

JOHN HANCOCK PREFERRED INCOME FUND II
Form N-Q
December 28, 2011

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 811-21202

John Hancock Preferred Income Fund II
(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: July 31

Date of reporting period: October 31, 2011

Item 1. Schedule of Investments.

John Hancock Preferred Income Fund II

As of 10-31-11 (Unaudited)

	Shares	Value
Preferred Securities (a) 139.71% (92.54% of Total Investments)		\$605,173,627
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(Cost \$616,683,408)		
Consumer Discretionary 9.80%		42,465,901
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Media 9.80%		
CBS Corp., 6.750% (L)(Z)	99,400	2,508,856
Comcast Corp., 6.625% (Z)	118,500	3,030,045
Comcast Corp., Series B, 7.000% (L)(Z)	610,000	15,481,800
Viacom, Inc., 6.850% (L)(Z)	840,000	21,445,200
Consumer Staples 3.26%		14,095,008
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Food & Staples Retailing 3.26%		
Ocean Spray Cranberries, Inc., Series A, 6.250% (L)(S)(Z)	160,000	14,095,008
Energy 8.65%		37,458,995
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Oil, Gas & Consumable Fuels 8.65%		
Apache Corp., Series D, 6.000%	145,000	8,163,500
Nexen, Inc., 7.350% (Z)	1,151,100	29,295,495
Financials 72.23%		313,352,789
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Capital Markets 10.46%		
Credit Suisse Guernsey, 7.900% (Z)	319,000	8,351,420
Lehman Brothers Holdings Capital Trust III, Series K, 6.375% (I)	177,000	14,160
Lehman Brothers Holdings Capital Trust V, Series M, 6.000% (I)	46,600	1,398
Lehman Brothers Holdings, Inc., Depositary Shares, Series C, 5.940% (I)	145,200	1,452

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Morgan Stanley Capital Trust III, 6.250% (L)(Z)	294,000	6,435,660
Morgan Stanley Capital Trust IV, 6.250% (Z)	163,000	3,594,150
Morgan Stanley Capital Trust V, 5.750% (Z)	355,000	7,795,800
Morgan Stanley Capital Trust VI, 6.600%	9,600	218,784
Morgan Stanley Capital Trust VII, 6.600%	52,400	1,216,728
The Goldman Sachs Group, Inc., 6.125% (Z)	655,200	15,980,328
The Goldman Sachs Group, Inc., Series B, 6.200%	68,500	1,704,965
Commercial Banks 14.82%		
Barclays Bank PLC, Series 3, 7.100% (L)(Z)	375,000	8,452,500
Barclays Bank PLC, Series 5, 8.125% (L)(Z)	330,000	8,137,800
Royal Bank of Scotland Group PLC, Series L, 5.750% (L)(Z)	480,000	7,540,800
Santander Finance Preferred SA Unipersonal, Series 10, 10.500% (L)(Z)	329,000	8,817,200
Santander Holdings USA, Inc., Series C, 7.300%	166,233	4,159,150
USB Capital VIII, Series 1, 6.350% (L)(Z)	233,500	5,860,850
USB Capital X, 6.500%	30,300	762,651
USB Capital XI, 6.600%	190,000	4,808,900
Wells Fargo & Company, 8.000% (Z)	554,500	15,659,080
Consumer Finance 3.70%		
HSBC Finance Corp., Depository Shares, Series B, 6.360% (L)(Z)	428,200	9,270,530
SLM Corp., 6.000% (L)(Z)	198,000	4,059,000
SLM Corp., Series A, 6.970% (Z)	64,000	2,703,360
Diversified Financial Services 24.04%		
BAC Capital Trust II, 7.000% (Z)	22,400	520,800
Citigroup Capital VIII, 6.950%	660,000	15,754,200

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John Hancock Preferred Income Fund II

As of 10-31-11 (Unaudited)

	Shares	Value
Financials (continued)		
Citigroup Capital XIII (7.875% to 10-30-15, then 3 month LIBOR + 6.370%)	19,000	\$511,670

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Corporate Backed Trust Certificates, Series HSBC, 6.250% (L)(Z)	45,400	1,087,330
Deutsche Bank Capital Funding Trust X, 7.350%	155,722	3,612,750
Deutsche Bank Contingent Capital Trust II, 6.550% (L)(Z)	161,000	3,509,800
Deutsche Bank Contingent Capital Trust III, 7.600% (L)(Z)	392,500	9,427,850
Fleet Capital Trust VIII, 7.200%	332,000	7,885,000
General Electric Capital Corp., 6.000%	35,000	897,050
General Electric Capital Corp., 6.050%	32,000	823,360
General Electric Capital Corp., 6.100%	18,000	464,220
ING Groep NV, 7.050% (L)(Z)	775,700	15,583,813
JPMorgan Chase Capital XXIX, 6.700% (L)(Z)	733,477	18,549,633
Merrill Lynch Preferred Capital Trust III, 7.000%	362,300	8,456,082
Merrill Lynch Preferred Capital Trust IV, 7.120% (Z)	193,200	4,526,676
Merrill Lynch Preferred Capital Trust V, 7.280% (Z)	276,100	6,518,721
RBS Capital Funding Trust V, 5.900%	398,000	4,736,200
RBS Capital Funding Trust VII, 6.080%	145,000	1,725,500
Insurance 12.08%		
Aegon NV, 6.375% (L)(Z)	355,000	7,579,250
American Financial Group, Inc., 7.000%	262,725	6,883,395
MetLife, Inc., Series B, 6.500% (L)(Z)	792,000	20,037,600
Phoenix Companies, Inc., 7.450%	229,300	4,659,376
PLC Capital Trust IV, 7.250% (L)(Z)	390,500	9,762,500
Prudential PLC, 6.500% (Z)	103,000	2,602,810
RenaissanceRe Holdings Ltd., Series C, 6.080% (Z)	32,500	791,375
Real Estate Investment Trusts 7.10%		
Duke Realty Corp., Depositary Shares, Series J, 6.625% (L)(Z)	449,400	10,911,432
Duke Realty Corp., Depositary Shares, Series K, 6.500% (L)(Z)	110,000	2,629,000
Duke Realty Corp., Depositary Shares, Series L, 6.600% (L)(Z)	109,840	2,668,014
Public Storage, 6.350%	163,000	4,268,970
Public Storage, Inc., Depositary Shares, Series Q, 6.500%	135,800	3,581,046
Public Storage, Inc., Depositary Shares, Series X, 6.450% (Z)	30,000	759,000
Public Storage, Inc., Series P, 6.500%	56,000	1,475,600
Wachovia Preferred Funding Corp., Series A, 7.250% (Z)	170,000	4,459,100
Thriffs & Mortgage Finance 0.03%		
Federal National Mortgage Association, Series S, 7.750% (I)	75,000	147,000
Telecommunication Services 11.80%		51,113,318

Diversified Telecommunication Services 4.13%

Qwest Corp., 7.375%	530,000	13,647,500
Qwest Corp., 7.500%	167,200	4,253,568

Wireless Telecommunication Services 7.67%

Telephone & Data Systems, Inc., 6.625% (Z)	161,300	4,072,825
Telephone & Data Systems, Inc., 6.875%	85,000	2,167,500
Telephone & Data Systems, Inc., 7.000%	283,000	7,188,200
United States Cellular Corp., 6.950%	772,500	19,783,725

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John Hancock Preferred Income Fund II

As of 10-31-11 (Unaudited)

	Shares	Value
Utilities 33.86%		\$146,687,616

Electric Utilities 17.15%

Duquesne Light Company, 6.500% (Z)	98,450	5,011,725
Entergy Arkansas, Inc., 5.750%	66,400	1,765,576
Entergy Louisiana LLC, 5.875%	186,750	5,038,515
Entergy Louisiana LLC, 6.000%	185,000	5,130,050
Entergy Mississippi, Inc., 6.000%	182,025	4,898,293
Entergy Mississippi, Inc., 6.200%	97,500	2,709,525
Entergy Texas, Inc., 7.875%	37,400	1,099,186
FPC Capital I, Series A, 7.100% (L)(Z)	368,000	9,479,680
FPL Group Capital Trust I, 5.875% (Z)	267,800	6,879,782
Gulf Power Co., 5.750%	158,500	4,498,230
HECO Capital Trust III, 6.500% (Z)	187,750	4,797,013
NSTAR Electric Company, 4.780% (Z)	15,143	1,447,577
PPL Corp., 9.500% (Z)	304,000	17,282,400
Southern California Edison Company, Series C, 6.000% (Z)	20,000	1,973,750
Westar Energy, Inc., 6.100% (Z)	87,700	2,291,601

Multi-Utilities 16.71%

Baltimore Gas & Electric Company, Series 1995, 6.990% (Z)	39,870	4,069,232
BGE Capital Trust II, 6.200% (Z)	488,000	12,580,640

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DTE Energy Trust I, 7.800% (Z)	287,200	7,791,736
Interstate Power & Light Company, Series B, 8.375% (L)(Z)	699,350	20,260,170
SCANA Corp., 7.700%	538,900	15,277,815
Xcel Energy, Inc., 7.600% (Z)	448,000	12,405,120

	Rate (%)	Maturity date	Par value	Value
Capital Preferred Securities (b) 3.19% (2.11% of Total Investments)				\$13,821,254

(Cost \$14,688,460)

Utilities 3.19%				13,821,254
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Multi-Utilities 3.19%

Dominion Resources Capital Trust I (L)(Z)	7.830	12/01/27	8,450,000	8,560,534
Dominion Resources Capital Trust III (Z)	8.400	01/15/31	5,000,000	5,260,720

		Shares	Value
Common Stocks 5.87% (3.89% of Total Investments)			\$25,412,080

(Cost \$21,969,311)

Energy 0.18%				784,500
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Oil, Gas & Consumable Fuels 0.18%

Total SA, ADR			15,000	784,500
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Telecommunication Services 1.36%				5,870,450
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Diversified Telecommunication Services 1.36%

AT&T, Inc.			125,000	3,663,750
Frontier Communications Corp.			27,604	172,800
Verizon Communications, Inc.			55,000	2,033,900

John Hancock Preferred Income Fund II

As of 10-31-11 (Unaudited)

	Shares	Value
Utilities 4.33%		\$18,757,130
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Electric Utilities 4.16%		
Entergy Corp.	120,000	8,300,400
FirstEnergy Corp.	145,000	6,519,200
UIL Holdings Corp.	93,500	3,186,480
Multi-Utilities 0.17%		
National Grid PLC, ADR	15,000	751,050
	Rate (%)	Maturity date
		Par value
Corporate Bonds 2.09% (1.39% of Total Investments)		Value
		\$9,073,000
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(Cost \$10,544,243)		
Energy 2.09%		9,073,000
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Oil, Gas & Consumable Fuels 2.09%		
Southern Union Company (7.200% to 11-1-11, then 3 month LIBOR + 3.018%) (Z)	7.200	11-01-66
		10,550,000
		9,073,000
		Par value
		Value
Short-Term Investments 0.12% (0.07% of Total Investments)		\$513,000
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(Cost \$513,000)		
Repurchase Agreement 0.12%		513,000
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Repurchase Agreement with State Street Corp. dated 10-31-11 at 0.010% to be repurchased at \$513,000 on 11-1-11, collateralized by \$525,000 Federal Home Loan Bank, 0.400% due 8-17-12 (valued at \$525,656, including		

interest).	513,000	513,000
Total investments (Cost \$664,398,422)† 150.98%		\$653,992,961
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Other assets and liabilities, net (50.98%)		(\$220,818,928)
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Total net assets 100.00%		\$433,174,033
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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.

ADR American Depositary Receipts

LIBOR London Interbank Offered Rate

(a) Includes preferred stocks and hybrid securities with characteristics of both equity and debt that pay dividends on a periodic basis.

(b) Includes hybrid securities with characteristics of both equity and debt that trade with, and pay, interest income.

(l) Non-income producing security.

(L) All or a portion of this security is on loan as of 10-31-11, and is part of segregated collateral pursuant to the Committed Facility Agreement. Total value of securities on loan at 10-31-11 was \$190,512,650.

(S) This security is exempt from registration under Rule 144A of the Securities Act of 1933. Such a security may be resold, normally to qualified institutional buyers, in transactions exempt from registration.

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(Z) A portion of this security is segregated as collateral pursuant to the Committed Facility Agreement. Total collateral value at 10-31-11 was \$366,872,794.

† At 10-31-11, the aggregate cost of investment securities for federal income tax purposes was \$664,642,154. Net unrealized depreciation aggregated \$10,649,193, of which \$29,334,939 related to appreciated investment securities and \$39,984,132 related to depreciated investment securities.

The Fund had the following country concentration as a percentage of total investments on 10-31-11:

United States	86%
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Canada	5%
United Kingdom	4%
Netherlands	4%
Switzerland	1%

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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 risk associated with investing in those securities.

The following is a summary of the values by input classification of the Fund's investments as of October 31, 2011, by major security category or type:

	Total Market Value at 10/31/11	Level 1 Quoted Price	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Preferred Securities				
Consumer Discretionary	\$42,465,901	\$42,465,901	—	—
Consumer Staples	14,095,008	—	\$14,095,008	—
Energy	37,458,995	37,458,995	—	—
Financials	313,352,789	313,351,337	1,452	—
Telecommunication Services	51,113,318	51,113,318	—	—
Utilities	146,687,616	134,185,332	12,502,284	—
Capital Preferred Securities				
Utilities	13,821,254	—	13,821,254	—
Common Stocks				
Energy	784,500	784,500	—	—
Telecommunication Services	5,870,450	5,870,450	—	—
Utilities	18,757,130	18,757,130	—	—
Corporate Bonds				
Energy	9,073,000	—	9,073,000	—
Short-Term Investments	513,000	—	513,000	—

Total investments in Securities	\$653,992,961	\$603,986,963	\$50,005,998	—
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Changes in valuation techniques may result into transfers in or out of an assigned level within the disclosure hierarchy. During the period ended October 31, 2011, there were no significant transfers into or out of Level 1, Level 2, or Level 3 assets.

In order to value the securities, the Fund uses the following valuation techniques. Equity securities, including exchange-traded funds, 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. Debt obligations are valued based on the evaluated prices provided by an independent pricing service, which utilizes both dealer-supplied and electronic data processing techniques, taking into account factors such as institutional-size trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics and other market data. 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. Generally, trading in non-U.S. securities is substantially completed each day at various times prior to the close of trading on the NYSE. Significant market events that affect the values of non-U.S. securities may occur between the time when the valuation of the securities is generally determined and the close of the NYSE. During significant market events, these securities will be valued at fair value, as determined in good faith, following procedures established by the Board of Trustees. The Fund may use a fair valuation model to value non-U.S. securities in order to adjust for events which may occur between the close of foreign exchanges and the close of the NYSE.

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. 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.

Real estate investment trusts. The Fund may invest in real estate investment trusts (REITs) and, as a result, will estimate the components of distributions from these securities. Such estimates are revised when actual components of distributions are known. Distributions from REITs received in excess of income are recorded as a reduction of cost of investments and/or as a realized gain.

Interest rate swaps. Interest rate swaps represent an agreement between a Fund and counterparty to exchange cash flows based on the difference between two interest rates applied to a notional amount. The payment flows are usually netted against each other, with the difference being paid by one party to the other. The Fund settles accrued net interest receivable or payable under the swap contracts at specified, future intervals. Swaps are marked-to-market daily based upon values from third party vendors or broker quotations, and the change in value is recorded as unrealized appreciation/depreciation of swap contracts. A termination payment by the counterparty or the Fund is recorded as realized gain or loss, as well as the net periodic payments received or paid by a Fund.

During the period ended October 31, 2011, the Fund used interest rate swaps in anticipation of rising interest rates. The following table summarizes the interest rate swap contracts held as of October 31, 2011. During the period ended October 31, 2011, the Fund held interest rate swaps with total USD notional amounts ranging up to \$56,000,000, as measured at each quarter end.

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COUNTERPARTY	USD	PAYMENTS MADE BY FUND	PAYMENTS	MATURITY DATE	MARKET VALUE
	NOTIONAL AMOUNT		RECEIVED BY FUND		
Morgan Stanley Capital Services	\$56,000,000	Fixed 1.4625%	3 Month LIBOR (a)	Aug 2016	\$(601,076)

(a) At October 31, 2011, the 3 Month LIBOR rate was 0.4294%.

Fair value of derivative instruments by risk category

The table below summarizes the fair value of derivatives held by the Fund at October 31, 2011 by risk category:

RISK	FINANCIAL	ASSET	LIABILITY
	INSTRUMENTS	DERIVATIVE	DERIVATIVES
	LOCATION	FAIR VALUE	FAIR VALUE
Interest rate contracts	Interest rate swaps	—	\$601,076

Total

For additional information on the Fund's significant accounting policies, please refer to the Fund's most recent semiannual or annual shareholder report.

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 II

By: /s/ Keith F. Hartstein

Keith F. Hartstein
President and Chief Executive Officer

Date: December 13, 2011

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: December 13, 2011

By: /s/ Charles A. Rizzo

Charles A. Rizzo
Chief Financial Officer

Date:

December 13, 2011