JOHN HANCOCK PREFERRED INCOME FUND II
Form N-CSRS
March 31, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21202

John Hancock Preferred Income Fund II
(Exact name of registrant as specified in charter)

601 Congress Street, Boston, Massachusetts 02210
(Address of principal executive offices) (Zip code)

Salvatore Schiavone
Treasurer
601 Congress Street

Boston, Massachusetts 02210

(Name and address of agent for service)

Registrant's telephone number, including area code: 617-663-4497

Date of fiscal year end:	July 31
Date of reporting period:	January 31, 2014

ITEM 1. REPORTS TO STOCKHOLDERS.

Portfolio summary

Top 10 Issuers (31.2% of Total Investments on 1-31-14)[1,2]

Entergy	3.7%	MetLife, Inc.	3.1%
Public Storage, Inc.	3.2%	ING Groep NV	3.0%
U.S. Bancorp	3.2%	PPL Capital Funding, Inc.	3.0%
Qwest Corp.	3.1%	United States Cellular Corp.	2.9%
JPMorgan Chase	3.1%	Merrill Lynch Preferred Capital Trusts	2.9%

Sector Composition[1,3]

Financials	59.7%	Energy	1.5%
Utilities	27.3%	Industrials	1.1%
Telecommunication Services	8.2%	Consumer Discretionary	0.1%
Consumer Staples	2.1%		

Country Composition[1,3,4]

United States	88.8%	Spain	1.3%
Netherlands	5.3%	Bermuda	0.1%
United Kingdom	4.5%		

Quality Composition[1,5]

A	7.8%
BBB	61.5%
BB	27.7%
B	2.3%
CCC & Below	0.1%
Common Stocks	0.6%

1 As a percentage of the fund's total investments on 1-31-14.

2 Cash and cash equivalents not included.

3 Investments focused in one sector may fluctuate more widely than investments diversified across sectors. Because the fund may focus on particular sectors, its performance may depend on the performance of those sectors. The fund's investments in securities of foreign issuers involve special risks such as political, economic and currency risks and differences in accounting standards and financial reporting.

4 Each security trades in U.S. dollars.

5 Ratings are from Moody's Investors Service, Inc. If not available, we have used Standard & Poor's Ratings Services. In the absence of ratings from these agencies, we have used Fitch Ratings, Inc. "Not Rated" securities are those with no ratings available from these agencies. All ratings are as of 1-31-14 and do not reflect subsequent downgrades or upgrades, if any.

Fund's investments

As of 1-31-14 (unaudited)

	Shares	Value
Preferred Securities (a) 149.9% (95.8% of Total Investments)		**$628,368,479**
(Cost $645,902,305)		
Consumer Discretionary 0.1%		**493,875**
Media 0.1%		

Comcast Corp., 5.000%	22,500	493,875
Consumer Staples 3.3%		**13,980,000**
Food & Staples Retailing 3.3%		
Ocean Spray Cranberries, Inc., Series A, 6.250% (S)	160,000	13,980,000
Financials 93.4%		**391,353,981**
Capital Markets 8.9%		
Morgan Stanley Capital Trust III, 6.250% (Z)	272,000	6,751,040
Morgan Stanley Capital Trust IV, 6.250% (Z)	155,000	3,816,100
Morgan Stanley Capital Trust V, 5.750% (Z)	290,000	6,864,300
Morgan Stanley Capital Trust VII, 6.600%	52,400	1,306,856
State Street Corp., 5.250%	80,000	1,764,800
The Bank of New York Mellon Corp., 5.200%	20,000	427,600
The Goldman Sachs Group, Inc., 6.125% (Z)	660,000	16,480,200
Commercial Banks 22.5%		
Barclays Bank PLC, Series 3, 7.100% (Z)	345,000	8,756,100
Barclays Bank PLC, Series 5, 8.125% (Z)	330,000	8,424,900
BB&T Corp., 5.200% (Z)	320,000	6,438,400
BB&T Corp., 5.625% (Z)	405,000	8,748,000
HSBC USA, Inc., 6.500% (Z)	50,000	1,213,000
PNC Financial Services Group, Inc., 5.375%	70,000	1,460,900

PNC Financial Services Group, Inc. (6.125% to 5-1-22, then 3 month LIBOR + 4.067%)	145,000	3,694,600
Royal Bank of Scotland Group PLC, Series L, 5.750% (Z)	480,000	9,916,800
Santander Finance Preferred SA Unipersonal, Series 10, 10.500%	329,000	8,715,210
U.S. Bancorp (6.000% to 4-15-17, then 3 month LIBOR + 4.861%) (Z)	200,000	5,512,000
U.S. Bancorp (6.500% to 1-15-22, then 3 month LIBOR + 4.468%) (Z)	570,000	15,475,500
Wells Fargo & Company, 8.000% (Z)	560,000	15,965,600

See notes to financial statements

	Shares	**Value**
Consumer Finance 5.6%		
HSBC Finance Corp., Depositary Shares, Series B, 6.360% (Z)	725,000	$17,117,250
SLM Corp., 6.000% (Z)	177,500	3,565,975
SLM Corp., Series A, 6.970%	64,000	2,953,600
Diversified Financial Services 23.2%		
Deutsche Bank Capital Funding Trust X, 7.350%	155,722	3,956,896
Deutsche Bank Contingent Capital Trust II, 6.550%	167,500	4,222,675

Deutsche Bank Contingent Capital Trust III, 7.600% (Z)	392,500	10,338,450
General Electric Capital Corp., 4.700% (Z)	395,000	8,097,500
ING Groep NV, 7.050% (Z)	775,700	19,601,939
JPMorgan Chase Capital XXIX, 6.700% (Z)	795,000	20,439,450
Merrill Lynch Preferred Capital Trust III, 7.000%	322,000	8,153,040
Merrill Lynch Preferred Capital Trust IV, 7.120%	180,000	4,563,000
Merrill Lynch Preferred Capital Trust V, 7.280%	250,000	6,337,500
RBS Capital Funding Trust V, 5.900%	398,000	8,342,080
RBS Capital Funding Trust VII, 6.080%	145,000	3,117,500
Insurance 16.6%		
Aegon NV, 6.375% (Z)	420,000	10,269,000
Aegon NV, 6.500%	205,000	4,999,950
American Financial Group, Inc., 7.000% (Z)	282,056	7,370,123
MetLife, Inc., Series B, 6.500% (Z)	807,000	20,118,510
Phoenix Companies, Inc., 7.450%	216,500	4,806,300
Prudential Financial, Inc., 5.750%	145,000	3,226,250
Prudential PLC, 6.500% (Z)	103,000	2,585,300
RenaissanceRe Holdings, Ltd., Series C, 6.080%	16,250	370,013

W.R. Berkley Corp., 5.625%	740,000	15,784,200
Real Estate Investment Trusts 16.4%		
Duke Realty Corp., Depositary Shares, Series J, 6.625% (Z)	449,400	10,951,878
Duke Realty Corp., Depositary Shares, Series K, 6.500% (Z)	110,000	2,626,800
Duke Realty Corp., Depositary Shares, Series L, 6.600% (Z)	109,840	2,625,176
Kimco Realty Corp., 6.000% (Z)	720,000	16,092,000
Public Storage, Inc., 5.200%	255,000	5,082,150
Public Storage, Inc., 5.750%	335,000	7,316,400
Public Storage, Inc., 6.350% (Z)	175,000	4,256,000
Public Storage, Inc., Depositary Shares, Series Q, 6.500%	122,000	3,036,580
Public Storage, Inc., Series P, 6.500%	56,000	1,413,440
Senior Housing Properties Trust, 5.625% (Z)	540,000	10,643,400
Ventas Realty LP, 5.450%	210,000	4,525,500

	Shares	**Value**
Thrifts & Mortgage Finance 0.2%		
Federal National Mortgage Association, Series S, 8.250% (I)	75,000	$716,250

Industrials 1.8%		**7,358,000**
Machinery 1.8%		
Stanley Black & Decker, Inc., 5.750% (Z)	325,000	7,358,000
Telecommunication Services 12.9%		**54,128,861**
Diversified Telecommunication Services 5.3%		
Qwest Corp., 6.125%	30,000	616,500
Qwest Corp., 7.000%	60,000	1,449,000
Qwest Corp., 7.375% (Z)	567,500	14,193,175
Qwest Corp., 7.500%	172,500	4,329,750
Verizon Communications, Inc., 5.900% (I)	60,000	1,500,000
Wireless Telecommunication Services 7.6%		
Telephone & Data Systems, Inc., 6.625% (Z)	161,300	3,809,906
Telephone & Data Systems, Inc., 6.875%	85,000	2,068,050
Telephone & Data Systems, Inc., 7.000% (Z)	283,000	7,035,380
United States Cellular Corp., 6.950% (Z)	772,500	19,127,100
Utilities 38.4%		**161,053,762**
Electric Utilities 26.7%		
Baltimore Gas & Electric Company, Series 1995, 6.990% (Z)	39,870	4,043,069
Duke Energy Corp., 5.125%	720,000	15,429,600
Duquesne Light Company, 6.500%	98,450	4,848,663
Entergy Arkansas, Inc., 5.750% (Z)	66,400	1,609,536

Entergy Louisiana LLC, 5.250%	220,000	5,040,200
Entergy Louisiana LLC, 5.875% (Z)	186,750	4,575,375
Entergy Louisiana LLC, 6.000% (Z)	186,438	4,631,120
Entergy Mississippi, Inc., 6.000%	187,025	4,647,571
Entergy Mississippi, Inc., 6.200%	103,294	2,593,712
Entergy Texas, Inc., 7.875%	37,400	968,660
FPL Group Capital Trust I, 5.875% (Z)	267,800	6,628,050
Gulf Power Company, 5.750% (Z)	146,000	3,620,800
HECO Capital Trust III, 6.500% (Z)	187,750	4,793,258
Interstate Power & Light Company, 5.100%	55,000	1,180,850
NextEra Energy Capital Holdings, Inc., 5.125%	90,000	1,786,500
NextEra Energy Capital Holdings, Inc., 5.700% (Z)	665,000	14,543,550
NSTAR Electric Company, 4.780%	15,143	1,525,657
PPL Capital Funding, Inc., 5.900% (Z)	851,500	19,363,110
SCE Trust I, 5.625%	100,000	2,165,000
SCE Trust II, 5.100% (Z)	415,000	8,175,500
Multi-Utilities 11.7%		
BGE Capital Trust II, 6.200% (Z)	535,000	13,054,000
DTE Energy Company, 5.250%	377,500	7,908,625

DTE Energy Company, 6.500%			339,500	8,402,625
Integrys Energy Group, Inc., 6.000%			220,500	5,377,995
SCANA Corp., 7.700% (Z)			538,900	14,140,736

			Shares	Value
Common Stocks 1.0% (0.6% of Total Investments)				**$4,030,720**
(Cost $5,474,110)				
Utilities 1.0%				**4,030,720**
Electric Utilities 1.0%				
FirstEnergy Corp. (Z)			128,000	4,030,720
	Rate (%)	**Maturity date**	**Par value**	**Value**
Capital Preferred Securities (b) 1.3% (0.9% of Total Investments)				**$5,630,825**
(Cost $5,574,000)				
Utilities 1.3%				**5,630,825**
Multi-Utilities 1.3%				
Dominion Resources Capital Trust III (Z)	8.400	01-15-31	$5,000,000	5,630,825
Corporate Bonds 4.3% (2.7% of Total Investments)				**$17,900,500**
(Cost $17,392,958)				
Energy 2.3%				**9,600,500**
Oil, Gas & Consumable Fuels 2.3%				
Energy Transfer Partners LP (P)	3.255	11-01-66	10,550,000	9,600,500

Utilities 2.0%				**8,300,000**
Electric Utilities 2.0%				
Southern California Edison Company (6.250% to 2-1-22, then 3 month LIBOR + 4.199%) (Q)(Z)	6.250	02-01-22	8,000,000	8,300,000
Total investments (Cost $674,343,373)†156.5%				**$655,930,524**
Other assets and liabilities, net (56.5%)				**($236,813,648)**
Total net assets 100.0%				**$419,116,876**

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

LIBOR London Interbank Offered Rate

(a) Includes preferred stocks and hybrid securities with characteristics of both equity and debt that pay dividends on a periodic basis.

(b) Includes hybrid securities with characteristics of both equity and debt that trade with, and pay, interest income.

(I) Non-income producing security.

(P) Variable rate obligation. The coupon rate shown represents the rate at period end.

(Q) Perpetual bonds have no stated maturity date. Date shown as maturity date is next call date.

(S) These securities are exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be resold, normally to qualified institutional buyers, in transactions exempt from registration.

(Z) All or a portion of this security is pledged as collateral pursuant to the Credit Facility Agreement. Total collateral value at 1-31-14 was $390,005,752.

† At 1-31-14, the aggregate cost of investment securities for federal income tax purposes was $674,449,323. Net unrealized depreciation aggregated $18,518,799, of which $15,163,746 related to appreciated investment securities and $33,682,545 related to depreciated investment securities.

Notes to Fund’s investments

The fund had the following country concentration as a percentage of total investments on 1-31-14:

United States	88.8%
Netherlands	5.3%
United Kingdom	4.5%
Spain	1.3%
Bermuda	0.1%
Total	100.0%

See notes to financial statements

FINANCIAL STATEMENTS

Financial statements

Statement of assets and liabilities 1-31-14 (unaudited)

This Statement of assets and liabilities is the fund's balance sheet. It shows the value of what the fund owns, is due and owes. You'll also find the net asset value for each common share.

Assets	
Investments, at value (Cost $674,343,373)	$655,930,524
Cash	1,864,871
Cash segregated at custodian for swap contracts	680,000
Receivable for investments sold	521,658
Dividends and interest receivable	1,045,882
Swap contracts, at value	224,747
Other receivables and prepaid expenses	24,383
Total assets	**660,292,065**

Liabilities	
Committed facility agreement payable	238,000,000
Payable for investments purchased	1,500,000
Swap contracts, at value	1,529,192
Interest payable	11,336
Payable to affiliates	
Accounting and legal services fees	22,843

Trustees' fees	20,182
Other liabilities and accrued expenses	91,636
Total liabilities	**241,175,189**
Net assets	**$419,116,876**

Net assets consist of

Paid-in capital	$497,593,002
Undistributed net investment income	2,962,180
Accumulated net realized gain (loss) on investments and swap agreements	(61,721,012)
Net unrealized appreciation (depreciation) on investments and swap agreements	(19,717,294)
Net assets	**$419,116,876**

Net asset value per share

Based on 21,248,889 shares of beneficial interest outstanding — unlimited number of shares authorized with no par value	$19.72

F I N A N C I A L S T AT E M E N T S

Statement of operations For the six-month period ended 1-31-14 (unaudited)

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

Investment income

Dividends	$20,888,460
Interest	645,816
Total investment income	**21,534,276**

Expenses

Investment management fees	2,455,409

Accounting and legal services fees	61,432
Transfer agent fees	15,024
Trustees' fees	23,464
Printing and postage	54,862
Professional fees	61,206
Custodian fees	26,983
Stock exchange listing fees	12,646
Interest expense	1,060,657
Other	16,514
Total expenses	**3,788,197**
Net investment income	**17,746,079**
Realized and unrealized gain (loss)	
Net realized gain (loss) on	
Investments	1,402,111
Swap contracts	(498,703)
	903,408
Change in net unrealized appreciation (depreciation) of	
Investments	(15,435,459)
Swap contracts	(371,342)
	(15,806,801)
Net realized and unrealized loss	**(14,903,393)**
Increase in net assets from operations	**$2,842,686**

See notes to financial statements

F I N A N C I A L S T AT E M E N T S

Statements of changes in net assets

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

	Six months ended	**Year**

	1-31-14 (Unaudited)	ended 7-31-13
Increase (decrease) in net assets		
From operations		
Net investment income	$17,746,079	$36,389,035
Net realized gain (loss)	903,408	(14,823,898)
Change in net unrealized appreciation (depreciation)	(15,806,801)	(18,589,790)
Increase in net assets resulting from operations	**2,842,686**	**2,975,347**
Distributions to shareholders		
From net investment income	(17,849,067)	(35,677,170)
From fund share transactions		
Issued pursuant to Dividend Reinvestment Plan	—	609,331
Total decrease	**(15,006,381)**	**(32,092,492)**
Net assets		
Beginning of period	434,123,257	466,215,749
End of period	**$419,116,876**	**$434,123,257**
Undistributed net investment income	**$2,962,180**	**$3,065,168**
Share activity		
Shares outstanding		
Beginning of period	21,248,889	21,221,320
Issued pursuant to Dividend Reinvestment Plan	—	27,569
End of period	**21,248,889**	**21,248,889**

FINANCIAL STATEMENTS

Statement of cash flows

This Statement of cash flows shows cash flow from operating and financing activities for the period stated.

	For the six-month period ended 1-31-14 (unaudited)
Cash flows from operating activities	
Net increase in net assets from operations	$2,842,686
Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities:	
Long-term investments purchased	(33,058,531)
Long-term investments sold	33,335,521
Decrease in short term investments	463,000
Net amortization of premium (discount)	3,626
Decrease in dividends and interest receivable	25,633
Increase in payable for investments purchased	1,382,774
Increase in receivable for investments sold	(521,658)
Decrease in unrealized appreciation of swap contracts	341,939
Decrease in cash segregated at custodian for swap contracts	40,000
Decrease in other receivables and prepaid expenses	16,140
Increase in unrealized depreciation of swap contracts	29,403
Increase in payable to affiliates	5,503
Decrease in interest payable	(383)
Decrease in other liabilities and accrued expenses	(3,548)
Net change in unrealized (appreciation) depreciation on investments	15,435,459
Net realized gain on investments	(1,402,111)
Net cash provided by operating activities	**$18,935,453**
Cash flows from financing activities	
Distributions to shareholders	(17,849,067)
Net cash used in financing activities	**($17,849,067)**
Net increase in cash	**$1,086,386**
Cash at beginning of period	**$778,485**
Cash at end of period	**$1,864,871**

Supplemental disclosure of cash flow information	
Cash paid for interest	**$1,061,040**

See notes to financial statements

Financial highlights

The Financial highlights show how the fund's net asset value for a share has changed during the period.

COMMON SHARES Period ended	**1-31-14**[1]	**7-31-13**	**7-31-12**	**7-31-11**	**7-31-10**	**7-31-09**
Per share operating performance						
Net asset value, beginning of period	**$20.43**	**$21.97**	**$20.70**	**$19.57**	**$16.22**	**$18.26**
Net investment income[2]	0.84	1.71	1.75	1.71	1.70	1.62
Net realized and unrealized gain (loss) on investments	(0.71)	(1.57)	1.20	0.96	3.14	(1.95)
Total from investment operations	**0.13**	**0.14**	**2.95**	**2.67**	**4.84**	**(0.33)**
Less distributions to common shareholders						
From net investment income	(0.84)	(1.68)	(1.68)	(1.54)	(1.49)	(1.51)
From tax return of capital	—	—	—	—	—	(0.20)
Total distributions	**(0.84)**	**(1.68)**	**(1.68)**	**(1.54)**	**(1.49)**	**(1.71)**
Net asset value, end of period	**$19.72**	**$20.43**	**$21.97**	**$20.70**	**$19.57**	**$16.22**
Per share market value, end of period	**$18.54**	**$20.05**	**$22.74**	**$20.05**	**$18.75**	**$16.06**
Total return at net asset value (%)[3]	**0.93**[4]	**0.41**	**15.02**	**14.37**[5]	**31.61**[5]	**1.15**[5]
Total return at market value (%)[3]	**(3.31)**[4]	**(4.79)**	**22.92**	**15.62**	**27.35**	**4.92**
Ratios and supplemental data						
Net assets applicable to common shares, end of period (in millions)	$419	$434	$466	$438	$414	$344
Ratios (as a percentage of average net assets):						
Expenses before reductions	1.83[6]	1.69	1.75	1.75	1.89	2.55
Expenses net of reductions[7]	1.83[6]	1.69	1.75	1.72	1.80	2.37
Net investment income	8.56[6]	7.83	8.45	8.34	9.47	12.16
Portfolio turnover (%)	5	21	19	18	10	15
Total debt outstanding end of period						

(in millions)	$238	$238	$231	$222	$205	$170
Asset coverage per $1,000 of debt[8]	$2,761	$2,824	$3,018	$2,972	$3,019	$3,024

[1] Six months ended 1-31-14. Unaudited.

[2] Based on the average daily shares outstanding.

[3] Total return based on net asset value reflects changes in the fund's net asset value during each period. Total return based on market value reflects changes in market value. Each figure assumes that dividend and tax return of capital distributions, if any, were reinvested. These figures will differ depending upon the level of any discount from or premium to net asset value at which the fund's shares traded during the period.

[4] Not annualized.

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

[6] Annualized.

[7] Expenses excluding interest expense were 1.32%,1.23%, 1.25%, 1.20%, 1.20% and 1.19%, for the periods ended, 1-31-14, 7-31-13, 7-31-12, 7-31-11, 7-31-10 and 7-31-09, respectively.

[8] Asset coverage equals the total net assets plus borrowings divided by the borrowings of the fund outstanding at period end (Note 7). As debt outstanding changes, level of invested assets may change accordingly. Asset coverage ratio provides a measure of leverage.

Notes to financial statements

(unaudited)

Note 1 — Organization

John Hancock Preferred Income Fund II (the fund) is a closed-end management investment company organized as a Massachusetts business trust and registered under the Investment Company Act of 1940, as amended (the 1940 Act).

Note 2 — Significant accounting policies

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

Security valuation. Investments are stated at value as of the close of regular trading on the New York Stock Exchange (NYSE), normally at 4:00 P.M., Eastern Time. In order to value the securities, the fund uses the following valuation techniques: Equity securities held by the fund are valued at the last sale price or official closing price on the exchange where the security was acquired or most likely will be sold. 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. Debt obligations are valued based on the evaluated prices provided by an independent pricing vendor or from broker-dealers. Independent pricing vendors utilize matrix pricing which takes into account factors such as institutional-size trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics and other market data, as well as broker supplied prices. Swaps are valued using evaluated prices obtained from an independent pricing vendor. Foreign securities and currencies are valued in U.S. dollars, based on foreign currency exchange rates supplied by an independent pricing vendor. Securities that trade only in the over-the-counter (OTC) market are valued using bid prices. Certain short-term securities with maturities of 60 days or less at the time of purchase are valued at amortized cost.

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. Trading in foreign securities may be completed before the daily close of trading on the NYSE. Significant events at the issuer or market level may affect the values of securities between the time when the valuation of the securities is generally determined and the close of the NYSE. If a significant event occurs, these securities may be fair valued, as determined in good faith by the fund's Pricing Committee, following procedures established by the Board of Trustees. The fund uses fair value adjustment factors provided by an independent pricing vendor to value certain foreign securities in order to adjust for events that may occur between the close of foreign exchanges or markets and the close of the NYSE.

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 may result in transfers into or out of an assigned level within the disclosure hierarchy.

Securities with market value of approximately $4,665,948 at the beginning of the year were transferred from Level 2 to Level 1 during the period since quoted prices in active markets for identical securities became available.

The following is a summary of the values by input classification of the fund's investments as of January 31, 2014, major security category or type:

	TOTAL MARKET VALUE AT 1-31-14	LEVEL 1 QUOTED PRICE	LEVEL 2 SIGNIFICANT OBSERVABLE INPUTS	LEVEL 3 SIGNIFICANT UNOBSERVABLE INPUTS
Preferred Securities				
Consumer Discretionary	**$493,875**	$493,875	—	—
Consumer Staples	**13,980,000**	—	$13,980,000	—
Financials	**391,353,981**	391,353,981	—	—
Industrials	**7,358,000**	7,358,000	—	—
Telecommunication Services	**54,128,861**	54,128,861	—	—
Utilities	**161,053,762**	155,485,036	5,568,726	—
Common Stocks				

Utilities	**4,030,720**	4,030,720	—	—
Capital Preferred Securities				
Utilities	**5,630,825**	—	5,630,825	—
Corporate Bonds				
Energy	**9,600,500**	—	9,600,500	—
Utilities	**8,300,000**	—	8,300,000	—
Total Investments in Securities	**$655,930,524**	**$612,850,473**	**$43,080,051**	**—**
Other Financial Instruments:				
Interest Rate Swaps	**($1,304,445)**	—	($1,304,445)	—

Security transactions and related investment income. Investment security transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is accrued as earned. Interest income includes coupon interest and amortization/accretion of premiums/discounts on debt securities. Debt obligations may be placed in a non-accrual status and related interest income may be reduced by stopping current accruals and writing off interest receivable when the collection of all or a portion of interest has become doubtful. 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. 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.

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

Expenses. Within the John Hancock 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.

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.

Under the Regulated Investment Company Modernization Act of 2010, the fund is permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. Any losses

incurred during those taxable years will be required to be utilized prior to the losses incurred in pre-enactment taxable years. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

For federal income tax purposes, as of July 31, 2013, the fund has a capital loss carryforward of $61,401,538 available to offset future net realized capital gains. The following table details the capital loss carryforward available:

CAPITAL LOSS CARRYFORWARD EXPIRING AT JULY 31		NO EXPIRATION DATE
2017	2018	LONG TERM
$41,725,462	$7,092,125	$12,583,951

As of July 31, 2013, 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 monthly and capital gain distributions, if any, annually.

Such distributions, on a tax basis, are determined in conformity with income tax regulations, which may differ from accounting principles generally accepted in the United States of America.

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 derivative transactions and amortization and accretion on debt securities.

Statement of cash flows. Information on financial transactions that have been settled through the receipt and disbursement of cash is presented in the Statement of cash flows. The cash amount shown in the Statement of cash flows is the amount included in the fund's Statement of assets and liabilities and represents the cash on hand at the fund's custodian and does not include any short-term investments or cash segregated at the custodian for swap contracts.

Note 3 — Derivative instruments

The fund may invest in derivatives in order to meet its investment objectives. Derivatives include a variety of different instruments that may be traded in the over-the-counter market, on a regulated exchange or through a clearing facility. The risks in using derivatives vary depending upon the structure of the instruments, including the use of leverage, optionality, the liquidity or lack of liquidity of the contract, the creditworthiness of the counterparty or clearing organization and the volatility of the position. Some derivatives involve risks that are potentially greater than the risks associated with investing directly in the referenced securities or other referenced underlying instrument. Specifically, the fund is exposed to the risk that the counterparty to an OTC derivatives contract will be unable or unwilling to make timely settlement payments or otherwise honor its obligations. OTC derivatives transactions typically can only be closed out with the other party to the transaction.

Swaps are typically traded through the OTC market. Derivative counterparty risk is managed through an ongoing evaluation of the creditworthiness of all potential counterparties and, if applicable, designated clearing organizations. The fund attempts to reduce its exposure to counterparty risk for derivatives traded in the OTC

market, whenever possible, by entering into an International Swaps and Derivatives Association (ISDA) Master Agreement with each of its OTC counterparties. The ISDA gives each party to the agreement the right to terminate all transactions traded under the agreement if there is certain deterioration in the credit quality or contractual default of the other party, as defined in the ISDA. Upon an event of default or a termination of the ISDA, the non-defaulting party has the right to close out all transactions and to net amounts owed.

As defined by the ISDA, the fund may have collateral agreements with certain counterparties to mitigate counterparty risk on OTC derivatives. Subject to established minimum levels, collateral for OTC transactions is generally determined based on the net aggregate unrealized gain or loss on contracts with a particular counterparty. Collateral pledged to the fund is held in a segregated account by a third-party agent or held by the custodian bank for the benefit of the fund and can be in the form of cash or debt securities issued by the U.S. government or related agencies; collateral posted by the fund for OTC transactions is held in a segregated account at the fund's custodian and is noted in the accompanying Fund's investments, or if cash is posted, on the Statement of assets and liabilities. The fund's maximum risk of loss due to counterparty risk is equal to the asset value of outstanding contracts offset by collateral received.

For financial reporting purposes, the fund does not offset OTC derivative assets or liabilities that are subject to master netting arrangements, as defined by the ISDAs, in the Statement of assets and liabilities. In the event of default by the counterparty or a termination of the agreement, the ISDA allows an offset of amounts across the various transactions between the fund and the applicable counterparty.

Interest rate swaps. Interest rate swaps represent an agreement between the fund and a counterparty to exchange cash flows based on the difference between two interest rates applied to a notional amount. The payment flows are usually netted against each other, with the difference being

paid by one party to the other. The fund settles accrued net interest receivable or payable under the swap contracts at specified, future intervals. Swap agreements are privately negotiated in the OTC market or may be executed on a registered commodities exchange (centrally cleared swaps). Swaps are marked-to-market daily and the change in value is recorded as unrealized appreciation/ depreciation of swap contracts. A termination payment by the counterparty or the fund is recorded as realized gain or loss, as well as the net periodic payments received or paid by the fund. The value of the swap will typically impose collateral posting obligations on the party that is considered out-of-the-money on the swap.

Entering into swap agreements involves, to varying degrees, elements of credit, market and documentation risk that may amount to values that are in excess of the amounts recognized on the Statement of assets and liabilities. Such risks involve the possibility that there will be no liquid market for the swap, or that a counterparty may default on its obligation or delay payment under the swap terms. The counterparty may disagree or contest the terms of the swap. Market risks may also accompany the swap, including interest rate risk. The fund may also suffer losses if it is unable to terminate or assign outstanding swaps or reduce its exposure through offsetting transactions.

During the six months ended January 31, 2014, the fund used interest rate swaps in anticipation of rising interest rates. The following table summarizes the interest rate swap contracts held during the six months ended January 31, 2014 and as of January 31, 2014:

COUNTERPARTY	USD NOTIONAL AMOUNT	PAYMENTS MADE BY FUND	PAYMENTS RECEIVED BY FUND	MATURITY DATE	MARKET VALUE
Morgan Stanley Capital Services	$56,000,000	Fixed 1.4625%	3-month LIBOR (a)	Aug 2016	($1,529,192)
Morgan Stanley	56,000,000	Fixed 0.8750%	3-month LIBOR (a)	Jul 2017	224,747

Capital Services		
	$112,000,000	**($1,304,445)**

(a) At 1-31-14, the 3-month LIBOR rate was 0.2366%

Fair value of derivative instruments by risk category

The table below summarizes the fair value of derivatives held by the fund at January 31, 2014 by risk category:

RISK	STATEMENT OF ASSETS AND LIABILITIES LOCATION	FINANCIAL INSTRUMENTS LOCATION	ASSET DERIVATIVES FAIR VALUE	LIABILITY DERIVATIVES FAIR VALUE
Interest rate contracts	Swap contracts, at value	Interest rate	$224,747	($1,529,192)

Effect of derivative instruments on the Statement of operations

The table below summarizes the net realized gain (loss) included in the net increase (decrease) in net assets from operations, classified by derivative instrument and risk category, for the six months ended January 31, 2014:

RISK	STATEMENT OF OPERATIONS LOCATION	SWAP CONTRACTS
Interest rate contracts	Net realized loss	($498,703)

The table below summarizes the net change in unrealized appreciation (depreciation) included in the net increase (decrease) in net assets from operations, classified by derivative instrument and risk category, for the six months ended January 31, 2014:

RISK	STATEMENT OF OPERATIONS LOCATION	SWAP CONTRACTS
Interest rate contracts	Change in unrealized appreciation (depreciation)	($371,342)

Note 4 — Guarantees and indemnifications

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

Note 5 — Fees and transactions with affiliates

John Hancock Advisers, LLC (the Advisor) serves as investment advisor for the fund. The Advisor is an indirect, wholly owned subsidiary 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 0.75% of the fund's average daily

managed assets including any assets attributable to the Committed Facility Agreement (see Note 7) (collectively, managed assets). The Advisor has a subadvisory agreement with John Hancock Asset Management a division of Manulife Asset Management (US) LLC, an indirectly owned subsidiary of MFC and an affiliate of the Advisor. The fund is not responsible for payment of the subadvisory fees.

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 accounting and legal services fees incurred for th six months ended January 31, 2014, amounted to an annual rate of 0.02% of the fund's average daily managed assets.

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

Note 6 — Leverage risk

The fund utilizes a Committed Facility Agreement (CFA) to increase its assets available for investment. When the fund leverages its assets, common shareholders bear the fees associated with the facility and have the potential to benefit or be disadvantaged from the use of leverage. The Advisor's fee is also increased in dollar terms from the use of leverage. Consequently, the fund and the Advisor may have differing interests in determining whether to leverage the fund's assets. Leverage creates risks that may adversely affect the return for the holders of common shares including:

• the likelihood of greater volatility of net asset value and market price of common shares;

• fluctuations in the interest rate paid for the use of the credit facility;

• increased operating costs, which may reduce the fund's total return;

• the potential for a decline in the value of an investment acquired through leverage, while the fund's obligations under such leverage remains fixed; and

• the fund is more likely to have to sell securities in a volatile market in order to meet asset coverage or other debt compliance requirements.

To the extent the income or capital appreciation derived from securities purchased with funds received from leverage exceeds the cost of leverage, the fund's return will be greater than if leverage had not been used; conversely, returns would be lower if the cost of the leverage exceeds the income or capital appreciation derived.

In addition to the risks created by the fund's use of leverage, the fund is subject to the risk that it would be unable to timely, or at all, obtain replacement financing if the CFA is terminated. Were this to happen, the fund would be required to deleverage, selling securities at a potentially inopportune time and incurring tax consequences. Further, the fund's ability to generate income from the use of leverage would be adversely affected.

Note 7 — Committed facility agreement

The fund has entered into a CFA with a subsidiary of BNP Paribas (BNP) that allows it to borrow up to $238 million (maximum facility amount) and to invest the borrowings in accordance with its investment practices.

The fund pledges a portion of its assets as collateral to secure borrowings under the CFA. Such pledged assets are held in a special custody account with the fund's custodian. The amount of assets required to be pledged by

the fund is determined in accordance with the CFA. The fund retains the benefits of ownership of assets pledged to secure borrowings under the CFA. Interest charged is at the rate of one month LIBOR (London Interbank Offered Rate) plus 0.70% and is payable monthly. As of January 31, 2014, the fund had borrowings of $238,000,000 at an interest rate of 0.86%, which are reflected in the CFA payable on the Statement of assets and liabilities. During the six months ended January 31, 2014, the average borrowings under the CFA and the effective average interest rate were $238,000,000 and 0.88%, respectively.

Prior to August 16, 2013, the fund was required to pay a commitment fee of 0.60% per annum on any unused portion of the maximum facility amount. Effective August 16, 2013, the fund is required to pay a commitment fee equal to 0.60% on any unused portion of the maximum facility amount, only for days on which the aggregate outstanding amount of the loans under the CFA is less than 80% of the maximum facility amount. The commitment fee for the six months ended January 31, 2014 totaled $0.

The fund may terminate the CFA with 30 days' notice. If certain asset coverage and collateral requirements, minimum net assets or other covenants are not met, the CFA could be deemed in default and result in termination. Absent a default or facility termination event, BNP is required to provide the fund with 360 days' notice prior to terminating or amending the CFA.

The fund has an agreement with BNP that allows BNP to borrow a portion of the pledged collateral (Lent Securities) in an amount not to exceed the lesser of: (i) outstanding borrowings owed by the fund to BNP and (ii) thirty-three and one-third percent ($33\frac{1}{3}\%$) of the fund's total assets. The fund can designate any security within the pledged collateral as ineligible to be a Lent Security and can recall any of the Lent Securities. The fund also has the right to apply and set-off an amount equal to one-hundred percent (100%) of the then-current fair market value of such Lent Securities against the current borrowings under the CFA in the event that BNP fails to timely return the Lent Securities and in certain other circumstances. In such circumstances, however, the fund may not be able to obtain replacement financing required to purchase replacement securities and, consequently, the fund's income generating potential may decrease. Even if the fund is able to

obtain replacement financing, it might not be able to purchase replacement securities at favorable prices. Income earned from Lent Securities of $17,886 for the six months ended January 31, 2014 is recorded as a component of interest income on the Statement of operations.

Note 8 — Purchase and sale of securities

Purchases and sales of securities, other than short-term securities, aggregated $33,058,531 and $33,335,521, respectively, for the six months ended January 31, 2014.

Additional information

Unaudited

Investment objective and policy

The fund's primary investment objective is to provide a high level of current income, consistent with preservation of capital. The fund's secondary investment objective is to provide growth of capital to the extent consistent with its primary investment objective. The fund seeks to achieve its objectives by investing in securities that, in the opinion of the Advisor, may be undervalued relative to similar securities in the marketplace.

Under normal market conditions, the fund invests at least 80% of its assets (net assets plus borrowings for investment purposes) in preferred stocks and other preferred securities, including convertible preferred securities. In addition, the fund invests 25% or more of its total assets in the industries comprising the utilities sector. The fund will invest at least 65% of its total assets in preferred securities and other fixed-income securities which are rated investment grade (i.e., at least "Baa" by Moody's Investors Service, Inc. ("Moody's") or "BBB" by Standard & Poor's Ratings Services ("S&P")) or in unrated securities determined by the Adviser to be of comparable credit quality. In addition, the fund can invest up to 35% of its total assets in preferred securities and other fixed income securities that are rated below investment grade ("B" or higher) by either S&P or Moody's at the time of acquisition or in unrated preferred securities or unrated fixed income securities determined by the Adviser to be of comparable quality.

Amended and Restated By-laws

Effective September 27, 2013, the Board of Trustees of the fund amended and restated in its entirety the By-laws of the fund (the "Amended and Restated By-laws"). The Amended and Restated By-laws include, among other changes, provisions that: (i) require a shareholder to give written advance notice and other information to the fund of the shareholder's nominees for Trustees and proposals for other business to be considered at shareholders' meetings, or in the event a shareholder proposes to seek a shareholder action by written consent or request a special meeting of shareholders; (ii) require any such notice by a shareholder to be accompanied by certain information as provided in the By-laws; (iii) provide that Trustees may be nominated by shareholders only at an annual meeting of the fund or special meeting in lieu of an annual meeting; and (iv) reserve to the Trustees the exclusive power to adopt, alter, amend or repeal any provision of the By-laws or to make new By-laws, except where the Declaration of Trust, By-laws or applicable law would also require a shareholder vote to effect such adoption, alteration, amendment or repeal. The foregoing description of the By-laws is qualified in its entirety by the full text of the Amended and Restated By-laws effective as of September 27, 2013, which are available by writing to the Secretary of the fund at 601 Congress Street, 11th Floor, Boston, Massachusetts 02210.

Dividends and distributions

During the six months ended January 31, 2014, dividends from net investment income totaling $0.8400 per share were paid to shareholders. The dates of payments and amounts per share are as follows:

PAYMENT DATE	INCOME DIVIDENDS
August 30, 2013	$0.1400
September 30, 2013	0.1400
October 31, 2013	0.1400
November 29, 2013	0.1400
December 19, 2013	0.1400
January 31, 2014	0.1400
Total	**$0.8400**

Dividend reinvestment plan

The fund's Dividend Reinvestment Plan (the Plan) provides that distributions by the fund are automatically reinvested in common shares of the fund by Computershare Trust Company, N.A. (the Plan Agent). Every shareholder holding at least one full share of the fund will be automatically enrolled in the Plan. Shareholders

may withdraw from the Plan at any time and shareholders who do not participate in the Plan will receive all distributions in cash.

If the fund declares a distribution payable either in cash or in common shares of the fund and the market price of shares on the payment date for the distribution or dividend equals or exceeds the fund's net asset value per share (NAV), the fund will issue common shares to participants at a value equal to the higher of NAV or 95% of the market price. The number of additional shares to be credited to each participant's account will be determined by dividing the dollar amount of the distribution or dividend by the higher of NAV or 95% of the market price. If the market price is lower than NAV, or if distributions are payable only in cash, then participants will receive shares purchased by the Plan Agent on participants' behalf on the NYSE or otherwise on the open market. If the market price exceeds NAV before the Plan Agent has completed its purchases, the average per share purchase price may exceed NAV, resulting in fewer shares being acquired than if the fund had issued new shares.

There are no brokerage charges with respect to common shares issued directly by the fund. However, whenever shares are purchased or sold on the NYSE or otherwise on the open market, each participant will pay a pro rata portion of brokerage trading fees, currently $0.05 per share purchased or sold. Brokerage trading fees will be deducted from amounts to be invested.

The reinvestment of fund distributions does not relieve participants of any income tax that may be payable on such distributions.

Shareholders participating in the Plan may buy additional shares of the fund through the Plan at any time in amounts of at least $50 per investment, up to a maximum of $10,000, with a total calendar year limit of $100,000. Shareholders will be charged a $5 transaction fee plus $0.05 per share brokerage trading fee for each order. Purchases of additional shares of the fund will be made on the open market. Shareholders who elect to utilize monthly electronic fund transfers to buy additional shares of the fund will be charged a $2 transaction fee plus $0.05 per share brokerage trading fee for each automatic purchase. Shareholders can also sell fund shares held in the Plan account at any time by contacting the Plan Agent by telephone, in writing or by visiting the Plan Agent's website at computershare.com/investor. The Plan Agent will mail a check (less applicable brokerage trading fees) on settlement date, which is three business days after the shares have been sold. If shareholders choose to sell shares through their stockbroker, they will need to request that the Plan Agent electronically transfer those shares to their stockbroker through the Direct Registration System.

Shareholders participating in the Plan may withdraw from the Plan at any time by contacting the Plan Agent by telephone, in writing or by visiting the Plan Agent's website at computershare.com/investor. Such termination will be effective immediately if the notice is received by the Plan Agent prior to any dividend or distribution record date; otherwise, such termination will be effective on the first trading day after the payment date for such distribution, with respect to any subsequent dividend or distribution. If shareholders withdraw from the Plan, their shares will be credited to their account; or, if they wish, the Plan Agent will sell their full and fractional shares and send the shareholders the proceeds, less a transaction fee of $5.00 and less brokerage trading fees of $0.05 per share. If a shareholder does not maintain at least one whole share of common stock in the Plan account, the Plan Agent may terminate such shareholder's participation in the Plan after written notice. Upon termination, shareholders will be sent a check for the cash value of any fractional share in the Plan account, less any applicable broker commissions and taxes.

Shareholders who hold at least one full share of the fund may join the Plan by notifying the Plan Agent by telephone, in writing or by visiting the Plan Agent's website at computershare.com/investor. If received in proper form by the Plan Agent before the record date of a fund distribution, the election will be effective with respect to all distributions paid after such record date. If shareholders wish to participate in the Plan and their shares are held in the name of a brokerage firm, bank or other nominee, shareholders should contact their nominee to see if it will participate in the Plan. If shareholders wish to participate in the Plan, but their brokerage firm, bank or other nominee is unable to participate on their behalf, they will need to request that their shares be re-registered in their own name, or they will not be able to participate. The Plan Agent will administer the Plan on the basis of the number of shares certified from time to time by shareholders as representing the total amount registered in their name and held for their account by their nominee.

Experience under the Plan may indicate that changes are desirable. Accordingly, the fund and the Plan Agent reserve the right to amend or terminate the Plan. Participants generally will receive written notice at least 90 days before the effective date of any amendment. In the case of termination, participants will receive written notice at least 90 days before the record date for the payment of any distribution by the fund.

Effective November 1, 2013, the Plan was revised with respect to mail loss insurance coverage on certificates mailed to the fund's administrator. Prior to that date, shareholders could request from Computershare Trust Company, N.A. reimbursement for the cost of mail loss insurance coverage on certificates valued at up to $100,000. Effective November 1, 2013, Computershare no longer reimburses this expense.

All correspondence or additional information about the Plan should be directed to Computershare Trust Company, N.A., at the address stated below or by calling 800-852-0218, 201-680-6578 (For International Telephone Inquiries), and 800-952-9245 (For the Hearing Impaired (TDD)).

Shareholder communication and assistance

If you have any questions concerning the fund, we will be pleased to assist you. If you hold shares in your own name and not with a brokerage firm, please address all notices, correspondence, questions or other communications regarding the fund to the transfer agent at:

Computershare
P.O. Box 30170
College Station, TX 77842-3170
Telephone: 800-852-0218

If your shares are held with a brokerage firm, you should contact that firm, bank or other nominee for assistance.

More information

Trustees

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

Officers

Andrew G. Arnott#
President
Thomas M. Kinzler
Secretary and Chief Legal Officer
Francis V. Knox, Jr.
Chief Compliance Officer
Charles A. Rizzo
Chief Financial Officer
Salvatore Schiavone
Treasurer

Investment advisor

John Hancock Advisers, LLC

Subadvisor

John Hancock Asset Management
a division of Manulife Asset
Management (US) LLC

Custodian

State Street Bank and
Trust Company

Transfer agent

Computershare Shareowner
Services, LLC

*Member of the
Audit Committee
†Non-Independent Trustee
#Effective 3-13-14

Legal counsel
K&L Gates LLP

Stock symbol
Listed New York Stock Exchange: HPF

For shareholder assistance refer to page 27

You can also contact us:

800-852-0218

jhinvestments.com

Regular mail:
Computershare
P.O. Box 30170
College Station, TX 77842-3170

The fund's proxy voting policies and procedures, as well as the fund's proxy voting record for the most recent twelve-month period ended June 30, are available free of charge on the Securities and Exchange Commission (SEC) website at sec.gov 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 800-852-0218.

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

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P11SA 1/14

MF174943 3/14

ITEM 2. CODE OF ETHICS.

Not applicable at this time.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable at this time.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable at this time.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable at this time.

ITEM 6. SCHEDULE OF INVESTMENTS.

(a) Not applicable.
(b) Not applicable.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable at this time.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable at this time.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable at this time.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Revisions to the Governance Committee Charter were as follows.

Effective September 27, 2013, the Board of Trustees of the fund amended and restated in its entirety the By-laws of the fund (the “Amended and Restated By-laws”). The Amended and Restated By-laws include, among other changes, provisions that: (i) require a shareholder to give written advance notice and other information to the fund of the shareholder’s nominees for Trustees and proposals for other business to be considered at shareholders’ meetings, or in the event a shareholder proposes to seek a shareholder action by written consent or request a special meeting of shareholders; (ii) require any such notice by a shareholder to be accompanied by certain information as provided in the By-laws; (iii) provide that Trustees may be nominated by shareholders only at an annual meeting of the fund or special meeting in lieu of an annual meeting; and (iv) reserve to the Trustees the exclusive power to adopt, alter, amend or repeal any provision of the By-laws or to make new By-laws, except where the Declaration of Trust, By-laws or applicable law would also require a shareholder vote to effect such adoption, alteration, amendment or repeal. The foregoing description of the By-laws is qualified in its entirety by the full text of the Amended and Restated By-laws effective as of September 27, 2013, which are

available by writing to the Secretary of the fund at 601 Congress Street, 11th Floor, Boston, Massachusetts 02210.

ITEM 11. CONTROLS AND PROCEDURES.

(a) Based upon their evaluation of the registrant's disclosure controls and procedures as conducted within 90 days of the filing date of this Form N-CSR, the registrant's principal executive officer and principal financial officer have concluded that those disclosure controls and procedures provide reasonable assurance that the material information required to be disclosed by the registrant on this report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal half-year (the registrant's second fiscal half-year in the case of an annual report) that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

(a) Separate certifications for the registrant's principal executive officer and principal financial officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and Rule 30a-2(a) under the Investment Company Act of 1940, are attached.

(b) Separate certifications for the registrant's principal executive officer and principal financial officer, as required by 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and Rule 30a-2(b) under the Investment Company Act of 1940, are attached. The certifications furnished pursuant to this paragraph are not deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. Such certifications are not deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Registrant specifically incorporates them by reference.

(c)(1) Contact person at the registrant.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

John Hancock Preferred Income Fund II

By: /s/ Andrew G. Arnott

Andrew G. Arnott

President

Date: March 24, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Andrew G. Arnott

Andrew G. Arnott
President

Date: March 24, 2014

By: /s/ Charles A. Rizzo
Charles A. Rizzo
Chief Financial Officer

Date: March 24, 2014