

John Hancock Hedged Equity & Income Fund
Form N-CSRS
July 05, 2012

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 811-22441

John Hancock Hedged Equity & 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: October 31

Date of reporting period: April 30, 2012

ITEM 1. SCHEDULE OF INVESTMENTS

Managed distribution plan

The Fund has adopted a managed distribution plan (Plan). Under the Plan, the Fund makes quarterly distributions of an amount equal to 1.8125% of the Fund's net asset value (NAV) as of each measuring date, based upon an annual rate of 7.25%. The amount of each quarterly distribution declared under the Plan will be based on the NAV of the Fund at the close of the New York Stock Exchange on the last business day of the month ending two months prior to each quarterly declaration date. The Fund may also make additional distributions (i) for purposes of avoiding federal income tax on the Fund of investment company taxable income and net capital gain, if any, not included in such regular distributions and (ii) for purposes of avoiding federal excise tax of ordinary income and capital gain net income, if any, not included in such regular distributions.

Although the Fund has adopted the Plan, it may discontinue the Plan. The Board of Trustees of the Fund may amend the terms of the Plan or terminate the Plan at any time without prior notice to the Fund's shareholders. The Plan will be subject to periodic review by the Fund's Board of Trustees.

You should not draw any conclusions about the Fund's investment performance from the amount of the Fund's distributions or from the terms of the Fund's Plan. The Fund's total return at NAV is presented in the Financial highlights.

With each distribution that does not consist solely of net income, the Fund will issue a notice to shareholders and an accompanying press release that will provide detailed information regarding the amount and composition of the distribution and other related information. The amounts and sources of distributions reported in the notice to shareholders are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. The Fund will send you a Form 1099-DIV for the calendar year that will tell you how to report these distributions for federal income tax purposes. The Fund may at times distribute more than its net investment income and net realized capital gains; therefore, a portion of your distribution may result in a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in the Fund is paid back to you. A return of capital does not necessarily reflect the Fund's investment performance and should not be confused with "yield" or "income."

Semiannual report | Hedged Equity & Income Fund

Portfolio summary

Top 10 Holdings (16.7% of Net Assets on 4-30-12)^{1,2}

| | | | |
|------------------------|------|------------------------------------|------|
| Apple, Inc. | 2.7% | Oracle Corp. | 1.6% |
| Lowe's Companies, Inc. | 2.0% | Microsoft Corp. | 1.6% |
| Wells Fargo & Company | 1.8% | PepsiCo, Inc. | 1.5% |
| Cisco Systems, Inc. | 1.8% | PNC Financial Services Group, Inc. | 1.1% |

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| | | | |
|----------------------------|------|---------------------------|------|
| Occidental Petroleum Corp. | 1.6% | The Western Union Company | 1.0% |
|----------------------------|------|---------------------------|------|

Sector Composition^{1,3}

| | | | |
|------------------------|-------|--------------------------------|--------|
| Information Technology | 21.5% | Options Purchased | 6.2% |
| Consumer Discretionary | 16.8% | Materials | 2.7% |
| Industrials | 14.1% | Utilities | 1.5% |
| Financials | 11.9% | Telecommunication Services | 0.7% |
| Health Care | 10.0% | Short-Term Investments & Other | |
| Energy | 8.3% | Assets and Liabilities, Net | (0.9%) |
| Consumer Staples | 7.2% | | |

Portfolio Composition¹

| | | | |
|-------------------|-------|--------------------------------|--------|
| Common Stocks | 94.7% | Short-Term Investments & Other | |
| Options Purchased | 6.2% | Assets and Liabilities, Net | (0.9%) |

¹ As a percentage of net assets on 4-30-12.

² Excludes cash and cash equivalents.

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

Fund's investments

As of 4-30-12 (unaudited)

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| | Shares | Value |
|-----------------------------------------------|---------|----------------------|
| Common Stocks 94.7% | | \$250,232,720 |
| <hr/> | | |
| (Cost \$236,944,480) | | |
| Consumer Discretionary 16.8% | | 44,508,379 |
| Auto Components 0.3% | | |
| <hr/> | | |
| Allison Transmission Holdings, Inc. (I) | 35,210 | 735,879 |
| Automobiles 0.4% | | |
| <hr/> | | |
| Great Wall Motor Company, Ltd., H Shares (I) | 41,000 | 88,174 |
| <hr/> | | |
| Harley-Davidson, Inc. | 16,585 | 867,893 |
| <hr/> | | |
| Tesla Motors, Inc. (I) | 3,230 | 107,010 |
| Distributors 0.1% | | |
| <hr/> | | |
| LKQ Corp. (I) | 9,800 | 327,810 |
| Diversified Consumer Services 0.3% | | |
| <hr/> | | |
| Allstar Co-Invest Block Feeder LLC (I)(R) | 236,300 | 228,880 |
| <hr/> | | |
| Apollo Group, Inc., Class A (I) | 4,119 | 145,071 |
| <hr/> | | |
| Matthews International Corp., Class A | 12,380 | 371,400 |
| Hotels, Restaurants & Leisure 1.0% | | |
| <hr/> | | |
| Buffalo Wild Wings, Inc. (I) | 2,220 | 186,147 |
| <hr/> | | |
| CEC Entertainment, Inc. | 9,080 | 347,038 |
| <hr/> | | |
| Choice Hotels International, Inc. | 8,380 | 315,256 |
| <hr/> | | |
| Dunkin' Brands Group, Inc. | 2,900 | 93,873 |
| <hr/> | | |

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| | | |
|------------------------------------------|--------|---------|
| Las Vegas Sands Corp. | 2,500 | 138,725 |
| Melco Crown Entertainment, Ltd., ADR (I) | 10,189 | 158,133 |
| Sands China, Ltd. | 44,800 | 175,600 |
| Sonic Corp. (I) | 66,970 | 483,523 |
| Starbucks Corp. | 8,207 | 470,918 |
| Yum! Brands, Inc. | 4,451 | 323,721 |

Household Durables 0.9%

| | | |
|--------------------------------------|-------|-----------|
| D.R. Horton, Inc. | 8,360 | 136,686 |
| Jarden Corp. | 6,740 | 282,608 |
| Lennar Corp., Class A | 5,250 | 145,635 |
| NVR, Inc. (I) | 2,005 | 1,571,800 |
| Tempur-Pedic International, Inc. (I) | 6,610 | 388,932 |

Internet & Catalog Retail 1.4%

| | | |
|-------------------------|--------|-----------|
| Amazon.com, Inc. (I) | 7,707 | 1,787,253 |
| Expedia, Inc. | 10,400 | 443,352 |
| priceline.com, Inc. (I) | 1,730 | 1,316,219 |
| Shutterfly, Inc. (I) | 7,040 | 219,085 |

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See notes to financial statements

Shares

Value

Leisure Equipment & Products 1.3%

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| | | |
|----------------------------------------------|---------|-----------|
| Brunswick Corp. | 7,770 | \$204,273 |
| Hasbro, Inc. | 32,300 | 1,186,702 |
| Mattel, Inc. (C) | 54,406 | 1,828,042 |
| Polaris Industries, Inc. | 3,170 | 251,825 |
| Media 3.9% | | |
| Arbitron, Inc. | 15,790 | 600,810 |
| Comcast Corp., Class A | 76,649 | 2,324,764 |
| Discovery Communications, Inc., Series C (I) | 6,700 | 332,923 |
| News Corp., Class A | 13,082 | 256,407 |
| Omnicom Group, Inc. | 53,575 | 2,748,933 |
| Sirius XM Radio, Inc. (I) | 263,699 | 595,960 |
| The Walt Disney Company | 56,923 | 2,453,951 |
| Thomson Reuters Corp. | 33,100 | 987,042 |
| Multiline Retail 1.4% | | |
| Dollar Tree, Inc. (I) | 3,480 | 353,777 |
| Family Dollar Stores, Inc. | 2,300 | 155,365 |
| Fred's, Inc., Class A | 29,000 | 415,280 |
| Nordstrom, Inc. | 4,300 | 240,198 |
| Target Corp. (C) | 43,980 | 2,548,201 |
| Specialty Retail 4.4% | | |

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| | | |
|--------------------------------------------------|---------|-----------|
| Advance Auto Parts, Inc. | 10,630 | 975,834 |
| Ascena Retail Group, Inc. (I) | 22,540 | 461,619 |
| Bed Bath & Beyond, Inc. (I) | 4,339 | 305,422 |
| CarMax, Inc. (I) | 4,300 | 132,741 |
| DSW, Inc., Class A | 4,800 | 270,048 |
| Express, Inc. (I) | 13,200 | 311,784 |
| Fast Retailing Company, Ltd. | 500 | 111,587 |
| GNC Holdings, Inc., Class A | 8,650 | 337,869 |
| Lowe's Companies, Inc. (C) | 164,189 | 5,167,028 |
| Monro Muffler Brake, Inc. | 1,410 | 58,177 |
| O'Reilly Automotive, Inc. (I) | 2,863 | 301,932 |
| PetSmart, Inc. | 6,286 | 366,222 |
| Ross Stores, Inc. | 6,597 | 406,309 |
| Stage Stores, Inc. | 33,310 | 508,644 |
| The Buckle, Inc. | 4,746 | 219,170 |
| The Cato Corp., Class A | 22,580 | 628,401 |
| TJX Companies, Inc. | 9,206 | 383,982 |
| Urban Outfitters, Inc. (I) | 20,110 | 582,386 |
| Textiles, Apparel & Luxury Goods 1.4% | | |
| Burberry Group PLC | 12,327 | 297,233 |

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| | | |
|---------------------------------|--------|---------|
| Coach, Inc. | 11,888 | 869,726 |
| Deckers Outdoor Corp. (I) | 4,530 | 231,075 |
| Hanesbrands, Inc. (I) | 9,800 | 276,556 |
| Lululemon Athletica, Inc. (I) | 11,169 | 828,070 |
| PVH Corp. | 5,590 | 496,392 |
| Ralph Lauren Corp. | 2,175 | 374,687 |
| Under Armour, Inc., Class A (I) | 2,700 | 264,411 |

See notes to financial statements

Semiannual report | Hedged Equity & Income Fund 9

| | Shares | Value |
|------------------------------------------|---------------|---------------------|
| Consumer Staples 7.2% | | \$19,014,742 |
| Beverages 2.4% | | |
| Companhia de Bebidas das Americas, ADR | 4,470 | 187,651 |
| Molson Coors Brewing Company, Class B | 25,060 | 1,041,995 |
| PepsiCo, Inc. (C) | 61,581 | 4,064,346 |
| The Coca-Cola Company | 12,856 | 981,170 |
| Food & Staples Retailing 1.7% | | |
| Casey's General Stores, Inc. | 8,240 | 464,324 |
| Costco Wholesale Corp. | 4,403 | 388,213 |
| CVS Caremark Corp. | 35,984 | 1,605,606 |
| Sysco Corp. (C) | 54,538 | 1,576,148 |

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| | | |
|---------------------------------------------|--------|-------------------|
| Wal-Mart Stores, Inc. | 7,629 | 449,424 |
| Whole Foods Market, Inc. | 1,600 | 132,912 |
| Food Products 2.0% | | |
| General Mills, Inc. | 31,310 | 1,217,646 |
| Green Mountain Coffee Roasters, Inc. (I) | 2,637 | 128,554 |
| Kraft Foods, Inc., Class A | 53,830 | 2,146,202 |
| Post Holdings, Inc. (I) | 5,800 | 172,550 |
| Ralcorp Holdings, Inc. (I) | 5,200 | 378,612 |
| Unilever NV — NY Shares | 32,400 | 1,112,940 |
| Tobacco 1.1% | | |
| Lorillard, Inc. | 1,000 | 135,290 |
| Philip Morris International, Inc. | 30,033 | 2,688,254 |
| Reynolds American, Inc. | 3,500 | 142,905 |
| Energy 8.3% | | 22,030,956 |
| Energy Equipment & Services 1.2% | | |
| Bristow Group, Inc. | 5,860 | 286,261 |
| Core Laboratories NV | 2,490 | 341,080 |
| Diamond Offshore Drilling, Inc. | 6,325 | 433,579 |
| McDermott International, Inc. (I) | 37,585 | 424,711 |
| National Oilwell Varco, Inc. | 4,355 | 329,935 |

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| | | |
|---------------------------------------------|--------|-----------|
| Oceaneering International, Inc. | 6,546 | 337,970 |
| <hr/> | | |
| Petrofac, Ltd. | 6,067 | 170,737 |
| <hr/> | | |
| Schlumberger, Ltd. | 7,190 | 533,067 |
| <hr/> | | |
| SEACOR Holdings, Inc. (I) | 3,700 | 343,841 |
| <hr/> | | |
| Oil, Gas & Consumable Fuels 7.1% | | |
| <hr/> | | |
| Anadarko Petroleum Corp. | 23,766 | 1,739,909 |
| <hr/> | | |
| Apache Corp. | 6,160 | 590,990 |
| <hr/> | | |
| BG Group PLC | 93,241 | 2,195,959 |
| <hr/> | | |
| Cabot Oil & Gas Corp. | 9,370 | 329,262 |
| <hr/> | | |
| Chevron Corp. | 16,150 | 1,720,944 |
| <hr/> | | |
| Cobalt International Energy, Inc. (I) | 12,200 | 326,472 |
| <hr/> | | |
| Concho Resources, Inc. (I) | 2,500 | 267,950 |
| <hr/> | | |
| Continental Resources, Inc. (I) | 1,700 | 151,725 |
| <hr/> | | |
| EOG Resources, Inc. | 6,430 | 706,078 |
| <hr/> | | |
| Exxon Mobil Corp. (C) | 30,543 | 2,637,083 |
| <hr/> | | |
| GeoResources, Inc. (I) | 9,140 | 344,669 |
| <hr/> | | |
| Newfield Exploration Company (I) | 5,510 | 197,809 |

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See notes to financial statements

Shares

Value

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Oil, Gas & Consumable Fuels (continued)

| | | |
|---------------------------------------------|--------|-------------------|
| Occidental Petroleum Corp. | 47,000 | \$4,287,340 |
| Peabody Energy Corp. | 3,900 | 121,329 |
| Penn Virginia Corp. | 17,700 | 90,624 |
| Pioneer Natural Resources Company | 2,000 | 231,640 |
| Plains Exploration & Production Company (I) | 5,980 | 244,283 |
| Royal Dutch Shell PLC, ADR, Class B | 21,990 | 1,613,186 |
| Southwestern Energy Company (I) | 4,610 | 145,584 |
| Valero Energy Corp. | 13,839 | 341,823 |
| Whiting Petroleum Corp. (I) | 9,530 | 545,116 |
| Financials 11.9% | | 31,319,878 |
| Capital Markets 2.1% | | |
| Ares Capital Corp. | 27,070 | 434,203 |
| BlackRock, Inc. | 10,260 | 1,965,611 |
| Greenhill & Company, Inc. | 11,330 | 440,171 |
| Invesco, Ltd. | 16,035 | 398,309 |
| SEI Investments Company | 67,305 | 1,358,888 |
| T. Rowe Price Group, Inc. | 12,180 | 768,741 |
| UBS AG (I) | 9,670 | 119,618 |
| Commercial Banks 5.1% | | |
| Cullen/Frost Bankers, Inc. | 15,185 | 895,308 |

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| | | |
|--------------------------------------------|---------|-----------|
| First Midwest Bancorp, Inc. | 36,090 | 384,359 |
| First Niagara Financial Group, Inc. | 57,120 | 510,653 |
| First Republic Bank (I) | 17,305 | 571,584 |
| Hancock Holding Company | 8,340 | 268,381 |
| International Bancshares Corp. | 26,800 | 528,764 |
| M&T Bank Corp. | 18,125 | 1,563,644 |
| MB Financial, Inc. | 15,400 | 318,318 |
| PNC Financial Services Group, Inc. | 45,440 | 3,013,581 |
| Webster Financial Corp. | 21,980 | 499,605 |
| Wells Fargo & Company (C) | 145,383 | 4,860,154 |
| Westamerica Bancorp. | 3,400 | 155,958 |
| Consumer Finance 0.2% | | |
| American Express Company | 7,872 | 473,973 |
| Discover Financial Services | 4,800 | 162,720 |
| Diversified Financial Services 1.1% | | |
| JPMorgan Chase & Company (C) | 60,900 | 2,617,482 |
| Justice Holdings, Ltd. (I) | 12,106 | 197,261 |
| Insurance 2.7% | | |
| ACE, Ltd. | 20,640 | 1,568,021 |
| Alleghany Corp. (I) | 3,670 | 1,258,443 |

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| | | |
|---------------------------------------|--------|-----------|
| Assured Guaranty, Ltd. | 14,700 | 208,446 |
| Marsh & McLennan Companies, Inc. | 63,230 | 2,115,044 |
| Platinum Underwriters Holdings, Ltd. | 10,300 | 377,186 |
| Primerica, Inc. | 16,950 | 444,599 |
| Reinsurance Group of America, Inc. | 10,180 | 591,865 |
| W.R. Berkley Corp. | 4,000 | 150,640 |
| White Mountains Insurance Group, Ltd. | 810 | 423,630 |

See notes to financial statements

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| | Shares | Value |
|------------------------------------------------------|---------------|-------------------|
| Real Estate Investment Trusts 0.4% | | |
| DiamondRock Hospitality Company | 30,450 | \$323,684 |
| Digital Realty Trust, Inc. | 2,700 | 202,743 |
| Host Hotels & Resorts, Inc. | 16,900 | 281,216 |
| Mack-Cali Realty Corp. | 8,820 | 253,310 |
| Real Estate Management & Development 0.1% | | |
| BR Malls Participacoes SA | 11,800 | 146,591 |
| Thriffs & Mortgage Finance 0.2% | | |
| Northwest Bancshares, Inc. | 37,920 | 467,174 |
| Health Care 10.0% | | 26,426,458 |
| Biotechnology 2.2% | | |

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| | | |
|--------------------------------------------------|--------|-----------|
| Alexion Pharmaceuticals, Inc. (I) | 1,580 | 142,706 |
| Amgen, Inc. | 14,220 | 1,011,184 |
| Amylin Pharmaceuticals, Inc. (I) | 27,300 | 707,343 |
| Biogen Idec, Inc. (I) | 11,874 | 1,591,235 |
| Celgene Corp. (I) | 16,705 | 1,218,129 |
| Gilead Sciences, Inc. (I) | 16,357 | 850,728 |
| Vertex Pharmaceuticals, Inc. (I) | 10,590 | 407,503 |
| Health Care Equipment & Supplies 2.2% | | |
| DENTSPLY International, Inc. | 7,300 | 299,738 |
| Edwards Lifesciences Corp. (I) | 7,237 | 600,454 |
| Gen-Probe, Inc. (I) | 6,400 | 521,920 |
| Haemonetics Corp. (I) | 2,890 | 206,837 |
| Hologic, Inc. (I) | 36,775 | 703,138 |
| Intuitive Surgical, Inc. (I) | 1,259 | 727,954 |
| Medtronic, Inc. (C) | 61,839 | 2,362,250 |
| STERIS Corp. | 8,200 | 257,562 |
| The Cooper Companies, Inc. | 3,100 | 273,327 |
| Health Care Providers & Services 1.2% | | |
| Aetna, Inc. | 11,207 | 493,556 |
| AmerisourceBergen Corp. | 5,098 | 189,697 |

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| | | |
|-----------------------------|--------|-----------|
| Amsurg Corp. (I) | 16,820 | 483,743 |
| Cardinal Health, Inc. | 4,689 | 198,204 |
| Omnicare, Inc. | 5,600 | 195,104 |
| PSS World Medical, Inc. (I) | 10,500 | 251,265 |
| Quest Diagnostics, Inc. | 1,200 | 69,228 |
| UnitedHealth Group, Inc. | 21,587 | 1,212,110 |

Health Care Technology 0.2%

| | | |
|--------------------------------|-------|---------|
| SXC Health Solutions Corp. (I) | 4,700 | 425,726 |
|--------------------------------|-------|---------|

Life Sciences Tools & Services 1.3%

| | | |
|----------------------------------------------------|--------|---------|
| Agilent Technologies, Inc. | 17,100 | 721,278 |
| Bruker Corp. (I) | 10,808 | 162,444 |
| Charles River Laboratories International, Inc. (I) | 19,710 | 700,296 |
| ICON PLC, ADR (I) | 32,030 | 710,425 |
| Life Technologies Corp. (I) | 12,173 | 564,340 |
| Waters Corp. (I) | 5,448 | 458,231 |

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See notes to financial statements

| | Shares | Value |
|------------------------------------|---------------|--------------|
| Pharmaceuticals 2.9% | | |
| Abbott Laboratories | 7,743 | \$480,531 |
| Auxilium Pharmaceuticals, Inc. (I) | 6,800 | 121,856 |

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|--------------------------------------------------------------------|--------|-------------------|
| Dr. Reddy's Laboratories, Ltd., ADR | 2,100 | 71,043 |
| Elan Corp. PLC, ADR (I) | 18,620 | 256,770 |
| Johnson & Johnson | 24,850 | 1,617,487 |
| Merck & Company, Inc. | 44,750 | 1,755,990 |
| Perrigo Company | 3,200 | 335,680 |
| Pfizer, Inc. | 73,730 | 1,690,629 |
| Roche Holdings AG | 4,027 | 735,774 |
| Salix Pharmaceuticals, Ltd. (I) | 8,400 | 414,960 |
| Valeant Pharmaceuticals International, Inc. (Toronto Exchange) (I) | 4,100 | 228,083 |
| Industrials 14.1% | | 37,377,850 |
| Aerospace & Defense 3.2% | | |
| General Dynamics Corp. (C) | 37,072 | 2,502,360 |
| Honeywell International, Inc. | 6,233 | 378,094 |
| Lockheed Martin Corp. | 23,843 | 2,158,745 |
| Northrop Grumman Corp. (C) | 37,885 | 2,397,363 |
| The Boeing Company | 13,287 | 1,020,442 |
| Air Freight & Logistics 1.3% | | |
| Atlas Air Worldwide Holdings, Inc. (I) | 4,100 | 188,805 |
| Expeditors International of Washington, Inc. | 5,740 | 229,600 |
| FedEx Corp. | 5,130 | 452,671 |

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|------------------------------------------------|--------|-----------|
| United Parcel Service, Inc., Class B | 32,138 | 2,511,263 |
| Building Products 0.6% | | |
| Lennox International, Inc. | 33,655 | 1,460,627 |
| Commercial Services & Supplies 0.6% | | |
| ACCO Brands Corp. (I) | 37,550 | 396,153 |
| Corrections Corp. of America (I) | 10,600 | 306,234 |
| G&K Services, Inc., Class A | 14,020 | 460,697 |
| United Stationers, Inc. | 18,760 | 532,034 |
| Construction & Engineering 0.8% | | |
| Jacobs Engineering Group, Inc. (I) | 17,050 | 747,302 |
| Vinci SA | 31,230 | 1,449,614 |
| Electrical Equipment 0.5% | | |
| Acuity Brands, Inc. | 3,890 | 216,167 |
| AMETEK, Inc. | 5,100 | 256,683 |
| Belden, Inc. | 22,090 | 768,290 |
| Industrial Conglomerates 2.2% | | |
| 3M Company | 20,080 | 1,794,349 |
| Carlisle Companies, Inc. | 20,800 | 1,145,248 |
| Danaher Corp. | 11,280 | 611,602 |
| General Electric Company | 12,558 | 245,886 |
| Tyco International, Ltd. | 35,947 | 2,017,705 |

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See notes to financial statements

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| | Shares | Value |
|-------------------------------------|--------|-----------|
| Machinery 3.5% | | |
| Albany International Corp., Class A | 21,150 | \$509,715 |
| Caterpillar, Inc. | 6,805 | 699,350 |
| Cummins, Inc. | 1,798 | 208,262 |
| Dover Corp. | 2,870 | 179,834 |
| Eaton Corp. | 24,300 | 1,170,774 |
| ESCO Technologies, Inc. | 13,430 | 461,992 |
| Flowserve Corp. | 5,840 | 671,191 |
| IDEX Corp. | 9,555 | 413,827 |
| Joy Global, Inc. | 2,283 | 161,568 |
| Mueller Industries, Inc. | 13,230 | 604,743 |
| PACCAR, Inc. | 25,880 | 1,111,805 |
| Pall Corp. | 16,195 | 965,384 |
| Parker Hannifin Corp. | 3,727 | 326,821 |
| Stanley Black & Decker, Inc. | 17,100 | 1,251,036 |
| WABCO Holdings, Inc. (I) | 5,000 | 315,150 |
| Wabtec Corp. | 2,990 | 232,562 |

Marine 0.2%

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| | | |
|--------------------------------------------------|---------|-------------------|
| Alexander & Baldwin, Inc. | 1,900 | 97,204 |
| Kirby Corp. (I) | 6,860 | 455,298 |
| Professional Services 0.2% | | |
| Intertek Group PLC | 2,727 | 111,251 |
| Towers Watson & Company, Class A | 6,030 | 394,362 |
| Verisk Analytics, Inc., Class A (I) | 2,000 | 97,900 |
| Road & Rail 0.3% | | |
| Canadian National Railway Company | 1,200 | 102,336 |
| Genesee & Wyoming, Inc., Class A (I) | 9,120 | 491,659 |
| Hertz Global Holdings, Inc. (I) | 8,000 | 123,280 |
| Localiza Rent a Car SA | 10,000 | 170,763 |
| Trading Companies & Distributors 0.7% | | |
| GATX Corp. | 13,910 | 596,322 |
| MSC Industrial Direct Company, Inc., Class A | 16,355 | 1,205,527 |
| Information Technology 21.5% | | 56,735,555 |
| Communications Equipment 2.9% | | |
| Acme Packet, Inc. (I) | 2,000 | 56,140 |
| Aruba Networks, Inc. (I) | 11,900 | 251,328 |
| Cisco Systems, Inc. (C) | 238,797 | 4,811,760 |
| F5 Networks, Inc. (I) | 4,525 | 606,033 |

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| | | |
|-------------------------------|--------|-----------|
| Juniper Networks, Inc. (I) | 10,490 | 224,801 |
| QUALCOMM, Inc. | 22,561 | 1,440,294 |
| Riverbed Technology, Inc. (I) | 13,612 | 268,565 |

Computers & Peripherals 4.4%

| | | |
|--------------------|--------|-----------|
| Apple, Inc. (C)(I) | 12,135 | 7,089,752 |
| Dell, Inc. (I) | 19,015 | 311,276 |
| Diebold, Inc. | 12,830 | 506,144 |
| EMC Corp. (C)(I) | 87,484 | 2,467,924 |
| Gemalto NV | 2,120 | 158,071 |
| NetApp, Inc. (I) | 10,157 | 394,396 |

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See notes to financial statements

| | Shares | Value |
|----------------------------------------------------------------|---------------|--------------|
| Computers & Peripherals (continued) | | |
| QLogic Corp. (I) | 32,852 | \$566,697 |
| SanDisk Corp. (I) | 974 | 36,048 |
| Electronic Equipment, Instruments & Components 0.6% | | |
| Avnet, Inc. (I) | 4,390 | 158,391 |
| Coherent, Inc. (I) | 4,980 | 261,948 |
| Jabil Circuit, Inc. | 10,340 | 242,473 |
| MTS Systems Corp. | 8,700 | 417,339 |

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| | | |
|---------------------------------------------------|---------|-----------|
| Trimble Navigation, Ltd. (I) | 8,940 | 484,012 |
| Universal Display Corp. (I) | 2,890 | 129,963 |
| Internet Software & Services 2.1% | | |
| eBay, Inc. (I) | 44,498 | 1,826,643 |
| Equinix, Inc. (I) | 3,530 | 579,626 |
| Google, Inc., Class A (I) | 1,812 | 1,096,677 |
| IAC/InterActiveCorp | 10,407 | 501,097 |
| LinkedIn Corp., Class A (I) | 6,630 | 719,024 |
| MercadoLibre, Inc. | 2,500 | 241,850 |
| Netease.com, Inc., ADR (I) | 5,500 | 331,760 |
| Rackspace Hosting, Inc. (I) | 2,700 | 156,843 |
| IT Services 2.9% | | |
| Automatic Data Processing, Inc. | 20,752 | 1,154,226 |
| Cielo SA | 4,320 | 129,635 |
| Cognizant Technology Solutions Corp., Class A (I) | 6,672 | 489,191 |
| Fiserv, Inc. (I) | 11,810 | 830,125 |
| International Business Machines Corp. | 7,268 | 1,505,057 |
| MAXIMUS, Inc. | 13,740 | 607,995 |
| Teradata Corp. (I) | 3,700 | 258,186 |
| The Western Union Company | 150,092 | 2,758,691 |

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Office Electronics 0.1%

| | | |
|---------------------------------------|-------|---------|
| Zebra Technologies Corp., Class A (I) | 8,760 | 339,800 |
|---------------------------------------|-------|---------|

Semiconductors & Semiconductor Equipment 3.1%

| | | |
|--------------|--------|---------|
| Altera Corp. | 16,304 | 579,933 |
|--------------|--------|---------|

| | | |
|----------------------|--------|-----------|
| Analog Devices, Inc. | 51,392 | 2,003,260 |
|----------------------|--------|-----------|

| | | |
|-----------------------------|--------|---------|
| Broadcom Corp., Class A (I) | 19,880 | 727,608 |
|-----------------------------|--------|---------|

| | | |
|---------------------------------|--------|---------|
| Cypress Semiconductor Corp. (I) | 16,250 | 251,875 |
|---------------------------------|--------|---------|

| | | |
|-------------|--------|-----------|
| Intel Corp. | 56,840 | 1,614,256 |
|-------------|--------|-----------|

| | | |
|-------------------------|-----|-------|
| Intersil Corp., Class A | 413 | 4,242 |
|-------------------------|-----|-------|

| | | |
|------------------|-------|---------|
| KLA-Tencor Corp. | 3,019 | 157,441 |
|------------------|-------|---------|

| | | |
|---------------------------------|--------|---------|
| Maxim Integrated Products, Inc. | 23,580 | 697,496 |
|---------------------------------|--------|---------|

| | | |
|------------------------------|--------|---------|
| Skyworks Solutions, Inc. (I) | 17,400 | 472,236 |
|------------------------------|--------|---------|

| | | |
|--------------|--------|-----------|
| Xilinx, Inc. | 43,673 | 1,588,824 |
|--------------|--------|-----------|

Software 5.4%

| | | |
|---------------------------|--------|---------|
| Activision Blizzard, Inc. | 25,660 | 330,244 |
|---------------------------|--------|---------|

| | | |
|-------------------------|--------|---------|
| Adobe Systems, Inc. (I) | 11,460 | 384,598 |
|-------------------------|--------|---------|

| | | |
|-----------------|-------|---------|
| ANSYS, Inc. (I) | 9,550 | 640,519 |
|-----------------|-------|---------|

| | | |
|--------------------|-------|---------|
| Autodesk, Inc. (I) | 6,168 | 242,834 |
|--------------------|-------|---------|

| | | |
|------------------------|-------|---------|
| BMC Software, Inc. (I) | 4,506 | 185,918 |
|------------------------|-------|---------|

| | | |
|----------------------------------|--------|---------|
| Cadence Design Systems, Inc. (I) | 32,500 | 379,275 |
|----------------------------------|--------|---------|

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See notes to financial statements

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| | Shares | Value |
|---------------------------------------------|---------|------------------|
| Software (continued) | | |
| Check Point Software Technologies, Ltd. (I) | 6,564 | \$381,565 |
| Citrix Systems, Inc. (I) | 1,973 | 168,909 |
| Concur Technologies, Inc. (I) | 5,700 | 322,392 |
| FactSet Research Systems, Inc. | 4,795 | 502,804 |
| Fortinet, Inc. (I) | 6,750 | 176,310 |
| Microsoft Corp. | 130,605 | 4,181,972 |
| MicroStrategy, Inc., Class A (I) | 1,640 | 229,239 |
| Oracle Corp. (C) | 144,704 | 4,252,851 |
| Red Hat, Inc. (I) | 8,379 | 499,472 |
| Salesforce.com, Inc. (I) | 3,320 | 517,024 |
| Splunk, Inc. (I) | 1,500 | 50,925 |
| Symantec Corp. (I) | 8,121 | 134,159 |
| TIBCO Software, Inc. (I) | 9,030 | 297,087 |
| Websense, Inc. (I) | 16,900 | 350,506 |
| Materials 2.7% | | 7,097,654 |
| Chemicals 1.5% | | |
| CF Industries Holdings, Inc. | 1,268 | 244,800 |

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| | | |
|-----------------------------------------|--------|-----------|
| Innospec, Inc. (I) | 10,200 | 308,346 |
| Koppers Holdings, Inc. | 7,300 | 283,824 |
| LyondellBasell Industries NV, Class A | 6,700 | 279,926 |
| The Dow Chemical Company | 37,100 | 1,256,948 |
| The Sherwin-Williams Company | 11,182 | 1,344,971 |
| Westlake Chemical Corp. | 2,400 | 153,480 |
| Containers & Packaging 0.4% | | |
| AptarGroup, Inc. | 6,410 | 349,409 |
| Graphic Packaging Holding Company (I) | 28,260 | 151,191 |
| Greif, Inc., Class A | 4,230 | 226,897 |
| Silgan Holdings, Inc. | 10,380 | 455,371 |
| Metals & Mining 0.3% | | |
| Cliffs Natural Resources, Inc. | 851 | 52,983 |
| Freeport-McMoRan Copper & Gold, Inc. | 1,642 | 62,889 |
| Glencore International PLC | 63,871 | 441,451 |
| Iluka Resources, Ltd. | 6,454 | 113,909 |
| Walter Energy, Inc. | 790 | 52,385 |
| Paper & Forest Products 0.5% | | |
| Deltic Timber Corp. | 6,470 | 395,188 |
| International Paper Company | 27,730 | 923,686 |

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| | | |
|---------------------------------------------------------------------|--------------------------------|-----------------------------------|
| Telecommunication Services 0.7% | | 1,785,335 |
| Diversified Telecommunication Services 0.7% | | |
| American Tower Corp. | 9,735 | 638,421 |
| AT&T, Inc. | 34,850 | 1,146,914 |
| Utilities 1.5% | | 3,935,913 |
| Electric Utilities 0.3% | | |
| UniSource Energy Corp. | 9,990 | 363,636 |
| Westar Energy, Inc. | 10,410 | 298,663 |
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| | Shares | Value |
| Gas Utilities 1.2% | | |
| Atmos Energy Corp. | 9,600 | \$312,768 |
| New Jersey Resources Corp. | 3,590 | 155,232 |
| UGI Corp. | 87,365 | 2,549,311 |
| WGL Holdings, Inc. | 6,390 | 256,303 |
| | Number of Contracts | Value |
| Options Purchased 6.2% | | \$16,378,000 |
| (Cost \$17,295,747) | | |
| Put Options 6.2% | | 16,378,000 |
| S&P 500 Index (Expiration Date: 6-22-13; Strike Price: \$1,275) (I) | 1,900 | 16,378,000 |

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| | Par value | Value |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------------|
| Short-Term Investments 3.5% | | \$9,200,000 |
| <hr/> | | |
| (Cost \$9,200,000) | | |
| Repurchase Agreement 3.5% | | 9,200,000 |
| Goldman Sachs Tri-Party Repurchase Agreement dated 4-30-12 at 0.200% to be repurchased at \$9,200,051 on 5-1-12, collateralized by \$1,329,000 Federal National Mortgage Association, 0.000% due 10-15-12 (valued at \$1,328,322) and by \$7,515,000 Federal Home Loan Mortgage Corp., 2.880% due 2-9-15 (valued at \$8,056,296, including interest) | \$9,200,000 | 9,200,000 |
| Total investments (Cost \$263,440,227)†104.4% | | \$275,810,720 |
| <hr/> | | |
| Other assets and liabilities, net (4.4%) | | (\$11,644,020) |
| <hr/> | | |
| Total net assets 100.0% | | \$264,166,700 |

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

ADR American Depositary Receipts

(C) All or a portion of this security is pledged as collateral for options (see Note 3). Total collateral value at 4-30-12 was \$42,361,850.

(I) Non-income producing security.

(R) Direct placement securities are restricted to resale and the Fund has limited rights to registration under the Securities Act of 1933.

| Issuer, Description | Acquisition date | Acquisition cost | Beginning share amount | Ending share amount | Value as a | Value as of 4-30-12 |
|---------------------|------------------|------------------|------------------------|---------------------|---------------------------------|---------------------|
| | | | | | percentage of Fund's net assets | |
| Allstar Co-Invest | 8-1-11 | \$240,553 | 236,300 | 236,300 | 0.09% | \$228,880 |

Block Feeder LLC

† At 4-30-12, the aggregate cost of investment securities for federal income tax purposes was \$264,189,306. Net unrealized appreciation aggregated \$11,621,414, of which \$20,673,695 related to appreciated investment securities and \$9,052,281 related to depreciated investment securities.

See notes to financial statements

Semiannual report | Hedged Equity & Income Fund 17

FINANCIAL STATEMENTS

Financial statements

Statement of assets and liabilities 4-30-12 (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 \$263,440,227) | \$275,810,720 |
| Cash | 92,042 |
| Foreign currency, at value (Cost \$769) | 766 |
| Receivable for investments sold | 1,649,317 |
| Dividends and interest receivable | 182,239 |
| Other receivables and prepaid expenses | 41,048 |
| Total assets | 277,776,132 |

Liabilities

| | |
|------------------------------------------------------------|-------------------|
| Payable for investments purchased | 1,201,431 |
| Written options, at value (Premiums received \$12,976,229) | 12,329,500 |
| Payable to affiliates | |
| Accounting and legal services fees | 3,468 |
| Trustees' fees | 1,604 |
| Other liabilities and accrued expenses | 73,429 |
| Total liabilities | 13,609,432 |

Net assets

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Paid-in capital | \$269,360,025 |
| Accumulated distributions in excess of net investment income | (8,192,165) |
| Accumulated net realized loss on investments, written options and foreign currency transactions | (10,018,571) |
| Net unrealized appreciation (depreciation) on investments, written options and translation of assets and liabilities in foreign currencies | 13,017,411 |
| Net assets | \$264,166,700 |

Net asset value per share

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Based on 14,350,824 shares of beneficial interest outstanding — unlimited number of shares authorized with par value of \$0.01 per share. | \$18.41 |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------|

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See notes to financial statements

FINANCIAL STATEMENTS

Statement of operations For the six-month period ended 4-30-12 (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 | \$2,407,937 |
| Interest | 4,808 |
| Less foreign taxes withheld | (10,468) |
| Total investment income | 2,402,277 |

Expenses

| | |
|------------------------------------|-----------|
| Investment management fees | 1,275,439 |
| Accounting and legal services fees | 23,352 |
| Transfer agent fees | 8,006 |
| Trustees' fees | 16,488 |
| Printing and postage | 10,981 |
| Professional fees | 50,721 |

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| | |
|----------------------------------------------------------------|---------------------|
| Custodian fees | 22,240 |
| Stock exchange listing fees | 22,801 |
| Other | 10,942 |
| Total expenses | 1,440,970 |
| Net investment income | 961,307 |
| Realized and unrealized gain (loss) | |
| <hr/> | |
| Net realized gain (loss) on | |
| Investments | (10,652,229) |
| Written options | 9,348,611 |
| Foreign currency transactions | (11,281) |
| | (1,314,899) |
| Change in net unrealized appreciation (depreciation) of | |
| Investments | 25,505,411 |
| Written options | 4,095,118 |
| Translation of assets and liabilities in foreign currencies | 235 |
| | 29,600,764 |
| Net realized and unrealized gain | 28,285,865 |
| Increase in net assets from operations | \$29,247,172 |

See notes to financial statements

Semiannual report | Hedged Equity & Income Fund 19

FINANCIAL STATEMENTS

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 | Period |
| ended | ended |
| 4-30-12 | |

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(unaudited)

10-31-11¹

Increase (decrease) in net assets

From operations

| | | |
|------------------------------------------------------|-------------|--------------|
| Net investment income | \$961,307 | \$337,387 |
| Net realized loss | (1,314,899) | (8,723,640) |
| Change in net unrealized appreciation (depreciation) | 29,600,764 | (16,583,353) |

Increase (decrease) in net assets resulting from operations **29,247,172** **(24,969,606)**

Distributions to shareholders²

| | | |
|----------------------------|-------------|-------------|
| From net investment income | (9,153,590) | (317,301) |
| From tax return of capital | — | (4,982,535) |

Total distributions **(9,153,590)** **(5,299,836)**

From Fund share transactions

| | | |
|--------------------|-------------|--------------------------|
| Shares issued | — | 279,246,500 ³ |
| Shares repurchased | (4,319,131) | — |
| Offering costs | — | (584,809) |

Total from Fund share transactions **(4,319,131)** **278,661,691**

Total increase **15,774,451** **248,392,249**

Net assets

Beginning of period 248,392,249 3

End of period **\$264,166,700** **\$248,392,249**

Undistributed (Accumulated distributions in excess of) net investment income **(\$8,192,165)** **\$118**

Share activity

Shares outstanding

| | | |
|---------------------|------------|------------|
| Beginning of period | 14,620,236 | — |
| Shares issued | — | 14,620,236 |
| Shares repurchased | (269,412) | — |

| | | |
|----------------------|-------------------|-------------------|
| End of period | 14,350,824 | 14,620,236 |
|----------------------|-------------------|-------------------|

¹ Period from 5-26-11 (commencement of operations) to 10-31-11.

² A portion of the distributions for the six months ended 4-30-12 may be deemed a tax return of capital at year-end.

³ Initial seed capital of \$100,000 is included in Fund share transactions for the period ended 10-31-11.

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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 | 4-30-12¹ | 10-31-11² |
|---------------------------------------------------------------------|----------------------------|-----------------------------|
| Per share operating performance | | |
| Net asset value, beginning of period | \$16.99 | \$19.10³ |
| Net investment income ⁴ | 0.07 | 0.02 |
| Net realized and unrealized gain (loss) on investments | 1.94 | (1.73) |
| Total from investment operations | 2.01 | (1.71) |
| Less distributions to common shareholders | | |
| From net investment income | (0.63) ⁵ | (0.02) |
| From tax return of capital | — | (0.34) |
| Total distributions | (0.63) | (0.36) |
| Anti-dilutive impact of repurchase plan | 0.04 ⁶ | — |
| Offering costs related to common shares | — | (0.04) |
| Net asset value, end of period | \$18.41 | \$16.99 |
| Per share market value, end of period | \$16.55 | \$15.18 |
| Total return at net asset value (%)⁷ | 12.73⁸ | (8.98)⁸ |
| Total return at market value (%)⁷ | 13.42⁸ | (22.33)⁸ |
| Ratios and supplemental data | | |
| Net assets applicable to common shares, end of period (in millions) | \$264 | \$248 |
| Ratios (as a percentage of average net assets): | | |
| Expenses | 1.13 ⁹ | 1.15 ⁹ |
| Net investment income | 0.75 ⁹ | 0.31 ⁹ |
| Portfolio turnover (%) | 37 | 38 |

¹ Six months ended 4-30-12. Unaudited.

² Period from 5-26-11 (commencement of operations) to 10-31-11.

³ Reflects the deduction of a \$0.90 per share sales load.

⁴ Based on the average daily shares outstanding.

⁵ A portion of the distributions may be deemed a tax return of capital at year-end.

⁶ The repurchase plan was completed at an average repurchase price of \$16.10 for \$269,412 shares. The repurchase for the period ended 4-30-12 was \$4,319,131 and had an impact of \$0.04.

⁷ 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 capital gain 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.

⁸ Not annualized.

⁹ Annualized.

See notes to financial statements

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Notes to financial statements

(unaudited)

Note 1 — Organization

John Hancock Hedged Equity & Income Fund (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 at the date of the financial statements. Actual results could differ from those estimates. 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. 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 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, 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.

The following is a summary of the values by input classification of the Fund's investments as of April 30, 2012, by major security category or type:

| | TOTAL MARKET VALUE AT 4-30-12 | LEVEL 1 QUOTED PRICE | LEVEL 2 SIGNIFICANT OBSERVABLE INPUTS | LEVEL 3 SIGNIFICANT UNOBSERVABLE INPUTS |
|-------------------------------|----------------------------------|-------------------------|---------------------------------------------|--------------------------------------------------|
| Common Stocks | | | | |
| Consumer Discretionary | \$44,508,379 | \$43,606,905 | \$672,594 | \$228,880 |
| Consumer Staples | 19,014,742 | 19,014,742 | — | — |
| Energy | 22,030,956 | 19,664,260 | 2,366,696 | — |
| Financials | 31,319,878 | 31,122,617 | 197,261 | — |
| Health Care | 26,426,458 | 25,690,684 | 735,774 | — |
| Industrials | 37,377,850 | 35,816,985 | 1,560,865 | — |
| Information Technology | 56,735,555 | 56,577,484 | 158,071 | — |
| Materials | 7,097,654 | 6,542,294 | 555,360 | — |
| Telecommunication | | | | |
| Services | 1,785,335 | 1,785,335 | — | — |
| Utilities | 3,935,913 | 3,935,913 | — | — |
| Options Purchased | 16,378,000 | 16,378,000 | — | — |
| Short-Term Investments | 9,200,000 | — | 9,200,000 | — |
| Total Investments in | | | | |
| Securities | \$275,810,720 | \$260,135,219 | \$15,446,621 | \$228,880 |
| Other Financial | | | | |
| Instruments | | | | |
| Written Options | (\$12,329,500) | (\$12,329,500) | — | — |

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. During the six months ended April 30, 2012, there were no significant transfers into or out of Level 1, Level 2 or Level 3.

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 principal securities exchange on which they trade. In the event there were no sales during the day or closing prices are not available, then securities are valued using the last quoted bid or evaluated price. Options listed on an exchange are valued at the mean between the last bid and ask prices from the exchange on which they are principally traded. For options not listed on an exchange, an independent pricing source is used to value the options at the mean between the last bid and ask prices. Foreign securities and currencies are valued in U.S. dollars, based on foreign currency exchange rates supplied by an independent pricing service. Certain securities traded only in the over-the-counter market are valued at the last bid price quoted by brokers making markets in the securities at the close of trading. Certain

short-term securities are valued at amortized cost. Other portfolio securities and assets, where 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.

Repurchase agreements. The Fund may enter into repurchase agreements. When the Fund enters into a repurchase agreement, it receives collateral which is held in a segregated account by the Fund's custodian. In the case of tri-party repurchase agreements, collateral is held at a third-party custodian bank in a segregated account for the benefit of the Fund. 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. 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.

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Security transactions and related investment income. Investment security transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is accrued as earned. Dividend income 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 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.

Foreign taxes. The Fund may be subject to withholding tax on income or capital gains or repatriation taxes as imposed by certain countries in which it invests. Taxes are accrued based upon net investment income, net realized gains or net unrealized appreciation.

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 the 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 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 for an unlimited period. Capital losses that are carried forward will retain their character as either short-term or long-term capital losses. For federal income tax purposes, as of October 31, 2011, the Fund has \$8,053,376 of short-term and \$374,834 of long-term capital loss carryforward available to offset future net realized capital gains.

As of October 31, 2011, 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.

Managed distribution plan. On May 3, 2011, the Board of Trustees approved the adoption of a managed distribution plan (the Distribution Plan). Under the Distribution Plan, the Fund makes quarterly distributions of

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an amount equal to 1.8125% of the Fund's net asset value as of each measuring date, based upon an annual rate of 7.25%. The amount of each quarterly distribution will be determined based on the net asset value of the Fund at the close of the NYSE on the last business day of the month ending two months prior to each quarterly declaration date.

Distributions under the Distribution Plan may consist of net investment income, net realized capital gains and, to the extent necessary, return of capital. Return of capital distributions may be necessary when the Fund's net investment income and net capital gains are insufficient to meet the minimum

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percentage dividend. In addition, the Fund may also make additional distributions to avoid federal income and excise taxes. The final determinations of tax characteristics of the Fund's distributions will occur at the end of the year and will subsequently be reported to shareholders. A portion of the distributions paid may be deemed a tax return of capital for the year ended October 31, 2012.

The Board of Trustees may terminate or reduce the amount distributed under the Distribution Plan at any time. The termination or reduction may have an adverse effect on the market price of the Fund's shares.

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 distributions quarterly through its managed distribution plan described above.

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. Material 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 and derivative transactions.

New accounting pronouncements. In May 2011, Accounting Standards Update 2011-04 (ASU 2011-04), *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*, was issued and is effective during interim and annual periods beginning after December 15, 2011. ASU 2011-04 may result in additional disclosure for transfers between levels as well as expanded disclosure for securities categorized as Level 3 under the fair value hierarchy.

In December 2011, the Financial Accounting Standards Board issued Accounting Standards Update No. 2011-11 (ASU 2011-11), *Disclosures about Offsetting Assets and Liabilities*. The update creates new disclosure requirements requiring entities to disclose both gross and net information for derivatives and other financial instruments that are either offset in the Statement of assets and liabilities or subject to an enforceable master netting arrangement or similar agreement. The disclosure requirements are effective for annual reporting periods beginning on or after January 1, 2013 and interim periods within those annual periods. ASU 2011-11 may result in additional disclosure relating to the presentation of derivatives.

Note 3 — Derivative instruments

The Fund invests in derivatives in order to meet its investment objective. The use of derivatives may involve risks different from, or potentially greater than, the risks associated with investing directly in securities. Specifically, the Fund is exposed to the risk that the counterparty to an over-the-counter (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. If the counterparty defaults, the Fund will have contractual remedies, but there is no assurance that the counterparty will meet its contractual obligations or that the Fund will succeed in enforcing them.

Options. There are two types of options, a put option and a call option. Options are traded either over-the-counter or on an exchange. A call option gives the purchaser of the option the right to buy (and the seller the obligation to sell) the underlying instrument at the exercise price. A put option gives the purchaser of the option the right to sell (and the writer the obligation to buy) the underlying instrument at the exercise price. Writing puts and buying calls may increase the Fund's

exposure to changes in the value of the underlying instrument. Buying puts and writing calls may decrease the Fund's exposure to such changes. Risks related to the use of options include the loss of the premium, possible illiquidity of the options markets, trading restrictions imposed by an exchange and movements in underlying security values, and for written options, potential losses in excess of the amounts recognized on the Statement of assets and liabilities.

When the Fund purchases an option, the premium paid by the Fund is included in the Portfolio of Investments and subsequently "marked-to-market" to reflect current market value. If the purchased option expires, the Fund realizes a loss equal to the cost of the option. If the Fund exercises a call option, the cost of the securities acquired by exercising the call is increased by the premium paid to buy the call. If the Fund exercises a put option, it realizes a gain or loss from the sale of the underlying security and the proceeds from such sale are decreased by the premium paid. If the Fund enters into a closing sale transaction, the Fund realizes a gain or loss, depending on whether proceeds from the closing sale are greater or less than the original cost. When the Fund writes an option, the premium received is included as a liability and subsequently "marked-to-market" to reflect current market value of the option written. Premiums received from writing options that expire unexercised are recorded as realized gains. Premiums received from writing options which are exercised or are closed are added to or offset against the proceeds or amount paid on the transaction to determine the realized gain or loss. If a put option on a security is exercised, the premium received reduces the cost basis of the securities purchased by the Fund.

During the six months ended April 30, 2012, the Fund used purchased options to hedge against changes in securities markets. During the six months ended April 30, 2012, the Fund held purchased options with market values ranging from \$6.7 million to \$16.4 million, as measured at each quarter end.

During the six months ended April 30, 2012, the Fund wrote option contracts to generate earnings from option premiums and to attempt to reduce overall volatility. The following tables summarize the Fund's written options activities during the six months ended April 30, 2012 and the contracts held at April 30, 2012.

| | NUMBER OF CONTRACTS | PREMIUMS RECEIVED (PAID) |
|-----------------------------------|------------------------|-----------------------------|
| Outstanding, beginning of period | 3,050 | \$9,440,111 |
| Options written | 11,300 | 22,258,330 |
| Options closed | (11,450) | (18,722,212) |
| Options exercised | — | — |
| Options expired | — | — |
| Outstanding, end of period | 2,900 | \$12,976,229 |

| NAME OF ISSUER | EXERCISE PRICE | EXPIRATION DATE | NUMBER OF CONTRACTS | PREMIUM | VALUE |
|----------------|-------------------|--------------------|------------------------|---------|-------|
|----------------|-------------------|--------------------|------------------------|---------|-------|

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CALLS

| | | | | | |
|---------------|---------|----------|--------------|--------------------|----------------------|
| S&P 500 Index | \$1,400 | May 2012 | 500 | \$898,488 | (\$765,000) |
| S&P 500 Index | 1,390 | May 2012 | 500 | 873,488 | (1,057,500) |
| Total | | | 1,000 | \$1,771,976 | (\$1,822,500) |

PUTS

| | | | | | |
|---------------|---------|----------|--------------|---------------------|-----------------------|
| S&P 500 Index | \$1,150 | Jun 2013 | 1,900 | \$11,204,253 | (\$10,507,000) |
| Total | | | 1,900 | \$11,204,253 | (\$10,507,000) |

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Fair value of derivative instruments by risk category

The table below summarizes the fair value of derivatives held by the Fund at April 30, 2012 by risk category:

| RISK | STATEMENT OF ASSETS | FINANCIAL INSTRUMENTS | ASSET DERIVATIVES | LIABILITY |
|------------------|---------------------------|-----------------------|---------------------|---------------------------|
| | AND LIABILITIES LOCATION | LOCATION | FAIR VALUE | DERIVATIVES FAIR VALUE |
| Equity contracts | Investments, at value* | Purchased Options* | \$16,378,000 | — |
| | Written Options, at value | Written Options | — | \$12,329,500 |
| | | | \$16,378,000 | \$12,329,500 |

* Purchased options are included in the Fund's investments.

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 April 30, 2012:

| RISK | STATEMENT OF | INVESTMENTS | |
|------------------|--------------------------|---------------------|-----------------|
| | OPERATIONS LOCATION | (PURCHASED OPTIONS) | WRITTEN OPTIONS |
| Equity contracts | Net realized gain (loss) | (\$11,319,928) | \$9,348,611 |

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 April 30, 2012:

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| RISK | STATEMENT OF OPERATIONS LOCATION | INVESTMENTS (PURCHASED OPTIONS) | WRITTEN OPTIONS |
|------------------|---------------------------------------------------------|------------------------------------|-----------------|
| Equity contracts | Change in net unrealized appreciation (depreciation) | (\$3,892,519) | \$4,095,118 |

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 Adviser) serves as investment adviser for the Fund. The Adviser is an indirect, wholly owned subsidiary of Manulife Financial Corporation (MFC).

Management fee. The Fund has an investment management agreement with the Adviser under which the Fund pays a daily management fee to the Adviser equivalent, on an annual basis, to 1.00% of the Fund’s average daily gross assets. The Adviser has a subadvisory agreement with Wellington Management Company, LLP. The Fund is not responsible for payment of the subadvisory fees.

Accounting and legal services. Pursuant to a service agreement, the Fund reimburses the Adviser 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

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fees incurred for the six months ended April 30, 2012 amounted to an annual rate of 0.02% of the Fund’s average daily net assets.

Trustee expenses. The Fund compensates each Trustee who is not an employee of the Adviser or its affiliates. These Trustees may, for tax purposes, elect to defer receipt of this compensation under the John Hancock Group of Funds Deferred Compensation Plan (the Plan). Deferred amounts are invested in various John Hancock funds and remain in the funds until distributed in accordance with the Plan. The investment of deferred amounts and the offsetting liability are included within Other receivables and prepaid expenses and Payable to affiliates — Trustees’ fees, respectively, in the accompanying Statement of assets and liabilities.

Note 6 — Fund share transactions

On May 26, 2011, the Fund completed its initial public offering of 14,015,000 common shares, and on July 13, 2011, completed a supplemental offering of 600,000 common shares, each at an offering price of \$20.00 per share. Underwriting commissions of \$13,153,500 were paid to brokers in connection with these public offerings. Prior to the public offerings, the Fund was seeded with initial capital of \$100,000 in return for 5,236 shares. Offering costs of approximately \$1,103,000 were absorbed by the Adviser.

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On December 6, 2011, the Board of Trustees approved a share repurchase plan (the Repurchase Plan). Under the Repurchase Plan, the Fund may purchase, in the open market, up to 10% of its outstanding common shares between January 1, 2012 and December 31, 2012 (based on common shares outstanding as of December 31, 2011). During the six months ended April 30, 2012, the Fund repurchased 1.84% of shares outstanding under the Repurchase Plan. The weighted average discount per share on these repurchases amounted to 10.8% for the six months ended April 30, 2012. Shares repurchased and corresponding dollar amounts are included in the Statement of changes in net assets.

Note 7 — Purchase and sale of securities

Purchases and sales of securities, other than short-term securities, aggregated \$88,841,979 and \$98,587,414, respectively, for the six months ended April 30, 2012.

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Additional information

Unaudited

Investment objective and policy

The Fund is a diversified, closed-end management investment company, common shares of which were initially offered to the public on May 26, 2011 and are publicly traded on the NYSE. The Fund's investment objective is to provide total return with a focus on current income and gains and also consisting of long-term capital appreciation. The Fund uses an equity strategy (the "equity strategy") and an actively managed option overlay strategy (the "option overlay strategy") to pursue its investment objective. The equity strategy seeks to provide broad-based exposure to equity markets, while emphasizing downside equity market protection. The goal of the equity strategy is to participate in and capture the broader equity market returns in rising market conditions, while seeking to limit losses relative to the broader equity markets in declining market circumstances through an effective combination of equity investment strategies. The option overlay strategy pursues two goals: (i) to generate earnings for current distribution from option premiums; and (ii) downside equity market protection (through the use of U.S. equity index puts).

Dividends and distributions

During the six months ended April 30, 2012, distributions totaling \$0.6316 per share were paid to shareholders. The dates of payments and the amounts per share are as follows:

| PAYMENT DATE | DISTRIBUTIONS ¹ |
|-------------------|----------------------------|
| December 30, 2011 | \$0.3079 |
| March 30, 2012 | \$0.3237 |
| Total | \$0.6316 |

¹ A portion of the distributions may be deemed a tax return of capital at year end.

Dividend reinvestment plan

The Fund's Dividend Reinvestment Plan (the Plan) provides that distributions of dividends and capital gains are automatically reinvested in common shares of the Fund by Computershare Trust Company, N.A. (formerly known as The Bank of New York Mellon) (the Plan Agent). Every shareholder holding at least one full share of the Fund

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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 dividend or 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 dividends or distributions are payable only in cash, then participants will receive shares purchased by the Plan Agent on participants' behalf on the New York Stock Exchange (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.

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The reinvestment of dividends and net capital gains distributions does not relieve participants of any income tax that may be payable on such dividends or 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 Web site at www.computershare.com and clicking on EquityAccess & More. The Plan Agent will mail a check to you (less applicable brokerage trading fees) on settlement date, which is three business days after your shares have been sold. If you choose to sell your shares through your stockbroker, you will need to request that the Plan Agent electronically transfer your shares to your 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 Web site at www.computershare.com and clicking on EquityAccess & More. 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 dividend or distribution, with respect to any subsequent dividend or distribution. If you withdraw, your shares will be credited to your account; or, if you wish, the Plan Agent will sell your full and fractional shares and send you 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 Web site at www.computershare.com and clicking on EquityAccess & More. If received in proper form by the Plan Agent before the record date of a dividend, the election will be effective with respect to all dividends paid after such record date. If you wish to participate in the Plan and your shares are held in the name of a brokerage firm, bank or other nominee, please contact your nominee to see if it will participate in the Plan for you. If you wish to participate in the Plan, but your brokerage firm, bank or other nominee is unable to participate on your behalf, you will need to request that your shares be re-registered in your own name, or you 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 you as representing the total amount registered

in your name and held for your account by your 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 dividend or distribution by the Fund.

All correspondence or requests for additional information about the Plan should be directed to Computershare Trust Company, N.A., at the address stated below or by calling 1-800-852-0218, 1-201-680-6578 (For International Telephone Inquiries), and 1-201-680-6610 (For the Hearing Impaired (TDD)).

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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 Trust Company, N.A.
Newport Office Center VII
480 Washington Boulevard
Jersey City, NJ 07310-1900
Telephone: 1-800-852-0218

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

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More information

Trustees

Steven R. Pruchansky

Chairman

William H. Cunningham

Deborah C. Jackson

Stanley Martin*

Hugh McHaffiet

Dr. John A. Moore*

Vice Chairman

Patti McGill Peterson*

Gregory A. Russo

John G. Vrysent

Officers

Keith F. Hartstein

President and

Chief Executive Officer

Andrew G. Arnott

Senior Vice President and

Chief Operating Officer

Thomas M. Kinzler

Secretary and Chief Legal Officer

Francis V. Knox, Jr.

Investment adviser

John Hancock Advisers, LLC

Subadviser

Wellington Management

Company, LLP

Custodian

State Street Bank and

Trust Company

Transfer agent

Computershare Shareowner

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| | | |
|-----------------------------------|----------------------------------------------------|---------------------------------------------------------------|
| *Member of the Audit Committee | <i>Chief Compliance Officer</i> | Services, LLC |
| †Non-Independent Trustee | Charles A. Rizzo <i>Chief Financial Officer</i> | Legal counsel K&L Gates LLP |
| | Salvatore Schiavone <i>Treasurer</i> | Stock symbol Listed New York Stock Exchange: HEQ |

For shareholder assistance refer to page 31

You can also contact us:

1-800-852-0218
jhfunds.com

Regular mail:
Computershare Shareowner Services, LLC
Newport Office Center VII
480 Washington Boulevard
Jersey City, NJ 07310-1900

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) Web site at www.sec.gov or on our Web site.

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 Web site and the SEC's Web site, www.sec.gov, and can be reviewed and copied (for a fee) at the SEC's Public Reference Room in Washington, DC. Call 1-202-551-8090 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 Web site at www.jhfunds.com or by calling 1-800-852-0218.

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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1-800-852-0218
1-800-231-5469 TDD
1-800-843-0090 EASI-Line
www.jhfunds.com

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6/12

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.

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

Not applicable.

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

Not applicable.

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

| Period | Total number of shares purchased | Average price per share | Total number of shares purchased as part of publicly announced plans* | Maximum number of shares that may yet be purchased under the plans |
|---------------|-----------------------------------------|--------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Dec-11 | - | - | - | 1,462,024* |
| Jan-12 | 145,349 | \$15.665 | 145,349 | 1,316,675 |
| Feb-12 | 67,084 | \$16.506 | 212,433 | 1,249,591 |
| Mar-12 | 56,979 | \$16.409 | 269,412 | 1,192,612 |
| Apr-12 | - | - | - | 1,192,612 |
| Total | 269,412 | \$16.032 | | |

*In December 2011, the Board of Trustees approved a share repurchase plan. Under the share repurchase plan, the Fund may purchase in the open market up to 10% of its outstanding common shares between January 1, 2012 and December 31, 2012 (based on common shares outstanding as of December 31, 2011).

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

The registrant has adopted procedures by which shareholders may recommend nominees to the registrant's Board of Trustees. A copy of the procedures is filed as an exhibit to this Form N-CSR. See attached "John Hancock Funds" Nominating, Governance and Administration Committee Charter.

ITEM 11. CONTROLS AND PROCEDURES.

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(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) Submission of Matters to a Vote of Security Holders is attached. See attached []John Hancock Funds [] Nominating, Governance and Administration Committee Charter. []

(c)(2) Contact person at the registrant.

(c)(3) Registrant's notices to shareholders pursuant to Registrant's exemptive order granting an exemption from Section 19(b) of the Investment Company Act of 1940, as amended and Rule 19b-1 thereunder regarding distributions made pursuant to the Registrant's Managed Distribution Plan.

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 Hedged Equity & Income Fund

By: /s/ Keith F. Hartstein

Keith F. Hartstein
President and
Chief Executive Officer

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Date: June 26, 2012

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/ Keith F. Hartstein

Keith F. Hartstein
President and
Chief Executive Officer

Date: June 26, 2012

By: /s/ Charles A. Rizzo

Charles A. Rizzo
Chief Financial Officer

Date: June 26, 2012