

JOHN HANCOCK PREFERRED INCOME FUND II  
Form N-CSRS  
March 31, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT 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: January 31, 2014

ITEM 1. REPORTS TO STOCKHOLDERS.

# Portfolio summary

## Top 10 Issuers (31.2% of Total Investments on 1-31-14)<sup>1,2</sup>

Ennergy	3.7%	MetLife, Inc.	3.1%
Public Storage, Inc.	3.2%	ING Groep NV	3.0%
U.S. Bancorp	3.2%	PPL Capital Funding, Inc.	3.0%
Qwest Corp.	3.1%	United States Cellular Corp.	2.9%
JPMorgan Chase	3.1%	Merrill Lynch Preferred Capital Trusts	2.9%

## Sector Composition<sup>1,3</sup>

Financials	59.7%	Energy	1.5%
Utilities	27.3%	Industrials	1.1%
Telecommunication Services	8.2%	Consumer Discretionary	0.1%
Consumer Staples	2.1%		

## Country Composition<sup>1,3,4</sup>

United States	88.8%	Spain	1.3%
Netherlands	5.3%	Bermuda	0.1%
United Kingdom	4.5%		

**Quality Composition<sup>1,5</sup>**

A	7.8%
BBB	61.5%
BB	27.7%
B	2.3%
CCC & Below	0.1%
Common Stocks	0.6%

<sup>1</sup> As a percentage of the fund's total investments on 1-31-14.

<sup>2</sup> Cash and cash equivalents not included.

<sup>3</sup> Investments focused in one sector may fluctuate more widely than investments diversified across sectors. Because the fund may focus on particular sectors, its performance may depend on the performance of those sectors. The fund's investments in securities of foreign issuers involve special risks such as political, economic and currency risks and differences in accounting standards and financial reporting.

<sup>4</sup> Each security trades in U.S. dollars.

<sup>5</sup> Ratings are from Moody's Investors Service, Inc. If not available, we have used Standard & Poor's Ratings Services. In the absence of ratings from these agencies, we have used Fitch Ratings, Inc. "Not Rated" securities are those with no ratings available from these agencies. All ratings are as of 1-31-14 and do not reflect subsequent downgrades or upgrades, if any.

<sup>6</sup> Preferred Income Fund II | **Semiannual report**

## Fund's investments

As of 1-31-14 (unaudited)

	Shares	Value
<b>Preferred Securities (a) 149.9% (95.8% of Total Investments)</b>		<b>\$628,368,479</b>

(Cost \$645,902,305)

<b>Consumer Discretionary 0.1%</b>		<b>493,875</b>
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**Media 0.1%**

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Comcast Corp., 5.000%	22,500	493,875
<b>Consumer Staples 3.3%</b>		<b>13,980,000</b>
<b>Food &amp; Staples Retailing 3.3%</b>		
Ocean Spray Cranberries, Inc., Series A, 6.250% (S)	160,000	13,980,000
<b>Financials 93.4%</b>		<b>391,353,981</b>
<b>Capital Markets 8.9%</b>		
Morgan Stanley Capital Trust III, 6.250% (Z)	272,000	6,751,040
Morgan Stanley Capital Trust IV, 6.250% (Z)	155,000	3,816,100
Morgan Stanley Capital Trust V, 5.750% (Z)	290,000	6,864,300
Morgan Stanley Capital Trust VII, 6.600%	52,400	1,306,856
State Street Corp., 5.250%	80,000	1,764,800
The Bank of New York Mellon Corp., 5.200%	20,000	427,600
The Goldman Sachs Group, Inc., 6.125% (Z)	660,000	16,480,200
<b>Commercial Banks 22.5%</b>		
Barclays Bank PLC, Series 3, 7.100% (Z)	345,000	8,756,100
Barclays Bank PLC, Series 5, 8.125% (Z)	330,000	8,424,900
BB&T Corp., 5.200% (Z)	320,000	6,438,400
BB&T Corp., 5.625% (Z)	405,000	8,748,000
HSBC USA, Inc., 6.500% (Z)	50,000	1,213,000
PNC Financial Services Group, Inc., 5.375%	70,000	1,460,900

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PNC Financial Services Group, Inc. (6.125% to 5-1-22, then 3 month LIBOR + 4.067%)	145,000	3,694,600
Royal Bank of Scotland Group PLC, Series L, 5.750% (Z)	480,000	9,916,800
Santander Finance Preferred SA Unipersonal, Series 10, 10.500%	329,000	8,715,210
U.S. Bancorp (6.000% to 4-15-17, then 3 month LIBOR + 4.861%) (Z)	200,000	5,512,000
U.S. Bancorp (6.500% to 1-15-22, then 3 month LIBOR + 4.468%) (Z)	570,000	15,475,500
Wells Fargo & Company, 8.000% (Z)	560,000	15,965,600

See notes to financial statements

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	<b>Shares</b>	<b>Value</b>
<b>Consumer Finance 5.6%</b>		
HSBC Finance Corp., Depository Shares, Series B, 6.360% (Z)	725,000	\$17,117,250
SLM Corp., 6.000% (Z)	177,500	3,565,975
SLM Corp., Series A, 6.970%	64,000	2,953,600
<b>Diversified Financial Services 23.2%</b>		
Deutsche Bank Capital Funding Trust X, 7.350%	155,722	3,956,896
Deutsche Bank Contingent Capital Trust II, 6.550%	167,500	4,222,675

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Deutsche Bank Contingent Capital Trust III, 7.600% (Z)	392,500	10,338,450
General Electric Capital Corp., 4.700% (Z)	395,000	8,097,500
ING Groep NV, 7.050% (Z)	775,700	19,601,939
JPMorgan Chase Capital XXIX, 6.700% (Z)	795,000	20,439,450
Merrill Lynch Preferred Capital Trust III, 7.000%	322,000	8,153,040
Merrill Lynch Preferred Capital Trust IV, 7.120%	180,000	4,563,000
Merrill Lynch Preferred Capital Trust V, 7.280%	250,000	6,337,500
RBS Capital Funding Trust V, 5.900%	398,000	8,342,080
RBS Capital Funding Trust VII, 6.080%	145,000	3,117,500
<b>Insurance 16.6%</b>		
Aegon NV, 6.375% (Z)	420,000	10,269,000
Aegon NV, 6.500%	205,000	4,999,950
American Financial Group, Inc., 7.000% (Z)	282,056	7,370,123
MetLife, Inc., Series B, 6.500% (Z)	807,000	20,118,510
Phoenix Companies, Inc., 7.450%	216,500	4,806,300
Prudential Financial, Inc., 5.750%	145,000	3,226,250
Prudential PLC, 6.500% (Z)	103,000	2,585,300
RenaissanceRe Holdings, Ltd., Series C, 6.080%	16,250	370,013

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W.R. Berkley Corp., 5.625%	740,000	15,784,200
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**Real Estate Investment Trusts 16.4%**

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Duke Realty Corp., Depository Shares, Series J, 6.625% (Z)	449,400	10,951,878
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Duke Realty Corp., Depository Shares, Series K, 6.500% (Z)	110,000	2,626,800
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Duke Realty Corp., Depository Shares, Series L, 6.600% (Z)	109,840	2,625,176
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Kimco Realty Corp., 6.000% (Z)	720,000	16,092,000
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Public Storage, Inc., 5.200%	255,000	5,082,150
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Public Storage, Inc., 5.750%	335,000	7,316,400
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Public Storage, Inc., 6.350% (Z)	175,000	4,256,000
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Public Storage, Inc., Depository Shares, Series Q, 6.500%	122,000	3,036,580
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Public Storage, Inc., Series P, 6.500%	56,000	1,413,440
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Senior Housing Properties Trust, 5.625% (Z)	540,000	10,643,400
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Ventas Realty LP, 5.450%	210,000	4,525,500
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See notes to financial statements

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	Shares	Value
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Federal National Mortgage Association, Series S, 8.250% (I)	75,000	\$716,250
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<b>Industrials 1.8%</b>		<b>7,358,000</b>
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<b>Machinery 1.8%</b>		
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Stanley Black & Decker, Inc., 5.750% (Z)	325,000	7,358,000
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<b>Telecommunication Services 12.9%</b>		<b>54,128,861</b>
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<b>Diversified Telecommunication Services 5.3%</b>		
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Qwest Corp., 6.125%	30,000	616,500
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Qwest Corp., 7.000%	60,000	1,449,000
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Qwest Corp., 7.375% (Z)	567,500	14,193,175
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Qwest Corp., 7.500%	172,500	4,329,750
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Verizon Communications, Inc., 5.900% (I)	60,000	1,500,000
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<b>Wireless Telecommunication Services 7.6%</b>		
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Telephone & Data Systems, Inc., 6.625% (Z)	161,300	3,809,906
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Telephone & Data Systems, Inc., 6.875%	85,000	2,068,050
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Telephone & Data Systems, Inc., 7.000% (Z)	283,000	7,035,380
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United States Cellular Corp., 6.950% (Z)	772,500	19,127,100
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<b>Utilities 38.4%</b>		<b>161,053,762</b>
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<b>Electric Utilities 26.7%</b>		
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Baltimore Gas & Electric Company, Series 1995, 6.990% (Z)	39,870	4,043,069
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Duke Energy Corp., 5.125%	720,000	15,429,600
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Duquesne Light Company, 6.500%	98,450	4,848,663
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Entergy Arkansas, Inc., 5.750% (Z)	66,400	1,609,536



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Entergy Louisiana LLC, 5.250%	220,000	5,040,200
Entergy Louisiana LLC, 5.875% (Z)	186,750	4,575,375
Entergy Louisiana LLC, 6.000% (Z)	186,438	4,631,120
Entergy Mississippi, Inc., 6.000%	187,025	4,647,571
Entergy Mississippi, Inc., 6.200%	103,294	2,593,712
Entergy Texas, Inc., 7.875%	37,400	968,660
FPL Group Capital Trust I, 5.875% (Z)	267,800	6,628,050
Gulf Power Company, 5.750% (Z)	146,000	3,620,800
HECO Capital Trust III, 6.500% (Z)	187,750	4,793,258
Interstate Power & Light Company, 5.100%	55,000	1,180,850
NextEra Energy Capital Holdings, Inc., 5.125%	90,000	1,786,500
NextEra Energy Capital Holdings, Inc., 5.700% (Z)	665,000	14,543,550
NSTAR Electric Company, 4.780%	15,143	1,525,657
PPL Capital Funding, Inc., 5.900% (Z)	851,500	19,363,110
SCE Trust I, 5.625%	100,000	2,165,000
SCE Trust II, 5.100% (Z)	415,000	8,175,500
<b>Multi-Utilities 11.7%</b>		
BGE Capital Trust II, 6.200% (Z)	535,000	13,054,000
DTE Energy Company, 5.250%	377,500	7,908,625

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DTE Energy Company, 6.500%	339,500	8,402,625
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Integrus Energy Group, Inc., 6.000%	220,500	5,377,995
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SCANA Corp., 7.700% (Z)	538,900	14,140,736

See notes to financial statements

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	<b>Shares</b>	<b>Value</b>
<b>Common Stocks 1.0% (0.6% of Total Investments)</b>		<b>\$4,030,720</b>

(Cost \$5,474,110)

<b>Utilities 1.0%</b>		<b>4,030,720</b>
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**Electric Utilities 1.0%**

FirstEnergy Corp. (Z)		128,000		4,030,720
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	<b>Rate (%)</b>	<b>Maturity date</b>	<b>Par value</b>	<b>Value</b>
<b>Capital Preferred Securities (b) 1.3% (0.9% of Total Investments)</b>				<b>\$5,630,825</b>

(Cost \$5,574,000)

<b>Utilities 1.3%</b>				<b>5,630,825</b>
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**Multi-Utilities 1.3%**

Dominion Resources Capital Trust III (Z)	8.400	01-15-31	\$5,000,000	5,630,825
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<b>Corporate Bonds 4.3% (2.7% of Total Investments)</b>				<b>\$17,900,500</b>
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(Cost \$17,392,958)

<b>Energy 2.3%</b>				<b>9,600,500</b>
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**Oil, Gas & Consumable Fuels 2.3%**

Energy Transfer Partners LP (P)	3.255	11-01-66	10,550,000	9,600,500
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**Utilities 2.0%** **8,300,000**

**Electric Utilities 2.0%**

Southern California Edison Company

(6.250% to 2-1-22, then 3 month LIBOR

+ 4.199%) (Q)(Z)	6.250	02-01-22	8,000,000	8,300,000
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**Total investments (Cost \$674,343,373)†156.5%** **\$655,930,524**

**Other assets and liabilities, net (56.5%)** **(\$236,813,648)**

**Total net assets 100.0%** **\$419,116,876**

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

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.

(P) Variable rate obligation. The coupon rate shown represents the rate at period end.

(Q) Perpetual bonds have no stated maturity date. Date shown as maturity date is next call date.

(S) These securities are 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.

(Z) All or a portion of this security is pledged as collateral pursuant to the Credit Facility Agreement. Total collateral value at 1-31-14 was \$390,005,752.

† At 1-31-14, the aggregate cost of investment securities for federal income tax purposes was \$674,449,323. Net unrealized depreciation aggregated \$18,518,799, of which \$15,163,746 related to appreciated investment securities and \$33,682,545 related to depreciated investment securities.

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See notes to financial statements

**Notes to Fund's investments**

The fund had the following country concentration as a percentage of total investments on 1-31-14:

United States	88.8%
Netherlands	5.3%
United Kingdom	4.5%
Spain	1.3%
Bermuda	0.1%
	<hr/>
Total	100.0%

See notes to financial statements

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## FINANCIAL STATEMENTS

# Financial statements

## Statement of assets and liabilities 1-31-14 (unaudited)

**This Statement of assets and liabilities is the fund's balance sheet. It shows the value of what the fund owns, is due and owes. You'll also find the net asset value for each common share.**

### Assets

Investments, at value (Cost \$674,343,373)	\$655,930,524
Cash	1,864,871
Cash segregated at custodian for swap contracts	680,000
Receivable for investments sold	521,658
Dividends and interest receivable	1,045,882
Swap contracts, at value	224,747
Other receivables and prepaid expenses	24,383
<b>Total assets</b>	<b>660,292,065</b>

### Liabilities

Committed facility agreement payable	238,000,000
Payable for investments purchased	1,500,000
Swap contracts, at value	1,529,192
Interest payable	11,336
Payable to affiliates	
Accounting and legal services fees	22,843

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Trustees' fees	20,182
Other liabilities and accrued expenses	91,636

**Total liabilities** **241,175,189**

**Net assets** **\$419,116,876**

**Net assets consist of**

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Paid-in capital	\$497,593,002
Undistributed net investment income	2,962,180
Accumulated net realized gain (loss) on investments and swap agreements	(61,721,012)
Net unrealized appreciation (depreciation) on investments and swap agreements	(19,717,294)
<b>Net assets</b>	<b>\$419,116,876</b>

**Net asset value per share**

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Based on 21,248,889 shares of beneficial interest outstanding — unlimited number of shares authorized with no par value \$19.72

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FINANCIAL STATEMENTS

**Statement of operations** For the six-month period ended 1-31-14 (unaudited)

**This Statement of operations summarizes the fund's investment income earned and expenses incurred in operating the fund. It also shows net gains (losses) for the period stated.**

**Investment income**

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Dividends	\$20,888,460
Interest	645,816
<b>Total investment income</b>	<b>21,534,276</b>

**Expenses**

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Investment management fees	2,455,409
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Accounting and legal services fees	61,432
Transfer agent fees	15,024
Trustees' fees	23,464
Printing and postage	54,862
Professional fees	61,206
Custodian fees	26,983
Stock exchange listing fees	12,646
Interest expense	1,060,657
Other	16,514
<b>Total expenses</b>	<b>3,788,197</b>
<b>Net investment income</b>	<b>17,746,079</b>
<b>Realized and unrealized gain (loss)</b>	
<hr/>	
<b>Net realized gain (loss) on</b>	
Investments	1,402,111
Swap contracts	(498,703)
	<b>903,408</b>
<b>Change in net unrealized appreciation (depreciation) of</b>	
Investments	(15,435,459)
Swap contracts	(371,342)
	<b>(15,806,801)</b>
<b>Net realized and unrealized loss</b>	<b>(14,903,393)</b>
<b>Increase in net assets from operations</b>	<b>\$2,842,686</b>

See notes to financial statements

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FINANCIAL STATEMENTS

Statements of changes in net assets

These Statements of changes in net assets show how the value of the fund's net assets has changed during the last two periods. The difference reflects earnings less expenses, any investment gains and losses, distributions, if any, paid to shareholders and the net of fund share transactions.

Six months	
ended	Year

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	<b>1-31-14</b>	<b>ended</b>
	<b>(Unaudited)</b>	<b>7-31-13</b>
<b>Increase (decrease) in net assets</b>		
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<b>From operations</b>		
Net investment income	\$17,746,079	\$36,389,035
Net realized gain (loss)	903,408	(14,823,898)
Change in net unrealized appreciation (depreciation)	(15,806,801)	(18,589,790)
<b>Increase in net assets resulting from operations</b>	<b>2,842,686</b>	<b>2,975,347</b>
<b>Distributions to shareholders</b>		
From net investment income	(17,849,067)	(35,677,170)
<b>From fund share transactions</b>		
Issued pursuant to Dividend Reinvestment Plan	—	609,331
<b>Total decrease</b>	<b>(15,006,381)</b>	<b>(32,092,492)</b>
<b>Net assets</b>		
<hr/>		
Beginning of period	434,123,257	466,215,749
<b>End of period</b>	<b>\$419,116,876</b>	<b>\$434,123,257</b>
<b>Undistributed net investment income</b>	<b>\$2,962,180</b>	<b>\$3,065,168</b>
<b>Share activity</b>		
<hr/>		
<b>Shares outstanding</b>		
Beginning of period	21,248,889	21,221,320
Issued pursuant to Dividend Reinvestment Plan	—	27,569
<b>End of period</b>	<b>21,248,889</b>	<b>21,248,889</b>

FINANCIAL STATEMENTS

Statement of cash flows

**This Statement of cash flows shows cash flow from operating and financing activities for the period stated.**

	<b>For the six-month period ended 1-31-14 (unaudited)</b>
<b>Cash flows from operating activities</b>	
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Net increase in net assets from operations	\$2,842,686
<b>Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities:</b>	
Long-term investments purchased	(33,058,531)
Long-term investments sold	33,335,521
Decrease in short term investments	463,000
Net amortization of premium (discount)	3,626
Decrease in dividends and interest receivable	25,633
Increase in payable for investments purchased	1,382,774
Increase in receivable for investments sold	(521,658)
Decrease in unrealized appreciation of swap contracts	341,939
Decrease in cash segregated at custodian	