>
<b>Per share operating performance</b>				
<b>Net asset value, beginning of period</b>	<b>\$5.36</b>	<b>\$9.65</b>	<b>\$11.36</b>	<b>\$10.00</b>
Net investment income (loss) <sup>4</sup>	0.01	0.04	0.03	(0.01)
Net realized and unrealized gain (loss) on investments	(0.26)	(4.33)	(1.69)	1.40
<b>Total from investment operations</b>	<b>(0.25)</b>	<b>(4.29)</b>	<b>(1.66)</b>	<b>1.39</b>
<b>Less distributions</b>				
From net investment income	(0.07)	—	(0.03)	—
From net realized gain	—	—	(0.02)	(0.03)
<b>Total distributions</b>	<b>(0.07)</b>	<b>—</b>	<b>(0.05)</b>	<b>(0.03)</b>
<b>Net asset value, end of period</b>	<b>\$5.04</b>	<b>\$5.36</b>	<b>\$9.65</b>	<b>\$11.36</b>
<b>Total return (%)<sup>5,6</sup></b>	<b>(4.56)<sup>6,7</sup></b>	<b>(44.46)<sup>7</sup></b>	<b>(14.60)</b>	<b>13.86<sup>7</sup></b>
<b>Ratios and supplemental data</b>				
Net assets, end of period (in millions)	\$3	\$3	\$8	\$6
Ratios (as a percentage of average net assets):				
Expenses before reductions	2.59 <sup>8</sup>	2.35 <sup>8</sup>	2.07	2.99 <sup>8</sup>
Expenses net of all fee waivers	2.06 <sup>8</sup>	2.08 <sup>8,9</sup>	2.07	2.05 <sup>8</sup>
Expenses net of all fee waivers and credits	2.06 <sup>8</sup>	2.08 <sup>8,9</sup>	2.07	2.05 <sup>8</sup>
Net investment income (loss)	0.66 <sup>8</sup>	0.61 <sup>8</sup>	0.28	(0.11) <sup>8</sup>
Portfolio turnover (%)	38	30	52	12

<sup>1</sup> Semiannual period from 11-1-08 to 4-30-09. Unaudited.

<sup>2</sup> For the ten month period ended October 31, 2008.

<sup>3</sup> Beginning of operations from 7-7-06 to 12-31-06.

<sup>4</sup> Based on the average of the shares outstanding.

<sup>5</sup> Assumes dividend reinvestment and does not reflect the effect of sales charges.

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

<sup>7</sup> Not annualized.

<sup>8</sup> Annualized.

<sup>9</sup> Includes 0.01% related to interest expense.

<b>CLASS C SHARES</b> Period ended	<b>4-30-09<sup>1</sup></b>	<b>10-31-08<sup>2</sup></b>	<b>12-31-07</b>	<b>12-31-06<sup>3</sup></b>
<b>Per share operating performance</b>				
<b>Net asset value, beginning of period</b>	<b>\$5.36</b>	<b>\$9.66</b>	<b>\$11.36</b>	<b>\$10.00</b>
Net investment income (loss) <sup>4</sup>	0.01	0.04	0.03	(0.01)
Net realized and unrealized gain (loss) on investments	(0.26)	(4.34)	(1.68)	1.40
<b>Total from investment operations</b>	<b>(0.25)</b>	<b>(4.30)</b>	<b>(1.65)</b>	<b>1.39</b>
<b>Less distributions</b>				
From net investment income	(0.07)	—	(0.03)	—
From net realized gain	—	—	(0.02)	(0.03)
<b>Total distributions</b>	<b>(0.07)</b>	<b>—</b>	<b>(0.05)</b>	<b>(0.03)</b>
<b>Net asset value, end of period</b>	<b>\$5.04</b>	<b>\$5.36</b>	<b>\$9.66</b>	<b>\$11.36</b>
<b>Total return (%)<sup>5,6</sup></b>	<b>(4.56)<sup>6,7</sup></b>	<b>(44.51)<sup>7</sup></b>	<b>(14.51)</b>	<b>13.86<sup>7</sup></b>
<b>Ratios and supplemental data</b>				
Net assets, end of period (in millions)	\$7	\$11	\$32	\$15
Ratios (as a percentage of average net assets):				
Expenses before reductions	2.69 <sup>8</sup>	2.35 <sup>8</sup>	2.07	2.99 <sup>8</sup>
Expenses net of all fee waivers	2.08 <sup>8</sup>	2.08 <sup>8,9</sup>	2.07	2.05 <sup>8</sup>
Expenses net of all fee waivers and credits	2.08 <sup>8</sup>	2.08 <sup>8,9</sup>	2.07	2.05 <sup>8</sup>
Net investment income (loss)	0.66 <sup>8</sup>	0.59 <sup>8</sup>	0.28	(0.15) <sup>8</sup>
Portfolio turnover (%)	38	30	52	12

<sup>1</sup> Semiannual period from 11-1-08 to 4-30-09. Unaudited.

<sup>2</sup> For the ten month period ended October 31, 2008.

<sup>3</sup> Beginning of operations from 7-7-06 to 12-31-06.

<sup>4</sup> Based on the average of the shares outstanding.

<sup>5</sup> Assumes dividend reinvestment and does not reflect the effect of sales charges.

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

<sup>7</sup> Not annualized.

<sup>8</sup> Annualized.

<sup>9</sup> Includes 0.01% related to interest expense.

<b>CLASS I SHARES</b> Period ended	4-30-09 <sup>1</sup>	10-31-08 <sup>2</sup>	12-31-07	12-31-06 <sup>3</sup>
<b>Per share operating performance</b>				
<b>Net asset value, beginning of period</b>	<b>\$5.42</b>	<b>\$9.67</b>	<b>\$11.39</b>	<b>\$10.00</b>
Net investment income <sup>4</sup>	0.04	0.11	0.16	0.04
Net realized and unrealized gain (loss) on investments	(0.27)	(4.36)	(1.71)	1.41
<b>Total from investment operations</b>	<b>(0.23)</b>	<b>(4.25)</b>	<b>(1.55)</b>	<b>1.45</b>
<b>Less distributions</b>				
From net investment income	(0.16)	—	(0.15)	(0.03)
From net realized gain	—	—	(0.02)	(0.03)
<b>Total distributions</b>	<b>(0.16)</b>	<b>—</b>	<b>(0.17)</b>	<b>(0.06)</b>
<b>Net asset value, end of period</b>	<b>\$5.03</b>	<b>\$5.42</b>	<b>\$9.67</b>	<b>\$11.39</b>
<b>Total return (%)</b> <sup>5,6</sup>	<b>(3.98)</b> <sup>6,7</sup>	<b>(43.95)</b> <sup>7</sup>	<b>(13.63)</b>	<b>14.50</b> <sup>7</sup>
<b>Ratios and supplemental data</b>				
Net assets, end of period (in millions)	\$4	\$7	\$15	\$4
Ratios (as a percentage of average net assets):				
Expenses before reductions	1.18 <sup>8</sup>	1.23 <sup>8</sup>	0.94	1.88 <sup>8</sup>
Expenses net of all fee waivers	0.92 <sup>8</sup>	0.95 <sup>8,9</sup>	0.94	0.94 <sup>8</sup>
Expenses net of all fee waivers and credits	0.92 <sup>8</sup>	0.95 <sup>8,9</sup>	0.94	0.94 <sup>8</sup>
Net investment income	1.79 <sup>8</sup>	1.71 <sup>8</sup>	1.41	0.74 <sup>8</sup>
Portfolio turnover (%)	38	30	52	12

<sup>1</sup> Semiannual period from 11-1-08 to 4-30-09. Unaudited.

<sup>2</sup> For the ten month period ended October 31, 2008.

<sup>3</sup> Beginning of operations from 7-7-06 to 12-31-06.

<sup>4</sup> Based on the average of the shares outstanding.

<sup>5</sup> Assumes dividend reinvestment and does not reflect the effect of sales charges.

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

<sup>7</sup> Not annualized.

<sup>8</sup> Annualized.

<sup>9</sup> Includes 0.01% related to interest expense.

<b>CLASS R1 SHARES</b> Period ended	4-30-09 <sup>1</sup>	10-31-08 <sup>2</sup>	12-31-07	12-31-06 <sup>3</sup>
<b>Per share operating performance</b>				
<b>Net asset value, beginning of period</b>	<b>\$5.45</b>	<b>\$9.80</b>	<b>\$11.39</b>	<b>\$10.00</b>
Net investment income <sup>4</sup>	0.01	0.06	0.09	0.02
Net realized and unrealized gain (loss) on investments	(0.27)	(4.41)	(1.57)	1.40
<b>Total from investment operations</b>	<b>(0.26)</b>	<b>(4.35)</b>	<b>(1.48)</b>	<b>1.42</b>
<b>Less distributions</b>				
From net investment income	(0.09)	—	(0.09)	—
From net realized gain	—	—	(0.02)	(0.03)
<b>Total distributions</b>	<b>(0.09)</b>	<b>—</b>	<b>(0.11)</b>	<b>(0.03)</b>
<b>Net asset value, end of period</b>	<b>\$5.10</b>	<b>\$5.45</b>	<b>\$9.80</b>	<b>\$11.39</b>
<b>Total return (%)</b> <sup>5,6</sup>	<b>(4.61)</b> <sup>6,7</sup>	<b>(44.39)</b> <sup>7</sup>	<b>(13.05)</b>	<b>14.16</b> <sup>7</sup>
<b>Ratios and supplemental data</b>				
Net assets, end of period (in millions)	— <sup>8</sup>	— <sup>8</sup>	— <sup>8</sup>	\$1
Ratios (as a percentage of average net assets):				
Expenses before reductions	2.17 <sup>9</sup>	2.11 <sup>9</sup>	1.57	2.40 <sup>9</sup>
Expenses net of all fee waivers	2.10 <sup>9</sup>	1.81 <sup>9,10</sup>	1.57	1.46 <sup>9</sup>
Expenses net of all fee waivers and credits	2.10 <sup>9</sup>	1.82 <sup>9,10</sup>	1.57	1.46 <sup>9</sup>
Net investment income	0.63 <sup>9</sup>	0.88 <sup>9</sup>	0.80	0.46 <sup>9</sup>
Portfolio turnover (%)	38	30	52	12

<sup>1</sup> Semiannual period from 11-1-08 to 4-30-09. Unaudited.

<sup>2</sup> For the ten month period ended October 31, 2008.

<sup>3</sup> Beginning of operations from 7-7-06 to 12-31-06.

<sup>4</sup> Based on the average of the shares outstanding.

<sup>5</sup> Assumes dividend reinvestment and does not reflect the effect of sales charges.

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

<sup>7</sup> Not annualized.

<sup>8</sup> Less than \$500,000.

<sup>9</sup> Annualized.

<sup>10</sup> Includes 0.01% related to interest expense.

## Notes to financial statements (unaudited)

### Note 1

#### Organization

John Hancock Classic Value Fund II (the Fund) is a diversified series of John Hancock Capital Series Trust (the Trust), 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 seek long-term growth of capital.

The Board of 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. Class A, Class B and Class C shares are open to all retail investors. Class I shares are offered without any sales charge to various institutional and certain individual investors. Class R1 shares are available only to certain retirement plans. 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 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

Investments are stated at value as of the close of the regular trading on the New York Stock Exchange (NYSE), normally at 4:00 P.M., Eastern Time. Equity securities held by the Fund are valued at the last sale price or official closing price (closing bid price or last evaluated price if no sale has occurred) as of the close of business on the principal securities exchange (domestic or foreign) on which they trade. Debt obligations 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. Foreign securities and currencies are valued in U.S. dollars, based on foreign currency exchange rates supplied by an independent pricing service. 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. Equity and debt obligations, for which there are no prices available from an independent pricing service, are valued based on broker quotes or fair value as described below. 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. John Hancock Cash Investment Trust (JHCIT), an affiliate of the Adviser, is valued at its net asset value each business day.

Other portfolio securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith by the Fund's Pricing Committee in accordance with procedures adopted by 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.

Valuations change in response to many factors including the historical and prospective earnings of the issuer, the value of the issuer's assets, general economic and market conditions, interest rates, investor perceptions and market liquidity.

The Fund adopted Statement of Financial Accounting Standards No. 157 (FAS 157), *Fair Value Measurements*, effective with the beginning of the Fund's fiscal year. FAS 157 established a three-tier hierarchy to prioritize the assumptions, referred to as inputs, used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 – Quoted prices in active markets for identical securities.

Level 2 – Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants would use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3 – Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable, such as when there is little or no market activity for an investment, unobservable inputs may be used. Unobservable inputs reflect the Fund's own assumptions about the factors that market participants would use in pricing an investment and would be based on the best information available.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used to value the Fund's net assets as of April 30, 2009:

VALUATION INPUTS	INVESTMENTS IN SECURITIES	OTHER FINANCIAL INSTRUMENTS*
Level 1 — Quoted Prices	\$27,238,707	\$—
Level 2 — Other Significant Observable Inputs	3,948,226	—
Level 3 — Significant Unobservable Inputs	—	—
<b>Total</b>	<b>\$31,186,933</b>	<b>\$—</b>

\*Other financial instruments are derivative instruments not reflected in the Portfolio of Investments, such as futures, forwards and swap contracts, which are stated at value based upon futures' settlement prices, foreign currency exchange forward rates and swap prices.

### Security transactions and related investment income

Investment security transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is accrued as earned. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Foreign dividends are recorded on the ex-date or when the Fund

becomes aware of the dividends from cash collections. Discounts/premiums are accreted/amortized for financial reporting purposes. Non-cash dividends are recorded at the fair market value of the securities received. Debt obligations may be placed in a non-accrual status and related interest income may be reduced by ceasing current accruals and writing off interest receivables when the collection of all or a portion of interest has become doubtful. The Fund uses identified cost

method for determining realized gain or loss on investments for both financial statement and federal income tax reporting purposes.

### **Securities lending**

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 cash collateral against the loaned securities and maintains the cash collateral in an amount not less than 102% of the market value of the loaned securities for U.S. equity and corporate securities and 105% for foreign equity and corporate 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 cash collateral is delivered to the Fund on the next business day. Cash collateral received is invested in JHCIT. Effective June 1, 2009, JHCIT merged into the John Hancock Collateral Investment Trust (the Collateral Trust), an affiliated registered investment company. For any shares held by the Fund in JHCIT (at the time of the merger), the Fund received shares in the Collateral Trust equivalent to the market value of the Fund's investment in JHCIT. The Fund may receive compensation for lending its securities either in the form of fees and/or by retaining a portion of interest on the investment of any cash received as collateral. If the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, the Fund could experience delays and costs in recovering the securities loaned or in gaining access to the collateral. The Fund bears the risk in the event that invested collateral is not sufficient to meet obligations due on loans.

### **Line of credit**

The Fund and other affiliated funds have entered into an agreement which enables them to participate in a \$150 million unsecured committed line of credit with State Street Corporation (the Custodian). 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. Interest is charged to each participating fund based on its borrowings at a rate per annum equal to the Federal Funds rate plus 0.50%. In addition, a commitment fee of 0.08% per annum, payable at the end of each calendar quarter, based on the average daily-unused portion of the line of credit, is charged to each participating fund on a prorated basis based on average net assets. Prior to February 19, 2009, the commitment fee was 0.05% per annum. For the period ended April 30, 2009, there were no borrowings under the line of credit by the Fund.

Pursuant to the custodian agreement, the Custodian may, in its discretion, advance funds to the Fund to make properly authorized payments. When such payments result in an overdraft, the Fund is obligated to repay the Custodian for any overdraft, including any costs or expenses associated with the overdraft. The Custodian has a lien, security interest or security entitlement in any Fund property, that is not segregated, to the maximum extent permitted by law to the extent of any overdraft.

### **Expenses**

The majority of expenses are directly identifiable to an individual fund. Trust 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. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

### **Broker commission rebates**

The Fund may direct certain security trades to brokers who have agreed to rebate a portion of the related brokerage commission to the Fund. Commission rebates are accounted for as a realized gain on securities and amounted to \$13,054.

### **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 all classes 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.

### **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.

For federal income tax purposes, the Fund has \$18,754,874 of a capital loss carryforward available, to the extent provided by regulations, to offset future net realized capital gains. To the extent that such carryforward is used by the Fund, they will reduce the amount of capital gain distributions to be paid. The loss carryforward expires as follows: October 31, 2016 — \$18,754,874.

As of April 30, 2009, the Fund had no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure. Each of the Fund's federal tax returns filed in the 3-year period ended October 31, 2008 remains subject to examination by the Internal Revenue Service.

### **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. The Fund generally declares and pays dividends and capital gains distributions, if any, annually. During the year ended December 31, 2007, the tax character of distributions paid was as follows: ordinary income \$1,182,829 and long-term capital gain \$91,879. There were no distributions during the period ended October 31, 2008. 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.

Such distributions, 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.

### **Note 3**

#### **Risk and uncertainties**

##### **Concentration risk**

The Fund may concentrate investments in a particular industry, sector of the economy or invest in a limited number of companies. Accordingly, the concentration may make the Fund's value more volatile and investment values may rise and fall more rapidly. In addition, a fund with a concentration is particularly susceptible to the impact of market, economic, regulatory and other factors affecting the specific concentration.

##### **Sector risk — financial services**

The Fund may concentrate investments in a particular industry, sector of the economy or invest in a limited number of companies. The concentration is closely tied to a single sector of the economy which may cause the Fund to underperform other sectors. Specifically, financial services companies can be hurt by economic declines, changes in interest rates, regulatory and market impacts. Accordingly, the concentration may make the Fund's value more volatile and investment values may rise and fall more rapidly.

##### **Risks associated with foreign investments**

Investing in securities issued by companies whose principal business activities are outside the United States may involve significant risks not present in domestic investments. For example, there is generally less publicly available information about foreign companies, particularly those not subject to the disclosure and reporting requirements of the U.S. securities laws. Foreign issuers are generally not bound by uniform accounting, auditing, and financial reporting requirements and standards of practice comparable to those applicable to domestic issuers. Investments in foreign securities also involve the risk of possible adverse changes in

investment or exchange control regulations, expropriation or confiscatory taxation, limitation on the removal of funds or other assets of the Fund, political or financial instability or diplomatic and other developments which could affect such investments. Foreign stock markets, while growing in volume and sophistication, are generally not as developed as those in the United States, and securities of some foreign issuers (particularly those located in developing countries) may be less liquid and more volatile than securities of comparable U.S. companies. In general, there is less overall governmental supervision and regulation of foreign securities markets, broker-dealers and issuers than in the United States.

#### **Note 4** **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.

#### **Note 5** **Management fee and transactions with affiliates and others**

The Fund has an investment management contract with John Hancock Advisers, LLC (the Adviser), a wholly owned subsidiary of John Hancock Financial Services, Inc., a subsidiary of Manulife Financial Corporation (MFC). Under the investment management contract, the Fund pays a monthly management fee to the Adviser equivalent, on an annual basis, to the sum of: (a) 0.80% of the first \$2,500,000,000 of the Fund's average daily net asset value, (b) 0.78% of the next \$2,500,000,000 and (c) 0.76% in excess of \$5,000,000,000. The effective rate for the period ended April 30, 2009 is 0.80% 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 has voluntarily agreed to limit the Fund's total expenses, excluding transfer agent fees, distribution and service fees, brokerage commissions, interest and other extraordinary expenses not incurred in the ordinary course of the Fund's business, to 0.89% of the Fund's average daily net asset value, on an annual basis. Accordingly, the expense reductions related to this total expense limitation amounted to \$45,381. Effective May 1, 2009, the Adviser has contractually agreed to limit the total expenses for the classes as follows: 1.33%, 2.08%, 2.08%, 0.94%, and 1.83% for Class A, Class B, Class C, Class I and Class R1, respectively. The Adviser reserves the right to terminate these limitations 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, Class I and Class R1, pursuant to Rule 12b-1 under the 1940 Act, to pay 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 and 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.

Pursuant to the Advisory Agreement, the Fund reimburses the Adviser for all expenses associated with providing the administrative, financial, legal, accounting and recordkeeping services of the Fund, including the preparation of all tax returns, annual, semiannual and periodic reports to shareholders and the preparation of all regulatory reports. These expenses are allocated based on the relative share of net assets of each class at the time the expense was incurred.

The accounting and legal services fees incurred for the period ended April 30, 2009, were equivalent to an annual effective rate of less than 0.02% of the Fund's average daily net assets.

Class A shares are assessed up-front sales charges. During the period ended April 30, 2009, JH Funds received net up-front sales charges of \$8,268 with regard to sales of Class A shares. Of this amount, \$1,061 was retained and used for printing prospectuses, advertising, sales literature and other purposes, \$6,897 was paid as sales commissions to unrelated broker-dealers and \$310 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 period ended April 30, 2009, CDSCs received by JH Funds amounted to \$5,690 for Class B shares and \$728 for Class C shares.

The Fund has a transfer agent agreement with John Hancock Signature Services, Inc. (Signature Services), an indirect subsidiary of JHLICO. The transfer agent fees are made up of three components:

- The Fund pays a monthly transfer agent fee at an annual rate of 0.05%, 0.05%, 0.05%, 0.04%, 0.05% for Classes A, B, C, I, and R1 shares respectively, based on each class's average daily net assets.

- The Fund paid a monthly fee which is based on an annual rate of \$16.50 for each shareholder account.
- In addition, Signature Services is reimbursed for certain out-of-pocket expenses.

Signature Services agreed to contractually limit the transfer agent expenses to 0.18% for Classes A, B, and C until April 30, 2009. Waivers and reimbursements under this plan were \$25,142, \$3,860, and \$12,301 for Classes A, B and C, respectively, for the period ended April 30, 2009. Effective May 1, 2009, this agreement has been terminated.

The Fund receives 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 period ended April 30, 2009, the Fund's transfer agent fees and out-of-pocket expenses were reduced by \$15 for transfer agent credits earned.

Class level expenses for the period ended April 30, 2009 were as follows:

Share class	Distribution and service fees	Transfer agent fees
Class A	\$21,600	\$40,703
Class B	13,267	6,250
Class C	42,274	19,914
Class I	—	1,053
Class R1	402	263
<b>Total</b>	<b>\$77,543</b>	<b>\$68,183</b>

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. Mr. John G. Vrysen is a Board member 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 6

### Fund share transactions

This listing illustrates the number of Fund shares sold, reinvested and repurchased during the year ended December 31, 2007 and the periods ended October 31, 2008 and April 30, 2009, along with the corresponding dollar value.

	Six months ended 4-30-09 <sup>1</sup>		Period ended 10-31-08 <sup>2</sup>		Year ended 12-31-07	
	Shares	Amount	Shares	Amount	Shares	Amount
<b>Class A shares</b>						
Sold	744,468	\$3,500,524	949,778	\$7,952,204	7,333,800	\$83,737,825
Distributions reinvested	101,578	467,258	—	—	78,720	773,026
Repurchased	(1,537,693)	(6,813,189)	(3,590,494)	(29,502,175)	(4,131,985)	(45,786,008)
<b>Net increase (decrease)</b>	<b>(691,647)</b>	<b>(\$2,845,407)</b>	<b>(2,640,716)</b>	<b>(\$21,549,971)</b>	<b>3,280,535</b>	<b>\$38,724,843</b>
<b>Class B shares</b>						
Sold	49,637	\$229,605	68,682	\$556,080	639,959	\$7,329,987
Distributions reinvested	7,726	35,692	—	—	4,326	42,445
Repurchased	(111,033)	(490,348)	(334,967)	(2,765,286)	(299,115)	3,283,672
<b>Net increase (decrease)</b>	<b>(53,770)</b>	<b>(\$225,051)</b>	<b>(266,285)</b>	<b>\$2,209,206</b>	<b>345,170</b>	<b>\$4,088,760</b>
<b>Class C shares</b>						
Sold	199,837	\$922,534	382,828	\$3,154,936	2,954,346	\$33,155,576
Distributions reinvested	22,289	102,977	—	—	16,293	159,838
Repurchased	(860,404)	(3,862,522)	(1,588,438)	(13,354,433)	(1,000,121)	(10,515,915)
<b>Net increase (decrease)</b>	<b>(638,278)</b>	<b>(\$2,837,011)</b>	<b>(1,205,610)</b>	<b>(\$10,199,497)</b>	<b>1,970,518</b>	<b>\$22,799,499</b>
<b>Class I shares</b>						
Sold	67,657	\$270,491	475,930	\$3,969,018	2,474,371	\$27,332,141
Distributions reinvested	31,498	144,574	—	—	19,621	192,679
Repurchased	(483,333)	(2,117,507)	(772,513)	(6,629,961)	(1,298,055)	(14,165,816)
<b>Net increase (decrease)</b>	<b>(384,178)</b>	<b>(\$1,702,442)</b>	<b>(296,583)</b>	<b>(\$2,660,943)</b>	<b>1,195,937</b>	<b>\$13,359,004</b>
<b>Class R1 shares</b>						
Sold	2,567	\$11,736	8,950	\$78,035	57,023	\$665,402
Distributions reinvested	444	2,077	—	—	143	1,412
Repurchased	(1,016)	(4,088)	(423)	(2,561)	(92,093)	(920,232)
<b>Net increase (decrease)</b>	<b>1,995</b>	<b>\$9,725</b>	<b>8,527</b>	<b>\$75,474</b>	<b>(34,927)</b>	<b>(\$253,418)</b>
<b>Net increase (decrease)</b>	<b>(1,765,878)</b>	<b>(\$7,600,186)</b>	<b>(4,400,667)</b>	<b>(\$36,544,143)</b>	<b>6,757,233</b>	<b>\$78,718,688</b>

<sup>1</sup> Semiannual period from 11-1-08 to 4-30-09. Unaudited.

<sup>2</sup> For the ten month period ended October 31, 2008. The Fund changed its fiscal year end from December 31 to October 31.

## Note 7

### 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 period ended April 30, 2009, aggregated \$12,497,822 and \$20,601,500, respectively.

**Note 8****Subsequent event**

On March 10, 2009, the Board of Trustees of the Fund voted to approve a plan of reorganization providing for the transfer of substantially all the assets and liabilities of the Fund to the John Hancock Disciplined Value Fund for a representative amount of shares. The proposed merger is subject to a shareholder vote.

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

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 II (the Fund). The Advisory Agreement and the Subadvisory Agreement are collectively referred to as the Advisory Agreements.

At meetings held on May 5–6 and June 9–10, 2008, 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 its Independent Trustees, reviewed a broad range of information requested for this purpose. This information included:

- (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). The funds within each Category and Peer Group were selected by Morningstar Inc. (Morningstar), an independent provider of investment company data. Data covered the period since the Fund’s inception through December 31, 2007,
- (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. The Board principally considered data on performance and other information provided by Morningstar as of December 31, 2007. The Board also considered updated performance information provided to it by the Adviser or Subadviser at its May and June 2008 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, Subadviser and representatives of the Subadviser that are responsible for the daily investment activities of the Fund. The Board considered the representatives' history and experience with the Fund. The Board considered the Adviser's execution of its oversight responsibilities. 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 noted that the Fund had less than two full years of operational history, and considered the performance results for the Fund since its inception in 2006 through December 31, 2007. The Board also considered these results in comparison to the performance of the Category, as well as the Fund's Peer Group and benchmark index. The Board reviewed with representatives of Morningstar the methodology used by Morningstar to select the funds in the Category and the Peer Group.

The Board noted that the Fund's performance was lower than the performance of the Category and Peer Group medians, and its benchmark index, the Russell 1000 Value Index, for the 1-year period. The Subadviser provided detailed information about its investment process and discussed the performance of specific portfolio stocks with the Board. The Adviser also discussed with the Board its review and analysis of the Subadviser's investment process and

particular portfolio stocks in light of the Fund's value orientation. The Board concluded that the investment process and particular portfolio stocks seemed consistent with the Fund's investment objectives, strategy and style. The Board recognized the short operational history of the Fund and indicated its intent to continue to monitor the Fund's performance trends.

### **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 not appreciably higher than the median rate of 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 Expense Ratio was higher than the Peer Group and Category medians. The Board also noted that the Fund's Net Expense Ratio was higher than the Category median, but not appreciably higher than the Peer Group median.

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 expenses and plans to improve performance 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 Agreement 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 continue the existing 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 and the Subadviser as a result of their relationship with the Fund. Such benefits could include, among others, benefits directly attributable to the relationship of the Adviser and Subadviser with the Fund and benefits potentially derived from an increase in business of the Adviser and Subadviser as a result of their 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, 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.

## **Board Consideration of Amendments to Investment Advisory Agreement**

In approving the proposed new form of Advisory Agreement at the December 8–9, 2008 meeting (which is subject to shareholder approval), the Board determined that it was appropriate to rely upon its recent consideration at its June 10, 2008 meeting of such factors as: fund performance; the realization of economies of scale; profitability of the Advisory Agreement to the Adviser; and comparative advisory fee rates (as well as its conclusions with respect to those factors). The Board noted that it had, at the June 10, 2008 meeting, concluded that these factors, taken as a whole, supported the continuation of the Advisory Agreement. The Board, at the December 8–9, 2008 meeting, revisited particular factors to the extent relevant to the proposed new form of Agreement. In particular, the Board noted the skill and competency of the Adviser in its past management of the Fund's affairs and subadvisory relationships, the qualifications of the Adviser's personnel who perform services for the Trust and the Fund, including those who served as officers of the Trust, and the high level and quality of services that the Adviser may reasonably be expected to continue to provide the Fund and concluded that the Adviser may reasonably be expected to perform its services ably under the proposed new form of Advisory Agreement. The Board also took into consideration the extensive analysis and effort undertaken by a working group comprised of a subset of the Board's Independent Trustees, which met several times, both with management representatives and separately, prior to the Board's December 8–9, 2008 meeting. The Board considered the differences between the current Advisory Agreement and proposed new form of Agreement, and agreed that the new Advisory Agreement structure would more clearly delineate the Adviser's duties under the Agreement by separating the Adviser's non-advisory functions from its advisory functions. The enhanced delineation is expected to facilitate oversight of the Adviser's advisory and non-advisory activities without leading to any material increase in the Fund's overall expense ratios.

## Special Shareholder Meeting (unaudited)

On April 16, 2009, a Special Meeting of the Shareholders of John Hancock Capital Series and its series, John Hancock Classic Value Fund II, was held at 601 Congress Street, Boston, Massachusetts, for the purpose of considering and voting on the proposal listed below:

### Proposal 1: To elect eleven Trustees as members of the Board of Trustees of John Hancock Capital Series.

#### PROPOSAL 1 PASSED FOR ALL TRUSTEES ON APRIL 16, 2009.

#### 1. Election of eleven Trustees as members of the Board of Trustees of each of the Trusts (all Trusts):

	No. of Shares	% of Outstanding Shares	% of Shares Present
<b>James R. Boyle</b>			
Affirmative	146,656,829.9440	57.078%	95.349%
Withhold	7,153,227.8700	2.784%	4.651%
TOTAL	153,810,057.8140	59.862%	100.000%
<b>John G. Vrysen</b>			
Affirmative	146,727,584.4490	57.106%	95.395%
Withhold	7,082,473.3650	2.756%	4.605%
TOTAL	153,810,057.8140	59.862%	100.000%
<b>James F. Carlin</b>			
Affirmative	146,555,875.3670	57.039%	95.284%
Withhold	7,254,182.4470	2.823%	4.716%
TOTAL	153,810,057.8140	59.862%	100.000%
<b>William H. Cunningham</b>			
Affirmative	146,606,710.9980	57.059%	95.317%
Withhold	7,203,346.8160	2.803%	4.683%
TOTAL	153,810,057.8140	59.862%	100.000%
<b>Deborah Jackson</b>			
Affirmative	146,526,516.8960	57.027%	95.265%
Withhold	7,283,540.9180	2.835%	4.735%
TOTAL	153,810,057.8140	59.862%	100.000%
<b>Charles L. Ladner</b>			
Affirmative	146,568,916.3790	57.044%	95.292%
Withhold	7,241,141.4350	2.818%	4.708%
TOTAL	153,810,057.8140	59.862%	100.000%
<b>Stanley Martin</b>			
Affirmative	146,579,937.5570	57.048%	95.299%
Withhold	7,230,120.2570	2.814%	4.701%
TOTAL	153,810,057.8140	59.862%	100.000%
<b>Patti McGill Peterson</b>			
Affirmative	146,528,078.9930	57.028%	95.266%
Withhold	7,281,978.8210	2.834%	4.734%
TOTAL	153,810,057.8140	59.862%	100.000%

<b>John A. Moore</b>			
Affirmative	146,611,813.5980	57.060%	95.320%
Withhold	7,198,244.2160	2.802%	4.680%
TOTAL	153,810,057.8140	59.862%	100.000%
<b>Steven R. Pruchansky</b>			
Affirmative	146,600,833.0080	57.056%	95.313%
Withhold	7,209,224.8060	2.806%	4.687%
TOTAL	153,810,057.8140	59.862%	100.000%
<b>Gregory A. Russo</b>			
Affirmative	146,651,626.2420	57.076%	95.346%
Withhold	7,158,431.5720	2.786%	4.654%
TOTAL	153,810,057.8140	59.862%	100.000%

On May 5, 2009, an adjourned session of a Special Meeting of the Shareholders of John Hancock Capital Series and its series, John Hancock Classic Value Fund II, was held at 601 Congress Street, Boston, Massachusetts, for the purpose of considering and voting on the proposals listed below:

**Proposal 2: To approve a new form of Advisory Agreement between John Hancock Capital Series and John Hancock Advisers, LLC. (all Funds)**

**PROPOSAL 2 DID NOT PASS ON MAY 5, 2009.**

**2. Approval of a new form of Advisory Agreement between each Trust and John Hancock Advisers, LLC (all Funds).**

	No. of Shares	% of Outstanding Shares	% of Shares Present
Affirmative	2,390,824.7796	31.817%	54.798%
Against	148,592.1505	1.978%	3.406%
Abstain	109,008.5559	1.451%	2.499%
Broker Non-Votes	1,714,506.0000	22.818%	39.297%
TOTAL	4,362,931.4860	58.064%	100.000%

**Proposal 3: To approve the following changes to fundamental investment restrictions:**

**PROPOSALS 3A-3F DID NOT PASS ON MAY 5, 2009**

**3. Approval of the following changes to fundamental investment restrictions (See Proxy Statement for Fund(s) voting on this Proposal):**

**3A. Revise: Concentration**

Affirmative	2,394,016.8352	31.861%	54.872%
Against	140,697.6519	1.872%	3.225%
Abstain	113,708.9989	1.513%	2.606%
Broker Non-Votes	1,714,508.0000	22.818%	39.297%
TOTAL	4,362,931.4860	58.064%	100.000%

**3B. Revise: Diversification**

Affirmative	2,394,754.5672	31.870%	54.889%
Against	143,161.6289	1.905%	3.281%
Abstain	110,509.2899	1.471%	2.533%
Broker Non-Votes	1,714,506.0000	22.818%	39.297%
TOTAL	4,362,931.4860	58.064%	100.000%

### 3C. Revise: Underwriting

Affirmative	2,379,292.2522	31.664%	54.534%
Against	149,414.9439	1.989%	3.425%
Abstain	119,716.2899	1.593%	2.744%
Broker Non-Votes	1,714,508.0000	22.818%	39.297%
TOTAL	4,362,931.4860	58.064%	100.000%

### 3D. Revise: Real Estate

Affirmative	2,388,682.7152	31.789%	54.750%
Against	143,723.7719	1.913%	3.294%
Abstain	116,017.9989	1.544%	2.659%
Broker Non-Votes	1,714,507.0000	22.818%	39.297%
TOTAL	4,362,931.4860	58.064%	100.000%

### 3E. Revise: Loans

Affirmative	2,389,143.1642	31.795%	54.760%
Against	155,595.3229	2.071%	3.566%
Abstain	103,685.9989	1.380%	2.377%
Broker Non-Votes	1,714,507.0000	22.818%	39.297%
TOTAL	4,362,931.4860	58.064%	100.000%

### 3F. Revise: Senior Securities

Affirmative	2,387,588.3012	31.775%	54.725%
Against	153,315.1859	2.040%	3.514%
Abstain	107,520.9989	1.431%	2.464%
Broker Non-Votes	1,714,507.0000	22.818%	39.297%
TOTAL	4,362,931.4860	58.064%	100.000%

**Proposal 4: To approve amendments changing Rule 12b-1 Plans for certain classes of the Fund from "reimbursement" to compensation plans.**

**PROPOSAL 4 DID NOT PASS FOR ALL CLASSES OF SHARES ON MAY 5, 2009. (There was no Quorum for Classes C and R1)**

**Class A—**

**4. Approval of amendments changing Rule 12b-1 Plans for certain classes of the Funds from "reimbursement" to "compensation" Plans (All Fund Classes except Classes I and NAV).**

	No. of Shares	% of Outstanding Shares	% of Shares Present
Affirmative	895,955.8238	22.331%	41.066%
Against	152,015.9363	3.789%	6.968%
Abstain	65,739.5199	1.639%	3.013%
Broker Non-Votes	1,068,010.0000	26.620%	48.953%
TOTAL	2,181,721.2800	54.379%	100.000%

**Class B—****4. Approval of amendments changing Rule 12b-1 Plans for certain classes of the Funds from “reimbursement” to “compensation” Plans (All Fund Classes except Classes I and NAV).**

	No. of Shares	% of Outstanding Shares	% of Shares Present
Affirmative	164,899.2261	27.181%	46.148%
Against	30,522.1319	5.031%	8.542%
Abstain	6,590.0000	1.086%	1.844%
Broker Non-Votes	155,314.0000	25.601%	43.466%
TOTAL	357,325.3580	58.899%	100.000%

**Class C—****4. Approval of amendments changing Rule 12b-1 Plans for certain classes of the Funds from “reimbursement” to “compensation” Plans (All Fund Classes except Classes I and NAV).**

	No. of Shares	% of Outstanding Shares	% of Shares Present
Affirmative	431,613.0910	22.290%	46.497%
Against	62,848.1440	3.246%	6.771%
Abstain	31,132.0000	1.608%	3.354%
Broker Non-Votes	402,656.0000	20.796%	43.378%
TOTAL	928,249.2350	47.940%	100.000%

**Class R1—****4. Approval of amendments changing Rule 12b-1 Plans for certain classes of the Funds from “reimbursement” to “compensation” Plans (All Fund Classes except Classes I and NAV).**

	No. of Shares	% of Outstanding Shares	% of Shares Present
Affirmative	6,767.0000	28.730%	98.846%
Against	.0000	.000%	.000%
Abstain	.0000	.000%	.000%
Broker Non-Votes	79.0000	.335%	1.154%
TOTAL	6,846.0000	29.065%	100.000%

**Proposal 6: To revise merger approval requirements for John Hancock Capital Series****PROPOSAL 6 DID NOT PASS ON MAY 5, 2009****6. Revision to merger approval requirements (all Trusts).**

	No. of Shares	% of Outstanding Shares	% of Shares Present
Affirmative	79,291,938.4620	30.861%	51.552%
Against	4,230,441.8780	1.646%	2.750%
Abstain	2,997,074.4740	1.166%	1.949%
Broker Non-Votes	67,290,603.0000	26.189%	43.749%
TOTAL	153,810,057.8140	59.862%	100.000%

# More information

## Trustees

Patti McGill Peterson, *Chairperson*

James R. Boyle†

James F. Carlin

William H. Cunningham\*

Deborah C. Jackson\*

Charles L. Ladner

Stanley Martin\*

Dr. John A. Moore

Steven R. Pruchansky

Gregory A. Russo

John G. Vrysen†

\*Member of the Audit Committee

†Non-Independent Trustee

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Thomas M. Kinzler

*Secretary and Chief Legal Officer*

Francis V. Knox, Jr.

*Chief Compliance Officer*

Michael J. Leary

*Treasurer*

Charles A. Rizzo

*Chief Financial Officer*

John G. Vrysen

*Chief Operating Officer*

## Investment adviser

John Hancock Advisers, LLC

## Subadviser

Pzena Investment Management, LLC

## Principal distributor

John Hancock Funds, LLC

## Custodian

State Street Bank and Trust Company

## Transfer agent

John Hancock Signature Services, Inc.

## Legal counsel

K&L Gates LLP

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

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

We make this information on your fund, as well as **monthly portfolio holdings**, and other fund details available on our Website [www.jhfunds.com](http://www.jhfunds.com) or by calling 1-800-225-5291.

You can also contact us:

**1-800-225-5291**

**[jhfunds.com](http://jhfunds.com)**

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Portsmouth, NH 03802-9510

### Express mail:

John Hancock Signature Services, Inc.

Mutual Fund Image Operations

164 Corporate Drive

Portsmouth, NH 03801

**DOMESTIC EQUITY**

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

**ASSET ALLOCATION****TARGET RISK**

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

**TARGET DATE**

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

**RETIREMENT INCOME**

Lifecycle Retirement Portfolio  
 Retirement Distribution Portfolio  
 Retirement Rising Distribution Portfolio

**GLOBAL/INTERNATIONAL EQUITY**

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

**SPECIALTY**

Financial Industries Fund  
 Health Sciences Fund  
 Regional Bank 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

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

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6/09