JOHN HANCOCK PREMIUM DIVIDEND FUND
Form N-CSRS
June 29, 2016

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- 05908

John Hancock Premium Dividend Fund
(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: October 31

Date of reporting period: April 30, 2016

ITEM 1. SHAREHOLDERS REPORT.

John Hancock

Premium Dividend Fund

Ticker: PDT
Semiannual report 4/30/16

Managed distribution plan

The fund has adopted a managed distribution plan (Plan). Under the Plan, the fund makes monthly distributions of an amount equal to $0.09 per share, which will be paid monthly until further notice. On June 23, 2016, the Board of Trustees of the fund voted to increase the monthly distribution to an amount equal to $0.0975 per share. The increase to the distribution amount will be effective with the July monthly distribution that is scheduled to be paid on July 29, 2016. The fund may make additional distributions (i) for purposes of not incurring federal income tax on investment company taxable income and net capital gain, if any, not included in such regular distributions and (ii) for purposes of not incurring federal excise tax on ordinary income and capital gain net income, if any, not included in such regular monthly distributions.

The Plan provides that the Board of Trustees of the fund may amend the terms of the Plan or terminate the Plan at any time without prior notice to the fund's shareholders. The Plan will be subject to periodic review by the fund's Board of Trustees.

You should not draw any conclusions about the fund's investment performance from the amount of the fund's distributions or from the terms of the Plan. The fund's total return at NAV is presented in the Financial highlights.

With each distribution that does not consist solely of net investment income, the fund will issue a notice to shareholders and an accompanying press release that will provide detailed information regarding the amount and composition of the distribution and other related information. The amounts and sources of distributions reported in the notice to shareholders are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. The fund will send you a Form 1099-DIV for the calendar year that will tell you how to report these distributions for federal income tax purposes. The fund may at times distribute more than its net investment income and net realized capital gains; therefore, a portion of your distribution may result in a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in the fund is paid back to you. A return of capital does not necessarily reflect the fund's investment performance and should not be confused with "yield" or "income."

A message to shareholders

Dear shareholder,

The past six months proved to be a challenging time for U.S. equity investors. Many market indexes tumbled in the winter months amid concerns about slowing global growth, particularly in China. The volatility extended to commodity markets, as oil prices hit multi-year lows in February before rebounding toward the end of the period. The investment landscape improved late in the period as stocks and other so-called risk assets regained positive momentum and most U.S. indexes finished the period with modest gains.

Volatile market environments are naturally unsettling. But despite the recent turbulence, we believe the economic picture in the United States offers reasons for optimism. Unemployment and inflation both remain low, while the housing market and consumer demand have both shown signs of resilience. Nonetheless, the volatility that characterized the markets at the start of the year could be with us for some time.

At John Hancock Investments, portfolio risk management is a critical part of our role as an asset manager, and our dedicated risk team is focused on these issues every day. We continually strive for new ways to analyze potential risks and to ensure that we have adequate liquidity tools in place. As always, your best resource in times like these is your financial advisor, who can help make sure your portfolio is sufficiently diversified to meet your long-term objectives and to withstand the inevitable bumps along the way.

On behalf of everyone at John Hancock Investments, I'd like to take this opportunity to thank you for the continued trust you've placed in us.

Sincerely,

Andrew G. Arnott
President and Chief Executive Officer
John Hancock Investments

This commentary reflects the CEO's views as of April 30, 2016. They are subject to change at any time. All investments entail risks, including the possible loss of principal. Diversification does not guarantee a profit or eliminate the risk of a loss. For more up-to-date information, you can visit our website at jhinvestments.com.

John Hancock
Premium Dividend Fund

Table of contents

Your fund at a glance

INVESTMENT OBJECTIVE

The fund seeks to provide high current income, consistent with modest growth of capital.

AVERAGE ANNUAL TOTAL RETURNS AS OF 4/30/16 (%)

The index shown is a blended index that is 70% Bank of America Merrill Lynch Preferred Stock DRD Eligible Index and 30% S&P 500 Utilities Index.

The Bank of America Merrill Lynch Preferred Stock DRD Eligible Index consists of investment-grade fixed-rate U.S. dollar-denominated preferred securities and fixed-to-floating-rate securities. The index includes securities having a minimum remaining term of at least one year, Dividend Received Deduction (DRD) eligible preferred stock and senior debt.

The S&P 500 Utilities Index is a capitalization-weighted index that consists of companies in the S&P 500 Index that are primarily involved in water, electrical power, and natural gas distribution industries.

It is not possible to invest directly in an index. Index figures do not reflect expenses or sales charges, which would result in lower returns.

The fund's most recent performance and current annualized distribution rate can be found at jhinvestments.com.

If a shareholder purchases shares at a time when the market price is at a premium to the NAV or sells shares at a time when the market price is at a discount to the NAV, the shareholder may sustain losses.

The performance data contained within this material represents past performance, which does not guarantee future results.

PERFORMANCE HIGHLIGHTS OVER THE LAST SIX MONTHS

Dividend-paying securities generated solid gains

Falling interest rates outside of the United States, fears of a recession, and heightened stock market volatility stoked demand for utilities, energy-related common stocks, and preferred securities.

Energy-related holdings performed well

Pipeline company holdings benefited from a rebound in oil prices, as well as investors' growing demand for energy companies whose revenues are driven by fees rather than commodity prices.

Foreign banks detracted

Negative interest rates in Europe and Japan eroded bank earnings.

PORTFOLIO COMPOSITION AS OF 4/30/16 (%)

A note about risks

As is the case with all closed-end funds, shares of this fund may trade at a discount or a premium to the fund's net asset value (NAV). An investment in the fund is subject to investment and market risks, including the possible loss of the entire principal invested. There is no guarantee prior distribution levels will be maintained, and distributions may include a substantial return of capital. Fixed-income investments are subject to interest-rate and credit risk; their value will normally decline as interest rates rise or if a creditor, grantor, or counterparty is unable or unwilling to make principal, interest, or settlement payments. Investments in higher-yielding, lower-rated securities are subject to a higher risk of default. An issuer of securities held by the fund may default, have its credit rating downgraded, or otherwise perform poorly, which may affect fund performance. Liquidity the extent to which a security may be sold or a derivative position closed without negatively affecting its market value, if at all may be impaired by reduced trading volume, heightened volatility, rising interest rates, and other market conditions. The fund's use of leverage creates additional risks, including greater volatility of the fund's NAV, market price, and returns. There is no assurance that the fund's leverage strategy will be successful. The fund will normally invest at least 25% of its managed assets in securities of companies in the utilities industry. Such an investment focus makes the fund more susceptible to factors adversely affecting the utilities industry than a more broadly diversified fund. Sector investing is subject to greater risks than the market as a whole. Hedging, derivatives, and other strategic transactions may increase a fund's volatility and could produce disproportionate losses, potentially more than the fund's principal investment.

Discussion of fund performance

An interview with Portfolio Manager Gregory K. Phelps, John Hancock Asset Management a division of Manulife Asset Management (US) LLC

Gregory K. Phelps
Portfolio Manager
John Hancock Asset Management

What was the market environment like for dividend-paying securities during the six months ended April 30, 2016?

Dividend-paying securities which are traditionally viewed as a more attractive investment during times of economic uncertainty, heightened market volatility, and low interest rates generated solid gains. At the beginning of the period, many dividend-paying stocks were under pressure in response to expectations that U.S. interest rates were poised to rise. Instead, long-term interest rates fell in early 2016, making income-producing investments relatively more attractive to many investors. As compensation for their higher risk, dividend-paying securities tend to pay more than comparable bonds. Fears of recession, which were felt most acutely in February, further stoked demand for dividend-paying securities, offering haven to investors seeking refuge from significant declines in broader stock market averages.

While utility securities benefited the most from those trends, other segments of the dividend-paying universe were further bolstered by factors unique to their respective sectors. Energy common stocks, for example, enjoyed a partial, yet impressive, rebound from their extremely poor performance in 2015. Oil prices moved higher, leading bargain-seeking investors looking to the energy sector with expectations that revenue and earnings could rebound as well if the current oil glut dwindled as production halts started to weigh on supply. Preferred securities were helped by muted new issuance, as most issuers refrained from bringing new preferred securities to the marketplace. With common stock dividend cuts continuing to accelerate during the past six months, there was growing demand for preferred dividend payouts, which have precedence over common stock dividends. While financial stocks were generally down for the period, many financial preferreds, led by U.S. banks, also fared comparatively well, as they restructured and strengthened their capital structures since the 2007/2008 financial crisis.

What's your view on dividend-paying securities?

Given their strong gains during the prior six months, dividend-paying securities ended the period less attractively valued than they were at the beginning of the period; their upside may be limited over the short term. That said, we believe dividend-paying securities can hold on to their recent

"Dividend-paying securities which are traditionally viewed as a more attractive investment during times of economic uncertainty, heightened market volatility, and low interest rates generated solid gains."

gains for the balance of 2016. The U.S. Federal Reserve (Fed) has lowered its forward rate hike guidance to indicate a more gradual pace than the central bank had suggested at the end of 2015. Given the Fed's more dovish tone, our view is that rate hikes in 2016 will be few and far between, totaling one or two 0.25% increases and most likely occurring in the second half of the year. In our view, dividend-paying securities should be able to weather a couple of small and gradual increases in the federal funds rate. Furthermore, low long-term U.S. Treasury yields make the comparatively high yields offered by dividend-paying securities more attractive to income-seeking investors. Muted supply should also be supportive. We don't foresee any meaningful uptick in the supply of dividend-paying preferred or common stocks on the horizon.

What holdings contributed to performance?

Some of the portfolio's energy-related investments were among its best performers for the six-month period. Pipeline companies, such as the common stock of Spectra Energy Corp. and Columbia Pipeline Group, Inc., performed quite well. Investors began to recognize that pipeline company revenues were fee based rather than commodity price dependent. Spectra's decision to raise its dividend in February was a plus for that holding. Columbia Pipeline rallied further on the mid-March announcement of its planned merger with TransCanada Corporation. Also in the energy sector, Chevron Corp. and ONEOK, Inc. generated positive returns.

SECTOR COMPOSITION AS OF 4/30/16 (%)

"In our view, dividend-paying securities should be able to weather a couple of small and gradual increases in the federal funds rate."

Among holdings in the utilities sector, Black Hills Corp. was one of the portfolio's standouts. The company completed the acquisition of a natural gas utility expected to enhance regulated earnings and lower its risk profile. Other positive performers in this sector included Alliant Energy Corp., Talen Energy Corp., and Questar Corp.

What hurt the fund's performance?

Detracting from the fund's results was the preferred stock of Deutsche Bank Contingent Capital Trust. Interest rates in some European countries went negative during the period, eroding bank earnings on the Continent; concerns about nonperforming loans also weighed on the stock. Another disappointment was the preferred stock of DTE Energy Company, whose price languished as it moved closer to its potential December 2016 call date. Given that the company can call these securities at par at year end, their upside potential was limited. Conoco Phillips and Kinder Morgan Inc. also generated negative returns. Our use of derivative such as futures, options, and swaps also had a negative impact on performance.

Were there any significant changes to the portfolio?

At about midpoint in the period, we sold some of the fund's lower-yielding utility holdings at prices we viewed as attractive given the very strong demand for such stocks at the time. In many cases, we used the proceeds from those sales to purchase more of the higher-yielding pipeline companies the fund already held, including Spectra. We felt that these securities were very attractively valued, especially given our view that oil prices had bottomed at that time and were set to move higher. We

TOP 10 ISSUERS AS OF 4/30/16 (%)

Bank of America Corp.	4.4
PPL Corp.	4.1
JPMorgan Chase & Co.	3.6
Morgan Stanley	3.3
SCE Trust	3.2
Interstate Power & Light Company	3.1
Wells Fargo & Company	2.9
Baltimore Gas & Electric Company	2.9
Entergy, Inc.	2.9
DTE Energy Company	2.9
TOTAL	**33.3**

As a percentage of total investments.
Cash and cash equivalents are not included.

were further encouraged by the fact that pipeline companies were reporting that their revenues hadn't been negatively affected by low oil prices, and that some of these companies actually raised their dividends. We also increased the fund's preferred shares in Kinder Morgan.

MANAGED BY

Gregory K. Phelps
On the fund since 1995
Investing since 1981

Joseph H. Bozoyan, CFA
On the fund since 2015
Investing since 1993

The views expressed in this report are exclusively those of Gregory K. Phelps, John Hancock Asset Management, and are subject to change. They are not meant as investment advice. Please note that the holdings discussed in this report may not have been held by the fund for the entire period. Portfolio composition is subject to review in accordance with the fund's investment strategy and may vary in the future. Current and future portfolio holdings are subject to risk.

Fund's investments

As of 4-30-16 (unaudited)

	Shares	Value
Preferred securities 100.7% (67.7% of Total investments) (Cost $730,405,065)		$783,142,989
Consumer staples 2.5%		19,418,660
Food and staples retailing 2.5%		
Ocean Spray Cranberries, Inc., Series A, 6.250% (S)	224,250	19,418,660
Energy 3.0%		23,565,983
Oil, gas and consumable fuels 3.0%		
Kinder Morgan, Inc., 9.750%	533,650	23,565,983
Financials 57.3%		445,524,416
Banks 31.2%		
Bank of America Corp., 6.375% (Z)	980,000	25,274,200
Bank of America Corp., 6.625% (Z)	360,000	9,586,800
Bank of America Corp., Depositary Shares, Series D, 6.204% (Z)	630,000	16,216,200
	192,500	4,989,600

Barclays Bank PLC, Series 3, 7.100%		
Barclays Bank PLC, Series 5, 8.125%	360,000	9,496,800
BB&T Corp., 5.625% (Z)	770,000	19,804,400
BB&T Corp. (Callable 11-1-17), 5.200% (Z)	205,000	5,186,500
BB&T Corp. (Callable 6-1-18), 5.200% (Z)	110,000	2,777,500
Citigroup, Inc. (6.875% to 11-15-23, then 3 month LIBOR + 4.130%) (Z)	137,223	3,785,983
Citigroup, Inc. (7.125% to 9-30-23, then 3 month LIBOR + 4.040%) (Z)	195,650	5,470,374
Citigroup, Inc., Depositary Shares, Series AA, 8.125% (Z)	338,830	9,734,586
JPMorgan Chase	490,000	12,485,200

& Co., 5.450% (Z)		
JPMorgan Chase & Co., 5.500% (Z)	200,000	5,058,000
JPMorgan Chase & Co., 6.100% (Z)	650,000	16,984,500
JPMorgan Chase & Co., 6.300% (Z)	245,000	6,455,750
JPMorgan Chase & Co., 6.700% (Z)	35,000	967,050
Santander Holdings USA, Inc., Series C, 7.300%	500,000	12,875,000
The PNC Financial Services Group, Inc., 5.375% (Z)	180,000	4,642,200
The PNC Financial Services Group, Inc. (6.125% to 5-1-22, then 3 month LIBOR + 4.067%) (Z)	311,600	9,008,356
	500,000	13,125,000

U.S. Bancorp, 5.150% (Z)		
U.S. Bancorp (6.000% to 4-15-17, then 3 month LIBOR + 4.861%) (Z)	160,000	4,225,600
U.S. Bancorp (6.500% to 1-15-22, then 3 month LIBOR + 4.468%) (Z)	351,000	10,375,560
Wells Fargo & Company, 6.000% (Z)	205,000	5,459,150
Wells Fargo & Company, 8.000% (Z)	1,017,000	28,648,890
Capital markets 17.1%		
Deutsche Bank Contingent Capital Trust II, 6.550% (Z)	287,000	7,146,300
Deutsche Bank Contingent Capital Trust III, 7.600%	662,000	17,159,040
	842,557	22,782,741

Morgan
Stanley,
6.625% (Z)

SEE NOTES TO FINANCIAL STATEMENTS

	Shares	Value
Financials (continued)		
Capital markets (continued)		
Morgan Stanley (6.375% to 10-15-24, then 3 month LIBOR + 3.708%) (Z)	249,227	$6,609,500
Morgan Stanley (7.125% to 10-15-23, then 3 month LIBOR + 4.320%) (Z)	300,000	8,625,000
State Street Corp., 5.250% (Z)	1,015,000	26,613,300
State Street Corp., 6.000% (Z)	80,000	2,161,600
State Street Corp. (5.900% to 3-15-24, then 3 month LIBOR + 3.108%) (Z)	25,000	679,250
The Bank of New	442,000	11,337,300

York Mellon Corp., 5.200% (Z)		
The Goldman Sachs Group, Inc., 5.950% (Z)	920,000	23,607,200
The Goldman Sachs Group, Inc., Series B, 6.200%	250,000	6,370,000
Consumer finance 5.5%		
Capital One Financial Corp., 6.000% (Z)	100,000	2,590,000
Capital One Financial Corp., 6.250% (Z)	81,196	2,150,070
Capital One Financial Corp., 6.700% (Z)	105,000	2,881,200
Capital One Financial Corp., 6.200% (Z)	80,000	2,112,800
HSBC Finance Corp., Depositary Shares, Series B, 6.360%	454,000	11,776,760
SLM Corp., Series A, 6.970%	445,500	21,049,875
Insurance 1.6%		
Aegon NV, 6.500%	75,000	1,961,250
	50,000	1,319,500

Prudential Financial, Inc., 5.750% (Z)		
Prudential PLC, 6.750% (Z)	175,000	4,620,000
W.R. Berkley Corp., 5.625%	190,377	4,843,191
Real estate investment trusts 1.9%		
Senior Housing Properties Trust, 5.625%	510,000	12,877,500
Ventas Realty LP, 5.450%	63,000	1,617,840
Industrials 0.5%		3,551,850
Machinery 0.5%		
Stanley Black & Decker, Inc., 5.750%	135,000	3,551,850
Telecommunication services 6.3%		49,259,085
Diversified telecommunication services 3.9%		
Qwest Corp., 6.125%	107,500	2,632,675
Qwest Corp., 7.375%	1,021,000	26,096,760
Verizon Communications, Inc., 5.900% (Z)	60,000	1,646,250
Wireless telecommunication services 2.4%		
Telephone & Data Systems, Inc.,	100,000	2,499,000

5.875%		
Telephone & Data Systems, Inc., 6.625%	285,000	7,335,900
Telephone & Data Systems, Inc., 6.875%	170,000	4,338,400
United States Cellular Corp., 6.950%	185,000	4,710,100

SEE NOTES TO FINANCIAL STATEMENTS

	Shares	Value
Utilities 31.1%		$241,822,995
Electric utilities 24.5%		
Duke Energy Corp., 5.125% (Z)	180,000	4,734,000
Entergy Arkansas, Inc., 6.450%	650,000	16,770,000
Entergy Mississippi, Inc., 6.250%	667,000	16,975,150
Gulf Power Company, 5.600%	52,400	5,365,619
HECO Capital Trust III, 6.500%	181,000	4,787,450
Interstate Power & Light Company, 5.100%	1,340,000	36,287,200
NextEra Energy Capital Holdings, Inc., 5.125% (Z)	185,000	4,708,250
NextEra Energy Capital Holdings, Inc., 5.700% (Z)	320,000	8,291,200
NSTAR Electric Company, 4.250%	13,347	1,254,618
NSTAR Electric Company, 4.780%	100,000	9,975,000

PPL Capital Funding, Inc., 5.900% (Z)	1,450,320	38,680,034
SCE Trust I, 5.625%	265,000	6,781,350
SCE Trust II, 5.100%	1,208,500	30,514,625
The Southern Company, 6.250% (Z)	155,000	4,195,850
Union Electric Company, 3.700%	12,262	1,179,835
Multi-utilities 6.6%		
Baltimore Gas & Electric Company, Series 1993, 6.700%	20,250	2,045,884
Baltimore Gas & Electric Company, Series 1995, 6.990%	134,000	13,818,080
BGE Capital Trust II, 6.200%	690,000	17,940,000
DTE Energy Company, 5.250%	235,000	6,088,850
DTE Energy Company, 6.500%	180,000	4,698,000
Integrys Holding, Inc. (6.000%	255,000	6,732,000

to 8-1-23, then 3 month LIBOR + 3.220%)

Common stocks 47.9% (32.2% of Total investments) (Cost $263,266,052)		$372,310,944
Energy 8.8%		68,070,317
Oil, gas and consumable fuels 8.8%		
Chevron Corp.	67,000	6,846,060
Columbia Pipeline Group, Inc.	300,000	7,686,000
ConocoPhillips	90,000	4,301,100
Kinder Morgan, Inc.	262,000	4,653,120
Royal Dutch Shell PLC, ADR, Class A	244,500	12,931,605
Spectra Energy Corp. (L)(Z)	1,012,230	31,652,432
Telecommunication services 2.9%		22,877,400
Diversified telecommunication services 2.9%		
AT&T, Inc. (L)(Z)	340,000	13,198,800
Verizon Communications, Inc. (L)(Z)	190,000	9,678,600
Utilities 36.2%		281,363,227
Electric utilities 15.9%		
American Electric Power Company, Inc.	200,000	12,700,000
Avangrid, Inc. (I)(L)(Z)	381,500	15,298,150

SEE NOTES TO FINANCIAL STATEMENTS

			Shares	Value
Utilities (continued)				
Electric utilities (continued)				
Duke Energy Corp. (L)(Z)			285,000	$22,452,300
Eversource Energy			405,000	22,858,200
FirstEnergy Corp. (L)(Z)			301,450	9,824,256
OGE Energy Corp. (L)(Z)			430,000	12,723,700
Pinnacle West Capital Corp.			50,000	3,632,500
PPL Corp. (L)(Z)			240,000	9,033,600
The Southern Company (L)(Z)			75,000	3,757,500
Xcel Energy, Inc. (L)(Z)			280,000	11,208,400
Gas utilities 2.1%				
Atmos Energy Corp.			80,000	5,804,000
ONE Gas, Inc.			42,500	2,484,975
Questar Corp.			332,800	8,343,296
Multi-utilities 18.2%				
Alliant Energy Corp.			400,000	28,208,000
Black Hills Corp.			220,000	13,329,800
CenterPoint Energy, Inc. (L)(Z)			1,065,000	22,844,250
Dominion Resources, Inc. (L)(Z)			240,000	17,152,800
DTE Energy Company (L)(Z)			250,000	22,290,000
National Grid PLC, ADR			235,000	16,922,350
NiSource, Inc.			440,000	9,992,400
Vectren Corp.			215,000	10,502,750
	Yield* (%)	Maturity date	Par value^	Value
Short-term investments 0.2% (0.1% of Total investments)				$1,915,990
(Cost $1,915,990)				
U.S. Government Agency 0.2%				1,762,990
Federal Home Loan Bank Discount Note	0.200	05-02-16	1,763,000	1,762,990
			Par value^	Value
Repurchase agreement 0.0%				153,000
Repurchase Agreement with State Street Corp. dated 4-29-16 at 0.030% to be repurchased at $153,000 on 5-2-16, collateralized by $160,000 U.S. Treasury Notes,			153,000	$153,000

1.125% due 2-28-21 (valued at $158,600, including interest)	
Total investments (Cost $995,587,107) 148.8%	**$1,157,369,923**
Other assets and liabilities, net (48.8%)	**($379,765,855)**
Total net assets 100.0%	**$777,604,068**

SEE NOTES TO FINANCIAL STATEMENTS

The percentage shown for each investment category is the total value of the category as a percentage of the net assets of the fund.
^All par values are denominated in U.S. dollars unless otherwise indicated.

Key to Security Abbreviations and Legend

ADR	American Depositary Receipts
LIBOR	London Interbank Offered Rate
(I)	Non-income producing security.
(L)	A portion of this security is on loan as of 4-30-16, and is a component of the fund's leverage under the Liquidity Agreement. The value of securities on loan amounted to $181,470,658.
(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 Liquidity Agreement. Total collateral value at 4-30-16 was $579,151,727.

* Yield represents either the annualized yield at the date of purchase, the stated coupon rate or, for floating rate securities, the rate at period end.

At 4-30-16, the aggregate cost of investment securities for federal income tax purposes was $996,701,936. Net unrealized appreciation aggregated to $160,667,987, of which $171,217,518 related to appreciated investment securities and $10,549,531 related to depreciated investment securities.

SEE NOTES TO FINANCIAL STATEMENTS

Financial statements

STATEMENT OF ASSETS AND LIABILITIES 4-30-16 (unaudited)

Assets	
Investments, at value (Cost $995,587,107)	$1,157,369,923
Cash held at broker for futures contracts	1,075,000
Cash segregated at custodian for derivative contracts	540,000
Dividends and interest receivable	3,655,752
Other receivables and prepaid expenses	40,707
Total assets	**1,162,681,382**
Liabilities	
Due to custodian	147,528
Liquidity agreement payable	383,700,000
Swap contracts, at value	597,632
Payable for futures variation margin	94,060
Interest payable	339,581
Payable to affiliates	
Accounting and legal services fees	94,427
Trustees' fees	3,110
Other liabilities and accrued expenses	100,976
Total liabilities	**385,077,314**
Net assets	**$777,604,068**
Net assets consist of	
Paid-in capital	$593,382,222
Undistributed net investment income	2,766,365
Accumulated net realized gain (loss) on investments, futures contracts and swap agreements	19,677,352
Net unrealized appreciation (depreciation) on investments, futures contracts, translation of assets and liabilities in foreign currencies and swap agreements	161,778,129
Net assets	**$777,604,068**

Net asset value per share	
Based on 48,266,621 shares of beneficial interest outstanding unlimited number of shares authorized with no par value	$16.11

SEE NOTES TO FINANCIAL STATEMENTS

STATEMENT OF OPERATIONS For the six months ended 4-30-16 (unaudited)

Investment income	
Dividends	$30,375,592
Interest	701
Less foreign taxes withheld	(60,489)
Total investment income	**30,315,804**
Expenses	
Investment management fees	4,302,514
Administrative service fees	556,776
Transfer agent fees	68,677
Trustees' fees	23,737
Printing and postage	178,941
Professional fees	51,128
Custodian fees	45,101
Stock exchange listing fees	