

JOHN HANCOCK PREFERRED INCOME FUND  
Form N-Q  
January 03, 2007

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 E. 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: October 31, 2006

ITEM 1. SCHEDULE OF INVESTMENTS

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**Preferred Income Fund**

Securities owned by the Fund on

October 31, 2006 (unaudited)

<b>Issuer, description</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>Credit rating (A)</b>	<b>Par value (000)</b>	<b>Value</b>
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**Bonds 1.91%** **\$17,271,986**  
 (Cost \$17,279,818)

**Electric Utilities 1.21%** **10,911,260**

Black Hills Corp.,  
 Note 6.500% 05-15-13 BBB- \$5,950 6,011,785

Entergy Gulf States, Inc.,  
 1st Mtg Bond 6.200 07-01-33 BBB+ 5,000 4,899,475

**Gas Utilities 0.70%** **6,360,726**

Southern Union Co.,  
 Jr Sub Note Ser A (P) 7.200 11-01-66 BB+ 6,300 6,360,726

Issuer, description, maturity date	Credit rating (A)	Par value (000)	Value
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**Capital preferred securities 7.87%** **\$71,102,239**  
 (Cost \$68,433,343)

**Diversified Banks 0.83%** **7,537,500**

Lloyds TSB Bank Plc, 6.90%, 11-29-49 (United  
 Kingdom) A+ \$7,500 7,537,500

**Electric Utilities 2.83%** **25,560,000**

DPL Capital Trust II, 8.125%, 09-01-31 BB- 24,000 25,560,000

**Gas Utilities 2.78%** **25,139,665**

KN Capital Trust I, 8.56%, Ser B, 04-15-27 BB+ 17,500 17,650,465

KN Capital Trust III, 7.63%, 04-15-28 BB+ 8,000 7,489,200

**Integrated Telecommunication Services 0.67%** **6,039,463**

TCl Communications Financing Trust III,  
 9.65%, 03-31-27 BBB- 5,700 6,039,463

**Regional Banks 0.76%** **6,825,611**

Summit Capital Trust I, 8.40%, Ser B,  
 03-15-27 A 6,500 6,825,611

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**Preferred Income Fund**

## Securities owned by the Fund on

October 31, 2006 (unaudited)

Issuer		Shares	Value
<b>Common stocks 3.56%</b> (Cost \$25,443,427)			<b>\$32,157,670</b>
<b>Electric Utilities 0.71%</b>			<b>6,450,950</b>
FPL Group, Inc.		80,000	4,080,000
Scottish Power Plc, American Depositary Receipt (ADR) (United Kingdom)		47,619	2,370,950
<b>Independent Power Producers &amp; Energy Traders 0.77%</b>			<b>6,944,300</b>
TXU Corp.		110,000	6,944,300
<b>Multi-Utilities 2.08%</b>			<b>18,762,420</b>
Alliant Energy Corp.		190,000	7,286,500
DTE Energy Co.		111,046	5,044,820
TECO Energy, Inc.		390,000	6,431,100
	<b>Credit</b>		
<b>Issuer, description</b>	<b>rating (A)</b>	<b>Shares</b>	<b>Value</b>
<b>Preferred stocks 86.24%</b> (Cost \$777,927,369)			<b>\$779,525,178</b>
<b>Agricultural Products 1.30%</b>			<b>11,761,750</b>
Ocean Spray Cranberries, Inc., 6.25%, Ser A (S)	BB+	143,000	11,761,750
<b>Asset Management &amp; Custody Banks 0.08%</b>			<b>724,800</b>
BNY Capital V, 5.95%, Ser F	A-	30,000	724,800
<b>Automobile Manufacturers 2.00%</b>			<b>18,061,941</b>
Ford Motor Co., 7.50%	B	40,000	745,200
General Motors Corp., 7.25%, Ser 04-15-41	B-	378,700	7,244,531
General Motors Corp., 7.25%, Ser 07-15-41	B-	82,000	1,567,020
General Motors Corp., 7.25%, Ser 02-15-52	B-	254,300	4,806,270
General Motors Corp., 7.375%, Ser 05-15-48	Caa1	65,000	1,237,600
General Motors Corp., 7.375%, Ser 10-01-51	B-	129,000	2,461,320
<b>Broadcasting &amp; Cable TV 2.14%</b>			<b>19,368,155</b>
Comcast Corp., 7.00%	BBB+	222,000	5,627,700
Comcast Corp., 7.00%, Ser B	BBB+	539,900	13,740,455

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## Preferred Income Fund

Securities owned by the Fund on October 31, 2006 (unaudited)

<b>Consumer Finance 4.87%</b>			<b>44,029,138</b>
CIT Group, Inc., 6.35%, Ser A	BBB+	70,000	1,821,400
Ford Motor Credit Co., 7.60%	B1	315,600	6,927,420
HSBC Finance Corp., 6.00%	AA-	199,200	4,888,368
HSBC Finance Corp., 6.36%, Depository Shares, Ser B	A	297,000	7,704,180
HSBC Finance Corp., 6.875%	AA-	399,800	10,230,882
SLM Corp., 6.00%	A	209,100	5,127,132
SLM Corp., 6.97%, Ser A	BBB+	137,390	7,329,756
<b>Diversified Banks 7.12%</b>			<b>64,361,651</b>
BAC Capital Trust IV, 5.875%	A	141,150	3,396,069
Bank One Capital Trust VI, 7.20%	A-	81,100	2,047,775
Comerica Capital Trust I, 7.60%	BBB+	178,100	4,497,025
Fleet Capital Trust VIII, 7.20%	A	464,750	11,776,765
HSBC Holdings Plc, 6.20%, Ser A (United Kingdom)	A	150,000	3,771,000
Royal Bank of Scotland Group Plc, 5.75%, Ser L (United Kingdom)	A	550,900	13,238,127
Royal Bank of Scotland Group Plc, 6.35%, Ser N, ADR (United Kingdom)	A	20,000	508,600
Santander Finance Preferred SA, Unipersonal, 6.41%, Ser 1 (Spain)	A-	225,000	5,742,000
USB Capital IV, 7.35%	A	165,700	4,155,756
USB Capital V, 7.25%	A	103,599	2,620,019
USB Capital VI, 5.75%	A	15,000	349,500
USB Capital VII, 5.875%	A	36,900	873,423
USB Capital VIII, 6.35%, Ser 1	A	169,800	4,199,154
USB Capital X, 6.50%	A	45,000	1,122,300
Wachovia Preferred Funding Corp., 7.25%, Ser A	A-	69,000	1,954,080
Wells Fargo Capital Trust IV, 7.00%	A+	108,100	2,741,416
Wells Fargo Capital Trust VI, 6.95%	A+	53,400	1,368,642
<b>Electric Utilities 17.84%</b>			<b>161,262,177</b>
Boston Edison Co., 4.78%	A-	15,143	1,351,513

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Entergy Arkansas, Inc., 6.70%	AAA	25,300	644,138
Entergy Mississippi, Inc., 7.25%	A-	346,000	8,878,360
FPC Capital I, 7.10%, Ser A	BB+	844,691	21,472,045
FPL Group Capital Trust I, 5.875%	BBB+	502,200	11,987,514
Georgia Power Capital Trust VII, 5.875%	BBB+	250,600	5,929,196
Georgia Power Co., 6.00%, Ser R	A	395,497	9,855,785
Great Plains Energy, Inc., 8.00%, Conv	BBB-	764,900	19,122,500
HECO Capital Trust III, 6.50%	BBB-	375,400	9,392,508
Interstate Power & Light Co., 8.375%, Ser B	Baa3	700,000	22,575,000
Northern States Power Co., 8.00%	BBB-	235,000	5,997,200
PPL Electric Utilities Corp., 6.25%, Depository Shares	BBB	300,000	7,678,140
PPL Energy Supply, LLC, 7.00%	BBB	383,660	9,837,042
Southern California Edison Co., 6.125%	BBB-	119,000	12,082,225
Southern Co. Capital Trust VI, 7.125%	BBB+	49,800	1,266,912
Virginia Power Capital Trust, 7.375%	BB+	518,150	13,192,099

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## Preferred Income Fund

Securities owned by the Fund on

October 31, 2006 (unaudited)

**Gas Utilities 2.27%** **20,506,084**

Southern Union Co., 5.00%, Conv	BBB	25,000	1,393,750
Southern Union Co., 7.55%, Ser A	BB+	296,600	7,747,192
Southwest Gas Capital II, 7.70%	BB	404,300	10,519,886
TransCanada Pipelines Ltd., 8.25% (Canada)	BBB	32,800	845,256

**Hotels, Resorts & Cruise Lines 0.33%** **3,024,541**

Hilton Hotels Corp., 8.00%	BB	118,100	3,024,541
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**Integrated Telecommunication Services 3.11%** **28,112,085**

Telephone & Data Systems, Inc., 6.625%	BBB	233,000	5,778,400
Telephone & Data Systems, Inc., 7.60%, Ser A	BBB	690,687	17,315,523
Verizon New England, Inc., 7.00%, Ser B	A3	199,450	5,018,162

**Investment Banking & Brokerage 8.20%** **74,138,928**

Bear Stearns Capital Trust III, 7.80%	BBB+	40,600	1,029,210
Goldman Sachs Group, Inc., 6.20%, Ser B	A	460,000	11,799,000

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Lehman Brothers Holdings Capital Trust III, 6.375%, Ser K	A-	150,000	3,750,000
Lehman Brothers Holdings Capital Trust V, 6.00%, Ser M	A-	70,000	1,701,700
Lehman Brothers Holdings, Inc., 5.94%, Depository Shares, Ser C	A-	175,600	8,955,600
Merrill Lynch Preferred Capital Trust III, 7.00%	A	330,500	8,450,885
Merrill Lynch Preferred Capital Trust IV, 7.12%	A	247,752	6,344,929
Merrill Lynch Preferred Capital Trust V, 7.28%	A	367,000	9,501,630
Morgan Stanley Capital Trust II, 7.25%	A-	240,200	6,041,030
Morgan Stanley Capital Trust III, 6.25%	A-	192,400	4,802,304
Morgan Stanley Capital Trust IV, 6.25%	A-	57,000	1,414,170
Morgan Stanley Capital Trust V, 5.75%	A1	347,000	8,088,570
Morgan Stanley Capital Trust VI, 6.60%	A-	90,000	2,259,900

**Life & Health Insurance 4.59%** **41,443,156**

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Lincoln National Capital VI, 6.75%, Ser F	A-	148,600	3,835,366
MetLife, Inc., 6.50%, Ser B	BBB	950,500	24,713,000
PLC Capital Trust IV, 7.25%	BBB+	186,600	4,739,640
PLC Capital Trust V, 6.125%	BBB+	256,000	6,246,400
Prudential Plc, 6.50% (United Kingdom)	A-	75,000	1,908,750

**Multi-Line Insurance 3.92%** **35,445,821**

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AEGON NV, 6.375% (Netherlands)	A-	444,900	11,291,562
AEGON NV, 6.50% (Netherlands)	A-	111,100	2,840,827
ING Groep NV, 6.20% (Netherlands)	A	134,793	3,380,608
ING Groep NV, 7.05% (Netherlands)	A	703,800	17,932,824

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**Preferred Income Fund**  
 Securities owned by the Fund on

October 31, 2006 (unaudited)

**Multi-Utilities 8.13%** **73,451,126**

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Aquila, Inc., 7.875%	B2	511,700	12,946,010
Baltimore Gas & Electric Co., 6.99%, Ser 1995	Ba1	40,000	4,180,000
BGE Capital Trust II, 6.20%	BBB-	831,825	20,404,667

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Dominion CNG Capital Trust I, 7.80%	BB+	253,476	6,359,713
DTE Energy Trust I, 7.80%	BB+	135,100	3,400,467
PNM Resources, Inc., 6.75%, Conv	BBB-	268,000	13,308,880
PSEG Funding Trust II, 8.75%	BB+	233,500	6,131,710
Public Service Electric & Gas Co., 4.18%, Ser B	BB+	7,900	635,950
TECO Capital Trust I, 8.50%	B	234,893	6,083,729

**Oil & Gas Exploration & Production 3.69%** **33,332,764**

Chesapeake Energy Corp., 6.25%, Conv (G)	B+	4,530	1,240,314
Nexen, Inc., 7.35% (Canada)	BB+	1,261,000	32,092,450

**Other Diversified Financial Services 7.51%** **67,879,009**

ABN AMRO Capital Funding Trust V, 5.90%	A	626,100	15,107,793
ABN AMRO Capital Funding Trust VII, 6.08%	A	328,000	8,160,640
Citigroup Capital VII, 7.125% (G)	A	138,700	3,525,754
Citigroup Capital VIII, 6.95%	A	410,600	10,351,226
Citigroup Capital X, 6.10%	A	73,300	1,822,971
Citigroup Capital XI, 6.00%	A	25,000	611,500
DB Capital Funding VIII, 6.375%	A	175,000	4,418,750
JPMorgan Chase Capital IX, 7.50%, Ser I	A-	61,000	1,558,550
JPMorgan Chase Capital X, 7.00%, Ser J	A-	607,100	15,438,553
JPMorgan Chase Capital XI, 5.875%, Ser K	A-	289,700	6,883,272

**Real Estate Management & Development 3.93%** **35,488,935**

Duke Realty Corp., 6.50%, Depositary Shares, Ser K	BBB	110,000	2,753,300
Duke Realty Corp., 6.60%, Depositary Shares, Ser L	BBB	109,840	2,765,771
Duke Realty Corp., 6.625%, Depositary Shares, Ser J	BBB	59,925	1,505,915
Duke Realty Corp., 7.99%, Depositary Shares, Ser B	BBB	251,830	12,599,382
Public Storage, Inc., 6.45%, Depositary Shares, Ser X	BBB+	25,000	618,000
Public Storage, Inc., 6.50%, Depositary Shares, Ser W	BBB+	100,000	2,487,000
Public Storage, Inc., 7.50%, Depositary Shares, Ser V	BBB+	497,643	12,759,567

**Regional Banks 2.57%** **23,220,833**

KeyCorp Capital VI, 6.125%	BBB	20,900	517,275
National Commerce Capital Trust II, 7.70%	A-	80,300	2,032,393
PFGI Capital Corp., 7.75%	A	796,000	20,671,165

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**Preferred Income Fund**

Securities owned by the Fund on

October 31, 2006 (unaudited)

<b>Reinsurance 0.39%</b>				<b>3,567,230</b>	
RenaissanceRe Holdings Ltd., 6.08%, Ser C (Bermuda)	BBB	153,100	3,567,230		
<b>Specialized Finance 0.28%</b>				<b>2,545,000</b>	
Repsol International Capital Ltd., 7.45%, Ser A (Cayman Islands)	BB+	100,000	2,545,000		
<b>Thriffs &amp; Mortgage Finance 1.38%</b>				<b>12,479,100</b>	
Abbey National Plc, 7.375% (United Kingdom)	A	370,000	9,520,100		
Sovereign Capital Trust V, 7.75%	BB+	110,000	2,959,000		
<b>Wireless Telecommunication Services 0.59%</b>				<b>5,320,954</b>	
United States Cellular, 7.50%	BBB	205,760	5,320,954		
<b>Issuer, description</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>Credit rating (A)</b>	<b>Par value (000)</b>	<b>Value</b>
<b>Short-term investments 0.42%</b>				<b>\$3,800,000</b>	
(Cost \$3,800,000)					
<b>Government U.S. Agency 0.42%</b>				<b>3,800,000</b>	
Federal Home Loan Bank, Disc Note	4.98%	11-01-06	AAA	\$3,800	3,800,000
<b>Total investments (Cost \$892,883,957)</b>				<b>\$903,857,073</b>	
<b>100.00%</b>					

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**Preferred Income Fund**

Footnotes to Schedule of Investments



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October 31, 2006 (unaudited)

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

(G) Security rated internally by John Hancock Advisers, LLC.

(S) This security is exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be resold, normally to qualified institutional buyers, in transactions exempt from registration. Rule 144A securities amounted to \$11,761,750 or 1.30% of the Fund's total investments as of October 31, 2006.

Parenthetical disclosure of a foreign country in the security description represents country of a foreign issuer; however, security is U.S. dollar-denominated.

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

The cost of investments owned on October 31, 2006, including short-term investments, was \$892,883,957. Gross unrealized appreciation and depreciation of investments aggregated \$30,082,757 and \$19,109,641, respectively, resulting in net unrealized appreciation of \$10,973,116.

Footnotes to Schedule of Investments - Page 1

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## Preferred Income Fund

Financial futures contracts

October 31, 2006 (unaudited)

<b>Open contracts</b>	<b>Number of contracts</b>	<b>Position</b>	<b>Expiration</b>	<b>Appreciation (depreciation)</b>
U.S. 10-year Treasury Note	840	Short	Dec-06	(\$1,095,251)

Financial futures contracts

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## Preferred Income Fund

Interest rate swap contracts

October 31, 2006 (unaudited)

<b>Notional amount</b>	<b>Rate type</b>		<b>Termination date</b>	<b>Appreciation</b>
	<b>Payments made by Fund</b>	<b>Payments received by Fund</b>		
\$70,000,000	2.56%	(a) 3-month LIBOR	Jun 08	\$2,731,826

\$2,731,826

(a) Fixed rate

Interest rate swap contracts

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ITEM 2. CONTROLS AND PROCEDURES.

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

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

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

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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

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Keith F. Hartstein  
President and Chief Executive Officer

Date: January 2, 2007

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

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Keith F. Hartstein  
President and Chief Executive Officer

Date: January 2, 2007

By: /s/ John G. Vrysen

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John G. Vrysen  
Chief Financial Officer

Date: January 2, 2007

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