

JOHN HANCOCK PREFERRED INCOME FUND
Form N-Q
December 24, 2014

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

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811- 21131

John Hancock Preferred Income Fund
(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: October 31, 2014

ITEM 1. SCHEDULE OF INVESTMENTS

Preferred Income Fund

Quarterly portfolio holdings 10/31/14

Fund's investments Preferred Income Fund

As of 10-31-14 (unaudited)

	Shares	Value
Preferred securities		
146.6% (96.3% of		\$827,073,915
Total investments)		
(Cost \$797,653,503)		
Consumer staples 2.3%	13,017,476	
Food and staples retailing 2.3%		
Ocean		
Spray		
Cranberries,	143,000	13,017,476
Inc.,		
Series A,		
6.250% (S)		
Financials 89.8%		506,356,533
Banks 29.6%		
Barclays		
Bank		
PLC,	205,000	5,243,900
Series 3, 7.100%		
Barclays		
Bank		
PLC,	740,000	19,099,400
Series 5,		
8.125% (Z)		
BB&T		
Corp.,	425,000	9,668,750
5.200% (Z)		
BB&T		
Corp.,	450,000	10,953,000
5.625% (Z)		
HSBC		
Finance		
Corp.,		
Depository	685,000	17,364,750
Shares,		
Series B,		
6.360% (Z)		
HSBC		
USA,		
Inc.,	140,234	3,571,760
6.500%		
RBS		
Capital		
Funding		
Trust	620,000	14,818,000
V,		
5.900%		

RBS Capital Funding Trust VII, 6.080% Royal Bank of Scotland Group PLC, Series L, 5.750%	220,000	5,321,800
Santander Holdings USA, Inc., Series C, 7.300% (Z)	365,000	9,307,500
The PNC Financial Services Group, Inc., 5.375%	15,000	358,200
The PNC Financial Services Group, Inc. (6.125% to 5-1-22, then 3 month LIBOR + 4.067%)	187,000	5,093,880
U.S. Bancorp (6.000% to 4-15-17, then 3 month LIBOR +	240,000	6,494,400

4.861% (Z)
 U.S.
 Bancorp
 (6.500%
 to
 1-15-22,
 then 705,000 20,663,550
 3
 month
 LIBOR
 +
 4.468% (Z)
 Wells
 Fargo
 & 127,000 3,172,460
 Company,
 6.000%
 Wells
 Fargo
 & 756,000 22,203,720
 Company,
 8.000% (Z)
 Capital markets 10.0%
 Morgan
 Stanley
 (6.375%
 to
 10-15-24,
 then 85,000 2,142,850
 3
 month
 LIBOR
 +
 3.708%)
 Morgan
 Stanley, 25,000 637,000
 6.625%
 Morgan
 Stanley
 Capital
 Trust 291,000 7,437,960
 III,
 6.250% (Z)
 Morgan
 Stanley
 Capital
 Trust 323,000 8,236,500
 IV,
 6.250% (Z)
 Morgan 370,000 9,353,600
 Stanley

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Capital Trust V, 5.750% Morgan Stanley Capital Trust VI, 6.600% Morgan Stanley Capital Trust VII, 6.600% State Street Corp., 5.250% The Bank of New York Mellon Corp., 5.200% The Goldman Sachs Group, Inc., 5.950% The Goldman Sachs Group, Inc., 6.125% (Z) The Goldman Sachs Group, Inc., Series B, 6.200% (Z) Consumer finance 1.9% Navient Corp., 6.000%	87,000	2,223,720
	47,000	1,197,090
	162,000	3,954,420
	25,000	596,000
	110,000	2,645,500
	544,000	14,067,840
	160,000	3,992,000
	173,500	3,735,455

SLM Corp., Series A, 6.970% Diversified financial services 18.7%	147,391	7,245,742
Bank of America Corp., Depository Shares, Series D, 6.204%	145,000	3,643,850
Citigroup Capital XIII (7.875% to 10-30-15, then 3 month LIBOR + 6.370%)	15,000	399,300
Deutsche Bank Contingent Capital Trust II, 6.550% (Z)	252,500	6,542,274
Deutsche Bank Contingent Capital Trust III, 7.600%	496,000	13,595,360
General Electric Capital Corp., 4.700%	373,000	8,918,430
ING Groep NV, 6.125% (Z)	61,500	1,544,265
ING Groep NV, 7.050%	750,000	19,102,500
	100,000	2,560,000

ING
Groep
NV,
7.200% (Z)
JPMorgan
Chase
&
Company,
5.450% (Z)
JPMorgan
Chase
Capital
XXIX,
6.700% (Z)

390,000 8,950,500

580,000 14,917,600

2SEE NOTES TO FUND'S INVESTMENTS

Preferred Income Fund

	Shares	Value
Financials (continued)		
Diversified financial services (continued)		
Merrill Lynch Preferred Capital Trust III, 7.000% (Z)	345,000	\$8,842,350
Merrill Lynch Preferred Capital Trust IV, 7.120% (Z)	277,000	7,116,130
Merrill Lynch Preferred Capital Trust V, 7.280%	367,000	9,446,580
Insurance 16.3%		
Aegon NV, 6.375% (Z)	520,000	13,275,600
Aegon NV, 6.500% (Z)	260,000	6,624,800
American Financial Group, Inc., 7.000% (Z)	330,000	8,649,300
MetLife, Inc., Series B, 6.500% (Z)	955,000	24,782,250
PLC Capital Trust V, 6.125% (Z)	250,000	6,375,000
Prudential Financial,	135,000	3,388,500

Inc., 5.750%		
Prudential PLC,	154,500	4,007,730
6.500% (Z)		
Prudential PLC,	51,000	1,318,350
6.750%		
RenaissanceRe Holdings Ltd., Series C, 6.080%	71,000	1,809,790
W.R. Berkley Corp., 5.625% (Z)	890,000	21,457,900
Real estate investment trusts 13.2%		
Duke Realty Corp., Depository Shares, Series K, 6.500% (Z)	119,061	3,021,768
Duke Realty Corp., Depository Shares, Series L, 6.600% (Z)	123,480	3,125,279
Kimco Realty Corp., 6.000% (Z)	881,000	22,439,070
Public Storage, 5.200%	135,000	3,102,300
Public Storage, 6.350%	225,000	5,832,000
Public Storage, 5.750% (Z)	412,000	10,279,400
Public Storage, Depository Shares, Series Q, 6.500%	117,000	3,071,250
Public Storage,	57,500	1,499,600

Series P, 6.500%		
Senior Housing Properties Trust, 5.625%	677,000	15,929,810
Ventas Realty LP, 5.450% (Z)	245,000	6,034,350
Thrifts and mortgage finance 0.1%		
Federal National Mortgage Association, Series S, 8.250% (I)	80,000	340,000
Industrials 1.8%		9,981,650
Machinery 1.8%		
Stanley Black & Decker, Inc., 5.750%	395,000	9,981,650
Telecommunication services 12.2%		69,008,830
Diversified telecommunication services 5.6%		
Qwest Corp., 6.125%	30,000	706,200
Qwest Corp., 7.000%	20,000	513,000
Qwest Corp., 7.375% (Z)	750,000	19,785,000
Qwest Corp., 7.500% (Z)	232,500	6,207,750
Verizon Communications, Inc., 5.900%	168,000	4,351,200
Wireless telecommunication services 6.6%		
Telephone & Data Systems,	233,000	5,852,960

Inc., 6.625% (Z) Telephone & Data Systems, Inc., 6.875% Telephone & Data Systems, Inc., 7.000% (Z) United States Cellular Corp., 6.950% (Z) Utilities 40.5% Electric utilities 28.4% Duke Energy Corp., 5.125% (Z) Duquesne Light Company, 6.500% Entergy Arkansas, Inc., 5.750% Entergy Louisiana LLC, 5.250% (Z)	103,000	2,594,570
	340,000	8,670,000
	795,000	20,328,150
		228,709,426
	920,000	22,328,400
	123,650	6,414,962
	47,500	1,208,400
	240,000	6,000,000

SEE NOTES TO FUND'S INVESTMENTS3

Preferred Income Fund

	Shares	Value
Utilities (continued)		
Electric utilities (continued)		
Entergy Louisiana LLC, 5.875%	252,625	\$6,464,674
Entergy Louisiana LLC, 6.000%	201,437	5,118,514
Entergy Mississippi, Inc., 6.000% (Z)	371,000	9,497,600
Entergy Mississippi, Inc., 6.200%	89,294	2,276,997
FPL Group Capital Trust I, 5.875% (Z)	345,000	8,952,750
Gulf Power Company, 5.750%	145,000	3,736,650
HECO Capital Trust III, 6.500%	379,850	9,895,093
Interstate Power & Light Company, 5.100% (Z)	185,000	4,643,500
NextEra Energy Capital Holdings, Inc., 5.700% (Z)	905,000	22,796,950
NSTAR Electric	15,143	1,450,699

Company, 4.780% (Z) PPL Capital Funding, Inc., 5.900% (Z)	1,286,000	31,314,100
SCE Trust I, 5.625% SCE Trust II, 5.100% (Z)	220,000	5,381,200
SCE Trust III (5.750% to 3-15-24, then 3 month LIBOR + 2.990%) Multi-utilities 12.1% Baltimore Gas & Electric Company, Series 1995, 6.990%	20,000	540,800
BGE Capital Trust II, 6.200% (Z)	40,000	4,033,752
DTE Energy Company, 5.250%	710,000	18,140,500
DTE Energy Company, 6.500% (Z)	475,000	11,609,000
Integrys Energy Group, Inc. (6.000% to	397,500	10,672,875
	260,000	6,791,200

8-1-23,
then 3
month
LIBOR

+
3.220%) (Z)

SCANA
Corp., 683,000 17,348,200

7.700%
Common stocks 0.7% (0.5% of Total
investments) \$4,144,740

(Cost \$4,722,323)
Utilities 0.7% 4,144,740

Electric utilities 0.7%
FirstEnergy
Corp. 111,000 4,144,740

Rate (%)	Maturity date	Par value	Value
Corporate bonds 2.4% (1.6% of Total investments)			\$13,393,600
(Cost \$12,927,383)			
Energy 1.5%			8,195,000
Oil, gas and consumable fuels 1.5%			
Energy			
Transfer Partners LP (P)(Z)	3-25-11-01-66	8,800,000	8,195,000
Utilities 0.9%			5,198,600
Multi-utilities 0.9%			
Dominion Resources, Inc.			
(5.750% to 10-1-24 then 3 month LIBOR + 3.057%)	5-750 10-01-54	5,000,000	5,198,600

dated
 10-31-14
 at 0.000%
 to be
 repurchased
 at
 \$14,190,000
 on
 11-3-14,
 collateralized
 by
 \$14,755,000
 U.S.
 Treasury
 Notes,
 0.625%
 due
 4-30-18
 (valued at
 \$14,479,082,
 including
 interest)

Total investments (Cost \$829,493,209)	\$858,802,255
152.2%	
Other assets and liabilities, net (52.2%)	(\$294,506,604)
Total net assets 100.0%	\$564,295,651

4SEE NOTES TO FUND'S INVESTMENTS

Preferred Income Fund

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

London

LIBOR Interbank

Offered Rate

Non-income

(I) producing security.

Variable rate obligation.

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

These securities are exempt from registration under Rule 144A of the Securities Act of 1933. Such

(S) securities may be resold, normally to qualified institutional buyers, in transactions exempt from registration.

A portion of this security is segregated as collateral pursuant to the

(Z) Committed Facility Agreement.

Total collateral value at 10-31-14 was \$478,629,313.

At 10-31-14,
the aggregate
cost of
investment
securities for
federal income
tax purposes
was
\$829,493,813.
Net unrealized
appreciation
aggregated
\$29,308,442,
of which
\$40,019,297
related to
appreciated
investment
securities and
\$10,710,855
related to
depreciated
investment
securities.

SEE NOTES TO FUND'S INVESTMENTS5

Notes to Fund's investments

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. Futures contracts are valued at settlement prices, which are the official closing prices published by the exchange on which they trade. 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.

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.

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

	Total market value at 10-31-14	Level 1 quoted price	Level 2 significant observable inputs	Level 3 significant unobservable inputs
Preferred securities				
Consumer staples	\$13,017,476		\$13,017,476	
Financials	506,356,533	\$506,356,533		
Industrials	9,981,650	9,981,650		
Telecommunication services	69,008,830	64,657,630	4,351,200	
Utilities	228,709,426	224,675,674	4,033,752	
Common stocks	4,144,740	4,144,740		
Corporate bonds	13,393,600		13,393,600	
Short-term investments	14,190,000		14,190,000	
	\$858,802,255	\$809,816,227	\$48,986,028	

Total Investments in Securities

Other Financial Instruments:

Futures	(\$591,837)	(\$591,837)
Interest rate swaps	(\$1,153,909)	(\$1,153,909)

Repurchase agreements. The fund may enter into repurchase agreements. When the fund enters into a repurchase agreement, it receives collateral that is held in a segregated account by the fund's custodian. The collateral amount is marked-to-market and monitored on a daily basis to ensure that the collateral held is in an amount not less than the principal amount of the repurchase agreement plus any accrued interest. Collateral received by the fund for repurchase agreements is disclosed in the Fund's investments as part of the caption related to the repurchase agreement.

Repurchase agreements are typically governed by the terms and conditions of the Master Repurchase Agreement and/or Global Master Repurchase Agreement (collectively, MRA). Upon an event of default, the non-defaulting party may close out all transactions traded under the MRA and net amounts owed. In the event of a default by the counterparty, realization of the collateral proceeds could be delayed, during which time the collateral value may decline or the counterparty may have insufficient assets to pay back claims resulting from close-out of the transactions.

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.

Futures. A futures contract is a contractual agreement to buy or sell a particular currency or financial instrument at a pre-determined price in the future. Risks related to the use of futures contracts include possible illiquidity of the futures markets and contract prices that can be highly volatile and imperfectly correlated to movements in the underlying financial instrument. Use of long futures contracts subjects the funds to the risk of loss up to the notional value of the futures contracts. Use of short futures contracts subjects the funds to unlimited risk of loss.

During the period ended October 31, 2014, the fund used futures contracts to manage against anticipated interest rate changes. The following table summarizes the contracts held at October 31, 2014.

Open contracts	Number of contracts	Position	Expiration date	Notional basis	Notional value	Unrealized appreciation (depreciation)
10-Year U.S. Treasury Note Futures	640	Short	Dec 2014	(\$80,278,163)	(\$80,870,000)	(\$591,837)
						(\$591,837)

Notional basis refers to the contractual amount agreed upon at inception of open contracts; notional value represents the current value of the open contract.

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.

During the period ended October 31, 2014, the fund used interest rate swaps in anticipation of rising interest rates. The following table summarizes the interest rate swap contracts held as of October 31, 2014.

Counterparty	Notional amount	Currency	USD notional amount	Payments made by fund	Payments received by fund	Maturity date	Unamortized upfront payment paid (received)	Unrealized appreciation (depreciation)
Morgan Stanley Capital Services	68,000,000	USD	68,000,000	Fixed 1.462500%	3 Month LIBOR	Aug 2016		(\$1,213,640)
Morgan Stanley Capital Services	68,000,000	USD	68,000,000	Fixed 0.875%	3 Month LIBOR	Jul 2017		59,731
			136,000,000					(\$1,153,909)

For additional information on the fund's significant accounting policies, please refer to the fund's most recent semiannual or annual shareholder report.

More information

How to contact us

Internet www.jhinvestments.com

Computershare

Mail P.O. Box 30170

College Station, TX 77842-3170

Customer service representatives **800-852-0218**

Phone Portfolio commentary **800-344-7054**

24-hour automated information **800-843-0090**

TDD line **800-231-5469**

P8Q1 10/14

This report is for the information of the shareholders of John Hancock Preferred Income Fund.

12/14

ITEM 2. 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-Q, the registrant's principal executive officer and principal accounting 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 last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

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

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

By:

/s/ Andrew Arnott

Andrew Arnott

President

Date: December 12, 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 Arnott

Andrew Arnott

President

Date: December 12, 2014

By:

/s/ Charles A. Rizzo

Charles A. Rizzo

Chief Financial Officer

Date: December 12, 2014
