

JOHN HANCOCK PREFERRED INCOME FUND
Form N-Q
June 27, 2006

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)
Alfred P. Ouellette, Senior Attorney and Assistant Secretary

601 Congress Street

Boston, Massachusetts 02210

(Name and address of agent for service)

Registrant's telephone number, including area code: 617-663-4324

Date of fiscal year end: July 31

Date of reporting period: April 30, 2006

ITEM 1. SCHEDULE OF INVESTMENTS

John Hancock
Preferred Income Fund
Securities owned by the Fund on

April 30, 2006 (unaudited)

| Issuer, description | Interest rate (%) | Maturity date | Credit rating (A) | Par value (\$000) | Value |
|----------------------------|------------------------------|--------------------------|------------------------------|------------------------------|--------------|
|----------------------------|------------------------------|--------------------------|------------------------------|------------------------------|--------------|

Bonds 1.18% **\$10,362,127**
(Cost \$10,982,356)

Electric Utilities 1.18% **10,362,127**

| | | | | | |
|--|-------|----------|------|-------|-----------|
| Black Hills Corp., Note | 6.500 | 05-15-13 | BBB- | 5,950 | 5,855,817 |
| Entergy Gulf States, Inc., 1st Mtg Bond | 6.200 | 07-01-33 | BBB+ | 5,000 | 4,506,310 |

| Issuer, description, maturity date | Credit rating (A) | Par value (\$000) | Value |
|---|--------------------------|--------------------------|--------------|
|---|--------------------------|--------------------------|--------------|

Capital preferred securities 7.69% **\$67,844,582**

(Cost \$62,728,880)

Diversified Banks 0.84% **7,387,500**

| | | | |
|--|----|-------|-----------|
| Lloyds TSB Bank Plc, 6.90%, 11-29-49 (United Kingdom) | A+ | 7,500 | 7,387,500 |
|--|----|-------|-----------|

Electric Utilities 3.06% **26,940,000**

| | | | |
|---|----|--------|------------|
| DPL Capital Trust II, 8.125%, 09-01-31 | B+ | 24,000 | 26,940,000 |
|---|----|--------|------------|

Gas Utilities 2.32% **20,497,193**

| | | | |
|---|-----|--------|------------|
| KN Capital Trust I, 8.56%, Ser B, 04-15-27 | BB+ | 11,500 | 12,179,673 |
| KN Capital Trust III, 7.63%, 04-15-28 | BB+ | 8,000 | 8,317,520 |

Integrated Telecommunication Services 0.69% **6,111,130**

| | | | |
|---|------|-------|-----------|
| TCl Communications Financing Trust III, 9.65%, 03-31-27 | BBB- | 5,700 | 6,111,130 |
|---|------|-------|-----------|

Regional Banks 0.78% **6,908,759**

| | | | |
|---|---|-------|-----------|
| Summit Capital Trust I, 8.40%, Ser B, 03-15-27 | A | 6,500 | 6,908,759 |
|---|---|-------|-----------|

| Issuer | Shares | Value |
|----------------------------|---------------|---------------------|
| Common stocks 3.22% | | \$28,357,127 |

(Cost \$26,727,191)

Electric Utilities 1.07% 9,437,645

| | | |
|--|---------|-----------|
| FPL Group, Inc. | 176,688 | 6,996,845 |
| Scottish Power Plc, American Depositary Receipt (ADR) (United Kingdom) | 60,000 | 2,440,800 |

Gas Utilities 0.18% 1,571,870

| | | |
|-------------|--------|-----------|
| ONEOK, Inc. | 47,618 | 1,571,870 |
|-------------|--------|-----------|

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Preferred Income Fund

Securities owned by the Fund on

April 30, 2006 (unaudited)

Multi-Utilities 1.97% 17,347,612

| | | |
|----------------------|---------|-----------|
| Alliant Energy Corp. | 206,100 | 6,586,956 |
| DTE Energy Co. | 111,046 | 4,528,456 |
| TECO Energy, Inc. | 390,000 | 6,232,200 |

| Issuer, description | Credit rating (A) | Shares | Value |
|---|------------------------------|---------------|----------------------|
| Preferred stocks 87.69% | | | \$773,333,686 |
| (Cost \$796,059,818) | | | |
| Agricultural Products 1.25% | | | 10,984,188 |
| Ocean Spray Cranberries, Inc., 6.25%, Ser A (S) | BB+ | 143,000 | 10,984,188 |
| Asset Management & Custody Banks 0.10% | | | 892,000 |
| BNY Capital V, 5.95%, Ser F | A- | 40,000 | 892,000 |
| Automobile Manufacturers 1.71% | | | 15,105,134 |
| Ford Motor Co., 7.50% | BB- | 40,000 | 680,800 |

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| | | | |
|--|----|---------|-----------|
| General Motors Corp., 7.25%, Ser 04-15-41 | B | 378,700 | 6,002,395 |
| General Motors Corp., 7.25%, Ser 07-15-41 | B | 82,000 | 1,293,140 |
| General Motors Corp., 7.25%, Ser 02-15-52 | B | 254,300 | 4,025,569 |
| General Motors Corp., 7.375%, Ser 05-15-48 | B3 | 65,000 | 1,023,750 |
| General Motors Corp., 7.375%, Ser 10-01-51 | B | 129,000 | 2,079,480 |

Consumer Finance 4.85%

42,739,415

| | | | |
|--|------|---------|-----------|
| CIT Group, Inc., 6.35%, Ser A | BBB+ | 70,000 | 1,757,700 |
| Ford Motor Credit Co., 7.60% | Ba2 | 315,600 | 6,428,772 |
| HSBC Finance Corp., 6.00% | A | 214,200 | 4,853,772 |
| HSBC Finance Corp., 6.36%, Depository Shares, Ser B | BBB+ | 297,000 | 7,433,910 |
| HSBC Finance Corp., 6.875% | A | 399,800 | 9,939,028 |
| SLM Corp., 6.00% | A | 214,100 | 4,780,853 |
| SLM Corp., 6.97%, Ser A | BBB+ | 139,600 | 7,545,380 |

Diversified Banks 9.18%

80,937,724

| | | | |
|---|------|---------|------------|
| BAC Capital Trust IV, 5.875% | A | 181,150 | 3,990,734 |
| Bank One Capital Trust VI, 7.20% | A- | 55,500 | 1,391,385 |
| Comerica Capital Trust I, 7.60% | BBB+ | 178,100 | 4,486,339 |
| Fleet Capital Trust VII, 7.20% | A | 322,500 | 8,143,125 |
| Fleet Capital Trust VIII, 7.20% | A | 464,750 | 11,744,232 |
| HSBC Holdings Plc, 6.20%, Ser A (United Kingdom) | A- | 150,000 | 3,484,500 |
| Royal Bank of Scotland Group Plc, 5.75%, Ser L (United Kingdom) | A | 550,900 | 12,141,836 |
| Royal Bank of Scotland Group Plc, 6.35%, Ser N, ADR (United Kingdom) | A | 20,000 | 479,200 |
| Santander Finance Preferred SA, Unipersonal, 6.41%, Ser 1 (Spain) | A- | 225,000 | 5,467,500 |
| USB Capital III, 7.75% | Aa3 | 327,100 | 8,177,500 |
| USB Capital IV, 7.35% | A | 165,700 | 4,150,785 |
| USB Capital V, 7.25% | A | 103,599 | 2,614,839 |
| USB Capital VI, 5.75% | A | 20,000 | 438,400 |

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Preferred Income Fund
Securities owned by the Fund on

April 30, 2006 (unaudited)

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| | | | |
|--|----|---------|-----------|
| USB Capital VII, 5.875% | A | 36,900 | 824,715 |
| USB Capital VIII, 6.35%, Ser 1 | A | 169,800 | 3,995,394 |
| USB Capital X, 6.50% | A | 45,000 | 1,104,750 |
| Wachovia Preferred Funding Corp., 7.25%, Ser A | A- | 69,000 | 1,849,200 |
| Wells Fargo Capital Trust IV, 7.00% | A | 108,100 | 2,721,958 |
| Wells Fargo Capital Trust VI, 6.95% | A- | 53,400 | 1,338,204 |
| Wells Fargo Capital Trust VII, 5.85% | A | 107,750 | 2,393,128 |

Electric Utilities 17.39% **153,381,789**

| | | | |
|--|------|---------|------------|
| Boston Edison Co., 4.78% | BBB+ | 15,143 | 1,258,535 |
| Entergy Arkansas, Inc., 6.70% | AAA | 25,300 | 638,066 |
| Entergy Mississippi, Inc., 7.25% | A- | 346,000 | 8,778,020 |
| FPC Capital I, 7.10%, Ser A | BB+ | 839,691 | 21,076,244 |
| FPL Group Capital Trust I, 5.875% | BBB+ | 502,200 | 11,249,280 |
| Georgia Power Capital Trust VII, 5.875% | BBB+ | 250,600 | 5,550,790 |
| Georgia Power Co., 6.00%, Ser R | A | 395,497 | 9,037,106 |
| Great Plains Energy, Inc., 8.00%, Conv | BBB- | 764,900 | 18,166,375 |
| HECO Capital Trust III, 6.50% | BBB- | 375,400 | 9,313,674 |
| Interstate Power & Light Co., 8.375%, Ser B | Baa3 | 700,000 | 22,260,000 |
| Northern States Power Co., 8.00% | BBB- | 235,000 | 6,016,000 |
| PPL Electric Utilities Corp., 6.25%, Depository Shares | BBB | 300,000 | 7,500,000 |
| Southern California Edison Co., 6.125% | BBB- | 119,000 | 12,052,475 |
| Southern Co. Capital Trust VI, 7.125% | BBB+ | 49,800 | 1,252,968 |
| TXU Corp., 8.125%, Conv | Ba1 | 79,800 | 6,362,454 |
| Virginia Power Capital Trust, 7.375% | BB+ | 513,150 | 12,869,802 |

Gas Utilities 2.33% **20,582,176**

| | | | |
|--|-----|---------|------------|
| Southern Union Co., 5.00%, Conv | BBB | 30,000 | 1,538,100 |
| Southern Union Co., 7.55%, Ser A | BB+ | 296,600 | 7,652,280 |
| Southwest Gas Capital II, 7.70% | BB | 404,300 | 10,560,316 |
| TransCanada Pipelines Ltd., 8.25% (Canada) | BBB | 32,800 | 831,480 |

Hotels, Resorts & Cruise Lines 0.33% **2,953,681**

| | | | |
|----------------------------|----|---------|-----------|
| Hilton Hotels Corp., 8.00% | BB | 118,100 | 2,953,681 |
|----------------------------|----|---------|-----------|

Integrated Telecommunication Services 3.10% **27,377,470**

| | | | |
|--|----|---------|------------|
| Telephone & Data Systems, Inc., 6.625% | A- | 233,000 | 5,324,050 |
| Telephone & Data Systems, Inc., 7.60%, Ser A | A- | 690,687 | 17,205,013 |
| Verizon New England, Inc., 7.00%, Ser B | A3 | 194,950 | 4,848,407 |

Investment Banking & Brokerage 8.08% **71,272,157**

| | | | |
|---------------------------------------|-----|--------|-----------|
| Bear Stearns Capital Trust III, 7.80% | BBB | 40,600 | 1,016,218 |
|---------------------------------------|-----|--------|-----------|

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| | | | |
|--|----|---------|------------|
| Goldman Sachs Group, Inc., 6.20% | A- | 460,000 | 11,357,400 |
| Lehman Brothers Holdings Capital Trust III, 6.375%, Ser K | A- | 150,000 | 3,535,500 |
| Lehman Brothers Holdings Capital Trust V, 6.00%, Ser M | A- | 70,000 | 1,550,500 |
| Lehman Brothers Holdings, Inc., 5.94%, Depository Shares, Ser C | A- | 175,600 | 8,665,860 |
| Merrill Lynch Preferred Capital Trust III, 7.00% | A- | 330,500 | 8,321,990 |
| Merrill Lynch Preferred Capital Trust IV, 7.12% | A- | 241,152 | 6,103,557 |
| Merrill Lynch Preferred Capital Trust V, 7.28% | A- | 367,000 | 9,307,120 |

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Preferred Income Fund

Securities owned by the Fund on

April 30, 2006 (unaudited)

| | | | |
|---|----|---------|-----------|
| Morgan Stanley Capital Trust II, 7.25% | A- | 240,200 | 6,002,598 |
| Morgan Stanley Capital Trust III, 6.25% | A- | 192,400 | 4,455,984 |
| Morgan Stanley Capital Trust IV, 6.25% | A- | 57,000 | 1,309,860 |
| Morgan Stanley Capital Trust V, 5.75% | A1 | 347,000 | 7,463,970 |
| Morgan Stanley Capital Trust VI, 6.60% | A- | 90,000 | 2,181,600 |

Life & Health Insurance 4.51%

39,744,857

| | | | |
|---|------|---------|------------|
| Lincoln National Capital VI, 6.75%, Ser F | A- | 148,600 | 3,664,476 |
| MetLife, Inc., 6.375%, Ser B, Conv | BBB+ | 9,930 | 278,239 |
| MetLife, Inc., 6.50%, Ser B | BBB | 950,500 | 23,857,550 |
| PLC Capital Trust IV, 7.25% | BBB+ | 186,600 | 4,687,392 |
| PLC Capital Trust V, 6.125% | BBB+ | 256,000 | 5,811,200 |
| Prudential Plc, 6.50% (United Kingdom) | A | 60,000 | 1,446,000 |

Multi-Line Insurance 3.89%

34,315,037

| | | | |
|-----------------------------------|----|---------|------------|
| AEGON NV, 6.375% (Netherlands) | A- | 444,900 | 10,646,457 |
| AEGON NV, 6.50% (Netherlands) | A- | 111,100 | 2,684,176 |
| ING Groep NV, 6.20% (Netherlands) | A | 134,793 | 3,150,112 |
| ING Groep NV, 7.05% (Netherlands) | A | 703,800 | 17,834,292 |

Multi-Utilities 10.06%

88,694,123

| | | | |
|---|------|---------|------------|
| Aquila, Inc., 7.875% | B2 | 511,700 | 12,838,553 |
| Baltimore Gas & Electric Co., 6.99%, Ser 1995 | Baa2 | 40,000 | 4,165,000 |
| BGE Capital Trust II, 6.20% | BBB- | 831,825 | 19,431,432 |
| Consumers Energy Co. Financing IV, 9.00% | Ba2 | 117,600 | 2,975,280 |

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| | | | |
|---|------|---------|------------|
| Dominion CNG Capital Trust I, 7.80% | BB+ | 253,476 | 6,352,109 |
| DTE Energy Trust I, 7.80% | BB+ | 135,100 | 3,404,520 |
| Energy East Capital Trust I, 8.25% | BBB- | 447,200 | 11,211,304 |
| PNM Resources, Inc., 6.75%, Conv | BBB- | 268,000 | 13,030,160 |
| PSEG Funding Trust II, 8.75% | BB+ | 233,500 | 6,110,695 |
| Public Service Electric & Gas Co., 4.18%, Ser B | BB+ | 7,900 | 635,950 |
| Puget Sound Energy Capital Trust II, 8.40% | BB | 103,900 | 2,624,514 |
| TECO Capital Trust I, 8.50% | B | 234,893 | 5,914,606 |

Oil & Gas Exploration & Production 3.63% 32,029,400

| | | | |
|-----------------------------|-----|-----------|------------|
| Nexen, Inc., 7.35% (Canada) | BB+ | 1,261,000 | 32,029,400 |
|-----------------------------|-----|-----------|------------|

Other Diversified Financial Services 7.98% 70,377,790

| | | | |
|---|-----|---------|------------|
| ABN AMRO Capital Funding Trust V, 5.90% | A | 626,100 | 14,005,857 |
| ABN AMRO Capital Funding Trust VII, 6.08% | A | 328,000 | 7,599,760 |
| Citigroup Capital VII, 7.125% | A | 98,700 | 2,497,110 |
| Citigroup Capital VIII, 6.95% | A | 410,600 | 10,252,682 |
| Citigroup Capital IX, 6.00% | A | 222,000 | 5,137,080 |
| Citigroup Capital X, 6.10% | A | 100,000 | 2,317,000 |
| Citigroup Capital XI, 6.00% | A | 25,000 | 577,000 |
| General Electric Capital Corp., 5.875% | AAA | 151,500 | 3,493,590 |
| General Electric Capital Corp., 6.10% | AAA | 51,210 | 1,223,407 |
| JPMorgan Chase Capital IX, 7.50%, Ser I | A- | 61,000 | 1,525,000 |
| JPMorgan Chase Capital X, 7.00%, Ser J | A1 | 607,100 | 15,335,346 |
| JPMorgan Chase Capital XI, 5.875%, Ser K | A- | 289,700 | 6,413,958 |

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Preferred Income Fund

Securities owned by the Fund on April 30, 2006 (unaudited)

Real Estate Investment Trusts 4.42% 38,995,798

| | | | |
|---|------|---------|------------|
| Duke Realty Corp., 6.50%, Depositary Shares, Ser K | BBB | 110,000 | 2,582,800 |
| Duke Realty Corp., 6.60%, Depositary Shares, Ser L | BBB | 109,840 | 2,610,897 |
| Duke Realty Corp., 6.625%, Depositary Shares, Ser J | BBB | 59,925 | 1,427,413 |
| Duke Realty Corp., 7.99%, Depositary Shares, Ser B | BBB | 251,830 | 13,024,345 |
| Public Storage, Inc., 6.45%, Depositary Shares, Ser X | BBB+ | 25,000 | 559,750 |

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| | | | | | |
|---|--------------------------|----------------------|--------------------------|--------------------------|----------------------|
| Public Storage, Inc., 6.50%, Depositary Shares, Ser W | BBB+ | 100,000 | 2,253,000 | | |
| Public Storage, Inc., 7.50%, Depositary Shares, Ser V | BBB+ | 497,643 | 12,550,556 | | |
| Public Storage, Inc., 8.00%, Depositary Shares, Ser R | BBB+ | 157,965 | 3,987,037 | | |
| Regional Banks 2.63% | | | 23,163,314 | | |
| KeyCorp Capital VI, 6.125% | BBB | 20,900 | 469,414 | | |
| National Commerce Capital Trust II, 7.70% | A- | 80,300 | 2,047,650 | | |
| PFGI Capital Corp., 7.75% | A | 796,000 | 20,646,250 | | |
| Reinsurance 0.36% | | | 3,169,170 | | |
| RenaissanceRe Holdings Ltd., 6.08%, Ser C (Bermuda) | BBB | 153,100 | 3,169,170 | | |
| Thriffs & Mortgage Finance 1.30% | | | 11,443,599 | | |
| Abbey National Plc, 7.25% (United Kingdom) | A | 80,080 | 2,001,199 | | |
| Abbey National Plc, 7.375% (United Kingdom) | A | 370,000 | 9,442,400 | | |
| Wireless Telecommunication Services 0.59% | | | 5,174,864 | | |
| United States Cellular, 7.50% | A- | 205,760 | 5,174,864 | | |
| Issuer, description | Interest rate (%) | Maturity Date | Credit rating (A) | Par value (\$000) | Value |
| Short-term investments 0.22% (Cost \$1,899,509) | | | | | \$1,900,000 |
| Government U.S. Agency 0.22% | | | | | 1,900,000 |
| Federal Home Loan Bank, Disc Note | 4.650 | 05-01-06 | AAA | 1,900 | 1,900,000 |
| Total investments 100.00% | | | | | \$881,797,522 |

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Preferred Income Fund

Financial futures contracts

April 30, 2006 (unaudited)

| Open contracts | Number of contracts | Position | Expiration | Appreciation |
|----------------------------|----------------------------|-----------------|-------------------|---------------------|
| U.S. 10-year Treasury Note | 210 | Short | Jun 06 | \$520,248 |
| U.S. 10-year Treasury Note | 210 | Short | Jun 06 | \$221,655 |
| | | | | \$741,903 |

Financial futures contracts

John Hancock

Preferred Income Fund

Interest rate swap contracts

April 30, 2006 (unaudited)

| Notional amount | Rate type | | Termination date | Appreciation |
|------------------------|------------------------------|----------------------------------|-------------------------|---------------------|
| | Payments made by Fund | Payments received by Fund | | |
| \$70,000,000 | 2.56% (a) | 3-month LIBOR | Jun 08 | \$3,754,869 |
| | | | | \$3,754,869 |

(a) Fixed rate

Interest rate swap contracts

John Hancock

Preferred Income Fund

Footnotes to Schedule of Investments

April 30, 2006 (unaudited)

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

(S) This security is exempt from registration under Rule 144A of the Securities Act of 1933. Such security may be resold, normally to qualified institutional buyers, in transactions exempt from registration. Rule 144A securities amounted to \$10,984,188 or 1.24% of the Fund's total investments as of April 30, 2006.

Parenthetical disclosure of a foreign country in the security description represents country of a foreign issuer.

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

The cost of investments owned on April 30, 2006, including short-term investments, was \$898,397,754. Gross unrealized appreciation and depreciation of investments aggregated \$24,683,493 and \$41,283,725, respectively, resulting in net unrealized depreciation of \$16,600,232.

Footnotes to Schedule of Investments - Page 1

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 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 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 financial 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/ Keith F. Hartstein

Keith F. Hartstein
President and Chief Executive Officer
Date: June 27, 2006

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 27, 2006

By: /s/ John G. Vrysen

John G. Vrysen
Executive Vice President and Chief Financial Officer
Date: June 27, 2006
