

John Hancock
Small Company Fund

Annual report 3/31/17



John Hancock[®]
INVESTMENTS



A message to shareholders

Dear shareholder,

Financial markets are by their very nature unpredictable, but few market observers could have imagined the dramatic twists and turns that would come to characterize the latter half of 2016 and the beginning of 2017. Donald Trump's victory in the November U.S. presidential election sent both U.S. equity prices and bond yields sharply higher. Investors bid up the prices of riskier assets, believing that the new administration would pursue more pro-growth, market-friendly economic policies. While this may yet prove to be the case, change in policy has been slow to materialize and valuations in certain sectors and asset classes are now appearing somewhat stretched.

While we believe there are good reasons for economic optimism and that stocks may go on to extend their recent rally in the coming months, we encourage you to talk with your financial advisor, who can help ensure your portfolio is sufficiently diversified to meet your long-term objectives and to withstand the inevitable bumps along the way.

On behalf of everyone at John Hancock Investments, I'd like to take this opportunity to thank you for the continued trust you've placed in us.

Sincerely,

A handwritten signature in black ink that reads "Andrew Arnott". The signature is fluid and cursive, with the first name "Andrew" and last name "Arnott" clearly distinguishable.

Andrew G. Arnott
President and Chief Executive Officer
John Hancock Investments

This commentary reflects the CEO's views, which are subject to change at any time. Investing involves risks, including the potential loss of principal. Diversification does not guarantee a profit or eliminate the risk of a loss. For more up-to-date information, please visit our website at jhinvestments.com.

John Hancock Small Company Fund

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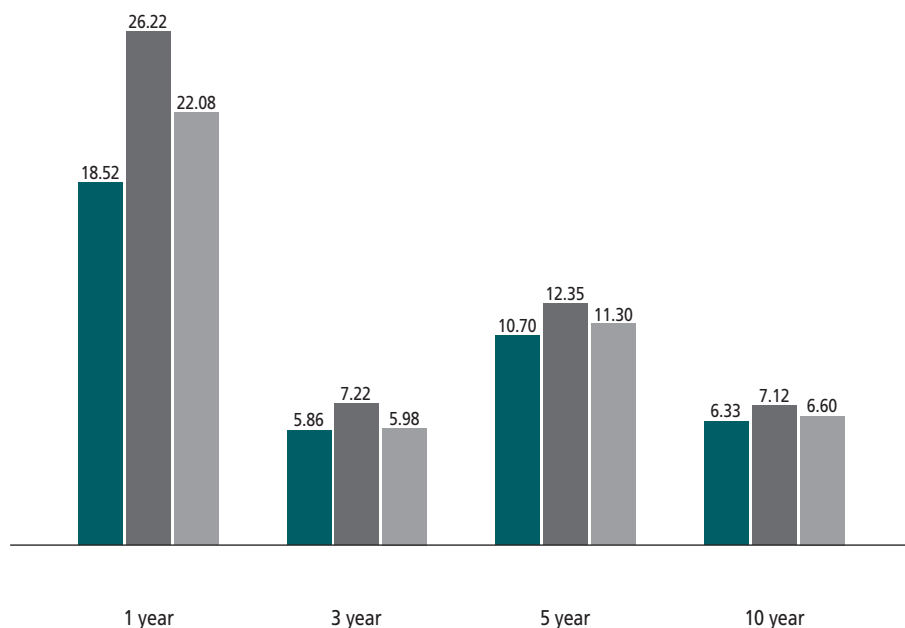
Your fund at a glance

INVESTMENT OBJECTIVE

The fund seeks maximum long-term total return.

AVERAGE ANNUAL TOTAL RETURNS AS OF 3/31/17 (%)

- Class A shares (without sales charge)¹
- Russell 2000 Index
- Morningstar small blend fund category average



The Russell 2000 Index is an index that measures performance of the 2,000 smallest companies in the Russell 3000 Index. It is not possible to invest directly in an index. Index figures do not reflect expenses or sales charges, which would result in lower returns.

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

¹ On 12-11-09, through a reorganization, the fund acquired all of the assets of the FMA Small Company Portfolio (the predecessor fund). On that date, the predecessor fund offered its Investor shares in exchange for Class A shares of John Hancock Small Company Fund, which were first offered on 12-14-09. Class A shares' returns shown above for periods prior to this date are those of the predecessor fund's Investor shares that have been recalculated to reflect the gross fees and expenses of Class A shares.

The past performance shown here reflects reinvested distributions and the beneficial effect of any expense reductions, and does not guarantee future results. Performance of the other share classes will vary based on the difference in the fees and expenses of those classes. Shares will fluctuate in value and, when redeemed, may be worth more or less than their original cost. Current month-end performance may be lower or higher than the performance cited, and can be found at jhinvestments.com or by calling 800-225-5291. For further information on the fund's objectives, risks, and strategy, see the fund's prospectus.

PERFORMANCE HIGHLIGHTS OVER THE LAST TWELVE MONTHS

Relative underperformance

The fund produced strong absolute performance in a favorable market environment but fell considerably short of its benchmark, the Russell 2000 Index.

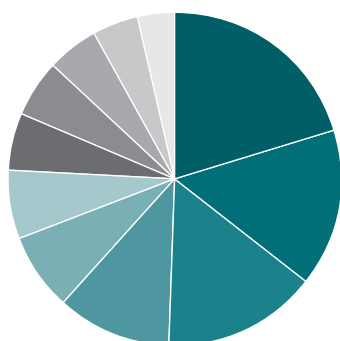
Challenges early on

Most of the fund's underperformance came in the first half of the period, when investors were rewarding more cyclical and volatile stocks, neither of which we emphasize.

Stock picking challenges

Stock picking in industrials and materials, as well as a few companies in healthcare, energy, and financials hurt results, while security selection in consumer categories added value.

SECTOR COMPOSITION AS OF 3/31/17 (%)



| | |
|----------------------------------|------|
| Financials | 20.3 |
| Industrials | 15.4 |
| Information technology | 14.9 |
| Consumer discretionary | 11.1 |
| Health care | 7.6 |
| Real estate | 6.6 |
| Utilities | 5.6 |
| Materials | 5.5 |
| Consumer staples | 5.1 |
| Energy | 4.3 |
| Short-term investments and other | 3.6 |

As a percentage of net assets.

A note about risks

The stock prices of small companies can change more frequently and dramatically than those of large companies. The value of a company's equity securities is subject to changes in the company's financial condition and overall market and economic conditions. Frequent trading may increase fund transaction costs. Sector investing is subject to greater risks than the market as a whole. Investments focused in one sector may fluctuate more than investments in a wider variety of sectors. Owning an exchange-traded fund generally reflects the risks of owning the underlying securities it is designed to track. Please see the fund's prospectus for additional risks.

Discussion of fund performance

An interview with Portfolio Manager Kathryn A. Vorisek, Mesirow Financial Investment Management, Inc.



Kathryn A. Vorisek

Portfolio Manager

Mesirow Financial

How did the fund perform during the 12 months ended March 31, 2017?

In a very strong market environment, the fund fared well in absolute terms; however, it fell short of its benchmark, the Russell 2000 Index. Most of the fund's underperformance came in the first

half of the reporting period. Just a few weeks before this period began, investor sentiment had shifted dramatically to favor highly cyclical (economically sensitive) volatile stocks. Many were of lower-quality businesses that had earlier struggled but then significantly rallied once it became clear that monetary policymakers were willing to step in to boost global economic growth.

Given our management philosophy, we are not surprised by the performance shortfall this period. We prioritize higher-quality, less-volatile small-cap stocks, which lagged their counterparts with the opposite characteristics. By the second half of the period, when the small-cap rally turned broader based, the fund's performance relative to the benchmark significantly improved.

Also weighing on the fund's results this period was subpar stock picking, especially in the industrials and materials sectors, along with individual names in healthcare, energy, and financials. In contrast, the fund benefited from security selection in the consumer discretionary and consumer staples sectors.

Which individual stocks were among the biggest relative detractors?

One of the biggest individual detractors was Banc of California, Inc. Shares of the company fell sharply in October in response to news about potential corporate governance problems. We sold the stock late last year.

We encountered a similar situation with a company purchased early in the period, Commercial Metals Company, which makes steel bars (rebar) widely used in the construction industry. Unfortunately, portions of our holding period coincided with downturns in the stock price amid lower-than-expected rebar prices. At

period end, we maintained the fund's stake in the company, in light of what we saw as its better future prospects for infrastructure spending.

“By the second half of the period, when the small-cap rally turned broader based, the fund’s performance relative to the benchmark significantly improved.”

Proto Labs, Inc., a provider of short-run custom production services, had previously done very well but ran into difficulties around the first half of the reporting period, as the company experienced a slowdown in its revenue growth and reported weaker-than-expected financial results. As our confidence in the stock's prospects diminished, we sold the fund's stake during the summer.

Meanwhile, in the healthcare sector, a position in drug manufacturer Impax Laboratories, Inc. hurt relative performance, as the company issued two consecutive disappointing quarterly financial reports. We ultimately sold the position, having lost confidence in Impax's ability to successfully address sales challenges associated with the company's key products.

TOP 10 HOLDINGS AS OF 3/31/17 (%)

| | |
|---------------------------------|-------------|
| Capitol Federal Financial, Inc. | 1.9 |
| Chemical Financial Corp. | 1.7 |
| IDACORP, Inc. | 1.7 |
| Nexstar Media Group, Inc. | 1.6 |
| Boyd Gaming Corp. | 1.6 |
| ALLETE, Inc. | 1.5 |
| Selective Insurance Group, Inc. | 1.5 |
| Barnes Group, Inc. | 1.5 |
| ITT, Inc. | 1.5 |
| STAG Industrial, Inc. | 1.5 |
| TOTAL | 16.0 |

As a percentage of net assets.
Cash and cash equivalents are not included.

Other notable detractors this period included Vista Outdoor, Inc., a maker of outdoor recreational equipment, and ExlService Holdings, Inc., an operations management and analytics company. We sold both holdings before the end of the period.

Which stocks contributed to relative performance?

The fund's top individual contributor this period was Nexstar Media Group, Inc. This television broadcaster and media company acquired Media General, Inc. during the period, and we believed the combination would add greatly to Nexstar's earnings over

time. The stock also benefited from the market's postelection optimism, as investors saw the potential for greater industry deregulation boosting the company's growth prospects.

"... we gradually became more confident in the economy's fundamental improvement and thus increased the fund's exposure to economically sensitive stocks in the second half of the period."

Another relative contributor was Central Garden & Pet Company, an operator of gardening and pet businesses, two areas of the retail industry that have been experiencing growth. Besides benefiting from a more favorable business backdrop, the company has a new management team, which has already made progress in improving the firm's operating margins. As of period end, we saw the potential for even more progress on that front, and this was a factor in our decision to continue holding the stock in the fund.

Also contributing to relative performance was Marriott Vacations Worldwide Corp., a leisure-oriented company that specializes in vacation ownership resorts, destination clubs, and vacation rentals. Marriott Vacations has benefited from healthy consumer spending trends for leisure travel and has also built sales centers in new markets. Both trends have helped boost the company's earnings and revenue growth and led to positive results for the stock this period.

What was your management approach during the period?

Regardless of the market backdrop, we follow a consistent management strategy, emphasizing high-quality small-cap companies with good earnings power. Applying this approach, we gradually

became more confident in the economy's fundamental improvement and thus increased the fund's exposure to economically sensitive stocks in the second half of the period.

By the period's final months, however, amid rising stock prices and valuations we found relatively high in light of the economy's underlying growth potential, we sought to manage the fund's allocation to certain sectors by trimming exposure to various economically sensitive stocks and categories that had grown to occupy a larger-than-desired portion of the fund.

How was the fund positioned at period end?

We believe the market backdrop appears to be better suited to our investment approach, which emphasizes individual stock selection rather than performance based on macroeconomic drivers or geopolitical events. We think a return to an environment that rewards research-based stock selection, as opposed to one in which most stocks are rising or falling together in response to market conditions, is a far better backdrop for our style of investing.

MANAGED BY



Kathryn A. Vorisek
On the fund since 1996
Investing since 1984



Leo Harmon, CFA
On the fund since 2003
Investing since 1993



The views expressed in this report are exclusively those of Kathryn A. Vorisek, Mesirow Financial Investment Management, Inc., and are subject to change. They are not meant as investment advice. Please note that the holdings discussed in this report may not have been held by the fund for the entire period. Portfolio composition is subject to review in accordance with the fund's investment strategy and may vary in the future. Current and future portfolio holdings are subject to risk.

A look at performance

TOTAL RETURNS FOR THE PERIOD ENDED MARCH 31, 2017

| | Average annual total returns (%) with maximum sales charge | | | Cumulative total returns (%) with maximum sales charge | |
|--------------------------|---|--------|---------|---|---------|
| | 1-year | 5-year | 10-year | 5-year | 10-year |
| Class A ¹ | 12.60 | 9.56 | 5.78 | 57.88 | 75.42 |
| Class I ^{1,2} | 18.90 | 11.06 | 6.68 | 68.99 | 90.93 |
| Class R1 ^{1,2} | 18.08 | 10.32 | 5.92 | 63.42 | 77.76 |
| Class R2 ^{1,2} | 18.45 | 10.60 | 5.48 | 65.50 | 70.47 |
| Class R3 ^{1,2} | 18.21 | 10.42 | 6.03 | 64.16 | 79.53 |
| Class R4 ^{1,2} | 18.79 | 10.88 | 6.40 | 67.62 | 86.00 |
| Class R5 ^{1,2} | 18.92 | 11.09 | 6.66 | 69.19 | 90.64 |
| Class R6 ^{1,2} | 19.04 | 11.19 | 6.76 | 69.93 | 92.43 |
| Class ADV ^{1,2} | 18.65 | 10.82 | 6.34 | 67.16 | 84.94 |
| Index [†] | 26.22 | 12.35 | 7.12 | 79.03 | 98.94 |

Performance figures assume all distributions are reinvested. Figures reflect maximum sales charge on Class A shares of 5%. Sales charges are not applicable to Class I, Class R1, Class R2, Class R3, Class R4, Class R5, Class R6, and Class ADV 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 prospectus for the fund and may differ from those disclosed in the Financial highlights tables in this report. Had the contractual fee waivers and expense limitations not been in place, gross expenses would apply. The expense ratios are as follows:

| | Class A | Class I | Class R1 | Class R2 | Class R3 | Class R4 | Class R5 | Class R6 | Class ADV |
|-----------|---------|---------|----------|----------|----------|----------|----------|----------|-----------|
| Gross (%) | 1.49 | 1.17 | 1.83 | 1.58 | 1.73 | 1.43 | 1.13 | 1.08 | 1.44 |
| Net (%) | 1.43 | 1.13 | 1.80 | 1.55 | 1.70 | 1.30 | 1.10 | 1.06 | 1.34 |

Please refer to the most recent prospectus and annual or semiannual report for more information on expenses and any expense limitation arrangements for each class.

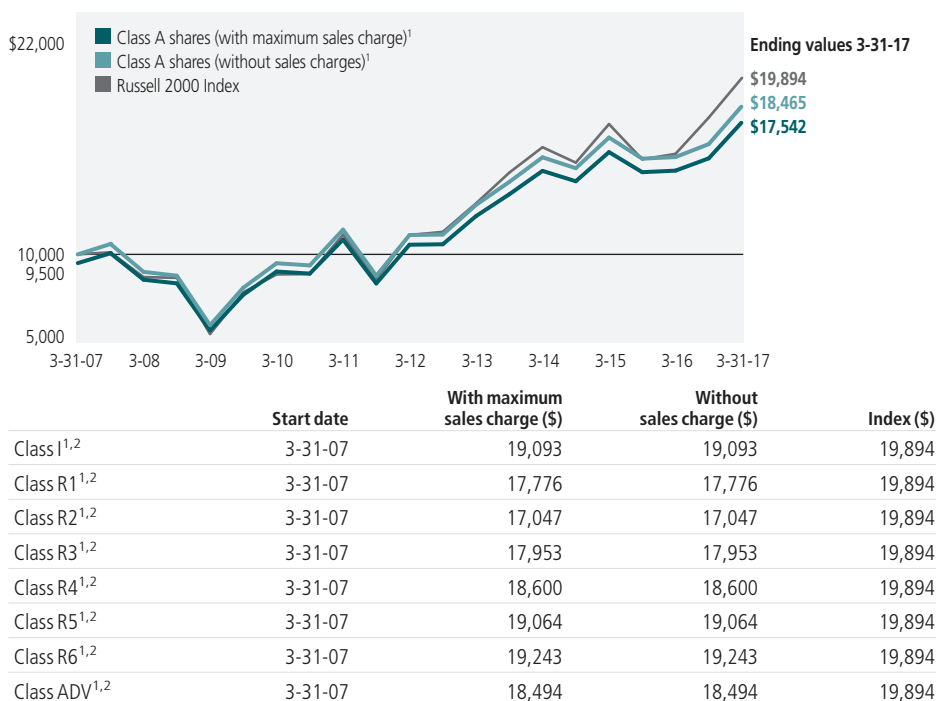
The returns reflect past results and should not be considered indicative of future performance. The return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Due to market volatility and other factors, the fund's current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

The performance table above and the chart on the next page do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. The fund's performance results reflect any applicable fee waivers or expense reductions, without which the expenses would increase and results would have been less favorable.

[†] Index is the Russell 2000 Index.

See the following page for footnotes.

This chart and table show what happened to a hypothetical \$10,000 investment in John Hancock Small Company Fund for the share classes and periods indicated, assuming all distributions were reinvested. For comparison, we've shown the same investment in the Russell 2000 Index.



The Russell 2000 Index is an index that measures performance of the 2,000 smallest companies in the Russell 3000 Index.

It is not possible to invest directly in an index. Index figures do not reflect expenses or sales charges, which would result in lower returns.

Footnotes related to performance pages

¹ On 12-11-09, through a reorganization, the fund acquired all of the assets of FMA Small Company Portfolio (the predecessor fund). On that date, the predecessor fund offered its Investor shares in exchange for Class A shares and the Institutional shares in exchange for Class I shares of John Hancock Small Company Fund, which were first offered on 12-14-09. Class A, Class I, and Class ADV shares were first offered on 12-14-09. The returns of Class A, Class I, and Class ADV shares prior to this date are those of the predecessor fund's Investor shares that have been recalculated to apply the gross fees and expenses of Class A, Class I, and Class ADV shares, as applicable. Class R1, Class R3, Class R4, and Class R5 shares were first offered on 4-30-10; Class R2 shares were first offered on 3-1-12; Class R6 shares were first offered on 9-1-11. Returns prior to these dates are those of Class A shares recalculated to apply the gross fees and expenses of Class R1, Class R3, Class R4, Class R5, Class R2, and Class R6 shares, as applicable.

² For certain types of investors, as described in the fund's prospectus.

Your expenses

These examples are intended to help you understand your ongoing operating expenses of investing in the fund so you can compare these costs with the ongoing costs of investing in other mutual funds.

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 presenting only your ongoing operating expenses here.

Actual expenses/actual returns

The first line of each share class in the table on the following page is intended to provide information about the fund's actual ongoing operating expenses, and is based on the fund's actual return. It assumes an account value of \$1,000.00 on October 1, 2016, with the same investment held until March 31, 2017.

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 March 31, 2017, by \$1,000.00, then multiply it by the "expenses paid" for your share class from the table. For example, for an account value of \$8,600.00, the operating expenses should be calculated as follows:

Example

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

Hypothetical example for comparison purposes

The second line of each share class in the table on the following page allows you to compare the fund's ongoing operating expenses with those of any other fund. It provides an example of the fund's hypothetical account values and hypothetical expenses based on each class's actual expense ratio and an assumed 5% annualized return before expenses (which is not the fund's actual return). It assumes an account value of \$1,000.00 on October 1, 2016, with the same investment held until March 31, 2017. Look in any other fund shareholder report to find its hypothetical example and you will be able to compare these expenses. Please remember that these hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

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

SHAREHOLDER EXPENSE EXAMPLE CHART

| | | Account value on 10-1-2016 | Ending value on 3-31-2017 | Expenses paid during period ended 3-31-2017 ¹ | Annualized expense ratio |
|------------------|--|----------------------------------|---------------------------------|---|--------------------------------|
| Class A | Actual expenses/actual returns | \$1,000.00 | \$1,131.30 | \$7.65 | 1.44% |
| | Hypothetical example for comparison purposes | 1,000.00 | 1,017.80 | 7.24 | 1.44% |
| Class I | Actual expenses/actual returns | 1,000.00 | 1,133.40 | 6.06 | 1.14% |
| | Hypothetical example for comparison purposes | 1,000.00 | 1,019.20 | 5.74 | 1.14% |
| Class R1 | Actual expenses/actual returns | 1,000.00 | 1,129.50 | 9.56 | 1.80% |
| | Hypothetical example for comparison purposes | 1,000.00 | 1,016.00 | 9.05 | 1.80% |
| Class R2 | Actual expenses/actual returns | 1,000.00 | 1,130.70 | 8.18 | 1.54% |
| | Hypothetical example for comparison purposes | 1,000.00 | 1,017.30 | 7.75 | 1.54% |
| Class R3 | Actual expenses/actual returns | 1,000.00 | 1,129.70 | 8.97 | 1.69% |
| | Hypothetical example for comparison purposes | 1,000.00 | 1,016.50 | 8.50 | 1.69% |
| Class R4 | Actual expenses/actual returns | 1,000.00 | 1,132.50 | 6.49 | 1.22% |
| | Hypothetical example for comparison purposes | 1,000.00 | 1,018.80 | 6.14 | 1.22% |
| Class R5 | Actual expenses/actual returns | 1,000.00 | 1,133.20 | 5.85 | 1.10% |
| | Hypothetical example for comparison purposes | 1,000.00 | 1,019.40 | 5.54 | 1.10% |
| Class R6 | Actual expenses/actual returns | 1,000.00 | 1,133.70 | 5.48 | 1.03% |
| | Hypothetical example for comparison purposes | 1,000.00 | 1,019.80 | 5.19 | 1.03% |
| Class ADV | Actual expenses/actual returns | 1,000.00 | 1,132.00 | 7.23 | 1.36% |
| | Hypothetical example for comparison purposes | 1,000.00 | 1,018.20 | 6.84 | 1.36% |

¹ Expenses are equal to the fund's annualized expense ratio, multiplied by the average account value over the period, multiplied by 182/365 (to reflect the one-half year period).

Fund's investments

AS OF 3-31-17

| | Shares | Value |
|--|---------|----------------------|
| Common stocks 96.0% | | \$326,931,326 |
| (Cost \$284,207,836) | | |
| Consumer discretionary 11.1% | | 37,663,800 |
| Auto components 2.5% | | |
| Dana, Inc. | 218,160 | 4,212,670 |
| Visteon Corp. (I) | 42,995 | 4,211,360 |
| Diversified consumer services 1.1% | | |
| DeVry Education Group, Inc. | 109,360 | 3,876,812 |
| Hotels, restaurants and leisure 2.6% | | |
| Boyd Gaming Corp. (I) | 241,315 | 5,311,343 |
| Marriott Vacations Worldwide Corp. | 34,315 | 3,429,098 |
| Household durables 1.1% | | |
| Installed Building Products, Inc. (I) | 68,985 | 3,638,959 |
| Media 1.6% | | |
| Nexstar Media Group, Inc. | 77,050 | 5,405,058 |
| Specialty retail 1.0% | | |
| Party City Holdco, Inc. (I) | 255,750 | 3,593,288 |
| Textiles, apparel and luxury goods 1.2% | | |
| Wolverine World Wide, Inc. | 159,600 | 3,985,212 |
| Consumer staples 5.1% | | 17,410,199 |
| Food and staples retailing 1.3% | | |
| Performance Food Group Company (I) | 191,620 | 4,560,556 |
| Food products 2.4% | | |
| B&G Foods, Inc. | 86,322 | 3,474,461 |
| Snyder's-Lance, Inc. | 111,660 | 4,501,015 |
| Household products 1.4% | | |
| Central Garden & Pet Company, Class A (I) | 140,385 | 4,874,167 |
| Energy 4.3% | | 14,751,999 |
| Energy equipment and services 3.2% | | |
| Forum Energy Technologies, Inc. (I) | 175,575 | 3,634,403 |
| Oil States International, Inc. (I) | 103,875 | 3,443,456 |
| Patterson-UTI Energy, Inc. | 164,010 | 3,980,523 |
| Oil, gas and consumable fuels 1.1% | | |
| Callon Petroleum Company (I) | 280,670 | 3,693,617 |
| Financials 19.9% | | 67,818,851 |
| Banks 11.7% | | |
| Ameris Bancorp | 93,545 | 4,312,425 |
| Chemical Financial Corp. | 114,930 | 5,878,670 |
| FNB Corp. | 282,430 | 4,199,734 |

| | Shares | Value |
|---|---------|-------------------|
| Financials (continued) | | |
| Banks (continued) | | |
| Great Western Bancorp, Inc. | 104,760 | \$4,442,872 |
| IBERIABANK Corp. | 55,230 | 4,368,693 |
| Independent Bank Group, Inc. | 62,065 | 3,990,780 |
| Old National Bancorp | 261,450 | 4,536,158 |
| Western Alliance Bancorp (I) | 100,415 | 4,929,372 |
| Wintrust Financial Corp. | 47,355 | 3,273,178 |
| Capital markets 1.0% | | |
| Legg Mason, Inc. | 94,985 | 3,429,908 |
| Insurance 5.3% | | |
| American Equity Investment Life Holding Company | 159,395 | 3,766,504 |
| Argo Group International Holdings, Ltd. | 66,105 | 4,481,909 |
| ProAssurance Corp. | 79,530 | 4,791,683 |
| Selective Insurance Group, Inc. | 108,380 | 5,110,117 |
| Thriffs and mortgage finance 1.9% | | |
| Capitol Federal Financial, Inc. | 431,090 | 6,306,848 |
| Health care 7.6% | | 25,806,238 |
| Biotechnology 2.4% | | |
| Ligand Pharmaceuticals, Inc. (I) | 39,460 | 4,176,446 |
| MiMedx Group, Inc. (I) | 408,005 | 3,888,288 |
| Health care providers and services 1.3% | | |
| Acadia Healthcare Company, Inc. (I) | 98,990 | 4,315,964 |
| Health care technology 1.3% | | |
| Omniceil, Inc. (I) | 113,130 | 4,598,735 |
| Life sciences tools and services 1.4% | | |
| PRA Health Sciences, Inc. (I) | 71,905 | 4,690,363 |
| Pharmaceuticals 1.2% | | |
| Prestige Brands Holdings, Inc. (I) | 74,450 | 4,136,442 |
| Industrials 15.4% | | 52,483,443 |
| Aerospace and defense 2.8% | | |
| Curtiss-Wright Corp. | 50,905 | 4,645,590 |
| Esterline Technologies Corp. (I) | 56,523 | 4,863,804 |
| Building products 1.0% | | |
| American Woodmark Corp. (I) | 37,705 | 3,461,319 |
| Commercial services and supplies 1.0% | | |
| MSA Safety, Inc. | 47,935 | 3,388,525 |
| Construction and engineering 1.1% | | |
| MasTec, Inc. (I) | 90,750 | 3,634,538 |
| Machinery 6.6% | | |
| Barnes Group, Inc. | 98,935 | 5,079,323 |

| | Shares | Value |
|--|---------|-------------------|
| Industrials (continued) | | |
| Machinery (continued) | | |
| Crane Company | 56,645 | \$4,238,745 |
| Franklin Electric Company, Inc. | 83,850 | 3,609,743 |
| ITT, Inc. | 122,940 | 5,042,999 |
| Kennametal, Inc. | 116,280 | 4,561,664 |
| Road and rail 0.9% | | |
| Swift Transportation Company (I) | 152,040 | 3,122,902 |
| Trading companies and distributors 2.0% | | |
| BMC Stock Holdings, Inc. (I) | 152,445 | 3,445,257 |
| MRC Global, Inc. (I) | 184,890 | 3,389,034 |
| Information technology 14.9% | | 50,819,685 |
| Electronic equipment, instruments and components 6.8% | | |
| Anixter International, Inc. (I) | 43,605 | 3,457,877 |
| II-VI, Inc. (I) | 131,395 | 4,736,790 |
| Itron, Inc. (I) | 52,955 | 3,214,369 |
| Littelfuse, Inc. | 21,705 | 3,470,847 |
| Sanmina Corp. (I) | 87,575 | 3,555,545 |
| Tech Data Corp. (I) | 51,970 | 4,879,983 |
| Internet software and services 0.5% | | |
| The Trade Desk, Inc., Class A (I) | 45,710 | 1,702,698 |
| IT services 1.4% | | |
| Blackhawk Network Holdings, Inc. (I) | 116,125 | 4,714,675 |
| Semiconductors and semiconductor equipment 2.3% | | |
| Inphi Corp. (I) | 94,805 | 4,628,380 |
| MKS Instruments, Inc. | 49,015 | 3,369,781 |
| Software 2.5% | | |
| Bottomline Technologies (de), Inc. (I) | 171,575 | 4,057,749 |
| Nuance Communications, Inc. (I) | 249,110 | 4,312,094 |
| Technology hardware, storage and peripherals 1.4% | | |
| Diebold Nixdorf, Inc. | 153,710 | 4,718,897 |
| Materials 5.5% | | 18,626,860 |
| Chemicals 3.3% | | |
| Ingevity Corp. (I) | 70,175 | 4,270,149 |
| Minerals Technologies, Inc. | 46,585 | 3,568,411 |
| Sensient Technologies Corp. | 43,565 | 3,452,962 |
| Containers and packaging 1.2% | | |
| Silgan Holdings, Inc. | 69,993 | 4,154,784 |
| Metals and mining 1.0% | | |
| Commercial Metals Company | 166,260 | 3,180,554 |

| | Shares | Value |
|---|-----------|----------------------|
| Real estate 6.6% | | \$22,620,554 |
| Equity real estate investment trusts 6.6% | | |
| Brandywine Realty Trust | 207,999 | 3,375,824 |
| CyrusOne, Inc. | 87,770 | 4,517,522 |
| DiamondRock Hospitality Company | 438,660 | 4,891,059 |
| Life Storage, Inc. | 58,515 | 4,805,252 |
| STAG Industrial, Inc. | 201,075 | 5,030,897 |
| Utilities 5.6% | | 18,929,697 |
| Electric utilities 4.3% | | |
| ALLETE, Inc. | 76,000 | 5,145,960 |
| IDACORP, Inc. | 69,955 | 5,803,467 |
| PNM Resources, Inc. | 96,135 | 3,556,995 |
| Gas utilities 1.3% | | |
| Spire, Inc. | 65,530 | 4,423,275 |
| Exchange-traded funds 0.4% | | \$1,360,365 |
| (Cost \$1,320,127) | | |
| iShares Russell 2000 ETF | 9,895 | 1,360,365 |
| | Yield (%) | Shares |
| Short-term investments 3.8% | | \$13,026,063 |
| (Cost \$13,026,063) | | |
| Money market funds 3.8% | | 13,026,063 |
| State Street Institutional U.S. Government Money Market Fund, Premier Class | 0.6179(Y) | 13,026,063 |
| Total investments (Cost \$298,554,026)† 100.2% | | \$341,317,754 |
| Other assets and liabilities, net (0.2%) | | (\$815,375) |
| Total net assets 100.0% | | \$340,502,379 |

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

Security Abbreviations and Legend

(I) Non-income producing security.

(Y) The rate shown is the annualized seven-day yield as of 3-31-17.

† At 3-31-17, the aggregate cost of investment securities for federal income tax purposes was \$299,005,818. Net unrealized appreciation aggregated to \$42,311,936, of which \$46,149,594 related to appreciated investment securities and \$3,837,658 related to depreciated investment securities.

Financial statements

STATEMENT OF ASSETS AND LIABILITIES 3-31-17

Assets

| | |
|--|----------------------|
| Investments, at value (Cost \$298,554,026) | \$341,317,754 |
| Receivable for fund shares sold | 976,647 |
| Dividends and interest receivable | 340,124 |
| Receivable due from advisor | 436 |
| Other receivables and prepaid expenses | 87,068 |
| Total assets | \$342,722,029 |

Liabilities

| | |
|--|------------------|
| Payable for investments purchased | 1,298,569 |
| Payable for fund shares repurchased | 802,388 |
| Payable to affiliates | |
| Accounting and legal services fees | 7,298 |
| Transfer agent fees | 32,689 |
| Distribution and service fees | 688 |
| Trustees' fees | 240 |
| Other liabilities and accrued expenses | 77,778 |
| Total liabilities | 2,219,650 |

| | |
|-------------------|----------------------|
| Net assets | \$340,502,379 |
|-------------------|----------------------|

Net assets consist of

| | |
|---|----------------------|
| Paid-in capital | \$280,684,411 |
| Accumulated net investment loss | (207,673) |
| Accumulated net realized gain (loss) on investments | 17,261,913 |
| Net unrealized appreciation (depreciation) on investments | 42,763,728 |
| Net assets | \$340,502,379 |

Net asset value per share

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

| | |
|---|---------|
| Class A (\$243,350,730 ÷ 8,507,708 shares) ¹ | \$28.60 |
| Class I (\$89,622,846 ÷ 3,058,233 shares) | \$29.31 |
| Class R1 (\$676,321 ÷ 24,309 shares) | \$27.82 |
| Class R2 (\$925,676 ÷ 32,331 shares) | \$28.63 |
| Class R3 (\$211,251 ÷ 7,534 shares) | \$28.04 |
| Class R4 (\$104,354 ÷ 3,612 shares) | \$28.89 |
| Class R5 (\$93,416 ÷ 3,183 shares) | \$29.35 |
| Class R6 (\$5,451,480 ÷ 184,764 shares) | \$29.51 |
| Class ADV (\$66,305 ÷ 2,301 shares) | \$28.82 |

Maximum offering price per share

| | |
|--|---------|
| Class A (net asset value per share ÷ 95%) ² | \$30.11 |
|--|---------|

¹ Redemption price per share is equal to net asset value less any applicable contingent deferred sales charge.

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

STATEMENT OF OPERATIONS For the year ended 3-31-17

Investment income

| | |
|-----------|-------------|
| Dividends | \$3,856,170 |
|-----------|-------------|

| | |
|----------|--------|
| Interest | 41,176 |
|----------|--------|

| | |
|--------------------------------|------------------|
| Total investment income | 3,897,346 |
|--------------------------------|------------------|

Expenses

| | |
|----------------------------|-----------|
| Investment management fees | 2,709,642 |
|----------------------------|-----------|

| | |
|-------------------------------|---------|
| Distribution and service fees | 710,308 |
|-------------------------------|---------|

| | |
|------------------------------------|--------|
| Accounting and legal services fees | 44,164 |
|------------------------------------|--------|

| | |
|---------------------|---------|
| Transfer agent fees | 356,572 |
|---------------------|---------|

| | |
|----------------|-------|
| Trustees' fees | 5,313 |
|----------------|-------|

| | |
|-------------------------|---------|
| State registration fees | 180,029 |
|-------------------------|---------|

| | |
|----------------------|--------|
| Printing and postage | 73,910 |
|----------------------|--------|

| | |
|-------------------|--------|
| Professional fees | 62,697 |
|-------------------|--------|

| | |
|----------------|--------|
| Custodian fees | 17,383 |
|----------------|--------|

| | |
|-------|--------|
| Other | 14,451 |
|-------|--------|

| | |
|-----------------------|------------------|
| Total expenses | 4,174,469 |
|-----------------------|------------------|

| | |
|-------------------------|----------|
| Less expense reductions | (69,450) |
|-------------------------|----------|

| | |
|---------------------|------------------|
| Net expenses | 4,105,019 |
|---------------------|------------------|

| | |
|----------------------------|------------------|
| Net investment loss | (207,673) |
|----------------------------|------------------|

Realized and unrealized gain (loss)

Net realized gain (loss) on

| | |
|-------------|------------|
| Investments | 29,850,179 |
|-------------|------------|

| |
|-------------------|
| 29,850,179 |
|-------------------|

Change in net unrealized appreciation (depreciation) of

| | |
|-------------|------------|
| Investments | 22,185,956 |
|-------------|------------|

| |
|-------------------|
| 22,185,956 |
|-------------------|

| | |
|---|-------------------|
| Net realized and unrealized gain | 52,036,135 |
|---|-------------------|

| | |
|---|---------------------|
| Increase in net assets from operations | \$51,828,462 |
|---|---------------------|

STATEMENTS OF CHANGES IN NET ASSETS

| | Year ended 3-31-17 | Year ended 3-31-16 |
|--|----------------------|----------------------|
| Increase (decrease) in net assets | | |
| From operations | | |
| Net investment loss | (\$207,673) | (\$212,810) |
| Net realized gain (loss) | 29,850,179 | (1,844,412) |
| Change in net unrealized appreciation (depreciation) | 22,185,956 | (13,995,380) |
| Increase (decrease) in net assets resulting from operations | 51,828,462 | (16,052,602) |
| Distributions to shareholders | | |
| From net realized gain | | |
| Class A | — | (13,629,651) |
| Class I | — | (2,785,011) |
| Class R1 | — | (52,347) |
| Class R2 | — | (55,274) |
| Class R3 | — | (19,705) |
| Class R4 | — | (5,111) |
| Class R5 | — | (5,405) |
| Class R6 | — | (337,695) |
| Class ADV | — | (39,750) |
| Total distributions | — | (16,929,949) |
| From fund share transactions | 27,815,145 | 66,902,529 |
| Total increase | 79,643,607 | 33,919,978 |
| Net assets | | |
| Beginning of year | 260,858,772 | 226,938,794 |
| End of year | \$340,502,379 | \$260,858,772 |
| Accumulated net investment loss | (\$207,673) | — |

Financial highlights

| CLASS A SHARES Period ended | 3-31-17 | 3-31-16 | 3-31-15 | 3-31-14 | 3-31-13 |
|--|----------------|----------------|----------------|----------------|----------------|
| Per share operating performance | | | | | |
| Net asset value, beginning of period | \$24.13 | \$27.75 | \$28.67 | \$24.10 | \$20.86 |
| Net investment loss ¹ | (0.04) | (0.04) | (0.05) | (0.13) | (0.07) |
| Net realized and unrealized gain (loss) on investments | 4.51 | (1.77) | 1.87 | 5.23 | 3.31 |
| Total from investment operations | 4.47 | (1.81) | 1.82 | 5.10 | 3.24 |
| Less distributions | | | | | |
| From net realized gain | — | (1.81) | (2.74) | (0.53) | — |
| Net asset value, end of period | \$28.60 | \$24.13 | \$27.75 | \$28.67 | \$24.10 |
| Total return (%)^{2,3} | 18.52 | (6.69) | 7.28 | 21.26 | 15.53 |
| Ratios and supplemental data | | | | | |
| Net assets, end of period (in millions) | \$243 | \$214 | \$180 | \$162 | \$120 |
| Ratios (as a percentage of average net assets): | | | | | |
| Expenses before reductions | 1.45 | 1.46 | 1.43 | 1.47 | 1.54 |
| Expenses including reductions | 1.43 | 1.43 | 1.43 | 1.47 | 1.50 |
| Net investment loss | (0.14) | (0.14) | (0.17) | (0.47) | (0.36) |
| Portfolio turnover (%) | 123 | 108 | 79 | 85 | 97 |

¹ Based on average daily shares outstanding.

² Does not reflect the effect of sales charges, if any.

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

| CLASS I SHARES Period ended | 3-31-17 | 3-31-16 | 3-31-15 | 3-31-14 | 3-31-13 |
|--|----------------|----------------|----------------|----------------|----------------|
| Per share operating performance | | | | | |
| Net asset value, beginning of period | \$24.65 | \$28.22 | \$29.02 | \$24.32 | \$20.96 |
| Net investment income (loss) ¹ | 0.05 | 0.04 | 0.03 | (0.04) | — ² |
| Net realized and unrealized gain (loss) on investments | 4.61 | (1.80) | 1.91 | 5.27 | 3.36 |
| Total from investment operations | 4.66 | (1.76) | 1.94 | 5.23 | 3.36 |
| Less distributions | | | | | |
| From net realized gain | — | (1.81) | (2.74) | (0.53) | — |
| Net asset value, end of period | \$29.31 | \$24.65 | \$28.22 | \$29.02 | \$24.32 |
| Total return (%)³ | 18.90 | (6.40) | 7.61 | 21.61 | 16.03 |
| Ratios and supplemental data | | | | | |
| Net assets, end of period (in millions) | \$90 | \$39 | \$43 | \$50 | \$49 |
| Ratios (as a percentage of average net assets): | | | | | |
| Expenses before reductions | 1.15 | 1.15 | 1.14 | 1.15 | 1.18 |
| Expenses including reductions | 1.13 | 1.13 | 1.13 | 1.14 | 1.11 |
| Net investment income (loss) | 0.20 | 0.13 | 0.12 | (0.15) | 0.02 |
| Portfolio turnover (%) | 123 | 108 | 79 | 85 | 97 |

¹ Based on average daily shares outstanding.

² Less than \$0.005 per share.

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

CLASS R1 SHARES Period ended**Per share operating performance**

| | 3-31-17 | 3-31-16 | 3-31-15 | 3-31-14 | 3-31-13 |
|--|----------------|----------------|----------------|----------------|----------------|
| Net asset value, beginning of period | \$23.56 | \$27.23 | \$28.29 | \$23.87 | \$20.71 |
| Net investment loss ¹ | (0.13) | (0.15) | (0.15) | (0.21) | (0.13) |
| Net realized and unrealized gain (loss) on investments | 4.39 | (1.71) | 1.83 | 5.16 | 3.29 |
| Total from investment operations | 4.26 | (1.86) | 1.68 | 4.95 | 3.16 |
| Less distributions | | | | | |
| From net realized gain | — | (1.81) | (2.74) | (0.53) | — |
| Net asset value, end of period | \$27.82 | \$23.56 | \$27.23 | \$28.29 | \$23.87 |
| Total return (%)² | 18.08 | (7.01) | 6.86 | 20.84 | 15.26 |
| Ratios and supplemental data | | | | | |
| Net assets, end of period (in millions) | \$1 | \$1 | \$1 | \$1 | \$1 |
| Ratios (as a percentage of average net assets): | | | | | |
| Expenses before reductions | 1.80 | 1.95 | 2.84 | 2.94 | 4.37 |
| Expenses including reductions | 1.79 | 1.80 | 1.80 | 1.80 | 1.80 |
| Net investment loss | (0.52) | (0.56) | (0.55) | (0.82) | (0.60) |
| Portfolio turnover (%) | 123 | 108 | 79 | 85 | 97 |

¹ Based on average daily shares outstanding.

² Total returns would have been lower had certain expenses not been reduced during the applicable periods.

CLASS R2 SHARES Period ended**Per share operating performance**

| | 3-31-17 | 3-31-16 | 3-31-15 | 3-31-14 | 3-31-13 |
|--|----------------|----------------|----------------|----------------|----------------|
| Net asset value, beginning of period | \$24.17 | \$27.83 | \$28.77 | \$24.21 | \$20.96 |
| Net investment loss ¹ | (0.06) | (0.05) | (0.08) | (0.14) | (0.08) |
| Net realized and unrealized gain (loss) on investments | 4.52 | (1.80) | 1.88 | 5.23 | 3.33 |
| Total from investment operations | 4.46 | (1.85) | 1.80 | 5.09 | 3.25 |
| Less distributions | | | | | |
| From net realized gain | — | (1.81) | (2.74) | (0.53) | — |
| Net asset value, end of period | \$28.63 | \$24.17 | \$27.83 | \$28.77 | \$24.21 |
| Total return (%)² | 18.45 | (6.82) | 7.18 | 21.12 | 15.51 |
| Ratios and supplemental data | | | | | |
| Net assets, end of period (in millions) | \$1 | \$1 | \$1 | — ³ | — ³ |
| Ratios (as a percentage of average net assets): | | | | | |
| Expenses before reductions | 1.51 | 2.21 | 4.66 | 7.99 | 20.22 |
| Expenses including reductions | 1.50 | 1.55 | 1.55 | 1.55 | 1.55 |
| Net investment loss | (0.22) | (0.20) | (0.29) | (0.54) | (0.39) |
| Portfolio turnover (%) | 123 | 108 | 79 | 85 | 97 |

¹ Based on average daily shares outstanding.

² Total returns would have been lower had certain expenses not been reduced during the applicable periods.

³ Less than \$500,000.

CLASS R3 SHARES Period ended**Per share operating performance**

| | 3-31-17 | 3-31-16 | 3-31-15 | 3-31-14 | 3-31-13 |
|--|----------------|----------------|----------------|----------------|----------------|
| Net asset value, beginning of period | \$23.72 | \$27.38 | \$28.39 | \$23.94 | \$20.76 |
| Net investment loss ¹ | (0.10) | (0.11) | (0.12) | (0.19) | (0.12) |
| Net realized and unrealized gain (loss) on investments | 4.42 | (1.74) | 1.85 | 5.17 | 3.30 |
| Total from investment operations | 4.32 | (1.85) | 1.73 | 4.98 | 3.18 |
| Less distributions | | | | | |
| From net realized gain | — | (1.81) | (2.74) | (0.53) | — |
| Net asset value, end of period | \$28.04 | \$23.72 | \$27.38 | \$28.39 | \$23.94 |
| Total return (%)² | 18.21 | (6.93) | 7.02 | 20.90 | 15.32 |
| Ratios and supplemental data | | | | | |
| Net assets, end of period (in millions) | — ³ | — ³ | — ³ | — ³ | — ³ |
| Ratios (as a percentage of average net assets): | | | | | |
| Expenses before reductions | 1.69 | 2.54 | 9.06 | 10.89 | 5.15 |
| Expenses including reductions | 1.68 | 1.70 | 1.70 | 1.70 | 1.70 |
| Net investment loss | (0.41) | (0.42) | (0.43) | (0.75) | (0.56) |
| Portfolio turnover (%) | 123 | 108 | 79 | 85 | 97 |

¹ Based on average daily shares outstanding.

² Total returns would have been lower had certain expenses not been reduced during the applicable periods.

³ Less than \$500,000.

CLASS R4 SHARES Period ended**Per share operating performance**

| | 3-31-17 | 3-31-16 | 3-31-15 | 3-31-14 | 3-31-13 |
|--|----------------|----------------|----------------|----------------|----------------|
| Net asset value, beginning of period | \$24.32 | \$27.92 | \$28.79 | \$24.17 | \$20.87 |
| Net investment income (loss) ¹ | 0.02 | — ² | (0.01) | (0.08) | (0.03) |
| Net realized and unrealized gain (loss) on investments | 4.55 | (1.79) | 1.88 | 5.23 | 3.33 |
| Total from investment operations | 4.57 | (1.79) | 1.87 | 5.15 | 3.30 |
| Less distributions | | | | | |
| From net realized gain | — | (1.81) | (2.74) | (0.53) | — |
| Net asset value, end of period | \$28.89 | \$24.32 | \$27.92 | \$28.79 | \$24.17 |
| Total return (%)³ | 18.79 | (6.58) | 7.42 | 21.41 | 15.81 |
| Ratios and supplemental data | | | | | |
| Net assets, end of period (in millions) | — ⁴ | — ⁴ | — ⁴ | — ⁴ | — ⁴ |
| Ratios (as a percentage of average net assets): | | | | | |
| Expenses before reductions | 1.32 | 4.26 | 19.97 | 18.99 | 18.82 |
| Expenses including reductions | 1.21 | 1.30 | 1.30 | 1.30 | 1.31 |
| Net investment income (loss) | 0.07 | (0.01) | (0.05) | (0.31) | (0.17) |
| Portfolio turnover (%) | 123 | 108 | 79 | 85 | 97 |

¹ Based on average daily shares outstanding.

² Less than \$0.005 per share.

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

⁴ Less than \$500,000.

CLASS R5 SHARES Period ended**Per share operating performance**

| | 3-31-17 | 3-31-16 | 3-31-15 | 3-31-14 | 3-31-13 |
|--|----------------|----------------|----------------|----------------|----------------|
| Net asset value, beginning of period | \$24.68 | \$28.24 | \$29.03 | \$24.32 | \$20.96 |
| Net investment income (loss) ¹ | 0.05 | 0.03 | 0.04 | (0.03) | 0.01 |
| Net realized and unrealized gain (loss) on investments | 4.62 | (1.78) | 1.91 | 5.27 | 3.35 |
| Total from investment operations | 4.67 | (1.75) | 1.95 | 5.24 | 3.36 |
| Less distributions | | | | | |
| From net realized gain | — | (1.81) | (2.74) | (0.53) | — |
| Net asset value, end of period | \$29.35 | \$24.68 | \$28.24 | \$29.03 | \$24.32 |
| Total return (%)² | 18.92 | (6.36) | 7.64 | 21.65 | 16.03 |
| Ratios and supplemental data | | | | | |
| Net assets, end of period (in millions) | — ³ | — ³ | — ³ | — ³ | — ³ |
| Ratios (as a percentage of average net assets): | | | | | |
| Expenses before reductions | 1.10 | 2.53 | 5.61 | 6.05 | 7.78 |
| Expenses including reductions | 1.09 | 1.10 | 1.10 | 1.10 | 1.10 |
| Net investment income | 0.20 | 0.11 | 0.16 | (0.11) | 0.05 |
| Portfolio turnover (%) | 123 | 108 | 79 | 85 | 97 |

¹ Based on average daily shares outstanding.

² Total returns would have been lower had certain expenses not been reduced during the applicable periods.

³ Less than \$500,000.

CLASS R6 SHARES Period ended**Per share operating performance**

| | 3-31-17 | 3-31-16 | 3-31-15 | 3-31-14 | 3-31-13 |
|--|----------------|----------------|----------------|----------------|----------------|
| Net asset value, beginning of period | \$24.79 | \$28.34 | \$29.08 | \$24.34 | \$20.97 |
| Net investment income (loss) ¹ | 0.07 | 0.09 | 0.09 | (0.02) | 0.02 |
| Net realized and unrealized gain (loss) on investments | 4.65 | (1.83) | 1.91 | 5.29 | 3.35 |
| Total from investment operations | 4.72 | (1.74) | 2.00 | 5.27 | 3.37 |
| Less distributions | | | | | |
| From net realized gain | — | (1.81) | (2.74) | (0.53) | — |
| Net asset value, end of period | \$29.51 | \$24.79 | \$28.34 | \$29.08 | \$24.34 |
| Total return (%)² | 19.04 | (6.30) | 7.80 | 21.75 | 16.07 |
| Ratios and supplemental data | | | | | |
| Net assets, end of period (in millions) | \$5 | \$5 | \$1 | \$1 | — ³ |
| Ratios (as a percentage of average net assets): | | | | | |
| Expenses before reductions | 1.05 | 1.17 | 4.54 | 7.66 | 18.63 |
| Expenses including reductions | 1.02 | 1.04 | 0.97 | 1.04 | 1.04 |
| Net investment income (loss) | 0.26 | 0.34 | 0.32 | (0.06) | 0.11 |
| Portfolio turnover (%) | 123 | 108 | 79 | 85 | 97 |

¹ Based on average daily shares outstanding.

² Total returns would have been lower had certain expenses not been reduced during the applicable periods.

³ Less than \$500,000.

CLASS ADV SHARES Period ended**Per share operating performance**

| | 3-31-17 | 3-31-16 | 3-31-15 | 3-31-14 | 3-31-13 |
|--|----------------|----------------|----------------|----------------|----------------|
| Net asset value, beginning of period | \$24.29 | \$27.90 | \$28.78 | \$24.17 | \$20.88 |
| Net investment loss ¹ | (0.08) | (0.02) | (0.03) | (0.09) | (0.04) |
| Net realized and unrealized gain (loss) on investments | 4.61 | (1.78) | 1.89 | 5.23 | 3.33 |
| Total from investment operations | 4.53 | (1.80) | 1.86 | 5.14 | 3.29 |
| Less distributions | | | | | |
| From net realized gain | — | (1.81) | (2.74) | (0.53) | — |
| Net asset value, end of year | \$28.82 | \$24.29 | \$27.90 | \$28.78 | \$24.17 |
| Total return (%)² | 18.65 | (6.62) | 7.39 | 21.37 | 15.76 |
| Ratios and supplemental data | | | | | |
| Net assets, end of period (in millions) | — ³ | \$1 | \$1 | \$1 | — ³ |
| Ratios (as a percentage of average net assets): | | | | | |
| Expenses before reductions | 1.38 | 2.05 | 4.17 | 4.51 | 4.91 |
| Expenses net of fee waivers | 1.34 | 1.34 | 1.34 | 1.34 | 1.34 |
| Net investment loss | (0.32) | (0.07) | (0.09) | (0.35) | (0.20) |
| Portfolio turnover (%) | 123 | 108 | 79 | 85 | 97 |

¹ Based on average daily shares outstanding.

² Total returns would have been lower had certain expenses not been reduced during the applicable periods.

³ Less than \$500,000.

Notes to financial statements

Note 1 — Organization

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

The fund may offer multiple classes of shares. The shares currently offered are detailed in the Statement of assets and liabilities. Class A shares are offered to all investors. Class I shares are offered to institutions and certain investors. Class R1, Class R2, Class R3, Class R4 and Class R5 shares are available only to certain retirement plans. Class R6 shares are available only to certain retirement plans, institutions and other investors. Class ADV shares are available to investors who acquired Class A shares as a result of the reorganization of the FMA Small Company Portfolio into the fund and are closed to new investors. Shareholders of each class have exclusive voting rights to matters that affect that class. The distribution and service fees, if any, and transfer agent fees for each class may differ.

Note 2 — Significant accounting policies

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP), which require management to make certain estimates and assumptions as of the date of the financial statements. Actual results could differ from those estimates and those differences could be significant. The fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of US GAAP.

Events or transactions occurring after the end of the fiscal period through the date that the financial statements were issued have been evaluated in the preparation of the financial statements. The following summarizes the significant accounting policies of the fund:

Security valuation. Investments are stated at value as of the scheduled close of regular trading on the New York Stock Exchange (NYSE), normally at 4:00 p.m., Eastern Time. In case of emergency or other disruption resulting in the NYSE not opening for trading or the NYSE closing at a time other than the regularly scheduled close, the net asset value (NAV) may be determined as of the regularly scheduled close of the NYSE pursuant to the fund's Valuation Policies and Procedures.

In order to value the securities, the fund uses the following valuation techniques: Equity securities held by the fund are typically valued at the last sale price or official closing price on the exchange or principal market where the security trades. In the event there were no sales during the day or closing prices are not available, the securities are valued using the last available bid price. Investments by the fund in open-end mutual funds are valued at their respective NAVs each business day.

In certain instances, the Pricing Committee may determine to value equity securities using prices obtained from another exchange or market if trading on the exchange or market on which prices are typically obtained did not open for trading as scheduled, or if trading closed earlier than scheduled, and trading occurred as normal on another exchange or market.

Other portfolio securities and assets, for which reliable market quotations are not readily available, are valued at fair value as determined in good faith by the fund's Pricing Committee following procedures established by the Board of Trustees. The frequency with which these fair valuation procedures are used cannot be predicted and fair value of securities may differ significantly from the value that would have been used had a ready market for such securities existed.

The fund uses a three-tier hierarchy to prioritize the pricing assumptions, referred to as inputs, used in valuation techniques to measure fair value. Level 1 includes securities valued using quoted prices in active markets for identical securities. Level 2 includes securities valued using other significant observable inputs. Observable inputs may include quoted prices for similar securities, interest rates, prepayment speeds and credit risk. Prices for securities valued using these inputs are received from independent pricing vendors and brokers and are based on an evaluation of the inputs described. Level 3 includes securities valued using significant unobservable inputs when market prices are not readily available or reliable, including the fund's own assumptions in determining the fair value of investments. Factors used in determining value may include market or issuer specific events or trends, changes in interest rates and credit quality. The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques and related inputs may result in transfers into or out of an assigned level within the disclosure hierarchy.

As of March 31, 2017, all investments are categorized as Level 1 under the hierarchy described on the previous page.

Security transactions and related investment income. Investment security transactions are accounted for on a trade date plus one basis for daily NAV calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is accrued as earned. Dividend income is recorded on the ex-date, except for dividends of foreign securities where the dividend may not be known until after the ex-date. In those cases, dividend income, net of withholding taxes, is recorded when the fund becomes aware of the dividends. Foreign taxes are provided for based on the fund's understanding of the tax rules and rates that exist in the foreign markets in which it invests. Gains and losses on securities sold are determined on the basis of identified cost and may include proceeds from litigation.

Real estate investment trusts. The fund may invest in real estate investment trusts (REITs). Distributions from REITs may be recorded as income and subsequently characterized by the REIT at the end of the fiscal year as a reduction of cost of investments and/or as a realized gain. As a result, the fund will estimate the components of distributions from these securities. Such estimates are revised when the actual components of the distributions are known.

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

Effective June 30, 2016, the fund and other affiliated funds have entered into a syndicated line of credit agreement with Citibank, N.A. as the administrative agent that enables them to participate in a \$1 billion unsecured committed line of credit. Excluding commitments designated for a certain fund and subject to the need of other affiliated funds, the fund can borrow up to an aggregate commitment amount of \$750 million, subject to asset coverage and other limitations as specified in the agreement. A commitment fee payable at the end of each calendar quarter, based on the average daily unused portion of the line of credit, is charged to each participating fund based on a combination of fixed and asset based allocations and is reflected in Other expenses on the Statement of operations. Prior to June 30, 2016, the fund had a similar agreement that enabled it to participate in a \$750 million unsecured committed line of credit. For the year ended March 31, 2017, the fund had no borrowings under either line of credit. Commitment fees for the year ended March 31, 2017 were \$3,142.

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

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

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

For federal income tax purposes, qualified late year ordinary losses of \$207,673 are being deferred and are treated as occurring on April 1, 2017, the first day of the fund's next taxable year.

As of March 31, 2017, the fund had no uncertain tax positions that would require financial statement recognition, derecognition or disclosure. The fund's federal tax returns are subject to examination by the Internal Revenue Service for a period of three years.

Distribution of income and gains. Distributions to shareholders from net investment income and net realized gains, if any, are recorded on the ex-date. The fund generally declares and pays dividends and capital gain distributions, if any, annually. The tax character of distributions for the years ended March 31, 2017 and 2016 was \$0 and \$16,929,949 of long-term capital gains, respectively.

Distributions paid by the fund with respect to each class of shares are calculated in the same manner, at the same time and in the same amount, except for the effect of class level expenses that may be applied differently to each class. As of March 31, 2017, the components of distributable earnings on a tax basis consisted of \$17,713,704 of undistributed long-term capital gains.

Such distributions and distributable earnings, on a tax basis, are determined in conformity with income tax regulations, which may differ from US GAAP. Distributions in excess of tax basis earnings and profits, if any, are reported in the fund's financial statements as a return of capital.

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

Note 3 — Guarantees and indemnifications

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

Note 4 — Fees and transactions with affiliates

John Hancock Advisers, LLC (the Advisor) serves as investment advisor for the fund. John Hancock Funds, LLC (the Distributor), an affiliate of the Advisor, serves as principal underwriter of the fund. The Advisor and the Distributor are indirect, wholly owned subsidiaries of Manulife Financial Corporation (MFC).

Management fee. The fund has an investment management agreement with the Advisor under which the fund pays a daily management fee to the Advisor equivalent on an annual basis to the sum of: (a) 0.90% of the first \$500 million of the fund's average daily net assets; (b) 0.85% of the next \$500 million of the fund's average daily net assets; and (c) 0.80% of the fund's average daily net assets in excess of \$1 billion. The Advisor has a subadvisory agreement with Mesirow Financial Investment Management, Inc. The fund is not responsible for payment of the subadvisory fees.

The Advisor has contractually agreed to waive a portion of its management fee and/or reimburse expenses for certain funds of the John Hancock group of funds complex, including the fund (the participating portfolios). This waiver is based upon aggregate net assets of all the participating portfolios. The amount of the reimbursement is calculated daily and allocated among all the participating portfolios in proportion to the daily net assets of each fund. During the year ended March, 31, 2017, this waiver amounted to 0.01% of the fund's average net assets. This arrangement may be amended or terminated at any time by the Advisor upon notice to the fund and with the approval of the Board of Trustees.

The Advisor has contractually agreed to reduce its management fee or, if necessary, make payment to the fund to the extent necessary to maintain the fund's total operating expenses at 1.43%, 1.13%, 1.80%, 1.55%, 1.70%, 1.30%, 1.10%, and 1.34% for Class A, Class I, Class R1, Class R2, Class R3, Class R4, Class R5, and Class ADV shares, respectively, excluding certain expenses such as taxes, brokerage commissions, interest expense, litigation and indemnification expenses and other extraordinary expenses not incurred in the ordinary course of the fund's business, acquired fund fees and expenses paid indirectly and short dividend expense. The current expense limitation agreement expires on June 30, 2017, unless renewed by mutual agreement of the fund and the Advisor based upon a determination that this is appropriate under the circumstances at that time.

For Class R6 shares, the Advisor has contractually agreed to waive and/or reimburse all class specific expenses of the fund, to the extent they exceed 0.00% of average net assets. The fee waiver and/or reimbursement will continue in effect until June 30, 2017, unless renewed by mutual agreement of the fund and Advisor based upon a determination that this is appropriate under the circumstances at the time.

For the year ended March 31, 2017, these expense reductions amounted to the following:

| Class | Expense reduction | Class | Expense reduction |
|----------|-------------------|--------------|-------------------|
| Class A | \$57,393 | Class R4 | \$10 |
| Class I | 10,481 | Class R5 | 7 |
| Class R1 | 54 | Class R6 | 1,225 |
| Class R2 | 62 | Class ADV | 67 |
| Class R3 | 18 | Total | \$69,317 |

Expenses waived or reimbursed in the current fiscal period are not subject to recapture in future fiscal periods.

The investment management fees incurred for the year ended March 31, 2017 were equivalent to a net annual effective rate of 0.88% of the fund's average daily net assets.

Accounting and legal services. Pursuant to a service agreement, the fund reimburses the Advisor for all expenses associated with providing the administrative, financial, legal, accounting and recordkeeping services to the fund, including the preparation of all tax returns, periodic reports to shareholders and regulatory reports, among other services. These expenses are allocated to each share class based on its relative net assets at the time the expense was incurred. These accounting and legal services fees incurred for the year ended March 31, 2017 amounted to an annual rate of 0.01% of the fund's average daily net assets.

Distribution and service plans. The fund has a distribution agreement with the Distributor. The fund has adopted distribution and service plans with respect to Class A, Class R1, Class R2, Class R3, Class R4 and Class ADV shares pursuant to Rule 12b-1 under the 1940 Act, to pay the Distributor for services provided as the distributor of shares of the fund. In addition, under a service plan for Class R1, Class R2, Class R3, Class R4 and Class R5 shares, the fund pays for certain other services. The fund may pay up to the following contractual rates of distribution and service fees under these arrangements, expressed as an annual percentage of average daily net assets for each class of the fund's shares.

| Class | Rule 12b-1 fee | Service fee | Class | Rule 12b-1 fee | Service fee |
|----------|----------------|-------------|-----------|----------------|-------------|
| Class A | 0.30% | — | Class R4 | 0.25% | 0.10% |
| Class R1 | 0.50% | 0.25% | Class R5 | — | 0.05% |
| Class R2 | 0.25% | 0.25% | Class ADV | 0.25% | — |
| Class R3 | 0.50% | 0.15% | | | |

The fund's Distributor has contractually agreed to waive 0.10% of Rule 12b-1 fees for Class R4 shares. The current waiver agreement expires on June 30, 2017, unless renewed by mutual agreement of the fund and the Distributor based upon a determination that this is appropriate under the circumstances at the time. This contractual waiver amounted to \$133 for Class R4 shares for the year ended March 31, 2017.

Sales charges. Class A shares are assessed up-front sales charges, which resulted in payments to the Distributor amounting to \$1,108,789 for the year ended March 31, 2017. Of this amount, \$190,147 was retained and used for printing prospectuses, advertising, sales literature and other purposes, \$915,587 was paid as sales commissions to broker-dealers and \$3,055 was paid as sales commissions to sales personnel of Signator Investors, Inc., a broker-dealer affiliate of the Advisor.

Class A shares may be subject to contingent deferred sales charges (CDSCs). Certain Class A shares that are acquired through purchases of \$1 million or more and are redeemed within one year of purchase are subject to a 1.00% sales charge. CDSCs are applied to the lesser of the current market value at the time of redemption or the original purchase cost of the

shares being redeemed. Proceeds from CDSCs are used to compensate the Distributor for providing distribution-related services in connection with the sale of these shares. During the year ended March 31, 2017, CDSCs received by the Distributor amounted to \$3,989 for Class A shares.

Transfer agent fees. The fund has a transfer agent agreement with John Hancock Signature Services, Inc. (Signature Services), an affiliate of the Advisor. The transfer agent fees paid to Signature Services are determined based on the cost to Signature Services (Signature Services Cost) of providing recordkeeping services. It also includes out-of-pocket expenses, including payments made to third-parties for recordkeeping services provided to their clients who invest in one or more John Hancock funds. In addition, Signature Services Cost may be reduced by certain fees that Signature Services receives in connection with retirement and small accounts. Signature Services Cost is calculated monthly and allocated, as applicable, to five categories of share classes: Retail Share and Institutional Share Classes of Non-Municipal Bond Funds, Class R6 Shares, Retirement Share Classes and Municipal Bond Share Classes. Within each of these categories, the applicable costs are allocated to the affected John Hancock affiliated funds and/or classes, based on the relative average daily net assets.

Class level expenses. Class level expenses for the year ended March 31, 2017 were:

| Class | Distribution and service fees | Transfer agent fees |
|--------------|-------------------------------|---------------------|
| Class A | \$698,912 | \$286,923 |
| Class I | — | 68,307 |
| Class R1 | 5,345 | 117 |
| Class R2 | 3,772 | 135 |
| Class R3 | 1,503 | 39 |
| Class R4 | 371 | 22 |
| Class R5 | 40 | 14 |
| Class R6 | — | 838 |
| Class ADV | 365 | 177 |
| Total | \$710,308 | \$356,572 |

Trustee expenses. The fund compensates each Trustee who is not an employee of the Advisor or its affiliates. The costs of paying Trustee compensation and expenses are allocated to each fund based on its net assets relative to other funds within the John Hancock group of funds complex.

Interfund lending program Pursuant to an Exemptive Order issued by the SEC, the fund(s), along with certain other funds advised by the Advisor or its affiliates, may participate in an interfund lending program. This program provides an alternative credit facility allowing the funds to borrow from, or lend money to, other participating affiliated funds. At period end, no interfund loans were outstanding. Interest income is included in Interest on the Statement of operations. The fund's activity in this program during the period for which loans were outstanding was as follows:

| Borrower or lender | Weighted average loan balance | Days outstanding | Weighted average interest rate | Interest income |
|--------------------|-------------------------------|------------------|--------------------------------|-----------------|
| Lender | \$6,807,174 | 2 | 0.740% | \$280 |

Note 5 — Fund share transactions

Transactions in fund shares for the years ended March 31, 2017 and 2016 were as follows:

| | Year ended 3-31-17 | | Year ended 3-31-16 | |
|--------------------------------|--------------------|-----------------------|--------------------|---------------------|
| | Shares | Amount | Shares | Amount |
| Class A shares | | | | |
| Sold | 2,372,316 | \$61,488,996 | 3,037,876 | \$77,883,439 |
| Distributions reinvested | — | — | 543,417 | 13,498,483 |
| Repurchased | (2,742,785) | (71,806,566) | (1,181,047) | (30,454,452) |
| Net increase (decrease) | (370,469) | (\$10,317,570) | 2,400,246 | \$60,927,470 |
| Class I shares | | | | |
| Sold | 2,293,124 | \$61,229,488 | 363,685 | \$9,845,616 |
| Distributions reinvested | — | — | 109,806 | 2,783,592 |
| Repurchased | (827,753) | (22,051,241) | (413,755) | (10,987,061) |
| Net increase | 1,465,371 | \$39,178,247 | 59,736 | \$1,642,147 |
| Class R1 shares | | | | |
| Sold | 6,347 | \$160,129 | 10,830 | \$280,665 |
| Distributions reinvested | — | — | 1,502 | 36,475 |
| Repurchased | (14,543) | (364,899) | (29,848) | (771,336) |
| Net decrease | (8,196) | (\$204,770) | (17,516) | (\$454,196) |
| Class R2 shares | | | | |
| Sold | 9,527 | \$257,486 | 22,743 | \$612,600 |
| Distributions reinvested | — | — | 1,606 | 39,988 |
| Repurchased | (11,877) | (302,577) | (10,192) | (279,303) |
| Net increase (decrease) | (2,350) | (\$45,091) | 14,157 | \$373,285 |
| Class R3 shares | | | | |
| Sold | 1,129 | \$28,446 | 3,898 | \$102,088 |
| Distributions reinvested | — | — | 806 | 19,705 |
| Repurchased | (4,527) | (115,287) | (2,421) | (59,287) |
| Net increase (decrease) | (3,398) | (\$86,841) | 2,283 | \$62,506 |
| Class R4 shares | | | | |
| Sold | 2,235 | \$56,134 | 3,663 | \$86,767 |
| Distributions reinvested | — | — | 111 | 2,770 |
| Repurchased | (2,646) | (72,390) | (2,371) | (56,921) |
| Net increase (decrease) | (411) | (\$16,256) | 1,403 | \$32,616 |
| Class R5 shares | | | | |
| Sold | 157 | \$4,307 | 613 | \$17,345 |
| Distributions reinvested | — | — | 213 | 5,405 |
| Repurchased | (79) | (2,194) | (9,406) | (265,975) |
| Net increase (decrease) | 78 | \$2,113 | (8,580) | (\$243,225) |
| Class R6 shares | | | | |
| Sold | 33,935 | \$897,813 | 179,541 | \$4,857,547 |
| Distributions reinvested | — | — | 13,248 | 337,695 |
| Repurchased | (40,744) | (1,078,519) | (29,082) | (724,893) |
| Net increase (decrease) | (6,809) | (\$180,706) | 163,707 | \$4,470,349 |

| | Year ended 3-31-17 | | Year ended 3-31-16 | |
|--------------------------------|--------------------|---------------------|--------------------|---------------------|
| | Shares | Amount | Shares | Amount |
| Class ADV shares | | | | |
| Sold | 1,654 | \$43,025 | 2,155 | \$59,907 |
| Distributions reinvested | — | — | 1,590 | 39,750 |
| Repurchased | (22,846) | (557,006) | (359) | (8,080) |
| Net increase (decrease) | (21,192) | (\$513,981) | 3,386 | \$91,577 |
| Total net increase | 1,052,624 | \$27,815,145 | 2,618,822 | \$66,902,529 |

Affiliates of the Trust owned 36% of the fund's Class R4 shares on March 31, 2017.

Note 6 — Purchase and sale of securities

Purchases and sales of securities, other than short-term investments, amounted to \$382,246,891 and \$358,064,712, respectively, for the year ended March 31, 2017.

Note 7 — New rule issuance

In October 2016, the SEC issued Final Rule Release No.33-10231, Investment Company Reporting Modernization (the Release). The Release calls for the adoption of new rules and forms as well as amendments to its rules and forms to modernize the reporting and disclosure of information by registered investment companies. The SEC is adopting amendments to Regulation S-X, which will require standardized, enhanced disclosure about derivatives in investment company financial statements, as well as other amendments. The updates to Regulation S-X are effective August 1, 2017 and may result in additional disclosure relating to the presentation of derivatives and certain other financial instruments. These updates will have no impact on the fund's net assets or results of operations.

AUDITOR'S REPORT

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of John Hancock Funds III and Shareholders of John Hancock Small Company Fund

In our opinion, the accompanying statement of assets and liabilities, including the fund's investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of the John Hancock Small Company Fund (the "Fund") as of March 31, 2017, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities as of March 31, 2017 by correspondence with the custodian and brokers, and the application of alternative auditing procedures where securities purchased confirmations had not been received, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Boston, Massachusetts

May 16, 2017

Trustees and Officers

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

Independent Trustees

| Name, year of birth Position(s) held with Trust Principal occupation(s) and other directorships during past 5 years | Trustee of the Trust since ¹ | Number of John Hancock funds overseen by Trustee |
|---|--|---|
| Hassell H. McClellan , Born: 1945 <i>Trustee and Chairperson of the Board</i> Director/Trustee, Virtus Funds (since 2008); Director, The Barnes Group (since 2010); Associate Professor, The Wallace E. Carroll School of Management, Boston College (retired 2013). Trustee (since 2014) and Chairperson of the Board (since 2017), John Hancock Collateral Trust; Trustee (since 2015) and Chairperson of the Board (since 2017), John Hancock Exchange-Traded Fund Trust; Trustee (since 2012) and Chairperson of the Board (since 2017), John Hancock retail funds ³ ; Trustee (2005–2006 and since 2012) and Chairperson of the Board (since 2017), John Hancock Funds III; Trustee (since 2005) and Chairperson of the Board (since 2017), John Hancock Variable Insurance Trust and John Hancock Funds II. | 2012 | 228 |
| Charles L. Bardelis , ² Born: 1941 <i>Trustee</i> Director, Island Commuter Corp. (marine transport). Trustee, John Hancock Collateral Trust (since 2014), Trustee, John Hancock Exchange-Traded Fund Trust (since 2015); Trustee, John Hancock retail funds ³ (since 2012); Trustee, John Hancock Funds III (2005–2006 and since 2012); Trustee, John Hancock Variable Insurance Trust (since 1988); Trustee, John Hancock Funds II (since 2005). | 2012 | 228 |
| Peter S. Burgess , ² Born: 1942 <i>Trustee</i> Consultant (financial, accounting, and auditing matters) (since 1999); Certified Public Accountant; Partner, Arthur Andersen (independent public accounting firm) (prior to 1999); Director, Lincoln Educational Services Corporation (since 2004); Director, Symetra Financial Corporation (2010–2016); Director, PMA Capital Corporation (2004–2010). Trustee, John Hancock Collateral Trust (since 2014); Trustee, John Hancock Exchange-Traded Fund Trust (since 2015); Trustee, John Hancock retail funds ³ (since 2012); Trustee, John Hancock Funds III (2005–2006 and since 2012); Trustee, John Hancock Variable Insurance Trust and John Hancock Funds II (since 2005). | 2012 | 228 |
| William H. Cunningham , Born: 1944 <i>Trustee</i> Professor, University of Texas, Austin, Texas (since 1971); former Chancellor, University of Texas System and former President of the University of Texas, Austin, Texas; Chairman (since 2009) and Director (since 2006), Lincoln National Corporation (insurance); Director, Southwest Airlines (since 2000); former Director, LIN Television (2009–2014). Trustee, John Hancock retail funds ³ (since 1986); Trustee, John Hancock Variable Insurance Trust (since 2012); Trustee, John Hancock Funds II (2005–2006 and since 2012); Trustee, John Hancock Collateral Trust (since 2014); Trustee, John Hancock Exchange-Traded Fund Trust (since 2015). | 2006 | 228 |
| Grace K. Fey , Born: 1946 <i>Trustee</i> Chief Executive Officer, Grace Fey Advisors (since 2007); Director and Executive Vice President, Frontier Capital Management Company (1988–2007); Director, Fiduciary Trust (since 2009). Trustee, John Hancock Collateral Trust (since 2014); Trustee, John Hancock Exchange-Traded Fund Trust (since 2015); Trustee, John Hancock retail funds ³ (since 2012); Trustee, John Hancock Variable Insurance Trust and John Hancock Funds II (since 2008). | 2012 | 228 |

Independent Trustees (continued)

| Name, year of birth Position(s) held with Trust Principal occupation(s) and other directorships during past 5 years | Trustee of the Trust since ¹ | Number of John Hancock funds overseen by Trustee |
|---|--|---|
| Theron S. Hoffman, ² Born: 1947 | 2012 | 228 |
| <p><i>Trustee</i></p> <p>Chief Executive Officer, T. Hoffman Associates, LLC (consulting firm) (since 2003); Director, The Todd Organization (consulting firm) (2003–2010); President, Westport Resources Management (investment management consulting firm) (2006–2008); Senior Managing Director, Partner, and Operating Head, Putnam Investments (2000–2003); Executive Vice President, The Thomson Corp. (financial and legal information publishing) (1997–2000). Trustee, John Hancock Collateral Trust (since 2014); Trustee, John Hancock Exchange-Traded Fund Trust (since 2015); Trustee, John Hancock retail funds³ (since 2012); Trustee, John Hancock Variable Insurance Trust and John Hancock Funds II (since 2008).</p> | | |
| Deborah C. Jackson, Born: 1952 | 2008 | 228 |
| <p><i>Trustee</i></p> <p>President, Cambridge College, Cambridge, Massachusetts (since 2011); Board of Directors, National Association of Corporate Directors/New England (since 2015); Board of Directors, Association of Independent Colleges and Universities of Massachusetts, (since 2014); Chief Executive Officer, American Red Cross of Massachusetts Bay (2002–2011); Board of Directors of Eastern Bank Corporation (since 2001); Board of Directors of Eastern Bank Charitable Foundation (since 2001); Board of Directors of American Student Assistance Corporation (1996–2009); Board of Directors of Boston Stock Exchange (2002–2008); Board of Directors of Harvard Pilgrim Healthcare (health benefits company) (2007–2011). Trustee, John Hancock retail funds³ (since 2008); Trustee, John Hancock Variable Insurance Trust and John Hancock Funds II (since 2012); Trustee, John Hancock Collateral Trust (since 2014); and Trustee, John Hancock Exchange-Traded Fund Trust (since 2015).</p> | | |
| James M. Oates, Born: 1946 | 2012 | 228 |
| <p><i>Trustee</i></p> <p>Managing Director, Wydown Group (financial consulting firm) (since 1994); Chairman and Director, Emerson Investment Management, Inc. (2000–2015); Independent Chairman, Hudson Castle Group, Inc. (formerly IBEX Capital Markets, Inc.) (financial services company) (1997–2011); Director, Stifel Financial (since 1996); Director, Investor Financial Services Corporation (1995–2007); Director, Connecticut River Bancorp (1998–2014); Director/Trustee, Virtus Funds (since 1988). Trustee (since 2014) and Chairperson of the Board (2014–2016), John Hancock Collateral Trust; Trustee (since 2015) and Chairperson of the Board (2015–2016), John Hancock Exchange-Traded Fund Trust; Trustee (since 2012) and Chairperson of the Board (2012–2016), John Hancock retail funds³; Trustee (2005–2006 and since 2012) and Chairperson of the Board (2012–2016), John Hancock Funds III; Trustee (since 2004) and Chairperson of the Board (since 2005–2016), John Hancock Variable Insurance Trust; Trustee (since 2005) and Chairperson of the Board, John Hancock Funds II (2005–2016).</p> | | |
| Steven R. Pruchansky, Born: 1944 | 2006 | 228 |
| <p><i>Trustee and Vice Chairperson of the Board</i></p> <p>Chairman and Chief Executive Officer, Greenscapes of Southwest Florida, Inc. (since 2000); Director and President, Greenscapes of Southwest Florida, Inc. (until 2000); Member, Board of Advisors, First American Bank (until 2010); Managing Director, Jon James, LLC (real estate) (since 2000); Partner, Right Funding, LLC (since 2014); Director, First Signature Bank & Trust Company (until 1991); Director, Mast Realty Trust (until 1994); President, Maxwell Building Corp. (until 1991). Trustee (since 1992) and Chairperson of the Board (2011–2012), John Hancock retail funds³; Trustee and Vice Chairperson of the Board, John Hancock retail funds³ John Hancock Variable Insurance Trust, and John Hancock Funds II (since 2012); Trustee and Vice Chairperson of the Board, John Hancock Collateral Trust (since 2014); Trustee and Vice Chairperson of the Board, John Hancock Exchange-Traded Fund Trust (since 2015).</p> | | |

Independent Trustees (continued)

| Name, year of birth Position(s) held with Trust Principal occupation(s) and other directorships during past 5 years | Trustee of the Trust since ¹ | Number of John Hancock funds overseen by Trustee |
|--|--|---|
|--|--|---|

| | | |
|-------------------------------------|------|-----|
| Gregory A. Russo, Born: 1949 | 2008 | 228 |
|-------------------------------------|------|-----|

Trustee

Director and Audit Committee Chairman (since 2012), and Member, Audit Committee and Finance Committee (since 2011), NCH Healthcare System, Inc. (holding company for multi-entity healthcare system); Director and Member (since 2012) and Finance Committee Chairman (since 2014), The Moorings, Inc. (nonprofit continuing care community); Vice Chairman, Risk & Regulatory Matters, KPMG LLP (KPMG) (2002–2006); Vice Chairman, Industrial Markets, KPMG (1998–2002); Chairman and Treasurer, Westchester County, New York, Chamber of Commerce (1986–1992); Director, Treasurer, and Chairman of Audit and Finance Committees, Putnam Hospital Center (1989–1995); Director and Chairman of Fundraising Campaign, United Way of Westchester and Putnam Counties, New York (1990–1995). Trustee, John Hancock retail funds³ (since 2008); Trustee, John Hancock Variable Insurance Trust and John Hancock Funds II (since 2012); Trustee, John Hancock Collateral Trust (since 2014); Trustee, John Hancock Exchange-Traded Fund Trust (since 2015).

Non-Independent Trustees⁴

| Name, year of birth Position(s) held with Trust Principal occupation(s) and other directorships during past 5 years | Trustee of the Trust since ¹ | Number of John Hancock funds overseen by Trustee |
|--|--|---|
|--|--|---|

| | | |
|-----------------------------------|------|-----|
| James R. Boyle, Born: 1959 | 2015 | 228 |
|-----------------------------------|------|-----|

Non-Independent Trustee

Chairman and Chief Executive Officer, Zillion Group, Inc. (formerly HealthFleet, Inc.) (healthcare) (since 2014); Executive Vice President and Chief Executive Officer, U.S. Life Insurance Division of Genworth Financial, Inc. (insurance) (January 2014–July 2014); Senior Executive Vice President, Manulife Financial Corporation, President and Chief Executive Officer, John Hancock (1999–2012); Chairman and Director, John Hancock Advisers, LLC, John Hancock Funds, LLC, and John Hancock Investment Management Services, LLC (2005–2010). Trustee, John Hancock Collateral Trust and John Hancock Exchange-Traded Fund Trust (since 2015); Trustee, John Hancock retail funds³ (2005–2010; 2012–2014 and since 2015); Trustee, John Hancock Variable Insurance Trust and John Hancock Funds II (2005–2014 and since 2015).

| | | |
|----------------------------------|------|-----|
| Craig Bromley, Born: 1966 | 2012 | 228 |
|----------------------------------|------|-----|

Non-Independent Trustee

President, John Hancock Financial Service (since 2012); Senior Executive Vice President and General Manager, U.S. Division, Manulife Financial Corporation (since 2012); President and Chief Executive Officer, Manulife Insurance Company (Manulife Japan) (2005–2012, including prior positions). Trustee, John Hancock retail funds,³ John Hancock Variable Insurance Trust, and John Hancock Funds II (since 2012); Trustee, John Hancock Collateral Trust (since 2014); Trustee, John Hancock Exchange-Traded Fund Trust (since 2015).

| | | |
|--------------------------------------|------|-----|
| Warren A. Thomson, Born: 1955 | 2012 | 228 |
|--------------------------------------|------|-----|

Non-Independent Trustee

Senior Executive Vice President and Chief Investment Officer, Manulife Financial Corporation and The Manufacturers Life Insurance Company (since 2009); Chairman, Manulife Asset Management (since 2001, including prior positions); Director and Chairman, Manulife Asset Management Limited (since 2006); Director and Chairman, Hancock Natural Resources Group, Inc. (since 2013). Trustee, John Hancock retail funds,³ John Hancock Variable Insurance Trust, and John Hancock Funds II (since 2012); Trustee, John Hancock Collateral Trust (since 2014); Trustee, John Hancock Exchange-Traded Fund Trust (since 2015).

Principal officers who are not Trustees

| Name, year of birth Position(s) held with Trust Principal occupation(s) during past 5 years | Officer of the Trust since |
|--|-------------------------------------|
| Andrew G. Arnott, Born: 1971 2009 <i>President</i> Senior Vice President, John Hancock Financial Services (since 2009); Director and Executive Vice President, John Hancock Advisers, LLC (since 2005, including prior positions); Director and Executive Vice President, John Hancock Investment Management Services, LLC (since 2006, including prior positions); President, John Hancock Funds, LLC (since 2004, including prior positions); President, John Hancock retail funds, ³ John Hancock Variable Insurance Trust, and John Hancock Funds II (since 2007, including prior positions); President, John Hancock Collateral Trust and John Hancock Exchange-Traded Fund Trust (since 2014). | |
| John J. Danello, Born: 1955 2014 <i>Senior Vice President, Secretary, and Chief Legal Officer</i> Vice President and Chief Counsel, John Hancock Wealth Management (since 2005); Senior Vice President (since 2007) and Chief Legal Counsel (2007–2010), John Hancock Funds, LLC and The Berkeley Financial Group, LLC; Senior Vice President (since 2006, including prior positions) and Chief Legal Officer and Secretary (since 2014), John Hancock retail funds, ³ John Hancock Funds II and John Hancock Variable Insurance Trust; Senior Vice President, Secretary and Chief Legal Officer, John Hancock Collateral Trust and John Hancock Exchange-Traded Fund Trust (since 2014); Vice President, John Hancock Life & Health Insurance Company (since 2009); Vice President, John Hancock Life Insurance Company (USA) and John Hancock Life Insurance Company of New York (since 2010); and Senior Vice President, Secretary and Chief Legal Counsel (2007–2014, including prior positions) of John Hancock Advisers, LLC and John Hancock Investment Management Services, LLC. | |
| Francis V. Knox, Jr., Born: 1947 2006 <i>Chief Compliance Officer</i> Vice President, John Hancock Financial Services (since 2005); Chief Compliance Officer, John Hancock retail funds, ³ John Hancock Variable Insurance Trust, John Hancock Funds II, John Hancock Advisers, LLC, and John Hancock Investment Management Services, LLC (since 2005); Chief Compliance Officer, John Hancock Collateral Trust and John Hancock Exchange-Traded Fund Trust (since 2014). | |
| Charles A. Rizzo, Born: 1957 2007 <i>Chief Financial Officer</i> Vice President, John Hancock Financial Services (since 2008); Senior Vice President, John Hancock Advisers, LLC and John Hancock Investment Management Services, LLC (since 2008); Chief Financial Officer, John Hancock retail funds, ³ John Hancock Variable Insurance Trust and John Hancock Funds II (since 2007); Chief Financial Officer, John Hancock Collateral Trust and John Hancock Exchange-Traded Fund Trust (since 2014). | |
| Salvatore Schiavone, Born: 1965 2010 <i>Treasurer</i> Assistant Vice President, John Hancock Financial Services (since 2007); Vice President, John Hancock Advisers, LLC and John Hancock Investment Management Services, LLC (since 2007); Treasurer, John Hancock retail funds ³ (since 2007, including prior positions); Treasurer, John Hancock Variable Insurance Trust and John Hancock Funds II (2007–2009 and since 2010, including prior positions); Treasurer, John Hancock Collateral Trust and John Hancock Exchange-Traded Fund Trust (since 2014). | |

The business address for all Trustees and Officers is 601 Congress Street, Boston, Massachusetts 02210-2805.

The Statement of Additional Information of the fund includes additional information about members of the Board of Trustees of the Trust and is available without charge, upon request, by calling 800-225-5291.

¹ Each Trustee holds office until his or her successor is elected and qualified, or until the Trustee's death, retirement, resignation, or removal. Mr. Boyle has served as Trustee at various times prior to the date listed in the table.

² Member of the Audit Committee.

³ "John Hancock retail funds" comprises John Hancock Funds III and 40 other John Hancock funds consisting of 30 series of other John Hancock trusts and 10 closed-end funds.

⁴ The Trustee is a Non-Independent Trustee due to current or former positions with the Advisor and certain affiliates.

More information

Trustees

Hassell H. McClellan, *Chairperson*[#]
Steven R. Pruchansky, *Vice Chairperson*
Charles L. Bardelis*
James R. Boyle†
Craig Bromley†
Peter S. Burgess*
William H. Cunningham
Grace K. Fey
Theron S. Hoffman*
Deborah C. Jackson
James M. Oates
Gregory A. Russo
Warren A. Thomson†

Officers

Andrew G. Arnott
President
John J. Danello
*Senior Vice President, Secretary,
and Chief Legal Officer*
Francis V. Knox, Jr.
Chief Compliance Officer
Charles A. Rizzo
Chief Financial Officer
Salvatore Schiavone
Treasurer

*Member of the Audit Committee

†Non-Independent Trustee

[#]Effective 1-1-17

The fund's proxy voting policies and procedures, as well as the fund 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 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, sec.gov, and can be reviewed and copied (for a fee) at the SEC's Public Reference Room in Washington, DC. Call 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 at jhinvestments.com or by calling 800-225-5291.

Investment advisor

John Hancock Advisers, LLC

Subadvisor

Mesirow Financial Investment Management, Inc.

Principal distributor

John Hancock Funds, LLC

Custodian

State Street Bank and Trust Company

Transfer agent

John Hancock Signature Services, Inc.

Legal counsel

K&L Gates LLP

Independent registered public accounting firm

PricewaterhouseCoopers LLP

You can also contact us:

800-225-5291

jhinvestments.com

Regular mail:

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

Express mail:

John Hancock Signature Services, Inc.
Suite 55913
30 Dan Road
Canton, MA 02021

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Brokerage account shareholders

If you receive statements directly from your bank or broker and would like to participate in eDelivery, go to icsdelivery/live or contact your financial representative.

How can we help you?

Is there a simple way to keep my asset allocation strategy on track?

Can I quickly get tax information on my John Hancock investments?

Where can I get the form to update my IRA beneficiaries?

BY PHONE

Call our customer service representatives at 800-225-5291, Monday to Thursday, 8:00 A.M.–7:00 P.M., and Friday, 8:00 A.M.–6:00 P.M., Eastern time.

ONLINE

- Bookmark **jhinvestments.com** where, in one location, you'll find answers to some of the most common shareholder questions.
- If you're looking for a simple way to maintain your asset allocation strategy, go to Forms & Applications and discover our **Asset Allocation and Automatic Rebalancing feature**.
- For tax information specific to your John Hancock investments, visit our online **Tax Center**.
- To change your **IRA beneficiaries**, simply download, complete, and return the form.
- Visit our Education and Guidance Center, run the "What will my income be after I retire?" calculator and **answer key retirement questions**.



John Hancock family of funds

DOMESTIC EQUITY FUNDS

Balanced
Blue Chip Growth
Classic Value
Disciplined Value
Disciplined Value Mid Cap
Equity Income
Fundamental All Cap Core
Fundamental Large Cap Core
Fundamental Large Cap Value
New Opportunities
Small Cap Value
Small Company
Strategic Growth
U.S. Global Leaders Growth
U.S. Growth
Value Equity

GLOBAL AND INTERNATIONAL EQUITY FUNDS

Disciplined Value International
Emerging Markets
Emerging Markets Equity
Fundamental Global Franchise
Global Equity
Global Shareholder Yield
Greater China Opportunities
International Growth
International Small Company
International Value Equity

INCOME FUNDS

Bond
California Tax-Free Income
Emerging Markets Debt
Floating Rate Income
Global Income
Government Income
High Yield
High Yield Municipal Bond
Income
Investment Grade Bond
Money Market
Short Duration Credit Opportunities
Spectrum Income
Strategic Income Opportunities
Tax-Free Bond

ALTERNATIVE AND SPECIALTY FUNDS

Absolute Return Currency
Alternative Asset Allocation
Enduring Assets
Financial Industries
Global Absolute Return Strategies
Global Conservative Absolute Return
Global Focused Strategies
Natural Resources
Redwood
Regional Bank
Seaport
Technical Opportunities

A fund's investment objectives, risks, charges, and expenses should be considered carefully before investing. The prospectus contains this and other important information about the fund. To obtain a prospectus, contact your financial professional, call John Hancock Investments at 800-225-5291, or visit our website at jhinvestments.com. Please read the prospectus carefully before investing or sending money.

ASSET ALLOCATION

Income Allocation Fund
Multi-Index Lifetime Portfolios
Multi-Index Preservation Portfolios
Multimanager Lifestyle Portfolios
Multimanager Lifetime Portfolios

EXCHANGE-TRADED FUNDS

John Hancock Multifactor Consumer Discretionary ETF
John Hancock Multifactor Consumer Staples ETF
John Hancock Multifactor Developed International ETF
John Hancock Multifactor Energy ETF
John Hancock Multifactor Financials ETF
John Hancock Multifactor Healthcare ETF
John Hancock Multifactor Industrials ETF
John Hancock Multifactor Large Cap ETF
John Hancock Multifactor Materials ETF
John Hancock Multifactor Mid Cap ETF
John Hancock Multifactor Technology ETF
John Hancock Multifactor Utilities ETF

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE FUNDS

ESG All Cap Core
ESG Core Bond
ESG International Equity
ESG Large Cap Core

CLOSED-END FUNDS

Financial Opportunities
Hedged Equity & Income
Income Securities Trust
Investors Trust
Preferred Income
Preferred Income II
Preferred Income III
Premium Dividend
Tax-Advantaged Dividend Income
Tax-Advantaged Global Shareholder Yield

John Hancock Multifactor ETF shares are bought and sold at market price (not NAV), and are not individually redeemed from the fund. Brokerage commissions will reduce returns.

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John Hancock Investments

A trusted brand

John Hancock Investments is a premier asset manager representing one of America's most trusted brands, with a heritage of financial stewardship dating back to 1862. Helping our shareholders pursue their financial goals is at the core of everything we do. It's why we support the role of professional financial advice and operate with the highest standards of conduct and integrity.

A better way to invest

We serve investors globally through a unique multimanager approach: We search the world to find proven portfolio teams with specialized expertise for every strategy we offer, then we apply robust investment oversight to ensure they continue to meet our uncompromising standards and serve the best interests of our shareholders.

Results for investors

Our unique approach to asset management enables us to provide a diverse set of investments backed by some of the world's best managers, along with strong risk-adjusted returns across asset classes.

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John Hancock Funds, LLC ■ Member FINRA, SIPC
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