

JOHN HANCOCK PREFERRED INCOME FUND II  
Form N-Q  
June 29, 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- 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)

Alfred P. Ouellette, Senior Counsel 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: April 30, 2007

ITEM 1. SCHEDULE OF INVESTMENTS

---

---

John Hancock

**Preferred Income Fund II**

Securities owned by the Fund on

April 30, 2007 (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>
----------------------------	--------------------------	--------------------------	------------------------------	----------------------------	--------------

---

**Bonds 2.67%** **\$20,580,381**  
(Cost \$20,533,892)

---

**Electric Utilities 1.28%** **9,855,525**

---

Black Hills Corp.,  
Note 6.500% 05-15-13 BBB- 5,000 5,078,350

Entergy Gulf States, Inc.,  
1st Mtg Bond 6.200 07-01-33 BBB+ 5,000 4,777,175

---

**Gas Utilities 1.39%** **10,724,856**

---

Southern Union Co.,  
Jr Sub Note (P) 7.200 11-01-66 BB 10,550 10,724,856

Issuer, description, maturity date	Credit rating (A)	Par value (000)	Value
------------------------------------	----------------------	--------------------	-------

---

**Capital preferred securities 10.20%** **\$78,527,397**  
(Cost \$72,286,552)

---

**Asset Management & Custody Banks 0.64%** **4,892,023**

---

BNY Capital I, 7.97%, Ser B, 12-31-26 A- \$4,700 4,892,023

---

**Diversified Banks 0.52%** **4,014,640**

---

Lloyds TSB Bank Plc, 6.90%, 11-29-49 (United Kingdom) A+ 4,000 4,014,640

---

**Electric Utilities 3.50%** **26,967,625**

---

DPL Capital Trust II, 8.125%, 09-01-31 BB- 22,150 26,967,625

---

**Gas Utilities 3.25%** **25,016,078**

---

KN Capital Trust I, 8.56%, Ser B, 04-15-27 B- 14,000 14,512,288

KN Capital Trust III, 7.63%, 04-15-28 B- 10,673 10,503,790

---

**Multi-Utilities 1.90%** **14,645,941**

---

Dominion Resources Capital Trust I,  
7.83%,12-01-27 BB+ 8,450 8,619,701

Dominion Resources Capital Trust III, 8.40%,  
01-15-31 BB+ 5,000 6,026,240

---

**Thriffs & Mortgage Finance 0.39%** **2,991,090**

---

Sovereign Capital Trust V, 7.75%, 05-22-36 BB+ 111,400 2,991,090

John Hancock

**Preferred Income Fund II**

Securities owned by the Fund on

April 30, 2007 (unaudited)

<b>Issuer</b>	<b>Shares</b>	<b>Value</b>
<b>Common stocks 2.77%</b> (Cost \$15,069,131)		<b>\$21,316,543</b>
<b>Electric Utilities 0.99%</b>		<b>7,641,840</b>
Great Plains Energy, Inc.	234,125	7,641,840
<b>Integrated Oil &amp; Gas 0.28%</b>		<b>2,119,503</b>
BP Plc, American Depositary Receipt (United Kingdom)	31,484	2,119,503
<b>Multi-Utilities 1.50%</b>		<b>11,555,200</b>
Alliant Energy Corp.	220,000	9,636,000
CH Energy Group, Inc.	40,000	1,919,200
	<b>Credit rating (A)</b>	
<b>Issuer, description</b>	<b>Shares</b>	<b>Value</b>
<b>Preferred stocks 79.26%</b> (Cost \$608,926,027)		<b>\$610,502,414</b>
<b>Agricultural Products 1.81%</b>		<b>13,935,008</b>
Ocean Spray Cranberries, Inc., 6.25%, Ser A (S)	160,000	13,935,008
<b>Automobile Manufacturers 2.07%</b>		<b>15,956,738</b>
General Motors Corp., 7.25%, Ser 04-15-41	87,900	1,711,413
General Motors Corp., 7.25%, Ser 07-15-41	210,500	4,117,380
General Motors Corp., 7.25%, Ser 02-15-52	447,300	8,691,039
General Motors Corp., 7.375%, Ser 10-01-51	73,125	1,436,906
<b>Broadcasting &amp; Cable TV 1.79%</b>		<b>13,754,846</b>
Comcast Corp., 7.00%	40,000	1,038,000
Comcast Corp., 7.00%, Ser B	492,901	12,716,846
<b>Consumer Finance 2.70%</b>		<b>20,822,831</b>
HSBC Finance Corp., 6.00%	72,200	1,788,394
HSBC Finance Corp., 6.36%, Depositary Shares, Ser B	143,200	3,708,880
HSBC Finance Corp., 6.875%	349,100	8,884,595
SLM Corp., 6.00%	176,800	3,772,912

SLM Corp., 6.97%, Ser A	BBB+	53,900	2,668,050
-------------------------	------	--------	-----------

Page 2

John Hancock

**Preferred Income Fund II**

Securities owned by the Fund on

April 30, 2007 (unaudited)

<b>Diversified Banks 5.04%</b>			<b>38,862,170</b>
--------------------------------	--	--	-------------------

BAC Capital Trust IV, 5.875%	A+	51,150	1,221,974
Fleet Capital Trust VIII, 7.20%	A	310,000	7,870,900
HSBC Holdings Plc, 6.20%, Ser A (United Kingdom)	A	249,600	6,324,864
Republic New York Corp., 6.25%, Ser HSBC	A	50,000	1,238,500
Royal Bank of Scotland Group Plc, 5.75%, Ser L (United Kingdom)	A	450,500	10,821,010
Santander Finance Preferred SA Unipersonal, 6.41%, Ser 1 (Spain)	A+	225,000	5,737,500
USB Capital VIII, 6.35%, Ser 1	A+	83,000	2,072,510
Wells Fargo Capital Trust IV, 7.00%	AA-	140,800	3,574,912

<b>Diversified Financial Services 6.95%</b>			<b>53,532,894</b>
---	--	--	-------------------

Abbey National Plc, 7.375%, Ser C (United Kingdom)	A+	140,800	3,572,096
ABN AMRO Capital Funding Trust V, 5.90%	A	373,600	9,018,704
ABN AMRO Capital Funding Trust VII, 6.08%	A	345,000	8,583,600
Citigroup Capital VII, 7.125%	A+	222,200	5,648,324
Citigroup Capital VIII, 6.95%	A+	538,500	13,624,050
DB Capital Funding VIII, 6.375%	A	254,200	6,507,520
JPMorgan Chase Capital X, 7.00%, Ser J	A-	259,000	6,578,600

<b>Electric Utilities 14.00%</b>			<b>107,869,228</b>
----------------------------------	--	--	--------------------

Cleveland Electric Financing Trust I, 9.00%	BB+	210,000	5,476,800
Duquesne Light Co., 6.50%	BB+	96,550	4,846,810
Entergy Mississippi, Inc., 7.25%	A-	109,000	2,783,860
FPC Capital I, 7.10%, Ser A	BB+	597,003	15,187,756
FPL Group Capital Trust I, 5.875%	BBB+	441,800	10,682,724
Georgia Power Capital Trust V, 7.125%	BBB+	259,300	6,523,988
Georgia Power Capital Trust VII, 5.875%	BBB+	116,500	2,790,175
HECO Capital Trust III, 6.50%	BBB-	120,000	3,073,200
Interstate Power & Light Co., 8.375%, Ser B	Baa2	700,000	22,968,750
Northern States Power Co., 8.00%	BBB-	175,800	4,518,060
NSTAR Electric Co., 4.78%	A-	15,143	1,362,870
PPL Electric Utilities Corp., 6.25%, Depository Shares	BBB	130,000	3,416,569
PPL Energy Supply LLC, 7.00%	BBB	475,570	12,302,996
Southern California Edison Co., 6.00%, Ser C	BBB-	20,000	1,994,376

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

Southern California Edison Co., 6.125%	BBB-	10,000	997,500
Southern Co. Capital Trust VI, 7.125%	BBB+	37,100	936,404
Virginia Power Capital Trust, 7.375%	BB+	318,219	8,006,390

**Gas Utilities 1.63%** **12,542,735**

---

Southern Union Co., 7.55%	BB	229,500	5,909,625
Southwest Gas Capital II, 7.70%	BB	258,500	6,633,110

**Hotels, Resorts & Cruise Lines 0.42%** **3,203,750**

---

Hilton Hotels Corp., 8.00%	BB+	125,000	3,203,750
----------------------------	-----	---------	-----------

**Integrated Telecommunication Services 0.54%** **4,146,250**

---

Verizon New England, Inc., 7.00%, Ser B	A3	165,850	4,146,250
---	----	---------	-----------

Page 3

---

John Hancock

## Preferred Income Fund II

Securities owned by the Fund on

April 30, 2007 (unaudited)

**Investment Banking & Brokerage 8.92%** **68,702,633**

---

Bear Stearns Cos., Inc. (The), 6.15%, Depositary Shares, Ser E	BBB+	248,600	12,648,768
Goldman Sachs Group, Inc., 6.20%, Ser B	A	140,000	3,592,400
Lehman Brothers Holdings Capital Trust III, 6.375%, Ser K	A-	177,000	4,440,930
Lehman Brothers Holdings Capital Trust V, 6.00%, Ser M	A-	10,000	241,700
Lehman Brothers Holdings, Inc., 5.94%, Depositary Shares, Ser C	A-	145,200	7,441,500
Merrill Lynch Preferred Capital Trust III, 7.00%	A	360,400	9,150,556
Merrill Lynch Preferred Capital Trust IV, 7.12%	A	167,400	4,277,070
Merrill Lynch Preferred Capital Trust V, 7.28%	A	273,200	7,023,972
Morgan Stanley Capital Trust II, 7.25%	A-	35,000	878,500
Morgan Stanley Capital Trust III, 6.25%	A-	248,779	6,172,207
Morgan Stanley Capital Trust IV, 6.25%	A-	57,000	1,404,480
Morgan Stanley Capital Trust V, 5.75%	A1	311,500	7,382,550
Morgan Stanley Capital Trust VI, 6.60%	A-	160,000	4,048,000

**Life & Health Insurance 1.71%** **13,196,167**

---

Phoenix Cos., Inc. (The), 7.45%	BBB-	94,800	2,376,636
PLC Capital Trust IV, 7.25%	BBB+	331,075	8,356,333
Prudential Plc, 6.50% (United Kingdom)	A-	95,807	2,463,198

<b>Movies &amp; Entertainment 2.10%</b>		<b>16,168,363</b>	
Viacom, Inc., 6.85%	BBB	643,645	16,168,363
<b>Multi-Line Insurance 6.63%</b>		<b>51,054,352</b>	
Aegon NV, 6.375% (Netherlands)	A-	355,000	9,219,350
Aegon NV, 6.50% (Netherlands)	A-	44,100	1,128,960
ING Groep NV, 7.05% (Netherlands)	A	774,700	19,661,886
MetLife, Inc., 6.50%, Ser B	BBB	799,550	21,044,156
<b>Multi-Utilities 8.28%</b>		<b>63,744,839</b>	
Baltimore Gas & Electric Co., 6.99%, Ser 1995	Ba1	39,870	4,102,874
BGE Capital Trust II, 6.20%	BBB-	670,600	16,503,466
Dominion CNG Capital Trust I, 7.80%	BB+	150,000	3,765,000
DTE Energy Trust I, 7.80%	BB+	313,000	7,881,340
PNM Resources, Inc., 6.75%, Conv	BBB-	217,400	11,843,952
PSEG Funding Trust II, 8.75%	BB+	680,000	17,476,000
Public Service Electric & Gas Co., 4.18%, Ser B	BB+	7,900	657,675
South Carolina Electric & Gas Co., 6.52%	Baa1	15,000	1,514,532
<b>Oil &amp; Gas Exploration &amp; Production 4.13%</b>		<b>31,779,926</b>	
Chesapeake Energy Corp., 6.25%, Conv (G)	B+	4,850	1,319,200
Devon Energy Corp., 6.49%, Ser A	BB+	32,355	3,259,766
Nexen, Inc., 7.35% (Canada)	BB+	1,068,800	27,200,960
Page 4			
John Hancock			
<b>Preferred Income Fund II</b>			
Securities owned by the Fund on			
April 30, 2007 (unaudited)			
<b>Real Estate Management &amp; Development 3.37%</b>		<b>25,974,897</b>	
Duke Realty Corp., 6.50%, Depositary Shares, Ser K	BBB	110,000	2,777,500
Duke Realty Corp., 6.60%, Depositary Shares, Ser L	BBB	109,840	2,793,231
Duke Realty Corp., 6.625%, Depositary Shares, Ser J	BBB	449,400	11,347,350
Duke Realty Corp., 7.99%, Depositary Shares, Ser B	BBB	10,650	531,502
Public Storage, Inc., 6.45%, Depositary Shares, Ser X	BBB+	30,000	743,400
Public Storage, Inc., 7.50%, Depositary Shares, Ser V	BBB+	307,100	7,781,914
<b>Regional Banks 2.30%</b>		<b>17,728,847</b>	
PFGI Capital Corp., 7.75%	A	686,000	17,728,847

<b>Reinsurance 0.12%</b>			<b>948,400</b>
<hr/>			
RenaissanceRe Holdings Ltd., 6.08%, Ser C (Bermuda)	BBB	40,000	948,400
<b>Specialized Finance 0.65%</b>			<b>5,016,298</b>
<hr/>			
CIT Group, Inc., 6.35%, Ser A	BBB+	60,000	1,559,400
Repsol International Capital Ltd., 7.45%, Ser A (Cayman Islands)	BB+	136,313	3,456,898
<b>Wireless Telecommunication Services 4.10%</b>			<b>31,561,242</b>
<hr/>			
Telephone & Data Systems, Inc., 6.625%	BB+	155,000	3,799,050
Telephone & Data Systems, Inc., 7.60%	BB+	605,967	15,137,056
United States Cellular, 7.50%	BB+	502,393	12,625,136

<b>Issuer, description</b>	<b>Maturity date</b>	<b>Par value (000)</b>	<b>Value</b>
<b>U.S. government &amp; agencies securities 5.10%</b>			<b>\$39,300,000</b>
(Cost \$39,300,000)			
<b>Government U.S. Agency 5.10%</b>			<b>39,300,000</b>
<hr/>			
Discount Note	05-01-07	\$39,300	39,300,000
<b>Total investments (Cost \$756,115,602)</b>			<b>\$770,226,735</b>
<b>100.00%</b>			

Page 5

John Hancock

**Preferred Income Fund II**

Financial futures contracts

April 30, 2007 (unaudited)

<b>Open contracts</b>	<b>Number of contracts</b>	<b>Position</b>	<b>Expiration</b>	<b>Appreciation (depreciation)</b>
<hr/>				
U.S. 10-year Treasury Note	720	Short	June 2007	\$373,921

Financial futures contracts

John Hancock

**Preferred Income Fund II**

Interest rate swap contracts

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

April 30, 2007 (unaudited)

Notional amount	Rate type		Termination date	Appreciation (depreciation)
	Payments made by Fund	Payments received by Fund		
\$63,500,000	2.56% (a)	3-month LIBOR	June 2008	\$1,799,791

(a) Fixed rate

Interest rate swap contracts

John Hancock

## Preferred Income Fund II

### Footnotes to Schedule of Investments

April 30, 2007 (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.

(P) Represents rate in effect on April 30, 2007.

(S) This security is exempt from registration under Rule 144A of the Securities Act of 1933. Such security may be resold, normally to qualified institutional buyers, in transactions exempt from registration. Rule 144A securities amounted to \$13,935,008 or 1.81% of the Fund's total investments as of April 30, 2007.

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 April 30, 2007, including short-term investments, was \$756,115,602. Gross unrealized appreciation and depreciation of investments aggregated \$27,279,522 and \$13,168,389, respectively, resulting in net unrealized appreciation of \$14,111,133.

Footnotes to Schedule of Investments - Page 1

## 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 financial 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.



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

(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 financial 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: June 29, 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: June 29, 2007

By: /s/ Charles A. Rizzo

-----  
Charles A. Rizzo  
Chief Financial Officer

Date: June 29, 2007

---