

Edgar Filing: JOHN HANCOCK PREFERRED INCOME FUND - Form N-Q

JOHN HANCOCK PREFERRED INCOME FUND
Form N-Q
December 29, 2004

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)

101 Huntington Avenue, Boston, Massachusetts 02199
(Address of principal executive offices) (Zip code)

Susan S. Newton, Secretary
101 Huntington Avenue
Boston, Massachusetts 02199
(Name and address of agent for service)

Registrant's telephone number, including area code: 617-375-1702

Date of fiscal year end: July 31

Date of reporting period: October 31, 2004

ITEM 1. SCHEDULE OF INVESTMENTS

JOHN HANCOCK
Preferred Income Fund

10.31.2004

Quarterly Portfolio Holdings

[A 2" x 1" John Hancock (Signature)/John Hancock Funds logo in lower,
center middle of page. A tag line below reads "JOHN HANCOCK FUNDS."]

John Hancock
Preferred Income Fund
Securities owned by the Fund on
October 31, 2004 (unaudited)

Issuer, description	Interest rate (%)	Maturity date	Credit rating
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Bonds 1.74%
(Cost \$15,579,679)

Consumer Finance 0.22%			
Capital One Bank, Sr Note	8.250	06-15-2005	BBB
Electric Utilities 1.52%			
Black Hills Corp., Note	6.500	05-15-2013	BBB-
Entergy Gulf States, Inc., 1st Mtg Bond	6.200	07-01-2033	BBB
Midland Funding Corp. II, Lease Oblig Bond, Ser A	11.750	07-23-2005	BB-

Issuer, description, maturity date			Credit rating
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Capital preferred securities 7.48%
(Cost \$62,689,351)

Diversified Banks 0.84%			
Lloyds TSB Bank Plc, 6.90%, 11-29-49 (United Kingdom)			Aa2

Electric Utilities 2.77%			
DPL Capital Trust II, 8.125%, 09-01-31			B

Gas Utilities 2.36%			
KN Capital Trust I, 8.56%, Ser B, 04-15-27			BB+
KN Capital Trust III, 7.63%, 04-15-28			BB+

Integrated Telecommunication Services 0.72%			
TCI Communications Financing Trust III, 9.65%, 03-31-27			BBB-

Regional Banks 0.79%			
Summit Capital Trust I, 8.40%, Ser B, 03-15-27			A-

Issuer

Common stocks 3.21%
(Cost \$28,486,815)

Electric Utilities 1.99%			
Alliant Energy Corp.			
Progress Energy, Inc.			
Scottish Power Plc, American Depositary Receipt (United Kingdom)			
TECO Energy, Inc.			

Gas Utilities 1.11%			
Peoples Energy Corp.			

Multi-Utilities & Unregulated Power 0.11%			
Duke Energy Corp.			

Issuer, description			Credit rating
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Preferred stocks 82.84%

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(Cost \$732,185,595)

Agricultural Products 1.18%	
Ocean Spray Cranberries, Inc., 6.25%, Ser A (S)	BB+
Asset Management & Custody Banks 0.11%	
BNY Capital V, 5.95%, Ser F	A-
Automobile Manufacturers 2.66%	
Ford Motor Co., 7.50%	BBB-
General Motors Corp., 7.25%, Ser 4-15-41	BBB-
General Motors Corp., 7.25%, Ser 7-15-41	BBB-
General Motors Corp., 7.25%, Ser 2-15-52	BBB-
General Motors Corp., 7.375%, Ser 05-15-48	Baa2
General Motors Corp., 7.375%, Ser 10-01-51	Baa2
Broadcasting & Cable TV 2.69%	
Shaw Communications, Inc., 8.45%, Ser A (Canada)	B+
Shaw Communications, Inc., 8.50% (Canada)	B+
Consumer Finance 3.18%	
Ford Motor Credit Co., 7.60%	A3
Household Finance Corp., 6.00%	A
Household Finance Corp., 6.875%	A
SLM Corp., 6.00%	A
Diversified Banks 7.72%	
BAC Capital Trust IV, 5.875%	A-
Bank One Capital Trust V, 8.00%	A-
Bank One Capital Trust VI, 7.20%	A-
Chase Capital VII, 7.00%, Ser G	A1
Comerica Capital Trust I, 7.60%	BBB+
Fleet Capital Trust VII, 7.20%	A-
Fleet Capital Trust VIII, 7.20%	A-
Royal Bank of Scotland Group Plc, 5.75%, Ser L (United Kingdom)	A
USB Capital III, 7.75%	A-
USB Capital IV, 7.35%	A-
USB Capital V, 7.25%	A-
Wachovia Preferred Funding Corp., 7.25%, Ser A	BBB+
Wells Fargo Capital Trust IV, 7.00%	A
Wells Fargo Capital Trust VI, 6.95%	A-
Wells Fargo Capital Trust VII, 5.85%	A
Electric Utilities 24.58%	
Ameren Corp., 9.75%, Conv	BBB+
American Electric Power Co., Inc., 9.25%, Conv	BBB
Boston Edison Co., 4.78%	BBB+
Cinergy Corp., 9.50%, Conv	Baa2
Detroit Edison Co., 7.375%	BBB-
Detroit Edison Co., 7.54%	BBB-
DTE Energy Co., 8.75%, Conv	BBB
DTE Energy Trust I, 7.80%	BBB-
Entergy Gulf States Capital I, 8.75%, Ser A	BB
Entergy Mississippi, Inc., 7.25%	A-
Enterprise Capital Trust I, 7.44%, Ser A	BB+
Enterprise Capital Trust III, 7.25%, Ser C	BB+
FPC Capital I, 7.10%, Ser A	BB+
FPL Group Capital Trust I, 5.875%	BBB+
FPL Group, Inc., 8.00%, Conv	A-
Georgia Power Capital Trust VII, 5.875%	BBB+
Georgia Power Co., 6.00%, Ser R	A
Great Plains Energy, Inc., 8.00%, Conv	Baa2

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HECO Capital Trust III, 6.50% (W)	BBB-
Indiana Michigan Power Co., 6.875%	BB+
Interstate Power & Light Co., 8.375%, Ser B	BBB-
Monongahela Power Co., \$7.73, Ser L	B-
Northern States Power Co., 8.00%	BBB-
Pennsylvania Power Co., 7.75%	BB
Puget Sound Energy Capital Trust II, 8.40%	BB
Southern Co. Capital Trust VI, 7.125%	BBB+
TECO Capital Trust I, 8.50%	B
TXU Corp., 8.125%, Conv	Ba1
Virginia Power Capital Trust, 7.375%	BBB
Gas Utilities 5.47%	
El Paso Tennessee Pipeline Co., 8.25%, Ser A	CCC-
KeySpan Corp., 8.75%, Conv	A
SEMCO Capital Trust I, 10.25%	B-
Southern Union Co., 5.75%, Conv	Baa3
Southwest Gas Capital II, 7.70%	BB
TransCanada Pipelines Ltd., 8.25% (Canada)	BBB
Hotels, Resorts & Cruise Lines 0.24%	
Hilton Hotels Corp., 8.00%	BBB-
Industrial Conglomerates 0.63%	
Grand Metropolitan Delaware, L.P., 9.42%, Gtd Ser A	BBB+
Integrated Oil & Gas 0.30%	
Coastal Finance I, 8.375%	CCC-
Integrated Telecommunication Services 2.04%	
Telephone & Data Systems, Inc., 7.60%, Ser A	A-
Verizon New England, Inc., 7.00%, Ser B	Aa3
Investment Banking & Brokerage 4.95%	
Bear Stearns Capital Trust III, 7.80%	BBB
Bear Stearns Cos., Inc. (The), 5.72%, Depositary Shares, Ser F	BBB
Lehman Brothers Holdings, Inc., 5.94%, Depositary Shares, Ser C	BBB+
Merril Lynch & Co., Inc., 9.00%, Depositary Shares, Ser A	A-
Merrill Lynch Preferred Capital Trust III, 7.00%	A-
Merrill Lynch Preferred Capital Trust IV, 7.12%	A-
Merrill Lynch Preferred Capital Trust V, 7.28%	A-
Morgan Stanley Capital Trust II, 7.25%	A-
Morgan Stanley Capital Trust III, 6.25%	A-
Morgan Stanley Capital Trust IV, 6.25%	A-
Morgan Stanley Capital Trust V, 5.75%	A1
Life & Health Insurance 1.25%	
Great-West Life & Annuity Insurance Capital I, 7.25%, Ser A	A-
PLC Capital Trust IV, 7.25%	BBB+
PLC Capital Trust V, 6.125%	BBB+
Multi-Line Insurance 1.74%	
ING Groep N.V., 7.05% (Netherlands)	A-
Multi-Media 0.37%	
Newscorp Overseas Ltd., 8.625%, Ser A (Cayman Islands)	BB
Multi-Utilities & Unregulated Power 8.40%	
Aquila, Inc., 7.875%	B2
Baltimore Gas & Electric Co., 6.99%, Ser 1995	Baa1
BGE Capital Trust II, 6.20%	BBB-
Consumers Energy Co. Financing I, 8.36%	B

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Consumers Energy Co. Financing II, 8.20%			B
Consumers Energy Co. Financing III, 9.25%			B
Consumers Energy Co. Financing IV, 9.00%			Ba2
Dominion CNG Capital Trust I, 7.80%			BBB-
Dominion Resources, Inc., 9.50%, Conv			BBB+
Energy East Capital Trust I, 8.25%			BBB-
ONEOK, Inc., 8.50%, Conv			BBB+
PSEG Funding Trust II, 8.75%			BB+
Public Service Electric & Gas Co., 4.18%, Ser B			BB+
Public Service Enterprise Group, Inc., 10.25%, Conv			BBB-
Oil & Gas Exploration & Production 2.45%			
Nexen, Inc., 7.35% (Canada)			BB+
Other Diversified Financial Services 6.76%			
ABN AMRO Capital Funding Trust V, 5.90%			A
ABN AMRO Capital Funding Trust VII, 6.08%			A
Citigroup Capital VII, 7.125%			A
Citigroup Capital VIII, 6.95%			A
Citigroup Capital IX, 6.00%			A
Citigroup Capital X, 6.10%			A
General Electric Capital Corp., 5.875%			AAA
General Electric Capital Corp., 6.10%			AAA
J.P. Morgan Chase Capital IX, 7.50%, Ser I			A-
J.P. Morgan Chase Capital X, 7.00%, Ser J			A1
J.P. Morgan Chase Capital XI, 5.875%, Ser K			A-
Real Estate Investment Trusts 4.21%			
Duke Realty Corp., 6.50%, Depositary Shares, Ser K			BBB
Duke Realty Corp., 6.625%, Depositary Shares, Ser J			BBB
Duke Realty Corp., 7.99%, Depositary Shares, Ser B			BBB
Public Storage, Inc., 6.45%, Depositary Shares, Ser X			BBB+
Public Storage, Inc., 6.50%, Depositary Shares, Ser W			BBB+
Public Storage, Inc., 7.50%, Depositary Shares, Ser V			BBB+
Public Storage, Inc., 8.00%, Depositary Shares, Ser R			BBB+
Public Storage, Inc., 8.60%, Depositary Shares, Ser Q			BBB+
Regional Banks 0.37%			
National Commerce Capital Trust II, 7.70%			A-
Regions Financing Trust I, 8.00%			BBB+
Thrifts & Mortgage Finance 1.23%			
Abbey National Plc, 7.25% (United Kingdom)			A-
Abbey National Plc, 7.375% (United Kingdom)			A-
Wireless Telecommunication Services 0.31%			
United States Cellular, 7.50%			A-

Issuer, description	Interest rate (%)	Maturity date	Credit rating
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Short-term investments 4.73%
(Cost \$43,800,000)

Government U.S. Agency 4.73%			
Federal Home Loan Bank, Disc Note	1.69	11-01-2004	Aaa

Total investments 100.00%

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John Hancock
Preferred Income Fund
Footnotes to Schedule of Investments
October 31, 2004 (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 securities may be resold, normally to qualified institutional buyers, in transactions exempt from registration. Rule 144A securities amounted to \$10,903,750 or 1.67% of the Fund's total investments as of October 31, 2004.
- (W) Issuer is an affiliate of John Hancock Advisers, LLC.

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, 2004, including short-term investments, was \$882,741,440. Gross unrealized appreciation and depreciation of investments aggregated \$51,684,249 and \$8,073,841, respectively, resulting in net unrealized appreciation of \$43,610,408.

John Hancock
Preferred Income Fund
Transactions in securities of affiliated issuers
October 31, 2004 (unaudited)

Affiliated issuers, as defined by the Investment Company Act of 1940, are those in which the Fund's holdings of an issuer represent 5% or more of the outstanding voting securities of the issuer. A summary of the Fund's transactions in the securities of these issuers during the period ended October 31, 2004, is set forth below.

Affiliate	Beginning share amount	Ending share amount	Realized gain (loss)	Dividend income
HECO Capital Trust III, 6.50% bought: 88,000, sold: none	147,300	235,300	--	59,841
Totals			\$--	\$59,841

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For more information

Trustees

Charles L. Ladner, Chairman*
James F. Carlin
William H. Cunningham
Ronald R. Dion
Dr. John A. Moore*
Patti McGill Peterson*
Steven R. Pruchansky
James A. Shepherdson
Lt. Gen. Norman H. Smith, USMC (Ret.)
John P. Toolan*
*Members of the Audit Committee

Officers

James A. Shepherdson
President and Chief Executive Officer
Susan S. Newton
Senior Vice President and Secretary
William H. King
Vice President and Treasurer

Investment Adviser

John Hancock Advisers, LLC
101 Huntington Avenue
Boston, Massachusetts 02199-7603

Custodian

The Bank of New York
One Wall Street
New York, New York 10286

Transfer Agent and Dividend Disburser

Mellon Investor Services
85 Challenger Road
Overpeck Centre
Ridgefield Park, New Jersey 07660

Transfer Agent for DARTS

Deutsche Bank Trust Company Americas
280 Park Avenue
New York, New York 10017

Legal Counsel

Wilmer Cutler Pickering Hale and Dorr LLP
60 State Street
Boston, Massachusetts 02109-1803

Stock Symbol

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Listed New York Stock Exchange: HPI

How to contact us

Internet www.jhfunds.com

Mail Regular mail:
Mellon Investor Services
85 Challenger Road
Overpeck Centre
Ridgefield Park, NJ 07660

Phone	Customer service representatives	1-800-852-0218
	Portfolio commentary	1-800-344-7054
	24-hour automated information	1-800-843-0090
	TDD line	1-800-231-5469

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

P80Q1 10/04
12/04

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: _____
James A. Shepherdson

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President and Chief Executive Officer

Date: December 21, 2004

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:

James A. Shepherdson
President and Chief Executive Officer

Date: December 21, 2004

By:

William H. King
Vice President and Treasurer

Date: December 21, 2004