

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

John Hancock

Preferred Income Fund

Securities owned by the Fund on

October 31, 2006 (unaudited)

Issuer, description	Interest rate	Maturity date	Credit rating (A)	Par value (000)	Value
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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**

TCI 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	
Common stocks 3.56% (Cost \$25,443,427)		\$32,157,670	
Electric Utilities 0.71%		6,450,950	
FPL Group, Inc.	80,000	4,080,000	
Scottish Power Plc, American Depositary Receipt (ADR) (United Kingdom)	47,619	2,370,950	
Independent Power Producers & Energy Traders 0.77%		6,944,300	
TXU Corp.	110,000	6,944,300	
Multi-Utilities 2.08%		18,762,420	
Alliant Energy Corp.	190,000	7,286,500	
DTE Energy Co.	111,046	5,044,820	
TECO Energy, Inc.	390,000	6,431,100	
Issuer, description	Credit rating (A)	Shares	Value
Preferred stocks 86.24% (Cost \$777,927,369)			\$779,525,178
Agricultural Products 1.30%			11,761,750
Ocean Spray Cranberries, Inc., 6.25%, Ser A (S)	BB+	143,000	11,761,750
Asset Management & Custody Banks 0.08%			724,800
BNY Capital V, 5.95%, Ser F	A-	30,000	724,800
Automobile Manufacturers 2.00%			18,061,941
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
Broadcasting & Cable TV 2.14%			19,368,155
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)

Consumer Finance 4.87%			44,029,138
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
Diversified Banks 7.12%			64,361,651
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
Electric Utilities 17.84%			161,262,177
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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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**

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**

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

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
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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
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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
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Duke Realty Corp., 6.50%, Depository Shares, Ser K	BBB	110,000	2,753,300
Duke Realty Corp., 6.60%, Depository Shares, Ser L	BBB	109,840	2,765,771
Duke Realty Corp., 6.625%, Depository Shares, Ser J	BBB	59,925	1,505,915
Duke Realty Corp., 7.99%, Depository Shares, Ser B	BBB	251,830	12,599,382
Public Storage, Inc., 6.45%, Depository Shares, Ser X	BBB+	25,000	618,000
Public Storage, Inc., 6.50%, Depository Shares, Ser W	BBB+	100,000	2,487,000
Public Storage, Inc., 7.50%, Depository Shares, Ser V	BBB+	497,643	12,759,567
Regional Banks 2.57%			23,220,833
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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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Securities owned by the Fund on

October 31, 2006 (unaudited)

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

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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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Financial futures contracts

October 31, 2006 (unaudited)

Open contracts	Number of contracts	Position	Expiration	Appreciation (depreciation)
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)

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	\$2,731,826

\$2,731,826

(a) Fixed rate

Interest rate swap contracts

ITEM 2. CONTROLS AND PROCEDURES.

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

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

ITEM 3. EXHIBITS.

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

SIGNATURES

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

John Hancock Preferred Income Fund

By: /s/ Keith F. Hartstein

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

Keith F. Hartstein
President and Chief Executive Officer

Date: January 2, 2007

By: /s/ John G. Vrysen

John G. Vrysen
Chief Financial Officer

Date: January 2, 2007
