

JOHN HANCOCK PREFERRED INCOME FUND II  
Form N-Q  
June 26, 2008

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, 2008

ITEM 1. SCHEDULE OF INVESTMENTS

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John Hancock

## Preferred Income Fund II

Securities owned by the Fund on  
April 30, 2008 (unaudited)

Issuer, description	Interest rate	Maturity date	Credit rating (A)	Par value (000)	Value
<b>Bonds 4.12%</b> (Cost \$20,432,825)					<b>\$18,047,760</b>

**Electric Utilities 2.15%** **9,436,365**

Black Hills Corp., Note	6.50%	05-15-13	BBB-	\$5,000	4,992,155
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Entergy Gulf States, Inc., 1st Mtg Bond	6.20	07-01-33	BBB+	5,000	4,444,210
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**Gas Utilities 1.97%** **8,611,395**

Southern Union Co., Jr Sub Note, Ser A	7.20	11-01-66	BB	10,550	8,611,395
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Issuer, description	Interest rate	Maturity date	Credit rating (A)	Par value (000)	Value
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**Capital preferred securities 9.96%** **\$43,637,710**

(Cost \$38,317,134)

**Diversified Banks 0.89%** **3,880,000**

Lloyds TSB Bank Plc	6.90%	11-29-49	A+	\$4,000	3,880,000
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**Electric Utilities 5.78%** **25,324,339**

DPL Capital Trust II	8.125	09-01-31	BB+	22,150	25,324,339
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**Multi-Utilities 3.29%** **14,433,371**

Dominion Resources Capital Trust I	7.83	12-01-27	BBB	8,450	8,644,696
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Dominion Resources Capital Trust III	8.40	01-15-31	BBB	5,000	5,788,675
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Issuer, description	Credit rating (A)	Shares	Value
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**Preferred stocks 134.38%** **\$588,602,758**

(Cost \$645,059,464)

**Agricultural Products 3.34%** **14,650,000**

Ocean Spray Cranberries, Inc., 6.25%, Ser A (S)			BB+	160,000	14,650,000
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April 30, 2008 (unaudited)

**Automobile Manufacturers 2.34% 10,243,016**

General Motors Corp., 7.25%, Ser 04-15-41	B-	77,900	1,246,400
General Motors Corp., 7.25%, Ser 07-15-41	B-	50,500	821,635
General Motors Corp., 7.25%, Ser 02-15-52	B-	442,300	6,966,225
General Motors Corp., 7.375%, Ser 10-01-51	B-	73,125	1,208,756

**Broadcasting & Cable TV 4.84% 21,183,472**

CBS Corp., 6.75%	BBB	127,800	2,774,538
Comcast Corp., 6.625%	BBB+	118,500	2,642,550
Comcast Corp., 7.00%	BBB+	40,000	970,800
Comcast Corp., 7.00%, Ser B	BBB+	615,201	14,795,584

**Consumer Finance 4.52% 19,780,705**

HSBC Finance Corp., 6.00%	AA-	72,200	1,697,422
HSBC Finance Corp., 6.36%, Depository Shares, Ser B	A	143,200	3,173,312
HSBC Finance Corp., 6.875%	AA-	349,100	8,661,171
SLM Corp., 6.00%	BBB+	196,800	3,640,800
SLM Corp., 6.97%, Ser A	BBB-	64,000	2,608,000

**Diversified Banks 9.66% 42,316,605**

BAC Capital Trust II, 7.00%	A+	22,400	549,920
BAC Capital Trust IV, 5.875%	A+	51,150	1,118,651
Barclays Bank Plc, 7.10%, Ser 3	A+	100,000	2,484,000
Fleet Capital Trust VIII, 7.20%	A+	344,700	8,496,855
HSBC Holdings Plc, 6.20%, Ser A	A	254,600	5,728,500
Republic New York Corp., 6.25%, Ser HSBC	A	50,000	1,118,000
Royal Bank of Scotland Group Plc, 5.75%, Ser L	A	450,500	8,933,415
Royal Bank of Scotland Group Plc, 7.25%, Ser T	A	26,000	631,020
Santander Finance Preferred SA, Unipersonal, 6.41%, Ser 1	A+	225,000	5,253,750
USB Capital VIII, 6.35%, Ser 1	A+	83,000	1,883,270
Wells Fargo Capital Trust IV, 7.00%	AA-	140,800	3,524,224
Wells Fargo Capital XII, 7.875%	AA-e	100,000	2,595,000

**Diversified Financial Services 15.36% 67,274,562**

ABN AMRO Capital Funding Trust V, 5.90%	A	403,600	8,402,952
ABN AMRO Capital Funding Trust VII, 6.08%	A	365,000	7,825,600
Bank of America Corp., 6.204%, Depository Shares, Ser D	A+	140,000	3,099,600

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Citigroup Capital VII, 7.125%	A	364,200	8,795,430
Citigroup Capital VIII, 6.95%	A	611,000	14,315,730
DB Capital Funding VIII, 6.375%	A+	414,700	9,455,160
DB Capital Funding X, 7.35%	A+	40,000	966,000
DB Capital Trust II, 6.55%	A+	357,500	7,936,500
JPMorgan Chase Capital X, 7.00%, Ser J	A	259,000	6,477,590

Page 2

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## Preferred Income Fund II

Securities owned by the Fund on

April 30, 2008 (unaudited)

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**Electric Utilities 24.27%** **106,291,154**

Duquesne Light Co., 6.50%	BB	98,450	4,356,413
Entergy Mississippi, Inc., 7.25%	A-	109,000	2,777,320
FPC Capital I, 7.10%, Ser A	BBB-	625,003	15,400,074
FPL Group Capital Trust I, 5.875%	BBB+	441,800	10,519,258
FPL Group Capital, Inc., 7.45%, Ser E	BBB+	60,000	1,566,600
Georgia Power Capital Trust VII, 5.875%	BBB+	116,500	2,827,455
HECO Capital Trust III, 6.50%	BB+	130,000	3,039,400
Interstate Power & Light Co., 8.375%, Ser B	Baa2	700,000	20,510,000
NSTAR Electric Co., 4.78%	A-	15,143	1,196,297
PPL Electric Utilities Corp., 6.25%, Depositary Shares	BBB	130,000	3,111,875
PPL Energy Supply, LLC, 7.00%	BBB	638,570	16,008,950
Southern California Edison Co., 6.00%, Ser C	BBB-	20,000	1,936,876
Virginia Power Capital Trust, 7.375%	BBB	339,019	8,489,036
Westar Energy, Inc., 6.10%	AAA	100,000	2,494,000
Xcel Energy, Inc., 7.60%	BBB-	480,000	12,057,600

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**Gas Utilities 2.19%** **9,600,315**

Southern Union Co., 7.55%	BB	129,500	3,153,325
Southwest Gas Capital II, 7.70%	BB	258,500	6,446,990

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**Integrated Telecommunication Services 0.25%** **1,077,069**

AT&T, Inc., 6.375%	A	43,100	1,077,069
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**Investment Banking & Brokerage 12.70%** **55,631,592**

Bear Stearns Cos., Inc. (The), 6.15%, Depositary Shares, Ser E	A	275,400	10,575,360
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Lehman Brothers Holdings Capital Trust III, 6.375%, Ser K	A-	177,000	3,736,470
Lehman Brothers Holdings Capital Trust V, 6.00%, Ser M	A-	46,600	929,204
Lehman Brothers Holdings, Inc., 5.94%, Depositary Shares, Ser C	A-	145,200	5,524,860
Merrill Lynch Preferred Capital Trust III, 7.00%	A-	360,400	8,065,752
Merrill Lynch Preferred Capital Trust IV, 7.12%	A-	172,200	3,877,944
Merrill Lynch Preferred Capital Trust V, 7.28%	A-	275,000	6,204,000
Morgan Stanley Capital Trust III, 6.25%	A	268,779	5,792,187
Morgan Stanley Capital Trust IV, 6.25%	A	57,000	1,216,380
Morgan Stanley Capital Trust V, 5.75%	A1	311,500	6,133,435
Morgan Stanley Capital Trust VI, 6.60%	A	160,000	3,576,000

**Life & Health Insurance 3.45%** **15,121,701**

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Phoenix Cos., Inc. (The), 7.45%	BBB-	236,200	5,031,060
PLC Capital Trust IV, 7.25%	BBB+	350,475	7,973,306
Prudential Plc, 6.50%	A-	95,807	2,117,335

Page 3

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## Preferred Income Fund II

Securities owned by the Fund on

April 30, 2008 (unaudited)

**Movies & Entertainment 4.38%** **19,179,293**

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Viacom, Inc., 6.85%	BBB	834,245	19,179,293
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**Multi-Line Insurance 11.91%** **52,154,970**

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Aegon NV, 6.375%	A-	355,000	7,526,000
ING Groep NV, 7.05%	A	780,700	18,728,993
ING Groep NV, 7.375%	A	88,000	2,189,440
MetLife, Inc., 6.50%, Ser B	BBB	1,029,550	23,710,537

**Multi-Utilities 8.35%** **36,576,399**

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Baltimore Gas & Electric Co., 6.99%, Ser 1995	Ba1	39,870	4,117,825
BGE Capital Trust II, 6.20%	BBB-	672,200	15,830,310
DTE Energy Trust I, 7.80%	BB+	315,000	7,950,600
PNM Resources, Inc., 6.75%	BB+	240,700	6,599,994

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Public Service Electric & Gas Co., 4.18%, Ser B	BB+	7,900	586,575
South Carolina Electric & Gas Co., 6.52%	Baa1	15,000	1,491,095

**Oil & Gas Exploration & Production 6.83%** **29,907,129**

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Devon Energy Corp., 6.49%, Ser A	BB+	32,355	3,271,899
Nexen, Inc., 7.35%	BB+	1,096,100	26,635,230

**Real Estate Management & Development 5.19%** **22,736,009**

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Duke Realty Corp., 6.50%, Depositary Shares, Ser K	BBB	110,000	2,312,200
Duke Realty Corp., 6.60%, Depositary Shares, Ser L	BBB	109,840	2,394,512
Duke Realty Corp., 6.625%, Depositary Shares, Ser J	BBB	449,400	9,837,366
Public Storage, Inc., 6.45%, Depositary Shares, Ser X	BBB+	30,000	634,200
Public Storage, Inc., 7.50%, Depositary Shares, Ser V	BBB+	307,100	7,557,731

**Regional Banks 6.23%** **27,291,957**

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PFGI Capital Corp., 7.75%	A	686,000	17,643,097
Wachovia Corp., 8.00%	A	383,500	9,648,860

**Reinsurance 0.18%** **773,600**

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RenaissanceRe Holdings Ltd., 6.08%, Ser C	BBB+	40,000	773,600
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**Specialized Finance 1.10%** **4,822,903**

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CIT Group, Inc., 6.35%, Ser A	BBB+	100,000	1,381,000
Repsol International Capital Ltd., 7.45%, Ser A	BB+	136,313	3,441,903

**Thriffs & Mortgage Finance 0.58%** **2,559,375**

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Sovereign Capital Trust V, 7.75%	BB+	137	2,559,375
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<b>Wireless Telecommunication Services 6.72%</b>					<b>29,430,932</b>
Telephone & Data Systems, Inc., 6.625%		BB+		155,000	3,069,000
Telephone & Data Systems, Inc., 7.60%, Ser A		BB+		666,834	14,136,881
United States Cellular Corp., 7.50%		BB+		559,243	12,225,051
<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>
<b>Short-term investments 9.47%</b>					<b>\$41,500,000</b>
(Cost \$41,500,000)					
<b>Government U.S. Agency 9.47%</b>					<b>41,500,000</b>
Discount Note	2.10% (Y)	05-01-08	AAA	\$41,500	41,500,000
<b>Total investments (Cost \$745,309,423) 157.93%</b>					<b>\$691,788,228</b>
<b>Other assets and liabilities, net 0.07%</b>					<b>\$317,312</b>
<b>Fund preferred shares, at liquidation value (58.00%)</b>					<b>(\$254,063,304)</b>
<b>Total net assets applicable to common shareholders 100.00%</b>					<b>\$438,042,236</b>

The percentage shown for each investment category is the total value of that category as a percentage of the net assets applicable to common shareholders.

Page 5

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**Preferred Income Fund II**  
Notes to Schedule of Investments  
April 30, 2008 (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.

(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 \$14,650,000 or 3.34% of the net assets applicable to common shareholders as of April 30, 2008.

(Y) Represents current yield as of April 30, 2008.

□ The cost of investments owned on April 30, 2008, including short-term investments, for Federal income tax purposes, was \$745,410,490. Gross unrealized appreciation and depreciation of investments aggregated \$10,820,732 and \$64,442,994, respectively, resulting in net unrealized depreciation of \$53,622,262.

**Country concentration<sup>1</sup>**

United States	87.23%
Netherlands	4.11%
Canada	3.85%
United Kingdom	3.44%
Others (individually less than 1%)	1.37%
Totals	100.00%

<sup>1</sup> As a percentage of the Fund's total investments on April 30, 2008.

Notes to Schedule of Investments - Page 6

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**Preferred Income Fund II**

Interest rate swap contracts

April 30, 2008 (unaudited)

<b>Notional amount</b>	<b>Rate type</b>	<b>Payments made by Fund</b>	<b>Payments received by Fund</b>	<b>Termination date</b>	<b>Counterparty</b>	<b>Unrealized appreciation (depreciation)</b>
\$63,500,000	2.56% (a)		3-month LIBOR	Jun 2008	Morgan Stanley	\$34,858
\$63,500,000	3.79% (a)		3-month LIBOR	Jan 2011	Morgan Stanley	(788,213)
\$63,500,000	4.37% (a)		3-month LIBOR	Nov 2010	Bank of America	(1,691,989)
<b>Total</b>						<b>(\$2,445,344)</b>

(a) Fixed rate

Interest rate swap contracts - Page 7

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**Preferred Income Fund II**

Financial futures contracts

April 30, 2008 (unaudited)

<b>Open contracts</b>	<b>Number of contracts</b>	<b>Position</b>	<b>Expiration</b>	<b>Unrealized depreciation</b>
U.S. 10-year Treasury Note	900	Short	Jun 2008	\$1,377,396

financial futures contracts - Page 8



## Notes to portfolio of investments

### Security valuation

The net asset value of common shares of the Fund is determined daily as of the close of the New York Stock Exchange (NYSE), normally at 4:00 P.M., Eastern Time. Short-term debt investments that have a remaining maturity of 60 days or less are valued at amortized cost, and thereafter assume a constant amortization to maturity of any discount or premium, which approximates market value. All other securities held by the Fund are valued at the last sale price or official closing price (closing bid price or last evaluated quote if no sale has occurred) as of the close of business on the principal securities exchange (domestic or foreign) on which they trade or, lacking any sales, at the closing bid price. 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. Securities for which there are no such quotations, principally debt securities, are valued based on the evaluated prices provided by an independent pricing service, which utilizes both dealer-supplied and electronic data processing techniques, which take 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.

Other assets and securities for which no such quotations are readily available are valued at fair value as determined in good faith under consistently applied procedures established by and under the general supervision of 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. The values of such securities used in computing the net asset value of the Fund's shares are generally determined as of such times. Occasionally, significant events that affect the values of such securities may occur between the times at which such values are generally determined and the close of the NYSE. Upon such an occurrence, these securities will be valued at fair value as determined in good faith under consistently applied procedures established by and under the general supervision of the Board of Trustees.

### Futures

The Fund may purchase and sell financial futures contracts and options on those contracts. The Fund invests in contracts based on financial instruments such as U.S. Treasury Bonds or Notes or on securities indices such as the Standard & Poor's 500 Index, in order to hedge against a decline in the value of securities owned by the Fund.

Initial margin deposits required upon entering into futures contracts are satisfied by the delivery of specific securities or cash as collateral to the broker (the Fund's agent in acquiring the futures position). If the position is closed out by an opposite position prior to the settlement date of the futures contract, a final determination of variation margin is made, cash is required to be paid to or released by the broker and the Fund realizes a gain or loss.

When the Fund sells a futures contract based on a financial instrument, the Fund becomes obligated to deliver that kind of instrument at an agreed upon date for a specified price. The Fund realizes a gain or loss depending on whether the price of an offsetting purchase is less or more than the price of the initial sale or on whether the price of an offsetting sale is more or less than the price of the initial purchase. The Fund could be exposed to risks if it could not close out futures positions because of an illiquid secondary market or the inability of counterparties to meet the terms of their contracts. Futures contracts are valued at the quoted daily settlement prices established by the exchange on which they trade.

### Swap contracts

The Fund may enter into swap transactions in order to hedge the value of the Fund's portfolio against interest rate fluctuations or to enhance the Fund's income or to manage the Fund's exposure to credit or market risk.

Interest rate swaps represent an agreement between two counterparties to exchange cash flows based on the difference in the two interest rates, applied to the notional principal amount for a specified period. 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 receivable or payable under the swap contracts on a periodic basis.

Credit default swaps involve the exchange of a fixed rate premium for protection against the loss in value of an underlying debt instrument in the event of a defined credit event (such as payment default or bankruptcy). Under the terms of the swap, one party acts as a [guarantor] receiving a periodic payment that is a fixed percentage applied to a notional principal amount. In return the party agrees to purchase the notional amount of the underlying instrument, at par, if a credit event occurs during the term of the swap. The Fund may enter into credit default swaps in which either it or its counterparty act as guarantors. By acting as the guarantor of a swap, the Fund assumes the market and credit risk of the underlying instrument including liquidity and loss of value.

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The Fund records changes in the value of the swap as unrealized gains or losses on swap contracts. Net periodic payments accrued but not yet received (paid) are included in change in the unrealized appreciation/depreciation. Accrued interest income and interest expense on the swap contracts are recorded as realized gain (loss).

Swap contracts are subject to risks related to the counterparty's ability to perform under the contract, and may decline in value if the counterparty's creditworthiness deteriorates. The risks may arise from unanticipated movement in interest rates. The Fund may also suffer losses if it is unable to terminate outstanding swap contracts or reduce its exposure through offsetting transactions.

Notes to Schedule of Investments - Page 9

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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.

(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.

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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  
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Keith F. Hartstein  
President and Chief Executive Officer

Date: June 19, 2008

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  
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Keith F. Hartstein  
President and Chief Executive Officer

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Date: June 19, 2008

By: /s/ Charles A. Rizzo

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Charles A. Rizzo  
Chief Financial Officer

Date: June 19, 2008

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