

John Hancock Hedged Equity & Income Fund  
Form N-CSRS  
August 23, 2017  
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 811-22441

John Hancock Hedged Equity & Income 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: December 31

Date of reporting period: June 30, 2017

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ITEM 1. REPORTS TO STOCKHOLDERS.

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John Hancock

Hedged Equity & Income Fund

Ticker: HEQ

Semiannual report 6/30/17

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### Managed distribution plan

The fund has adopted a managed distribution plan (Plan). Under the Plan, the fund makes quarterly distributions of an amount equal to \$0.376 per share, which will be paid quarterly until further notice. The fund may make additional distributions: (i) for purposes of not incurring federal income tax at the fund level of 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 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 is 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 fund's Plan. The fund's total return at NAV is presented in the Financial highlights section.

With each distribution that does not consist solely of net 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 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.

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A message to shareholders

Dear shareholder,

Global financial markets extended their run of positive performance in recent months, with particular strength coming from outside the United States. Overseas markets generally have been attracting investors with their lower valuations and improving corporate fundamentals, while monetary policy remains extremely accommodative. U.S. stocks also generated positive returns so far this year and have benefited from stronger-than-expected corporate earnings. Fixed-income results were more muted, although standout returns came from convertible securities and emerging-market bonds. Interest-rate sensitive bonds in the United States remain most vulnerable, as the U.S. Federal Reserve withdraws economic stimulus and follows through with interest rate increases as is expected.

### **Advancing the interests of fund shareholders**

One of our primary goals is to advance the interests of our fund shareholders wherever possible. To that end, we recently announced our third round of expense reductions this year, targeting six mutual funds and two closed-end funds that together represent more than \$6.9 billion in assets under management. Details can be found at [jhinvestments.com](http://jhinvestments.com).

Recently, we learned that fund researcher Morningstar, Inc. formally recognized our shareholder friendly initiatives by upgrading our parent pillar rating – a key component of the Morningstar Analyst Rating system – to positive, the highest possible rating. The firm evaluates select funds and their parent firms based on intensive research, including on-site due diligence. They focused on such factors as whether our portfolio managers invest meaningfully in the funds they manage, the quality of our risk management, our corporate culture, and our commitment to recognizing shareholder interests – in other words, how good we are as stewards of investor capital. We're pleased to be recognized by Morningstar in this way and to continue our work of furthering the interests of our fund shareholders.

On behalf of everyone at John Hancock Investments, I'd like to take this opportunity to welcome new shareholders and to thank existing shareholders 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, which are subject to change at any time. Investing involves risks, including the potential loss of principal. Diversification does not guarantee a profit or eliminate the risk of a loss. For more up-to-date information, please visit our website at [jhinvestments.com](http://jhinvestments.com).

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John Hancock  
Hedged Equity & Income Fund

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SEMIANNUAL REPORT | JOHN HANCOCK HEDGED EQUITY & INCOME FUND 1

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Your fund at a glance

## **INVESTMENT OBJECTIVE**

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The fund seeks to provide total return with a focus on current income and gains and also consisting of long-term capital appreciation.

## **AVERAGE ANNUAL TOTAL RETURNS AS OF 6/30/17 (%)**

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The MSCI All Country World Index (gross of foreign withholding tax on dividends) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

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 performance at net asset value (NAV) is different from the fund's performance at closing market price because the closing market price is subject to the dynamics of secondary market trading. 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.

SEMIANNUAL REPORT | JOHN HANCOCK HEDGED EQUITY & INCOME FUND 2

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## PERFORMANCE HIGHLIGHTS OVER THE LAST SIX MONTHS

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### Improving earnings, global growth boosted equities

Global stocks maintained their positive trajectory during the first half of the year, bolstered by solid global growth and improving corporate earnings.

### The fund's equity and high-yield exposure hurt relative results

The fund had a positive absolute return but underperformed a comparative index, the MSCI All Country (AC) World Index, owing primarily to the negative impact of equity sector allocations and high-yield bond exposure.

### Hedging strategies also detracted from performance

In another strong period for U.S. and global equities, the fund's covered call writing and beta hedge strategies had negative impacts on relative results.

## PORTFOLIO COMPOSITION AS OF 6/30/17 (%)

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### 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. For the fiscal year ended December 31, 2016, the fund's aggregate distributions included a return of capital of \$0.85 per share, or 56.8% of aggregate distributions. A return of capital is the return of all or a portion of a shareholder's investment in the fund. The fund's prospectus includes additional information regarding returns of capital and the risks associated with distributions made by the fund, including potential tax implications. Fixed-income investments are subject to interest-rate risk; their value will normally decline as interest rates rise. An issuer of securities held by the fund may default, have its credit rating downgraded, or otherwise perform poorly, which may affect fund performance. Derivatives transactions, including hedging and other strategic transactions, may increase a fund's volatility and could produce disproportionate losses, potentially more than the fund's principal investment. Liquidity the extent to which a security may be sold or a derivative position closed without negatively affecting its market value may be impaired by reduced trading volume, heightened volatility, rising interest rates, and other market conditions. Foreign investing, especially in emerging markets, has additional risks, such as currency and market volatility and political and social instability. Investments in higher-yielding, lower-rated securities include a higher risk of default. The primary risks associated with the use of futures contracts and options are imperfect correlation, unanticipated market movement, and counterparty risk.

Discussion of fund performance

*An interview with Portfolio Manager Kent M. Stahl, CFA, Wellington Management Company LLP*

**Kent M. Stahl, CFA**

Portfolio Manager

Wellington Management Company LLP

An interview with Portfolio Manager Kent M. Stahl, CFA, Wellington Management Company LLP

**What were the main factors driving market performance during the six months ended June 30, 2017?**

Global equities ended the first half of the year with an 11.82% gain, as measured by the fund's comparative index, the MSCI All Country World Index. In the first quarter, despite escalating European political risk and uncertainty surrounding President Trump's protectionist trade agenda, investors bid up risk assets amid increasing optimism about global economic growth. Solid fourth-quarter European GDP growth and strengthening global manufacturing data helped to boost risk appetites. On the monetary policy front, the market was unfazed by the U.S. Federal Reserve (Fed) raising rates by 0.25% in March, a well-telegraphed move. While risks stemming from the Trump administration's ambitious U.S. legislative agenda and European elections were top of mind, economic data releases across most major economies remained robust, helping the rally to roll on.

In the second quarter, despite heightened geopolitical risk and European political uncertainty, risk assets remained resilient as solid global economic data and strong year-over-year corporate earnings growth bolstered investors' optimism. Market participants breathed a sigh of relief in May after independent centrist Emmanuel Macron won the French presidential election by a large margin, a victory widely seen as supportive for the stability of the European Union. Continued evidence of an upswing in global growth helped to maintain bullish sentiment. European growth indicators signaled strong regional momentum. In Asia, Chinese manufacturing and services data surprised to the upside. Meanwhile, U.S. fiscal stimulus hopes faded near the end of the quarter after a vote on the healthcare reform bill was delayed due to insufficient support from Senate Republicans. Investors appeared to be increasingly aware that the Trump administration may have greater difficulty advancing its agenda. The Fed raised rates by another 0.25% in June.

During the six-month period, non-U.S. equities outperformed U.S. equities, and emerging-market equities outperformed their developed-market counterparts. Within the MSCI All Country World Index, 10 sectors posted positive returns; the information technology, healthcare, and industrials sectors gained the most, while the energy sector declined.



*"Allocation among sectors in the fund's equity strategy... detracted from relative results ..."*

**The fund underperformed for the period. What trends detracted from performance?**

The fund posted positive total returns at net asset value, but underperformed a comparative index. The shortfall resulted from the fund's high-yield bond strategy and equity strategy. Its option overlay and beta hedge strategy also detracted from relative performance, as the S&P 500 Index and MSCI EAFE Index advanced during the period.

Allocation among sectors in the fund's equity strategy, a result of the bottom-up stock selection process, detracted from relative results, most notably due to an overweight exposure to energy, the worst-performing sector in the index, and an underweight exposure to information technology, the best-performing sector in the index. Stock selection was additive, particularly within the consumer staples, industrials, and financials sectors. This was partially offset by weaker selection in the information technology, healthcare, and materials sectors.

**Which specific holdings and strategies had the biggest negative impact?**

Within the equity strategy, detractors from relative performance during the period included three U.S.-based companies, semiconductor manufacturer QUALCOMM, Inc., semiconductor chip designer and manufacturer Intel Corp., and integrated oil and gas firm Chevron Corp.

**SECTOR COMPOSITION AS OF 6/30/17 (%)**

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Written calls on the S&P 500 Index detracted from relative results. The fund received premiums from writing calls during the period, although the premiums collected were not enough to offset the losses on the calls given rising U.S. equity market over the period. The beta hedge, which is designed to reduce equity exposure through selling futures on the S&P 500 Index and the MSCI EAFE Index, also detracted from results as both indexes rose during the period.

Additionally, the fund held exposure to global high-yield fixed income to help aid overall income-generating capabilities. This allocation detracted from relative performance.

### What securities and strategies contributed to relative performance?

Within the equity strategy, Catcher Technology Company, Ltd., a Taiwan-based manufacturer of casings for mobile devices, Unilever NV, a Netherlands-based maker of personal and household care products, and Philip Morris International, Inc., a U.S.-based global tobacco company, were among the top contributors.

### How was the fund positioned at the end of the period?

The equity portfolio was overweight in the utilities, telecommunication services, energy, real estate, financials, and materials sectors, while underweight in the information technology, consumer discretionary, healthcare, consumer staples, and industrials sectors. From a regional standpoint, the fund had overweight exposure to Europe (including the United Kingdom) and Japan, while underweight in the emerging markets, Pacific basin (excluding Japan), and North America.

We expect to see a continuation of pro-cyclical growth outside the United States, as growth in the U.S. slows. For the first time in several years, non-U.S. markets are leading global equity returns. Macroeconomic factors have been a significant driver of equity returns in Europe, while U.S. and Japanese markets have been driven more by equity risk factors and fundamentals. We expect to see

### TOP 10 HOLDINGS AS OF 6/30/17 (%)

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|                                   |             |
|-----------------------------------|-------------|
| Philip Morris International, Inc. | 2.3         |
| Roche Holding AG                  | 2.1         |
| QUALCOMM, Inc.                    | 1.9         |
| Intel Corp.                       | 1.7         |
| Novartis AG                       | 1.7         |
| Wells Fargo & Company             | 1.6         |
| Royal Dutch Shell PLC, B Shares   | 1.6         |
| AstraZeneca PLC                   | 1.5         |
| JPMorgan Chase & Co.              | 1.5         |
| Zurich Insurance Group AG         | 1.5         |
| <b>TOTAL</b>                      | <b>17.4</b> |

As a percentage of net assets.

Cash and cash equivalents are not included.

this trend continue. With U.S. equity valuations in the top decile, we see downside risk, as valuations return to normalized levels. However, we expect further improvement to corporate fundamentals in the second half of the year. From a factor perspective, we expect growth to outperform safety and low volatility factors across geographies. Market breadth in emerging markets remains narrow, as there is a relatively small number of stocks that are meaningfully contributing to emerging-market performance. However, we anticipate that market participation will broaden with an increasing number of stocks contributing to performance. As a result, we expect to see continued improvement in the environment.

**MANAGED BY**

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**Kent M. Stahl, CFA**

On the fund since 2011

Investing since 1985

**Gregg R. Thomas, CFA**

On the fund since 2011

Investing since 1993

**COUNTRY COMPOSITION AS OF 6/30/17 (%)**

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|                 |              |
|-----------------|--------------|
| United States   | 41.9         |
| United Kingdom  | 11.4         |
| Japan           | 8.2          |
| Switzerland     | 7.5          |
| France          | 4.2          |
| Canada          | 3.8          |
| Italy           | 3.6          |
| Netherlands     | 2.3          |
| Finland         | 2.1          |
| Luxembourg      | 1.8          |
| Germany         | 1.6          |
| Sweden          | 1.5          |
| Russia          | 1.3          |
| Taiwan          | 1.2          |
| Australia       | 1.2          |
| Norway          | 1.0          |
| Other countries | 5.4          |
| <b>TOTAL</b>    | <b>100.0</b> |

As a percentage of net assets.

The views expressed in this report are exclusively those of Kent M. Stahl, CFA, Wellington Management Company LLP, 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 6-30-17 (unaudited)**

|  | <b>Shares</b> | <b>Value</b>         |
|--|---------------|----------------------|
| <b>Common stocks 82.8%</b>                       |               | <b>\$176,630,334</b> |
| (Cost \$169,060,740)                             |               |                      |
| <b>Consumer discretionary 6.3%</b>               |               | <b>13,452,479</b>    |
| <b>Auto components 0.8%</b>                      |               |                      |
| Aisan Industry Company, Ltd.                     | 13,300        | 105,467              |
| Exedy Corp.                                      | 7,100         | 200,731              |
| Keihin Corp.                                     | 14,300        | 195,918              |
| Nissin Kogyo Company, Ltd.                       | 11,500        | 183,238              |
| NOK Corp.  | 11,100        | 235,649              |
| Showa Corp.                                      | 15,860        | 153,963              |
| Sumitomo Riko Company, Ltd.                      | 12,300        | 126,976              |
| Tokai Rika Company, Ltd.                         | 13,300        | 246,056              |
| Toyoda Gosei Company, Ltd.                       | 9,500         | 227,634              |
| <b>Automobiles 0.5%</b>                          |               |                      |
| Honda Motor Company, Ltd.                        | 18,200        | 498,645              |
| Mitsubishi Motors Corp.                          | 49,650        | 328,343              |
| Renault SA                                       | 1,541         | 139,422              |
| <b>Diversified consumer services 0.1%</b>        |               |                      |
| Allstar Co-Invest LLC (A)(B)                     | 236,300       | 0                    |
| Benesse Holdings, Inc.                           | 5,300         | 200,362              |
| <b>Hotels, restaurants and leisure 0.9%</b>      |               |                      |
| Las Vegas Sands Corp.                            | 28,871        | 1,844,568            |
| <b>Household durables 0.9%</b>                   |               |                      |
| Alpine Electronics, Inc.                         | 13,500        | 202,542              |
| Funai Electric Company, Ltd.                     | 15,163        | 121,523              |
| Nikon Corp.                                      | 13,400        | 214,790              |
| Persimmon PLC                                    | 43,784        | 1,278,777            |
| Pioneer Corp. (B)                                | 103,700       | 208,273              |
| <b>Internet and direct marketing retail 0.0%</b> |               |                      |
| Qliro Group AB (B)                               | 42,133        | 77,995               |
| <b>Leisure products 0.1%</b>                     |               |                      |
| Sankyo Company, Ltd.                             | 6,530         | 221,826              |
| <b>Media 1.2%</b>                                |               |                      |
| Avex Group Holdings, Inc.                        | 10,800        | 144,928              |
| Gendai Agency, Inc.                              | 4,400         | 22,073               |
| Metropole Television SA                          | 2,389         | 55,544               |
| Proto Corp.                                      | 2,600         | 40,465               |
| SES SA   | 85,635        | 2,006,162            |
| Television Francaise 1                           | 17,614        | 246,245              |
| <b>Multiline retail 0.1%</b>                     |               |                      |
| Marks & Spencer Group PLC                        | 54,595        | 236,949              |
| New World Department Store China, Ltd. (B)       | 168,000       | 41,522               |

SEE NOTES TO FINANCIAL  
STATEMENTS

SEMIANNUAL REPORT | JOHN HANCOCK HEDGED EQUITY &  
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|  | Shares  | Value             |
|--|---------|-------------------|
| <b>Consumer discretionary (continued)</b>      |         |                   |
| <b>Specialty retail 1.6%</b>                   |         |                   |
| Halfords Group PLC                             | 37,564  | \$167,330         |
| Honeys Holdings Company, Ltd.                  | 5,630   | 60,898            |
| L Brands, Inc.                                 | 34,162  | 1,840,990         |
| PAL GROUP Holdings Company, Ltd.               | 3,800   | 98,945            |
| The Home Depot, Inc.                           | 6,595   | 1,011,673         |
| Xebio Holdings Company, Ltd.                   | 9,500   | 167,958           |
| <b>Textiles, apparel and luxury goods 0.1%</b> |         |                   |
| Daphne International Holdings, Ltd. (B)        | 430,000 | 45,589            |
| Geox SpA                                       | 47,561  | 156,916           |
| Sanyo Shokai, Ltd.                             | 6,000   | 95,594            |
| <b>Consumer staples 6.4%</b>                   |         | <b>13,724,668</b> |
| <b>Food and staples retailing 1.1%</b>         |         |                   |
| Cawachi, Ltd.                                  | 3,100   | 75,069            |
| J Sainsbury PLC                                | 97,176  | 318,743           |
| METRO AG                                       | 9,043   | 305,492           |
| Wal-Mart de Mexico SAB de CV                   | 746,900 | 1,731,775         |
| <b>Personal products 0.7%</b>                  |         |                   |
| Unilever NV - NY Shares                        | 26,204  | 1,448,295         |
| <b>Tobacco 4.6%</b>                            |         |                   |
| British American Tobacco PLC                   | 33,334  | 2,271,475         |
| Imperial Brands PLC                            | 60,144  | 2,702,698         |
| Philip Morris International, Inc. (C)          | 41,474  | 4,871,121         |
| <b>Energy 7.4%</b>                             |         | <b>15,812,556</b> |
| <b>Energy equipment and services 0.1%</b>      |         |                   |
| Fugro NV (B)                                   | 9,364   | 139,011           |
| Saipem Spa (B)                                 | 43,992  | 162,911           |
| <b>Oil, gas and consumable fuels 7.3%</b>      |         |                   |
| BP PLC   | 132,487 | 764,738           |
| Chevron Corp. (C)                              | 9,521   | 993,326           |
| Eni SpA  | 35,941  | 540,116           |
| Gazprom PJSC, ADR                              | 68,454  | 272,789           |
| Inpex Corp.                                    | 14,400  | 139,039           |
| Japan Petroleum Exploration Company, Ltd.      | 8,700   | 181,760           |
| KazMunaiGas Exploration Production JSC         | 4,291   | 40,464            |
| LUKOIL PJSC, ADR                               | 5,670   | 276,363           |
| Painted Pony Energy Ltd. (B)                   | 10,800  | 39,392            |
| Petroleo Brasileiro SA, ADR (B)                | 19,114  | 152,721           |
| Phillips 66                                    | 12,123  | 1,002,451         |
| Plains GP Holdings LP, Class A                 | 60,413  | 1,580,404         |
| Royal Dutch Shell PLC, B Shares                | 128,675 | 3,454,460         |
| Statoil ASA                                    | 7,510   | 124,532           |
| Suncor Energy, Inc.                            | 36,482  | 1,065,274         |

<sup>9</sup> JOHN HANCOCK HEDGED EQUITY & INCOME  
FUND | SEMIANNUAL REPORT

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|  | Shares    | Value             |
|--|-----------|-------------------|
| <b>Energy (continued)</b>                        |           |                   |
| <b>Oil, gas and consumable fuels (continued)</b> |           |                   |
| Surgutneftegas OJSC, ADR                         | 45,200    | \$193,908         |
| TOTAL SA   | 58,827    | 2,920,582         |
| TransCanada Corp.                                | 37,094    | 1,768,315         |
| <b>Financials 16.7%</b>                          |           | <b>35,644,573</b> |
| <b>Banks 10.6%</b>                               |           |                   |
| Allahabad Bank (B)                               | 51,877    | 54,312            |
| Alpha Bank AE (B)                                | 57,033    | 140,574           |
| BNP Paribas SA                                   | 7,369     | 530,514           |
| BPER Banca                                       | 37,333    | 186,990           |
| CaixaBank SA                                     | 69,322    | 331,385           |
| Canara Bank                                      | 23,122    | 117,381           |
| Corp Bank (B)                                    | 51,033    | 39,349            |
| Dah Sing Financial Holdings, Ltd.                | 12,800    | 107,443           |
| HSBC Holdings PLC                                | 291,522   | 2,705,897         |
| ING Groep NV                                     | 24,739    | 427,063           |
| Intesa Sanpaolo SpA                              | 649,861   | 2,067,085         |
| JPMorgan Chase & Co. (C)                         | 35,889    | 3,280,255         |
| KB Financial Group, Inc.                         | 6,496     | 327,984           |
| Mitsubishi UFJ Financial Group, Inc.             | 84,549    | 570,287           |
| Mizuho Financial Group, Inc.                     | 244,600   | 448,468           |
| Nordea Bank AB                                   | 199,270   | 2,537,987         |
| Sberbank of Russia PJSC, ADR                     | 150,100   | 1,559,539         |
| Shinhan Financial Group Company, Ltd.            | 3,653     | 157,609           |
| Societe Generale SA                              | 7,504     | 404,658           |
| Standard Chartered PLC (B)                       | 34,963    | 354,112           |
| Sumitomo Mitsui Financial Group, Inc.            | 13,200    | 515,387           |
| Sumitomo Mitsui Trust Holdings, Inc.             | 7,960     | 285,917           |
| The Oita Bank, Ltd.                              | 10,000    | 38,576            |
| The PNC Financial Services Group, Inc.           | 11,098    | 1,385,807         |
| The Tochigi Bank, Ltd.                           | 13,600    | 57,813            |
| UniCredit SpA                                    | 22,367    | 418,961           |
| Wells Fargo & Company (C)                        | 62,627    | 3,470,146         |
| <b>Capital markets 1.9%</b>                      |           |                   |
| Banca Generali SpA                               | 56,730    | 1,692,836         |
| BlackRock, Inc. (C)                              | 2,538     | 1,072,077         |
| GAM Holding AG (B)                               | 14,626    | 196,644           |
| Ichiyoshi Securities Company, Ltd.               | 17,600    | 148,306           |
| Julius Baer Group, Ltd. (B)                      | 4,030     | 212,930           |
| UBS Group AG (B)                                 | 33,080    | 562,555           |
| Uranium Participation Corp. (B)                  | 25,300    | 76,087            |
| <b>Diversified financial services 0.0%</b>       |           |                   |
| G-Resources Group, Ltd. (B)                      | 3,474,000 | 50,725            |

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|  | Shares  | Value     |
|--|---------|-----------|
| <b>Financials (continued)</b>                  |         |           |
| <b>Insurance 4.2%</b>                          |         |           |
| Ageas  | 7,870   | \$316,934 |
| Assicurazioni Generali SpA                     | 123,803 | 2,043,513 |
| Chubb, Ltd.                                    | 8,684   | 1,262,480 |
| Coface SA (B)                                  | 16,678  | 166,890   |
| Dai-ichi Life Holdings, Inc.                   | 16,400  | 297,683   |
| MetLife, Inc.                                  | 15,629  | 858,657   |
| Shin Kong Financial Holding Company, Ltd.      | 604,000 | 160,659   |
| Storebrand ASA                                 | 26,595  | 183,516   |
| T&D Holdings, Inc.                             | 25,300  | 386,891   |
| Tongyang Life Insurance Company, Ltd.          | 13,953  | 121,736   |
| Zurich Insurance Group AG                      | 11,017  | 3,215,299 |
| <b>Thriffs and mortgage finance 0.0%</b>       |         |           |
| MGIC Investment Corp. (B)                      | 8,630   | 96,656    |
| <b>Health care 8.0%</b>                        |         |           |
| <b>17,076,401</b>                              |         |           |
| <b>Health care providers and services 0.1%</b> |         |           |
| Suzuken Company, Ltd.                          | 5,220   | 173,764   |
| <b>Health care technology 0.1%</b>             |         |           |
| AGFA-Gevaert NV (B)                            | 30,736  | 149,518   |
| <b>Life sciences tools and services 0.0%</b>   |         |           |
| CMIC Holdings Company, Ltd.                    | 5,300   | 72,975    |
| <b>Pharmaceuticals 7.8%</b>                    |         |           |
| Almirall SA                                    | 8,726   | 142,141   |
| AstraZeneca PLC                                | 49,211  | 3,296,326 |
| Bristol-Myers Squibb Company (C)               | 40,908  | 2,279,394 |
| Eisai Company, Ltd.                            | 3,700   | 204,712   |
| Eli Lilly & Company (C)                        | 15,079  | 1,241,002 |
| Merck & Company, Inc. (C)                      | 15,322  | 981,987   |
| Novartis AG                                    | 43,415  | 3,626,308 |
| Roche Holding AG                               | 17,286  | 4,416,830 |
| Takeda Pharmaceutical Company, Ltd.            | 9,680   | 491,444   |
| <b>Industrials 7.8%</b>                        |         |           |
| <b>16,556,077</b>                              |         |           |
| <b>Air freight and logistics 0.2%</b>          |         |           |
| CTT-Correios de Portugal SA                    | 10,200  | 64,541    |
| PostNL NV                                      | 65,176  | 304,157   |
| <b>Airlines 0.2%</b>                           |         |           |
| Air France-KLM (B)                             | 6,976   | 99,580    |
| Deutsche Lufthansa AG                          | 8,247   | 187,945   |
| SAS AB (B)                                     | 63,032  | 137,480   |
| <b>Building products 0.2%</b>                  |         |           |
| Cie de Saint-Gobain                            | 8,511   | 454,530   |
| <b>Commercial services and supplies 0.1%</b>   |         |           |
| Relia, Inc.                                    | 9,300   | 101,288   |

<sup>11</sup> JOHN HANCOCK HEDGED EQUITY & INCOME  
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|   | Shares  | Value     |
|---|---------|-----------|
| <b>Industrials (continued)</b>                      |         |           |
| <b>Commercial services and supplies (continued)</b> |         |           |
| Toppan Forms Company, Ltd.                          | 10,400  | \$107,650 |
| <b>Construction and engineering 0.3%</b>            |         |           |
| Chiyoda Corp.                                       | 26,000  | 153,578   |
| JGC Corp.   | 11,300  | 184,069   |
| Raubex Group, Ltd.                                  | 48,093  | 88,394    |
| Toyo Engineering Corp.                              | 54,000  | 133,332   |
| <b>Electrical equipment 1.1%</b>                    |         |           |
| ABB, Ltd.   | 79,634  | 1,976,604 |
| Ushio, Inc.   | 13,700  | 172,919   |
| Zumtobel Group AG                                   | 9,111   | 169,383   |
| <b>Industrial conglomerates 1.1%</b>                |         |           |
| 3M Company  | 4,932   | 1,026,793 |
| Honeywell International, Inc.                       | 6,221   | 829,197   |
| Koninklijke Philips NV                              | 4,286   | 152,576   |
| Rheinmetall AG                                      | 2,635   | 250,809   |
| <b>Machinery 2.3%</b>                               |         |           |
| Alstom SA (B)                                       | 8,915   | 311,361   |
| Caterpillar, Inc. (C)                               | 19,354  | 2,079,781 |
| Hisaka Works, Ltd.                                  | 7,600   | 66,100    |
| Kone OYJ, Class B                                   | 41,016  | 2,086,691 |
| Mitsubishi Heavy Industries, Ltd.                   | 19,000  | 78,226    |
| The Japan Steel Works, Ltd.                         | 12,100  | 190,180   |
| Toshiba Machine Company, Ltd.                       | 41,000  | 184,499   |
| <b>Marine 0.2%</b>                                  |         |           |
| D/S Norden A/S (B)                                  | 8,289   | 150,864   |
| Pacific Basin Shipping, Ltd. (B)                    | 840,000 | 185,097   |
| <b>Professional services 0.2%</b>                   |         |           |
| Adecco Group AG                                     | 2,945   | 224,356   |
| Hays PLC  | 96,676  | 209,023   |
| SThree PLC  | 9,656   | 38,809    |
| <b>Road and rail 0.5%</b>                           |         |           |
| Go-Ahead Group PLC                                  | 7,394   | 169,450   |
| Union Pacific Corp.                                 | 8,967   | 976,596   |
| <b>Trading companies and distributors 0.3%</b>      |         |           |
| Kuroda Electric Company, Ltd.                       | 6,100   | 119,774   |
| Rexel SA  | 14,505  | 237,045   |
| SIG PLC   | 116,810 | 226,031   |
| <b>Transportation infrastructure 1.1%</b>           |         |           |
| Hamburger Hafen und Logistik AG                     | 4,559   | 99,807    |
| Sydney Airport                                      | 427,288 | 2,327,562 |

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|  | <b>Shares</b> | <b>Value</b>        |
|--|---------------|---------------------|
| <b>Information technology 8.3%</b>                           |               | <b>\$17,714,605</b> |
| <b>Communications equipment 1.2%</b>                         |               |                     |
| Nokia OYJ  | 374,332       | 2,295,300           |
| Telefonaktiebolaget LM Ericsson, B Shares                    | 49,184        | 353,639             |
| <b>Electronic equipment, instruments and components 0.3%</b> |               |                     |
| Citizen Watch Company, Ltd.                                  | 25,500        | 179,427             |
| Hosiden Corp.  | 9,400         | 108,050             |
| Nichicon Corp.   | 18,600        | 200,314             |
| Nippon Chemi-Con Corp.                                       | 15,000        | 54,440              |
| Taiyo Yuden Company, Ltd.                                    | 3,990         | 63,040              |
| <b>Internet software and services 0.2%</b>                   |               |                     |
| DeNA Company, Ltd.   | 4,800         | 107,882             |
| Dropbox, Inc., Class B (A)(B)                                | 6,622         | 88,669              |
| Gree, Inc. (B)   | 19,200        | 167,816             |
| <b>IT services 0.3%</b>                                      |               |                     |
| Fujitsu, Ltd.  | 57,980        | 428,836             |
| NET One Systems Company, Ltd.                                | 4,000         | 37,974              |
| Sopra Steria Group   | 1,068         | 170,436             |
| <b>Semiconductors and semiconductor equipment 4.4%</b>       |               |                     |
| Intel Corp. (C)  | 109,364       | 3,689,941           |
| Kontron AG (B)   | 15,247        | 55,361              |
| Maxim Integrated Products, Inc.                              | 20,562        | 923,234             |
| MediaTek, Inc.   | 29,100        | 248,954             |
| Miraial Company, Ltd.  | 5,500         | 53,450              |
| QUALCOMM, Inc.   | 71,954        | 3,973,300           |
| Rohm Company, Ltd.   | 540           | 41,635              |
| Shinko Electric Industries Company, Ltd.                     | 26,800        | 227,771             |
| Tokyo Seimitsu Company, Ltd.                                 | 4,680         | 150,978             |
| <b>Software 0.7%</b>   |               |                     |
| Alpha Systems, Inc.  | 1,400         | 28,606              |
| Microsoft Corp.  | 18,032        | 1,242,946           |
| NHN Entertainment Corp. (B)                                  | 2,519         | 176,829             |
| Nintendo Company, Ltd.                                       | 190           | 63,610              |
| <b>Technology hardware, storage and peripherals 1.2%</b>     |               |                     |
| Acer, Inc. (B)   | 388,000       | 203,236             |
| Canon, Inc.  | 9,900         | 336,752             |
| Catcher Technology Company, Ltd.                             | 143,357       | 1,708,590           |
| Compal Electronics, Inc.                                     | 364,000       | 245,230             |
| Melco Holdings, Inc.   | 3,100         | 88,359              |
| <b>Materials 4.8%</b>  |               | <b>10,255,346</b>   |
| <b>Chemicals 0.9%</b>  |               |                     |
| Agrium, Inc.   | 17,438        | 1,577,966           |
| JSR Corp.  | 17,100        | 296,022             |

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|  | Shares    | Value             |
|--|-----------|-------------------|
| <b>Materials (continued)</b>                       |           |                   |
| <b>Construction materials 0.2%</b>                 |           |                   |
| LafargeHolcim, Ltd. (B)                            | 6,919     | \$397,656         |
| Vicat SA   | 2,237     | 157,621           |
| <b>Containers and packaging 1.5%</b>               |           |                   |
| AMVIG Holdings, Ltd.                               | 188,000   | 57,831            |
| International Paper Company                        | 52,460    | 2,969,761         |
| Nampak, Ltd. (B)                                   | 109,706   | 159,231           |
| <b>Metals and mining 2.2%</b>                      |           |                   |
| Anglo American Platinum, Ltd. (B)                  | 5,621     | 128,768           |
| Anglo American PLC (B)                             | 15,249    | 203,722           |
| Barrick Gold Corp.                                 | 9,500     | 151,130           |
| Centerra Gold, Inc.                                | 24,800    | 135,398           |
| Chubu Steel Plate Company, Ltd.                    | 7,200     | 44,325            |
| Eldorado Gold Corp.                                | 62,571    | 165,187           |
| Gold Fields, Ltd.                                  | 57,568    | 197,974           |
| Impala Platinum Holdings, Ltd. (B)                 | 34,705    | 97,836            |
| Ivanhoe Mines, Ltd., Class A (B)                   | 27,733    | 89,178            |
| Kinross Gold Corp. (B)                             | 32,253    | 131,270           |
| Kyoei Steel, Ltd.                                  | 9,300     | 154,352           |
| Lonmin PLC (B)                                     | 12,812    | 10,984            |
| Nakayama Steel Works, Ltd.                         | 10,100    | 58,434            |
| NetMind Financial Holdings, Ltd. (B)               | 1,440,000 | 6,086             |
| Neturen Company, Ltd.                              | 9,700     | 92,109            |
| Northern Dynasty Minerals, Ltd. (B)                | 13,600    | 18,982            |
| Pacific Metals Company, Ltd. (B)                   | 48,000    | 126,290           |
| Resolute Mining, Ltd.                              | 79,785    | 73,179            |
| Rio Tinto PLC                                      | 47,887    | 2,028,101         |
| Salzgitter AG                                      | 4,902     | 200,054           |
| Tokyo Steel Manufacturing Company, Ltd.            | 21,100    | 178,825           |
| Western Areas, Ltd. (B)                            | 102,172   | 165,719           |
| Yamato Kogyo Company, Ltd.                         | 7,060     | 181,355           |
| <b>Real estate 4.8%</b>                            |           | <b>10,300,815</b> |
| <b>Equity real estate investment trusts 3.7%</b>   |           |                   |
| Gaming and Leisure Properties, Inc. (C)            | 64,322    | 2,423,010         |
| ICADE  | 27,320    | 2,291,904         |
| Park Hotels & Resorts, Inc.                        | 118,777   | 3,202,228         |
| <b>Real estate management and development 1.1%</b> |           |                   |
| Daito Trust Construction Company, Ltd.             | 15,300    | 2,383,673         |
| <b>Telecommunication services 5.4%</b>             |           | <b>11,512,326</b> |
| <b>Diversified telecommunication services 4.5%</b> |           |                   |
| BCE, Inc.  | 43,993    | 1,981,178         |
| BT Group PLC                                       | 656,564   | 2,524,646         |
| Hellenic Telecommunications Organization SA        | 23,723    | 285,546           |

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|   | <b>Shares</b> | <b>Value</b>      |
|---|---------------|-------------------|
| <b>Telecommunication services (continued)</b>                     |               |                   |
| <b>Diversified telecommunication services (continued)</b>         |               |                   |
| KT Corp.  | 9,551         | \$272,324         |
| Magyar Telekom Telecommunications PLC                             | 98,454        | 171,897           |
| Telenor ASA   | 106,546       | 1,767,624         |
| Verizon Communications, Inc.                                      | 60,269        | 2,691,614         |
| <b>Wireless telecommunication services 0.9%</b>                   |               |                   |
| NTT DOCOMO, Inc.  | 70,796        | 1,674,373         |
| Orange Belgium SA   | 6,115         | 143,124           |
| <b>Utilities 6.9%</b>   |               | <b>14,580,488</b> |
| <b>Electric utilities 4.1%</b>                                    |               |                   |
| Duke Energy Corp. (C)   | 26,941        | 2,251,998         |
| EDP - Energias de Portugal SA                                     | 558,759       | 1,827,823         |
| NextEra Energy, Inc.  | 7,024         | 984,273           |
| PPL Corp.   | 51,138        | 1,976,995         |
| SSE PLC   | 91,066        | 1,723,085         |
| <b>Independent power and renewable electricity producers 0.2%</b> |               |                   |
| NTPC, Ltd.  | 66,840        | 164,372           |
| Vistra Energy Corp.   | 8,337         | 139,978           |
| <b>Multi-utilities 2.6%</b>                                       |               |                   |
| Centrica PLC  | 122,736       | 320,003           |
| Dominion En, Inc. (C)   | 21,600        | 1,655,208         |
| E.ON SE   | 24,298        | 229,372           |
| Engie SA  | 17,916        | 270,419           |
| Innogy SE (D)   | 48,441        | 1,906,465         |
| RWE AG  | 8,831         | 176,406           |
| Sempra Energy   | 8,462         | 954,091           |
| <b>Preferred securities 0.1%</b>                                  |               | <b>\$228,740</b>  |
| (Cost \$169,986)  |               |                   |
| <b>Telecommunication services 0.0%</b>                            |               | <b>112,491</b>    |
| <b>Diversified telecommunication services 0.0%</b>                |               |                   |
| Telefonica Brasil SA  | 8,300         | 112,491           |
| <b>Utilities 0.1%</b>   |               | <b>116,249</b>    |
| <b>Electric utilities 0.1%</b>                                    |               |                   |
| Cia Paranaense de Energia, B Shares                               | 15,700        | 116,249           |
| <b>Exchange-traded funds 0.2%</b>                                 |               | <b>\$292,394</b>  |
| (Cost \$288,858)  |               |                   |
| iShares Core MSCI EAFE ETF  | 4,802         | 292,394           |

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|   | Rate (%) | Maturity date | Par value <sup>^</sup> | Value        |
|---|----------|---------------|------------------------|--------------|
| Foreign government obligations 0.1%<br>(Cost \$235,000) |          |               |                        | \$252,625    |
| Argentina 0.1%  |          |               |                        | 252,625      |
| Republic of Argentina                                   | 7.500    | 04-22-26      | 235,000                | 252,625      |
| Corporate bonds 13.0%<br>(Cost \$27,204,257)            |          |               |                        | \$27,815,577 |
| Consumer discretionary 2.6%                             |          |               |                        | 5,526,594    |
| Auto components 0.0%                                    |          |               |                        |              |
| Avis Budget Car Rental LLC (D)                          | 5.250    | 03-15-25      | 46,000                 | 43,298       |
| Hotels, restaurants and leisure 0.7%                    |          |               |                        |              |
| Boyd Gaming Corp.                                       | 6.375    | 04-01-26      | 85,000                 | 91,906       |
| CEC Entertainment, Inc.                                 | 8.000    | 02-15-22      | 190,000                | 198,075      |
| Cirsa Funding Luxembourg SA                             | 5.875    | 05-15-23      | EUR 100,000            | 119,891      |
| Cirsa Funding Luxembourg SA (D)                         | 5.875    | 05-15-23      | EUR 115,000            | 137,875      |
| Codere Finance 2 Luxembourg SA (D)                      | 6.750    | 11-01-21      | EUR 150,000            | 175,573      |
| Eldorado Resorts, Inc. (D)                              | 6.000    | 04-01-25      | 40,000                 | 42,400       |
| Jacobs Entertainment, Inc. (D)                          | 7.875    | 02-01-24      | 135,000                | 146,475      |
| Penn National Gaming, Inc. (D)                          | 5.625    | 01-15-27      | 156,000                | 158,925      |
| Pinnacle Entertainment, Inc. (D)                        | 5.625    | 05-01-24      | 115,000                | 119,600      |
| Rivers Pittsburgh Borrower LP (D)                       | 6.125    | 08-15-21      | 55,000                 | 55,825       |
| Scientific Games International, Inc.                    | 6.625    | 05-15-21      | 115,000                | 114,425      |
| Scientific Games International, Inc.                    | 10.000   | 12-01-22      | 40,000                 | 43,850       |
| Sugarhouse HSP Gaming Prop Mezz LP (D)                  | 5.875    | 05-15-25      | 110,000                | 107,250      |
| Household durables 0.3%                                 |          |               |                        |              |
| Beazer Homes USA, Inc.                                  | 6.750    | 03-15-25      | 45,000                 | 46,913       |
| Beazer Homes USA, Inc.                                  | 8.750    | 03-15-22      | 106,000                | 118,190      |
| KB Home   | 7.000    | 12-15-21      | 225,000                | 252,000      |
| M/I Homes, Inc.   | 6.750    | 01-15-21      | 165,000                | 172,838      |
| Internet and direct marketing retail 0.2%               |          |               |                        |              |
| Liberty Interactive LLC                                 | 8.250    | 02-01-30      | 175,000                | 188,125      |
| Netflix, Inc.   | 5.875    | 02-15-25      | 190,000                | 210,425      |
| Leisure products 0.1%                                   |          |               |                        |              |
| Jack Ohio Finance LLC (D)                               | 6.750    | 11-15-21      | 155,000                | 161,975      |
| Media 1.1%  |          |               |                        |              |
| Altice Financing SA (D)                                 | 6.500    | 01-15-22      | EUR 100,000            | 119,926      |
| Altice Financing SA (D)                                 | 7.500    | 05-15-26      | 210,000                | 233,100      |
| CBS Radio, Inc. (D)                                     | 7.250    | 11-01-24      | 60,000                 | 61,800       |
| CCO Holdings LLC  | 5.125    | 02-15-23      | 5,000                  | 5,159        |
| CCO Holdings LLC  | 5.250    | 09-30-22      | 5,000                  | 5,147        |
| CCO Holdings LLC  | 5.750    | 09-01-23      | 35,000                 | 36,488       |
| CCO Holdings LLC (D)                                    | 5.750    | 02-15-26      | 120,000                | 128,400      |
| Cequel Communications Holdings I LLC (D)                | 5.125    | 12-15-21      | 55,000                 | 55,963       |
| Cequel Communications Holdings I LLC (D)                | 5.125    | 12-15-21      | 155,000                | 157,857      |

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|  |        |          |         |         |
|--|--------|----------|---------|---------|
| Clear Channel Worldwide Holdings, Inc. | 7.625  | 03-15-20 | 30,000  | 29,850  |
| CSC Holdings LLC (D)                   | 10.875 | 10-15-25 | 200,000 | 240,750 |

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|   | Rate (%) | Maturity date | Par value^  | Value     |
|---|----------|---------------|-------------|-----------|
| Consumer discretionary (continued)      |          |               |             |           |
| Media (continued)                       |          |               |             |           |
| DISH DBS Corp.                          | 6.750    | 06-01-21      | 120,000     | \$133,200 |
| DISH DBS Corp.                          | 7.875    | 09-01-19      | 320,000     | 352,800   |
| Gray Television, Inc. (D)               | 5.125    | 10-15-24      | 130,000     | 131,300   |
| Gray Television, Inc. (D)               | 5.875    | 07-15-26      | 30,000      | 30,600    |
| Sinclair Television Group, Inc. (D)     | 5.875    | 03-15-26      | 75,000      | 76,688    |
| TEGNA, Inc. (D)                         | 4.875    | 09-15-21      | 115,000     | 118,163   |
| TEGNA, Inc.                             | 5.125    | 10-15-19      | 295,000     | 301,269   |
| Tribune Media Company                   | 5.875    | 07-15-22      | 150,000     | 157,125   |
| Specialty retail 0.2%                   |          |               |             |           |
| Dufry Finance SCA (D)                   | 4.500    | 08-01-23      | EUR 105,000 | 127,871   |
| New Look Secured Issuer PLC (D)         | 6.500    | 07-01-22      | GBP 180,000 | 172,404   |
| Party City Holdings, Inc. (D)           | 6.125    | 08-15-23      | 140,000     | 144,900   |
| Consumer staples 0.5%                   |          |               |             |           |
| Food products 0.4%                      |          |               |             |           |
| KazAgro National Management Holding JSC | 4.625    | 05-24-23      | 200,000     | 199,000   |
| MARB BondCo PLC (D)                     | 7.000    | 03-15-24      | 200,000     | 193,250   |
| Post Holdings, Inc. (D)                 | 5.000    | 08-15-26      | 190,000     | 189,525   |
| Post Holdings, Inc. (D)                 | 6.000    | 12-15-22      | 40,000      | 42,400    |
| TreeHouse Foods, Inc.                   | 4.875    | 03-15-22      | 190,000     | 196,175   |
| Personal products 0.1%                  |          |               |             |           |
| Revlon Consumer Products Corp.          | 6.250    | 08-01-24      | 240,000     | 208,800   |
| Energy 2.2%                             |          |               |             |           |
| Energy equipment and services 0.1%      |          |               |             |           |
| Ensco PLC                               | 5.750    | 10-01-44      | 90,000      | 59,400    |
| Rowan Companies, Inc.                   | 5.850    | 01-15-44      | 50,000      | 37,000    |
| Transocean, Inc.                        | 6.800    | 03-15-38      | 25,000      | 18,250    |
| Transocean, Inc.                        | 7.500    | 04-15-31      | 10,000      | 8,000     |
| Transocean, Inc.                        | 9.350    | 12-15-41      | 25,000      | 22,250    |
| Weatherford International, Ltd.         | 5.950    | 04-15-42      | 20,000      | 15,600    |
| Weatherford International, Ltd.         | 6.500    | 08-01-36      | 45,000      | 38,250    |
| Weatherford International, Ltd.         | 7.000    | 03-15-38      | 15,000      | 12,825    |
| Oil, gas and consumable fuels 2.1%      |          |               |             |           |
| Antero Resources Corp.                  | 5.625    | 06-01-23      | 25,000      | 25,313    |
| Blue Racer Midstream LLC (D)            | 6.125    | 11-15-22      | 190,000     | 191,425   |
| Borets Finance DAC                      | 7.625    | 09-26-18      | 200,000     | 208,778   |
| California Resources Corp. (D)          | 8.000    | 12-15-22      | 165,000     | 104,363   |
| Chesapeake Energy Corp. (D)             | 8.000    | 06-15-27      | 20,000      | 19,650    |
| Cloud Peak Energy Resources LLC         | 12.000   | 11-01-21      | 60,000      | 61,800    |
| Concho Resources, Inc.                  | 5.500    | 10-01-22      | 70,000      | 71,838    |
| Continental Resources, Inc.             | 3.800    | 06-01-24      | 40,000      | 36,625    |
| Continental Resources, Inc.             | 4.900    | 06-01-44      | 115,000     | 96,025    |
| Continental Resources, Inc.             | 5.000    | 09-15-22      | 35,000      | 34,344    |

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|  | Rate<br>(%) | Maturity<br>date | Par<br>value <sup>^</sup> | Value            |
|--|-------------|------------------|---------------------------|------------------|
| <b>Energy (continued)</b>  |             |                  |                           |                  |
| <b>Oil, gas and consumable fuels (continued)</b>   |             |                  |                           |                  |
| Denbury Resources, Inc. (D)  | 9.000       | 05-15-21         | 140,000                   | \$133,350        |
| Energen Corp.  | 4.625       | 09-01-21         | 105,000                   | 106,313          |
| Foresight Energy LLC (D)   | 11.500      | 04-01-23         | 250,000                   | 233,750          |
| Gazprom Neft OAO (D)   | 4.375       | 09-19-22         | 200,000                   | 203,124          |
| Gazprom OAO  | 4.950       | 07-19-22         | 200,000                   | 206,913          |
| Laredo Petroleum, Inc.   | 5.625       | 01-15-22         | 55,000                    | 53,350           |
| Laredo Petroleum, Inc.   | 6.250       | 03-15-23         | 85,000                    | 84,363           |
| Laredo Petroleum, Inc.   | 7.375       | 05-01-22         | 45,000                    | 45,450           |
| Matador Resources Company  | 6.875       | 04-15-23         | 125,000                   | 129,688          |
| MEG Energy Corp. (D)   | 6.500       | 01-15-25         | 80,000                    | 72,800           |
| MEG Energy Corp. (D)   | 7.000       | 03-31-24         | 105,000                   | 81,638           |
| Noble Holding International, Ltd.  | 6.200       | 08-01-40         | 80,000                    | 48,000           |
| Noble Holding International, Ltd.  | 7.750       | 01-15-24         | 120,000                   | 94,717           |
| PDC Energy, Inc. (D)   | 6.125       | 09-15-24         | 40,000                    | 40,600           |
| Peabody Energy Corp. (D)   | 6.000       | 03-31-22         | 20,000                    | 19,850           |
| Peabody Energy Corp. (D)   | 6.375       | 03-31-25         | 20,000                    | 19,700           |
| Petrobras Global Finance BV  | 4.375       | 05-20-23         | 545,000                   | 513,935          |
| Petrobras Global Finance BV  | 5.625       | 05-20-43         | 80,000                    | 66,600           |
| Petrobras Global Finance BV  | 7.375       | 01-17-27         | 160,000                   | 169,280          |
| Petroleos de Venezuela SA  | 6.000       | 11-15-26         | 330,000                   | 122,100          |
| QEP Resources, Inc.  | 5.250       | 05-01-23         | 105,000                   | 99,225           |
| QEP Resources, Inc.  | 5.375       | 10-01-22         | 15,000                    | 14,438           |
| QEP Resources, Inc.  | 6.800       | 03-01-20         | 25,000                    | 26,000           |
| Rice Energy, Inc.  | 6.250       | 05-01-22         | 40,000                    | 41,800           |
| Rice Energy, Inc.  | 7.250       | 05-01-23         | 40,000                    | 43,100           |
| RSP Permian, Inc.  | 6.625       | 10-01-22         | 10,000                    | 10,375           |
| SM Energy Company  | 5.000       | 01-15-24         | 100,000                   | 88,500           |
| SM Energy Company  | 6.125       | 11-15-22         | 5,000                     | 4,750            |
| SM Energy Company  | 6.500       | 11-15-21         | 10,000                    | 9,725            |
| SM Energy Company  | 6.750       | 09-15-26         | 30,000                    | 28,640           |
| State Oil Company of the Azerbaijan Republic   | 4.750       | 03-13-23         | 200,000                   | 192,198          |
| Targa Resources Partners LP  | 6.750       | 03-15-24         | 50,000                    | 53,750           |
| Tullow Oil PLC (D)   | 6.250       | 04-15-22         | 350,000                   | 318,938          |
| WPX Energy, Inc.   | 5.250       | 09-15-24         | 135,000                   | 128,250          |
| WPX Energy, Inc.   | 6.000       | 01-15-22         | 85,000                    | 84,150           |
| WPX Energy, Inc.   | 8.250       | 08-01-23         | 40,000                    | 43,400           |
| <b>Financials 1.8%</b>   |             |                  |                           | <b>3,791,937</b> |
| <b>Banks 0.8%</b>  |             |                  |                           |                  |
| Banco Bilbao Vizcaya Argentaria SA (8.875% to 4-14-21, then 5<br>Year Euro Swap Rate + 9.177%) (E) | 8.875       | 04-14-21         | EUR 200,000               | 261,433          |
|  | 6.500       | 05-18-22         | EUR 200,000               | 224,718          |



Banco de Sabadell SA (6.500% to 5-18-22, then 5 Year Euro Swap  
Rate + 6.414%) (E)

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|   | Rate<br>(%) | Maturity<br>date | Par<br>value^ | Value     |
|---|-------------|------------------|---------------|-----------|
| <b>Financials (continued)</b>   |             |                  |               |           |
| <b>Banks (continued)</b>  |             |                  |               |           |
| Barclays PLC (7.875% to 3-15-22, then 5 Year U.S. Swap Rate + 6.772%)(E)            | 7.875       | 03-15-22         | 200,000       | \$215,240 |
| Credit Agricole SA (8.125% to 12-23-25, then 5 Year U.S. Swap Rate + 6.185%) (D)(E) | 8.125       | 12-23-25         | 250,000       | 290,425   |
| Intesa Sanpaolo SpA (7.700% to 9-17-25, then 5 Year U.S. Swap Rate + 5.462%) (D)(E) | 7.700       | 09-17-25         | 200,000       | 207,750   |
| Intesa Sanpaolo SpA (8.375% to 10-14-19, then 3 month EURIBOR + 6.871%) (E)         | 8.375       | 10-14-19         | EUR 50,000    | 64,835    |
| Sberbank of Russia (D)  | 5.125       | 10-29-22         | 200,000       | 206,000   |
| Unicredit SpA (D)(F)  | 5.861       | 06-19-32         | 200,000       | 205,342   |
| <b>Consumer finance 0.6%</b>  |             |                  |               |           |
| American Greetings Corp. (D)  | 7.875       | 02-15-25         | 200,000       | 216,250   |
| Herc Rentals, Inc. (D)  | 7.500       | 06-01-22         | 81,000        | 85,455    |
| Navient Corp.   | 5.500       | 01-25-23         | 71,000        | 72,154    |
| Navient Corp.   | 5.625       | 08-01-33         | 20,000        | 16,706    |
| Navient Corp.   | 5.875       | 10-25-24         | 90,000        | 91,602    |
| Navient Corp.   | 6.125       | 03-25-24         | 155,000       | 159,650   |
| Navient Corp.   | 6.500       | 06-15-22         | 80,000        | 84,900    |
| Navient Corp.   | 7.250       | 09-25-23         | 49,000        | 52,553    |
| OneMain Financial Holdings LLC (D)  | 6.750       | 12-15-19         | 30,000        | 31,500    |
| Springleaf Finance Corp.  | 5.250       | 12-15-19         | 50,000        | 52,005    |
| Springleaf Finance Corp.  | 6.125       | 05-15-22         | 10,000        | 10,550    |
| Springleaf Finance Corp.  | 8.250       | 12-15-20         | 155,000       | 173,988   |
| Unifin Financiera SAB de CV SOFOM ENR (D)   | 7.000       | 01-15-25         | 200,000       | 197,500   |
| <b>Diversified financial services 0.1%</b>  |             |                  |               |           |
| Camelot Finance SA (D)  | 7.875       | 10-15-24         | 95,000        | 102,363   |
| FBM Finance, Inc. (D)   | 8.250       | 08-15-21         | 65,000        | 69,631    |
| Herc Rentals, Inc. (D)  | 7.750       | 06-01-24         | 72,000        | 75,960    |
| Hexion, Inc. (D)  | 13.750      | 02-01-22         | 55,000        | 48,400    |
| <b>Insurance 0.1%</b>   |             |                  |               |           |
| Genworth Holdings, Inc.   | 4.800       | 02-15-24         | 5,000         | 4,125     |
| Genworth Holdings, Inc.   | 4.900       | 08-15-23         | 80,000        | 66,400    |
| Genworth Holdings, Inc.   | 7.200       | 02-15-21         | 30,000        | 28,734    |
| Genworth Holdings, Inc.   | 7.625       | 09-24-21         | 20,000        | 19,300    |
| Genworth Holdings, Inc.   | 7.700       | 06-15-20         | 5,000         | 4,904     |
| Usis Merger Sub, Inc. (D)   | 6.875       | 05-01-25         | 135,000       | 137,363   |
| <b>Thriffs and mortgage finance 0.2%</b>  |             |                  |               |           |
| MGIC Investment Corp.   | 5.750       | 08-15-23         | 35,000        | 37,713    |
| Nationstar Mortgage LLC   | 6.500       | 08-01-18         | 235,000       | 235,588   |
| Nationstar Mortgage LLC   | 6.500       | 07-01-21         | 40,000        | 40,900    |

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|   | Rate (%) | Maturity date | Par value^  | Value              |
|---|----------|---------------|-------------|--------------------|
| <b>Health care 1.6%</b>                         |          |               |             | <b>\$3,356,591</b> |
| <b>Biotechnology 0.0%</b>                       |          |               |             |                    |
| Sterigenics-Nordion Topco LLC, PIK (D)          | 8.125    | 11-01-21      | 30,000      | 30,750             |
| <b>Health care equipment and supplies 0.3%</b>  |          |               |             |                    |
| Alere, Inc. (D)                                 | 6.375    | 07-01-23      | 228,000     | 244,815            |
| Alere, Inc.                                     | 6.500    | 06-15-20      | 131,000     | 132,965            |
| Alere, Inc.                                     | 7.250    | 07-01-18      | 60,000      | 60,075             |
| NewCo Sab MidCo SASU (D)                        | 5.375    | 04-15-25      | EUR 100,000 | 119,968            |
| <b>Health care providers and services 0.7%</b>  |          |               |             |                    |
| Community Health Systems, Inc.                  | 6.875    | 02-01-22      | 175,000     | 152,906            |
| Community Health Systems, Inc.                  | 7.125    | 07-15-20      | 200,000     | 194,750            |
| Envision Healthcare Corp. (D)                   | 5.125    | 07-01-22      | 85,000      | 87,231             |
| Envision Healthcare Corp.                       | 5.625    | 07-15-22      | 125,000     | 129,531            |
| HCA Healthcare, Inc.                            | 6.250    | 02-15-21      | 240,000     | 262,200            |
| HCA, Inc.                                       | 6.500    | 02-15-20      | 135,000     | 147,319            |
| HCA, Inc.                                       | 7.500    | 11-15-95      | 125,000     | 127,813            |
| MPH Acquisition Holdings LLC (D)                | 7.125    | 06-01-24      | 35,000      | 37,319             |
| Tenet Healthcare Corp.                          | 5.000    | 03-01-19      | 55,000      | 57,756             |
| Tenet Healthcare Corp.                          | 6.750    | 06-15-23      | 50,000      | 50,000             |
| Tenet Healthcare Corp.                          | 8.125    | 04-01-22      | 225,000     | 239,063            |
| <b>Health care technology 0.1%</b>              |          |               |             |                    |
| Sterigenics-Nordion Holdings LLC (D)            | 6.500    | 05-15-23      | 170,000     | 175,100            |
| <b>Pharmaceuticals 0.5%</b>                     |          |               |             |                    |
| Endo Finance LLC (D)                            | 6.000    | 07-15-23      | 465,000     | 390,833            |
| PRA Holdings, Inc. (D)                          | 9.500    | 10-01-23      | 150,000     | 166,500            |
| Valeant Pharmaceuticals International, Inc.     | 4.500    | 05-15-23      | EUR 130,000 | 121,722            |
| Valeant Pharmaceuticals International, Inc. (D) | 5.500    | 03-01-23      | 30,000      | 25,462             |
| Valeant Pharmaceuticals International, Inc. (D) | 5.875    | 05-15-23      | 345,000     | 295,838            |
| Valeant Pharmaceuticals International, Inc. (D) | 6.125    | 04-15-25      | 95,000      | 80,394             |
| Valeant Pharmaceuticals International, Inc. (D) | 7.000    | 03-15-24      | 25,000      | 26,281             |
| <b>Industrials 1.1%</b>                         |          |               |             | <b>2,294,283</b>   |
| <b>Aerospace and defense 0.2%</b>               |          |               |             |                    |
| Bombardier, Inc. (D)                            | 6.125    | 01-15-23      | 220,000     | 220,550            |
| TA MFG., Ltd. (D)                               | 3.625    | 04-15-23      | EUR 180,000 | 211,672            |
| <b>Building products 0.1%</b>                   |          |               |             |                    |
| Ply Gem Industries, Inc.                        | 6.500    | 02-01-22      | 180,000     | 188,536            |
| <b>Commercial services and supplies 0.3%</b>    |          |               |             |                    |
| APX Group, Inc.                                 | 7.875    | 12-01-22      | 185,000     | 200,725            |
| Clean Harbors, Inc.                             | 5.125    | 06-01-21      | 75,000      | 76,594             |
| GW Honos Security Corp. (D)                     | 8.750    | 05-15-25      | 240,000     | 251,100            |
| Tervita Escrow Corp. (D)                        | 7.625    | 12-01-21      | 39,000      | 39,293             |

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|  | Rate (%) | Maturity date | Par value^ | Value            |
|--|----------|---------------|------------|------------------|
| <b>Industrials (continued)</b>                               |          |               |            |                  |
| <b>Construction and engineering 0.1%</b>                     |          |               |            |                  |
| Brand Energy & Infrastructure Services, Inc. (D)             | 8.500    | 07-15-25      | 185,000    | \$191,475        |
| <b>Electrical equipment 0.2%</b>                             |          |               |            |                  |
| BlueLine Rental Finance Corp. (D)                            | 9.250    | 03-15-24      | 155,000    | 161,200          |
| General Cable Corp.  | 5.750    | 10-01-22      | 75,000     | 75,000           |
| Sensata Technologies BV (D)                                  | 5.000    | 10-01-25      | 100,000    | 104,580          |
| Sensata Technologies BV (D)                                  | 5.625    | 11-01-24      | 80,000     | 85,800           |
| <b>Machinery 0.1%</b>  |          |               |            |                  |
| Cloud Crane LLC (D)  | 10.125   | 08-01-24      | 190,000    | 208,525          |
| <b>Road and rail 0.1%</b>                                    |          |               |            |                  |
| The Hertz Corp. (D)  | 5.500    | 10-15-24      | 190,000    | 155,800          |
| The Hertz Corp.  | 6.250    | 10-15-22      | 50,000     | 43,625           |
| The Hertz Corp. (D)  | 7.625    | 06-01-22      | 80,000     | 79,808           |
| <b>Information technology 0.5%</b>                           |          |               |            |                  |
|  |          |               |            | <b>1,194,243</b> |
| <b>Communications equipment 0.0%</b>                         |          |               |            |                  |
| Nokia OYJ  | 3.375    | 06-12-22      | 15,000     | 15,114           |
| Nokia OYJ  | 4.375    | 06-12-27      | 15,000     | 15,272           |
| <b>Electronic equipment, instruments and components 0.0%</b> |          |               |            |                  |
| CDW LLC  | 5.000    | 09-01-23      | 35,000     | 36,444           |
| <b>IT services 0.1%</b>                                      |          |               |            |                  |
| First Data Corp. (D)   | 5.375    | 08-15-23      | 280,000    | 292,600          |
| Tempo Acquisition LLC (D)                                    | 6.750    | 06-01-25      | 20,000     | 20,450           |
| <b>Semiconductors and semiconductor equipment 0.1%</b>       |          |               |            |                  |
| Entegris, Inc. (D)   | 6.000    | 04-01-22      | 160,000    | 167,400          |
| Micron Technology, Inc.                                      | 5.500    | 02-01-25      | 150,000    | 158,250          |
| <b>Software 0.1%</b>   |          |               |            |                  |
| Infor Software Parent LLC, PIK (D)                           | 7.125    | 05-01-21      | 75,000     | 77,250           |
| Infor US, Inc. (D)   | 5.750    | 08-15-20      | 25,000     | 25,813           |
| Infor US, Inc.   | 6.500    | 05-15-22      | 50,000     | 51,750           |
| <b>Technology hardware, storage and peripherals 0.2%</b>     |          |               |            |                  |
| Conduent Finance, Inc. (D)                                   | 10.500   | 12-15-24      | 140,000    | 163,100          |
| First Data Corp. (D)   | 7.000    | 12-01-23      | 160,000    | 170,800          |
| <b>Materials 1.8%</b>  |          |               |            |                  |
|  |          |               |            | <b>3,864,191</b> |
| <b>Chemicals 0.2%</b>  |          |               |            |                  |
| Hexion, Inc. (D)   | 10.375   | 02-01-22      | 120,000    | 118,800          |
| Platform Specialty Products Corp. (D)                        | 6.500    | 02-01-22      | 200,000    | 206,500          |
| The Chemours Company   | 6.625    | 05-15-23      | 200,000    | 211,500          |
| The Chemours Company   | 7.000    | 05-15-25      | 10,000     | 10,900           |
| <b>Construction materials 0.1%</b>                           |          |               |            |                  |
| Standard Industries, Inc. (D)                                | 5.375    | 11-15-24      | 205,000    | 216,019          |



|  | Rate (%) | Maturity date | Par value^  | Value     |
|--|----------|---------------|-------------|-----------|
| <b>Materials (continued)</b>                       |          |               |             |           |
| <b>Containers and packaging 0.5%</b>               |          |               |             |           |
| ARD Finance SA, PIK                                | 6.625    | 09-15-23      | EUR 150,000 | \$181,816 |
| Ardagh Packaging Finance PLC (D)                   | 6.750    | 05-15-24      | EUR 250,000 | 318,731   |
| Berry Plastics Corp.                               | 6.000    | 10-15-22      | 110,000     | 117,288   |
| Owens-Brockway Glass Container, Inc. (D)           | 5.875    | 08-15-23      | 165,000     | 181,913   |
| Reynolds Group Issuer, Inc. (D)                    | 5.125    | 07-15-23      | 155,000     | 161,006   |
| Reynolds Group Issuer, Inc. (D)                    | 7.000    | 07-15-24      | 105,000     | 112,635   |
| <b>Metals and mining 0.9%</b>                      |          |               |             |           |
| AK Steel Corp.                                     | 7.625    | 10-01-21      | 80,000      | 83,226    |
| AK Steel Corp.                                     | 8.375    | 04-01-22      | 80,000      | 83,600    |
| Anglo American Capital PLC (D)                     | 9.375    | 04-08-19      | 100,000     | 111,875   |
| Constellium NV                                     | 7.000    | 01-15-23      | EUR 200,000 | 234,826   |
| Kaiser Aluminum Corp.                              | 5.875    | 05-15-24      | 126,000     | 132,615   |
| Koks OAO Via Koks Finance DAC (D)                  | 7.500    | 05-04-22      | 200,000     | 205,720   |
| New Gold, Inc. (D)                                 | 6.375    | 05-15-25      | 95,000      | 97,850    |
| Novelis Corp. (D)                                  | 5.875    | 09-30-26      | 55,000      | 56,650    |
| Novelis Corp. (D)                                  | 6.250    | 08-15-24      | 95,000      | 99,750    |
| Signode Industrial Group Lux SA (D)                | 6.375    | 05-01-22      | 55,000      | 57,475    |
| Steel Dynamics, Inc.                               | 5.125    | 10-01-21      | 85,000      | 87,293    |
| Teck Resources, Ltd. (D)                           | 8.500    | 06-01-24      | 80,000      | 92,400    |
| United States Steel Corp.                          | 6.875    | 04-01-21      | 19,000      | 19,618    |
| United States Steel Corp.                          | 7.375    | 04-01-20      | 68,000      | 73,535    |
| United States Steel Corp.                          | 7.500    | 03-15-22      | 30,000      | 30,750    |
| United States Steel Corp. (D)                      | 8.375    | 07-01-21      | 160,000     | 176,000   |
| VM Holding SA (D)                                  | 5.375    | 05-04-27      | 200,000     | 201,900   |
| <b>Paper and forest products 0.1%</b>              |          |               |             |           |
| Flex Acquisition Company, Inc. (D)                 | 6.875    | 01-15-25      | 175,000     | 182,000   |
| <b>Real estate 0.2%</b>                            |          |               |             |           |
| <b>Equity real estate investment trusts 0.1%</b>   |          |               |             |           |
| Equinix, Inc.                                      | 5.875    | 01-15-26      | 75,000      | 81,773    |
| FelCor Lodging LP                                  | 6.000    | 06-01-25      | 120,000     | 128,100   |
| <b>Real estate management and development 0.1%</b> |          |               |             |           |
| AV Homes, Inc. (D)                                 | 6.625    | 05-15-22      | 170,000     | 175,313   |
| <b>Telecommunication services 0.6%</b>             |          |               |             |           |
| <b>Diversified telecommunication services 0.3%</b> |          |               |             |           |
| Cablevision SA (D)                                 | 6.500    | 06-15-21      | 151,000     | 160,060   |
| Frontier Communications Corp.                      | 11.000   | 09-15-25      | 5,000       | 4,638     |
| Level 3 Financing, Inc.                            | 5.125    | 05-01-23      | 15,000      | 15,572    |
| Level 3 Financing, Inc.                            | 5.375    | 08-15-22      | 205,000     | 211,150   |
| Zayo Group LLC                                     | 6.000    | 04-01-23      | 190,000     | 199,975   |
| <b>Wireless telecommunication services 0.3%</b>    |          |               |             |           |
| Sprint Corp.                                       | 7.125    | 06-15-24      | 185,000     | 205,813   |



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|              |       |          |         |         |
|--------------|-------|----------|---------|---------|
| Sprint Corp. | 7.250 | 09-15-21 | 215,000 | 238,919 |
|--------------|-------|----------|---------|---------|

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|   | Rate (%) | Maturity date | Par value^ | Value            |
|---|----------|---------------|------------|------------------|
| <b>Telecommunication services (continued)</b>                     |          |               |            |                  |
| <b>Wireless telecommunication services (continued)</b>            |          |               |            |                  |
| Sprint Corp.  | 7.875    | 09-15-23      | 115,000    | \$132,250        |
| VimpelCom Holdings BV   | 5.200    | 02-13-19      | 220,000    | 226,739          |
| <b>Utilities 0.1%</b>   |          |               |            | <b>283,790</b>   |
| <b>Gas utilities 0.1%</b>   |          |               |            |                  |
| Ferrellgas LP   | 6.500    | 05-01-21      | 25,000     | 23,625           |
| Ferrellgas LP   | 6.750    | 01-15-22      | 70,000     | 65,975           |
| Ferrellgas LP   | 6.750    | 06-15-23      | 68,000     | 63,240           |
| <b>Independent power and renewable electricity producers 0.0%</b> |          |               |            |                  |
| Dynegy, Inc.  | 7.625    | 11-01-24      | 25,000     | 24,250           |
| Dynegy, Inc. (D)  | 8.000    | 01-15-25      | 110,000    | 106,700          |
| <b>Convertible bonds 0.3%</b>                                     |          |               |            | <b>\$549,079</b> |
| (Cost \$632,705)  |          |               |            |                  |
| <b>Consumer discretionary 0.1%</b>                                |          |               |            |                  |
| <b>Household durables 0.0%</b>                                    |          |               |            |                  |
| M/I Homes, Inc.   | 3.000    | 03-01-18      | 40,000     | 41,200           |
| <b>Internet and direct marketing retail 0.1%</b>                  |          |               |            |                  |
| The Priceline Group, Inc.   | 0.900    | 09-15-21      | 70,000     | 80,150           |
| <b>Media 0.0%</b>   |          |               |            |                  |
| Dish Network Corp. (D)  | 3.375    | 08-15-26      | 20,000     | 24,250           |
| Liberty Media Corp.-Liberty Formula One (D)                       | 1.000    | 01-30-23      | 40,000     | 46,325           |
| <b>Energy 0.0%</b>  |          |               |            |                  |
| <b>Oil, gas and consumable fuels 0.0%</b>                         |          |               |            |                  |
| Cobalt International Energy, Inc.                                 | 2.625    | 12-01-19      | 130,000    | 33,800           |
| PDC Energy, Inc.  | 1.125    | 09-15-21      | 11,000     | 9,983            |
| <b>Financials 0.1%</b>  |          |               |            |                  |
| <b>Diversified financial services 0.1%</b>                        |          |               |            |                  |
| Cardtronics, Inc.   | 1.000    | 12-01-20      | 70,000     | 67,069           |
| <b>Information technology 0.1%</b>                                |          |               |            |                  |
| <b>IT services 0.0%</b>   |          |               |            |                  |
| Blackhawk Network Holdings, Inc. (D)                              | 1.500    | 01-15-22      | 80,000     | 89,200           |
| <b>Semiconductors and semiconductor equipment 0.1%</b>            |          |               |            |                  |
| Microchip Technology, Inc. (D)                                    | 1.625    | 02-15-27      | 56,000     | 58,870           |
| Microchip Technology, Inc. (D)                                    | 2.250    | 02-15-37      | 58,000     | 60,538           |
| <b>Software 0.0%</b>  |          |               |            |                  |
| ServiceNow, Inc. (D)(G)   | (0.372)  | 06-01-22      | 37,000     | 37,694           |

|  | Rate (%)        | Maturity date        | Par value^        | Value                |
|--|-----------------|----------------------|-------------------|----------------------|
| <b>Term loans (H) 0.1%</b><br>(Cost \$221,216)   |                 |                      |                   | <b>\$202,896</b>     |
| <b>Consumer discretionary 0.0%</b>   |                 |                      |                   | <b>87,801</b>        |
| <b>Internet and direct marketing retail 0.0%</b><br>Lands' End, Inc.   | 4.476           | 04-04-21             | 106,425           | 87,801               |
| <b>Health care 0.1%</b>  |                 |                      |                   | <b>115,095</b>       |
| <b>Life sciences tools and services 0.1%</b><br>INC Research LLC (I)   | TBD             | 06-27-24             | 115,000           | 115,095              |
|  |                 |                      | <b>Shares</b>     | <b>Value</b>         |
| <b>Rights 0.0%</b><br>(Cost \$32,289)  |                 |                      |                   | <b>\$8,753</b>       |
| Texas Competitive Electric Holdings Company LLC (B)(J)   |                 |                      | 8,337             | 8,753                |
|  | <b>Rate (%)</b> | <b>Maturity date</b> | <b>Par value^</b> | <b>Value</b>         |
| <b>Escrow certificates 0.0%</b><br>(Cost \$194)  |                 |                      |                   | <b>\$0</b>           |
| <b>Information technology 0.0%</b>   |                 |                      |                   | <b>0</b>             |
| <b>Technology hardware, storage and peripherals 0.0%</b><br>Texas Competitive Electric Holdings Company LLC (B)  | 11.500          | 10-01-20             | 500,000           | 0                    |
|  |                 |                      | <b>Par value^</b> | <b>Value</b>         |
| <b>Short-term investments 2.3%</b><br>(Cost \$4,900,000)   |                 |                      |                   | <b>\$4,900,000</b>   |
| <b>Repurchase agreement 2.3%</b><br>Goldman Sachs Tri-Party Repurchase Agreement dated 6-30-17 at 1.070% to be repurchased at \$4,900,437 on 7-3-17, collateralized by \$2,413,392 Federal Home Loan Mortgage Corp., 2.000% – 4.500% due 10-1-30 to 12-1-46 (valued at \$2,545,996, including interest) and \$2,307,228 Federal National Mortgage Association, 2.500% – 6.000% due 4-1-25 to 12-1-46 (valued at \$2,452,005, including interest) |                 |                      | 4,900,000         | 4,900,000            |
| <b>Total investments (Cost \$202,745,245)† 98.9%</b>   |                 |                      |                   | <b>\$210,880,398</b> |
| <b>Other assets and liabilities, net 1.1%</b>  |                 |                      |                   | <b>2,350,409</b>     |
| <b>Total net assets 100.0%</b>   |                 |                      |                   | <b>\$213,230,807</b> |

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.

**Currency Abbreviations**

EUR Euro

GBP Pound Sterling

**Security Abbreviations and Legend**

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ADR American Depositary Receipts

EURIBOR Euro Interbank Offered Rate

PIK Payment-in-kind

(A) Direct placement securities are restricted as to resale, and the fund has limited rights to registration under the Securities Act of 1933. For more information on this security refer to the Notes to financial statements.

(B) Non-income producing security.

(C) A portion of this security is segregated as collateral for options. Total collateral value at 6-30-17 was \$398,076.

(D) 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.

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

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

(G) Zero coupon bonds are issued at a discount from their principal amount in lieu of paying interest periodically. Rate shown is the effective yield at period end.

(H) Term loans are variable rate obligations. The coupon rate shown represents the rate at period end.

(I) This position represents an unsettled loan commitment at period end. Certain details associated with this purchase are not known prior to the statement date, including coupon rate, which is disclosed as TBD (To Be Determined).

(J) Strike price and/or expiration date not available.

† At 6-30-17, the aggregate cost of investment securities for federal income tax purposes was \$204,049,051. Net unrealized appreciation aggregated to \$6,831,347, of which \$14,199,678 related to appreciated investment securities and \$7,368,331 related to depreciated investment securities.

**DERIVATIVES****FUTURES**

| <b>Open contracts</b>        | <b>Number of contracts</b> | <b>Position</b> | <b>Expiration date</b> | <b>Notional basis*</b> | <b>Notional value*</b> | <b>Unrealized appreciation (depreciation)</b> |
|------------------------------|----------------------------|-----------------|------------------------|------------------------|------------------------|---|
| Euro STOXX 50 Index Futures  | 226                        | Short           | Sep 2017               | \$(9,163,015)          | \$(8,856,297)          | \$306,718                                     |
| FTSE 100 Index Futures       | 21                         | Short           | Sep 2017               | (2,035,460)            | (1,980,928)            | 54,532  |
| Mini MSCI EAFE Index Futures | 231                        | Short           | Sep 2017               | (21,720,401)           | (21,824,880)           | (104,479)                                     |
|                              |                            |                 |                        |                        |                        | <b>\$256,771</b>                              |

\* Notional basis refers to the contractual amount agreed upon at inception of open contracts; notional value represents the current value of the open contract.

**FORWARD FOREIGN CURRENCY CONTRACTS**

| <b>Contract to buy</b> | <b>Contract to sell</b> | <b>Counterparty (OTC)</b>  | <b>Contractual settlement date</b> | <b>Unrealized appreciation</b> | <b>Unrealized depreciation</b> |
|------------------------|-------------------------|----------------------------|------------------------------------|--------------------------------|--------------------------------|
| CAD 155,000            | USD 114,804             | BNP Paribas SA             | 7/6/2017                           | \$4,723                        | —                              |
| CAD 155,000            | USD 119,184             | BNP Paribas SA             | 8/8/2017                           | 415                            | —                              |
| EUR 2,371,000          | USD 2,656,412           | BNP Paribas SA             | 7/6/2017                           | 51,762                         | —                              |
| EUR 2,371,000          | USD 2,711,254           | Royal Bank of Scotland PLC | 8/8/2017                           | 1,499                          | —                              |
| GBP 523,000            | USD 674,624             | BNP Paribas SA             | 7/6/2017                           | 6,580                          | —                              |
| GBP 523,000            | USD 680,033             | BNP Paribas SA             | 8/8/2017                           | 1,879                          | —                              |
| GBP 35,000             | USD 45,512              | Royal Bank of Scotland PLC | 8/8/2017                           | 123                            | —                              |
| USD 119,114            | CAD 155,000             | BNP Paribas SA             | 7/6/2017                           | —                              | \$(414)                        |
| USD 2,706,590          | EUR 2,371,000           | Royal Bank of Scotland PLC | 7/6/2017                           | —                              | (1,586)                        |
| USD 270,456            | EUR 236,000             | BNP Paribas SA             | 8/8/2017                           | 440                            | —                              |
| USD 679,325            | GBP 523,000             | BNP Paribas SA             | 7/6/2017                           | —                              | (1,879)                        |
|                        |                         |                            |                                    | <b>\$67,421</b>                | <b>\$(3,879)</b>               |

**SWAPS**

**Credit default swaps -- Seller**

| Counterparty<br>(OTC)/<br>Centrally<br>cleared | Reference<br>obligation | Implied<br>credit<br>spread | Notional<br>amount | Currency | USD<br>notional<br>amount | Received<br>fixed<br>rate | Fixed<br>payment<br>frequency | Maturity<br>date | Unamortiz<br>upfront<br>payment<br>paid<br>(received) |
|--|-------------------------|-----------------------------|--------------------|----------|---------------------------|---------------------------|-------------------------------|------------------|---|
| Centrally<br>cleared                           | CDX-NAHYS28V1-5Y        | 3.390%                      | 570,000            | USD      | \$570,000                 | 5.000%                    | Quarterly                     | Jun 2022         | \$39,824  |
|  |                         |                             |                    |          | <b>\$570,000</b>          |                           |                               |                  | <b>\$39,824</b>                                       |

**Derivatives currency abbreviations**

CAD Canadian Dollar

EUR Euro

GBP Pound Sterling

USD U.S. Dollar

See notes to financial statements regarding investment transactions and other derivatives information.

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## Financial statements

**STATEMENT OF ASSETS AND LIABILITIES** 6-30-17 (unaudited)

|   |                      |
|---|----------------------|
| <b>Assets</b>   |                      |
| Investments, at value (Cost \$202,745,245)  | \$210,880,398        |
| Foreign currency, at value (Cost \$57,444)  | 57,394               |
| Cash held at broker for futures contracts   | 1,660,937            |
| Receivable for investments sold   | 435,347              |
| Unrealized appreciation on forward foreign currency contracts   | 67,421               |
| Dividends and interest receivable   | 1,044,053            |
| Receivable for futures variation margin   | 78,422               |
| Receivable for centrally cleared swaps  | 71,395               |
| Other receivables and prepaid expenses  | 13,021               |
| <b>Total assets</b>   | <b>214,308,388</b>   |
| <b>Liabilities</b>  |                      |
| Due to custodian  | 48,810               |
| Payable for investments purchased   | 960,846              |
| Unrealized depreciation on forward foreign currency contracts   | 3,879                |
| Payable to affiliates   |                      |
| Accounting and legal services fees  | 12,315               |
| Other liabilities and accrued expenses  | 51,731               |
| <b>Total liabilities</b>  | <b>1,077,581</b>     |
| <b>Net assets</b>   | <b>\$213,230,807</b> |
| <b>Net assets consist of</b>  |                      |
| Paid-in capital   | \$203,432,357        |
| Accumulated distributions in excess of net investment income  | (5,937,252 )         |
| Accumulated net realized gain (loss) on investments, futures contracts, options written, foreign currency transactions and swap agreements                    | 7,250,072            |
| Net unrealized appreciation (depreciation) on investments, futures contracts, translation of assets and liabilities in foreign currencies and swap agreements | 8,485,630            |
| <b>Net assets</b>   | <b>\$213,230,807</b> |
| <b>Net asset value per share</b>  |                      |
| Based on 12,204,669 shares of beneficial interest outstanding    unlimited number of shares authorized with \$0.01 par value                                  | \$17.47              |

SEE NOTES TO FINANCIAL STATEMENTS

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**STATEMENT OF OPERATIONS** For the six months ended 6-30-17 (unaudited)

|   |                     |
|---|---------------------|
| <b>Investment income</b>  |                     |
| Dividends   | \$4,138,695         |
| Interest  | 1,014,904           |
| Less foreign taxes withheld   | (331,802 )          |
| <b>Total investment income</b>  | <b>4,821,797</b>    |
| <b>Expenses</b>   |                     |
| Investment management fees  | 1,047,489           |
| Accounting and legal services fees  | 25,441              |
| Transfer agent fees   | 12,288              |
| Trustees' fees  | 21,911              |
| Printing and postage  | 40,843              |
| Professional fees   | 26,376              |
| Custodian fees  | 26,628              |
| Stock exchange listing fees   | 11,734              |
| Other   | 4,668               |
| <b>Total expenses</b>   | <b>1,217,378</b>    |
| Less expense reductions   | (8,230 )            |
| <b>Net expenses</b>   | <b>1,209,148</b>    |
| <b>Net investment income</b>  | <b>3,612,649</b>    |
| <b>Realized and unrealized gain (loss)</b>                                  |                     |
| <b>Net realized gain (loss) on</b>  |                     |
| Investments and foreign currency transactions                               | 11,974,567          |
| Futures contracts   | (3,103,456 )        |
| Written options   | (168,566 )          |
| Swap contracts  | (2,294 )            |
|   | <b>8,700,251</b>    |
| <b>Change in net unrealized appreciation (depreciation) of</b>              |                     |
| Investments and translation of assets and liabilities in foreign currencies | 4,821,155           |
| Futures contracts   | (1,747 )            |
| Written options   | (257,664 )          |
| Swap contracts  | 363                 |
|   | <b>4,562,107</b>    |
| <b>Net realized and unrealized gain</b>                                     | <b>13,262,358</b>   |
| <b>Increase in net assets from operations</b>                               | <b>\$16,875,007</b> |

SEE NOTES TO FINANCIAL STATEMENTS

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## STATEMENTS OF CHANGES IN NET ASSETS

|   | Six months ended<br>6-30-17<br>(unaudited) |          | Year ended<br>12-31-16 |          |
|---|--|----------|------------------------|----------|
| <b>Increase (decrease) in net assets</b>                            |  |          |                        |          |
| <b>From operations</b>  |  |          |                        |          |
| Net investment income   | \$3,612,649                                |          | \$5,144,273            |          |
| Net realized gain   | 8,700,251                                  |          | 1,904,048              |          |
| Change in net unrealized appreciation (depreciation)                | 4,562,107                                  |          | 11,262,008             |          |
| <b>Increase in net assets resulting from operations</b>             | <b>16,875,007</b>                          |          | <b>18,310,329</b>      |          |
| <b>Distributions to shareholders</b>                                |  |          |                        |          |
| From net investment income  | (9,177,911                                 | )        | (4,998,815             | )        |
| From net realized gain  |  |          | (2,956,041             | )        |
| From tax return of capital  |  |          | (10,461,176            | )        |
| <b>Total distributions</b>  | <b>(9,177,911</b>                          | <b>)</b> | <b>(18,416,032</b>     | <b>)</b> |
| <b>From fund share transactions</b>                                 |  |          |                        |          |
| Repurchased   |  |          | (4,391,403             | )        |
| <b>Total increase (decrease)</b>                                    | <b>7,697,096</b>                           |          | <b>(4,497,106</b>      | <b>)</b> |
| <b>Net assets</b>   |  |          |                        |          |
| Beginning of period   | 205,533,711                                |          | 210,030,817            |          |
| <b>End of period</b>  | <b>\$213,230,807</b>                       |          | <b>\$205,533,711</b>   |          |
| <b>Accumulated distributions in excess of net investment income</b> | <b>(\$5,937,252</b>                        | <b>)</b> | <b>(\$371,990</b>      | <b>)</b> |
| <b>Share activity</b>   |  |          |                        |          |
| <b>Shares outstanding</b>   |  |          |                        |          |
| Beginning of period   | 12,204,669                                 |          | 12,517,202             |          |
| Shares repurchased  |  |          | (312,533               | )        |
| <b>End of period</b>  | <b>12,204,669</b>                          |          | <b>12,204,669</b>      |          |

SEE NOTES TO FINANCIAL STATEMENTS

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## Financial highlights

| <b>COMMON<br/>SHARES</b>  | 6-30-17 <sup>1</sup> | 12-31-16    | 12-31-15       | 12-31-14    | 12-31-13    | 12-31-12 <sup>2</sup> | 10-31-12    |
|---|----------------------|-------------|----------------|-------------|-------------|-----------------------|-------------|
| <b>Period Ended</b>   |                      |             |                |             |             |                       |             |
| Per<br>share<br>operating<br>performance                                    |                      |             |                |             |             |                       |             |
| Net<br>asset<br>value,<br>beginning<br>of<br>period                         | \$16.84              | \$16.78     | \$18.22        | \$19.52     | \$17.54     | \$17.60               | \$16.99     |
| Net<br>investment<br>income <sup>3</sup>                                    | 0.30                 | 0.42        | 0.39           | 0.46        | 0.14        | 0.05                  | 0.13        |
| Net<br>realized<br>and<br>unrealized<br>gain<br>(loss)<br>on<br>investments | 1.08                 | 1.09        | (0.51 )        | (0.27 )     | 3.19        | 0.18                  | 1.68        |
| <b>Total<br/>from<br/>investment<br/>operations</b>                         | <b>1.38</b>          | <b>1.51</b> | <b>(0.12 )</b> | <b>0.19</b> | <b>3.33</b> | <b>0.23</b>           | <b>1.81</b> |
| Less<br>distributions<br>to<br>common<br>shareholders                       |                      |             |                |             |             |                       |             |
| From<br>net<br>investment<br>income   | (0.75 )              | (0.41 )     | (0.44 )        | (0.45 )     | (0.18)      | (0.05 )               | (0.13 )     |
| From<br>net<br>realized<br>gain   |                      | (0.24 )     | (0.91 )        | (1.05 )     | (1.17)      |                       |             |
| From<br>tax<br>return   |                      | (0.85 )     | (0.15 )        |             |             | (0.27 )               | (1.16 )     |

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|   |                            |                           |                          |                   |                |                             |                   |                   |
|---|----------------------------|---------------------------|--------------------------|-------------------|----------------|-----------------------------|-------------------|-------------------|
| of capital  |                            |                           |                          |                   |                |                             |                   |                   |
| <b>Total distributions</b>  | <b>(0.75 )</b>             | <b>(1.50 )</b>            | <b>(1.50 )</b>           | <b>(1.50 )</b>    | <b>(1.35 )</b> | <b>(0.32 )</b>              | <b>(1.29 )</b>    | <b>(1.29 )</b>    |
| Anti-dilutive impact of repurchase plan                             |                            | 0.05 <sup>4</sup>         | 0.18 <sup>4</sup>        | 0.01 <sup>4</sup> | 4.5            | 0.03 <sup>4</sup>           | 0.09 <sup>4</sup> | 0.09 <sup>4</sup> |
| Net asset value, end of period                                      | \$17.47                    | \$16.84                   | \$16.78                  | \$18.22           | \$19.52        | \$17.54                     | \$17.60           | \$17.60           |
| Per share market value, end of period                               | \$17.00                    | \$15.72                   | \$14.46                  | \$16.32           | \$17.07        | \$15.26                     | \$16.14           | \$16.14           |
| <b>Total return at net asset value (%)<sup>6</sup></b>              | <b>8.38</b> <sup>7,8</sup> | <b>10.46</b> <sup>7</sup> | <b>1.56</b> <sup>7</sup> | <b>1.66</b>       | <b>20.40</b>   | <b>1.71</b> <sup>8</sup>    | <b>12.17</b>      | <b>12.17</b>      |
| <b>Total return at market value (%)<sup>6</sup></b>                 | <b>12.97</b> <sup>8</sup>  | <b>19.66</b>              | <b>(2.29 )</b>           | <b>4.13</b>       | <b>21.02</b>   | <b>(3.51 )</b> <sup>8</sup> | <b>15.14</b>      | <b>15.14</b>      |
| Ratios and supplemental data  |                            |                           |                          |                   |                |                             |                   |                   |
| Net assets applicable to common shares, end of period (in millions) | \$213                      | \$206                     | \$210                    | \$248             | \$268          | \$241                       | \$245             | \$245             |
| Ratios (as a percentage)  |                            |                           |                          |                   |                |                             |                   |                   |

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of  
average  
net  
assets):

|                                     |      |              |      |      |      |               |      |               |              |      |
|-------------------------------------|------|--------------|------|------|------|---------------|------|---------------|--------------|------|
| Expenses<br>before<br>reductions    | 1.16 | <sup>9</sup> | 1.15 | 1.16 | 1.17 | 1.14          | 0.22 | <sup>8</sup>  | 1.14         |      |
| Expenses<br>including<br>reductions | 1.15 | <sup>9</sup> | 1.14 | 1.15 | 1.17 | 1.14          | 0.22 | <sup>8</sup>  | 1.14         |      |
| Net<br>investment<br>income         | 3.45 | <sup>9</sup> | 2.52 | 2.17 | 2.37 | <sup>10</sup> | 0.72 | 0.30          | <sup>8</sup> | 0.74 |
| Portfolio<br>turnover (%)           | 45   |              | 43   | 43   | 42   |               | 142  | <sup>11</sup> | 11           | 76   |
| Senior<br>securities                |      |              |      |      |      |               |      |               |              |      |

- 1 Six months ended 6-30-17. Unaudited. For the two-month period ended
- 2 12-31-12. The fund changed its fiscal year end from October 31 to December 31. Based on average
- 3 daily shares outstanding. The repurchase plan was completed at an average repurchase price of \$14.17, \$15.71, \$17.38, \$17.06, \$15.43 and \$15.95 for 312,533 shares, 1,120,307 shares, 94,866 shares,
- 4 794 shares, 200,837 shares, and 686,230 shares for the years ended 12-31-16, 12-31-15, 12-31-14 and 12-31-13, the two month period ended 12-31-12 and the year ended 10-31-12, respectively.
- 5 Less than \$0.005 per share.

- Total return based on net asset value reflects changes in the fund's net asset value during each period. Total return based on market value reflects changes in market value. Each figure assumes that distributions from income, capital gains and tax return of capital, if any, were reinvested. These figures will differ depending upon the level of any discount from or premium to net asset value at which the fund's shares traded during the period.
- 6
- Total returns would have been lower had certain expenses not been reduced during the applicable periods.
- 7
- Not annualized.
- 8
- Annualized.
- 9
- Increase in net investment income as a percentage of average net assets resulted from repositioning of the portfolio in accordance with investment policy changes approved by the Board of Trustees during the year ended December 31, 2013.
- 10
- Increase in portfolio turnover rate resulted from repositioning of the portfolio in accordance with investment policy changes approved by the Board of Trustees during the year ended
- 11

December 31, 2013.

SEE NOTES TO FINANCIAL STATEMENTS

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Notes to financial statements (unaudited)

Note 1 Organization

John Hancock Hedged Equity & Income Fund (the fund) is a closed-end management investment company organized as a Massachusetts business trust and registered under the Investment Company Act of 1940, as amended (the 1940 Act).

Note 2 Significant accounting policies

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP), which require management to make certain estimates and assumptions as of the date of the financial statements. Actual results could differ from those estimates and those differences could be significant. The fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of US GAAP.

Events or transactions occurring after the end of the fiscal period through the date that the financial statements were issued have been evaluated in the preparation of the financial statements. The following summarizes the significant accounting policies of the fund:

**Security valuation.** Investments are stated at value as of the scheduled close of regular trading on the New York Stock Exchange (NYSE), normally at 4:00 p.m., Eastern Time. In case of emergency or other disruption resulting in the NYSE not opening for trading or the NYSE closing at a time other than the regularly scheduled close, the net asset value (NAV) may be determined as of the regularly scheduled close of the NYSE pursuant to the fund's Valuation Policies and Procedures.

In order to value the securities, the fund uses the following valuation techniques: Equity securities, including exchange-traded funds, held by the fund are typically valued at the last sale price or official closing price on the exchange or principal market where the security trades. In the event there were no sales during the day or closing prices are not available, the securities are valued using the last available bid price. Debt obligations are valued based on the evaluated prices provided by an independent pricing vendor or from broker-dealers. Independent pricing vendors utilize matrix pricing which takes 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, as well as broker supplied prices. Swaps are valued using evaluated prices obtained from an independent pricing vendor. Futures contracts are valued at settlement prices, which are the official closing prices published by the exchange on which they trade. Foreign securities and currencies, including forward foreign currency contracts, are valued in U.S. dollars, based on foreign currency exchange rates supplied by an independent pricing vendor.

In certain instances, the Pricing Committee may determine to value equity securities using prices obtained from another exchange or market if trading on the exchange or market on which prices are typically obtained did not open for trading as scheduled, or if trading closed earlier than scheduled, and trading occurred as normal on another exchange or market.

Other portfolio securities and assets, for which reliable 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. The frequency with which these fair valuation procedures are used cannot be predicted and fair value of securities may differ significantly from the value that would have been used had a ready market for such securities existed. Trading in foreign securities may be completed before the scheduled daily close of trading on the NYSE. Significant events at the issuer or market level may affect the values of securities between the time when the valuation of the securities is generally determined and the close of the NYSE. If a significant event occurs, these securities may



be fair valued, as determined in good faith by the fund's Pricing Committee, following procedures established by the Board of Trustees. The fund uses fair value adjustment factors provided by an independent pricing vendor to value certain foreign securities in order to adjust for events that may occur between the close of foreign exchanges or markets and the close of the NYSE.

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 other 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

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own assumptions in determining the fair value of investments. Factors used in determining value may include market or issuer specific events or trends, changes in interest rates and credit quality. The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques and related inputs may result in transfers into or out of an assigned level within the disclosure hierarchy.

The following is a summary of the values by input classification of the fund's investments as of June 30, 2017, by major security category or type:

|  | <b>Total<br/>value at<br/>6-30-17</b> | <b>Level 1<br/>quoted<br/>price</b> | <b>Level 2<br/>significant<br/>observable<br/>inputs</b> | <b>Level 3<br/>significant<br/>unobservable<br/>inputs</b> |
|--|---------------------------------------|-------------------------------------|--|--|
| <b>Common stocks</b>                   |                                       |                                     |  |  |
| Consumer discretionary                 | \$13,452,479                          | \$4,697,231                         | \$8,755,248  |  |
| Consumer staples                       | 13,724,668                            | 8,051,191                           | 5,673,477  |  |
| Energy                                 | 15,812,556                            | 7,109,044                           | 8,703,512  |  |
| Financials                             | 35,644,573                            | 13,061,704                          | 22,582,869   |  |
| Health care                            | 17,076,401                            | 4,502,383                           | 12,574,018   |  |
| Industrials                            | 16,556,077                            | 4,912,367                           | 11,643,710   |  |
| Information technology                 | 17,714,605                            | 9,829,421                           | 7,796,515  | \$88,669   |
| Materials                              | 10,255,346                            | 5,238,872                           | 5,016,474  |  |
| Real estate                            | 10,300,815                            | 5,625,238                           | 4,675,577  |  |
| Telecommunication services             | 11,512,326                            | 4,672,792                           | 6,839,534  |  |
| Utilities                              | 14,580,488                            | 7,962,543                           | 6,617,945  |  |
| <b>Preferred securities</b>            | <b>228,740</b>                        | 228,740                             |  |  |
| <b>Exchange-traded funds</b>           | <b>292,394</b>                        | 292,394                             |  |  |
| <b>Foreign government obligations</b>  | <b>252,625</b>                        |                                     | 252,625  |  |
| <b>Corporate bonds</b>                 | <b>27,815,577</b>                     |                                     | 27,815,577   |  |
| <b>Convertible bonds</b>               | <b>549,079</b>                        |                                     | 549,079  |  |
| <b>Term loans</b>                      | <b>202,896</b>                        |                                     | 202,896  |  |
| <b>Rights</b>                          | <b>8,753</b>                          |                                     |  | 8,753  |
| <b>Short-term investments</b>          | <b>4,900,000</b>                      |                                     | 4,900,000  |  |
| <b>Total investments in securities</b> | <b>\$210,880,398</b>                  | <b>\$76,183,920</b>                 | <b>\$134,599,056</b>                                     | <b>\$97,422</b>  |
| <b>Other financial instruments:</b>    |                                       |                                     |  |  |
| Futures                                | \$256,771                             | \$256,771                           |  |  |
| Forward foreign currency contracts     | 63,542                                |                                     | \$63,542   |  |
| Credit default swaps                   | 40,187                                |                                     | 40,187   |  |

**Repurchase agreements.** The fund may enter into repurchase agreements. When the fund enters into a repurchase agreement, it receives collateral that is held in a segregated account by the fund's custodian, or for tri-party repurchase agreements, collateral is held at a third-party custodian bank in a segregated account for the benefit of the fund. 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. Collateral received by the fund for repurchase agreements is disclosed in the Fund's investments as part of the caption related to the repurchase agreement.

Repurchase agreements are typically governed by the terms and conditions of the Master Repurchase Agreement and/or Global Master Repurchase Agreement (collectively, MRA). Upon an event of default, the non-defaulting party may close out all transactions traded under the MRA and net amounts owed. Absent an event of default, assets and liabilities resulting from repurchase agreements are not offset in the Statement of assets and liabilities. 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 or the counterparty may have insufficient assets to pay back claims resulting from close-out of the transactions.

**Security transactions and related investment income.** Investment security transactions are accounted for on a trade date plus one basis for daily NAV calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is accrued as earned. Interest income includes coupon interest and amortization/accretion of premiums/discounts on debt securities. Debt obligations may be placed in a non-accrual status and related interest income may be reduced by stopping current accruals and writing off interest receivable when the collection of all or a portion of interest has become doubtful. Dividend income is recorded on the ex-date, except for dividends of foreign securities where the dividend may not be known until after the ex-date. In those cases, dividend income, net of withholding taxes, is recorded when the fund becomes aware of the dividends. Distributions received on securities that represent a tax return of capital or capital gain are recorded as a reduction of cost of investments and/or as a realized gain if amounts are estimable. Foreign taxes are provided for based on the fund's understanding of the tax rules and rates that exist in the foreign markets in which it invests. Gains and losses on securities sold are determined on the basis of identified cost and may include proceeds from litigation.

**Foreign currency translation.** Assets, including investments and liabilities denominated in foreign currencies, are translated into U.S. dollar values each day at the prevailing exchange rate. Purchases and sales of securities, income and expenses are translated into U.S. dollars at the prevailing exchange rate on the date of the transaction. The effect of changes in foreign currency exchange rates on the value of securities is reflected as a component of the realized and unrealized gains (losses) on investments.

Funds that invest internationally generally carry more risk than funds that invest strictly in U.S. securities. Risks can result from differences in economic and political conditions, regulations, market practices (including higher transaction costs), accounting standards and other factors. Foreign investments are also subject to a decline in the value of a foreign currency versus the U.S. dollar, which reduces the dollar value of securities denominated in that currency.

**Foreign taxes.** The fund may be subject to withholding tax on income and/or capital gains or repatriation taxes imposed by certain countries in which the fund invests. Taxes are accrued based upon investment income, realized gains or unrealized appreciation.

**Overdrafts.** Pursuant to the custodian agreement, the fund's custodian may, in its discretion, advance funds to the fund to make properly authorized payments. When such payments result in an overdraft, the fund is obligated to repay the custodian for any overdraft, including any costs or expenses associated with the overdraft. The custodian may have a lien, security interest or security entitlement in any fund property that is not otherwise segregated or pledged, to the maximum extent permitted by law, to the extent of any overdraft.

**Expenses.** Within the John Hancock group of funds complex, expenses that are directly attributable to an individual fund are allocated to such fund. Expenses that are not readily attributable to a specific fund are allocated among all funds in an equitable manner, taking into consideration, among other things, the nature and type of expense and the fund's relative net assets. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

**Federal income taxes.** The fund intends to continue to qualify as a regulated investment company by complying with the applicable provisions of the Internal Revenue Code and will not be subject to federal income tax on taxable income that is distributed to shareholders. Therefore, no federal income tax provision is required.

As of December 31, 2016, the fund had no uncertain tax positions that would require financial statement recognition, derecognition or disclosure. The fund's federal tax returns are subject to examination by the Internal Revenue Service

for a period of three years.

**Managed distribution plan.** The fund has adopted a managed distribution plan (Plan). Under the current Plan, the fund makes quarterly distributions of an amount equal to \$0.376 per share, which will be paid quarterly until further notice.

Distributions under the Plan may consist of net investment income, net realized capital gains and, to the extent necessary, return of capital. Return of capital distributions may be necessary when the fund's net investment income and net capital gains are insufficient to meet the minimum distribution. In addition, the fund may also make additional distributions for purposes of not incurring federal income and excise taxes.

The Board of Trustees may terminate or reduce the amount paid under the Plan at any time. The termination or reduction may have an adverse effect on the market price of the fund's shares.

**Distribution of income and gains.** Distributions to shareholders from net investment income and net realized gains, if any, are recorded on the ex-date. The fund declares and pays dividends quarterly pursuant to the Plan described above.

Such distributions, on a tax basis, are determined in conformity with income tax regulations, which may differ from US GAAP.

Capital accounts within the financial statements are adjusted for permanent book-tax differences. These adjustments have no impact on net assets or the results of operations. Temporary book-tax differences, if any, will reverse in a subsequent period. Book-tax differences are primarily attributable to foreign currency transactions, investments in passive foreign investments companies, derivative transactions, wash sale loss deferrals and amortization and accretion on debt securities.

#### Note 3 Derivative instruments

The fund may invest in derivatives in order to meet its investment objective. Derivatives include a variety of different instruments that may be traded in the over-the-counter (OTC) market, on a regulated exchange or through a clearing facility. The risks in using derivatives vary depending upon the structure of the instruments, including the use of leverage, optionality, the liquidity or lack of liquidity of the contract, the creditworthiness of the counterparty or clearing organization and the volatility of the position. Some derivatives involve risks that are potentially greater than the risks associated with investing directly in the referenced securities or other referenced underlying instrument. Specifically, the fund is exposed to the risk that the counterparty to an OTC derivatives contract will be unable or unwilling to make timely settlement payments or otherwise honor its obligations. OTC derivatives transactions typically can only be closed out with the other party to the transaction.

Forward foreign currency contracts and certain options and swaps are typically traded through the OTC market. Certain forwards, options and swaps are regulated by the Commodity Futures Trading Commission (the CFTC) as swaps. Derivative counterparty risk is managed through an ongoing evaluation of the creditworthiness of all potential counterparties and, if applicable, designated clearing organizations. The fund attempts to reduce its exposure to counterparty risk for derivatives traded in the OTC market, whenever possible, by entering into an International Swaps and Derivatives Association (ISDA) Master Agreement with each of its OTC counterparties. The ISDA gives each party to the agreement the right to terminate all transactions traded under the agreement if there is certain deterioration in the credit quality or contractual default of the other party, as defined in the ISDA. Upon an event of default or a termination of the ISDA, the non-defaulting party has the right to close out all transactions and to net amounts owed.

Futures and certain options and centrally-cleared swaps are traded or cleared on an exchange or central clearinghouse. Exchange-traded or centrally-cleared transactions generally present less counterparty risk to a fund than OTC transactions. The exchange or clearinghouse stands between the fund and the broker to the contract and therefore, credit risk is generally limited to the failure of the exchange or clearinghouse and the clearing member.

Cleared swap contracts are subject to clearinghouse rules, including initial and variation margin requirements, daily settlement of obligations and the clearinghouse guarantee of payments to the broker. There is, however, still

counterparty risk due to the potential insolvency of the broker with respect to any margin held in the brokers' customer accounts. While clearing members are required to segregate customer assets from their own assets, in the event of insolvency, there may be a shortfall in the amount of margin held by the broker for its clients. Collateral or margin requirements for exchange-traded or centrally-cleared derivatives are set by the broker or applicable clearinghouse. Margin for exchange-traded and centrally-cleared transactions are detailed in the Statement of assets and liabilities as Cash held at broker for futures contracts and receivable for centrally-cleared swaps, respectively. Securities pledged by the fund for exchange-traded and centrally-cleared transactions, if any, are identified in the Fund's investments.

**Futures.** A futures contract is a contractual agreement to buy or sell a particular currency or financial instrument at a pre-determined price in the future. Risks related to the use of futures contracts include possible illiquidity of the futures markets, contract prices that can be highly volatile and imperfectly correlated to movements in the underlying financial instrument and potential losses in excess of the amounts recognized on the Statement of assets and liabilities. Use of long futures contracts subjects the fund to the risk of loss up to the notional value of the futures contracts. Use of short futures contracts subjects the fund to unlimited risk of loss.

Upon entering into a futures contract, the fund is required to deposit initial margin with the broker in the form of cash or securities. The amount of required margin is generally based on a percentage of the contract value; this amount is the initial margin for the trade. The margin deposit must then be maintained at the established level over the life of the contract. Futures margin receivable / payable is included on the Statement of assets and liabilities. Futures contracts are marked-to-market daily and an appropriate payable or receivable for the change in value (variation margin) and unrealized gain or loss is recorded by the fund. When the contract is closed, the fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

During the six months ended June 30, 2017, the fund used futures contracts to manage against anticipated changes in securities markets. The fund held futures contracts with notional values ranging from \$32.7 million to \$35.8 million, as measured at each quarter end.

**Forward foreign currency contracts.** A forward foreign currency contract is an agreement between two parties to buy and sell specific currencies at a price that is set on the date of the contract. The forward contract calls for delivery of the currencies on a future date that is specified in the contract. Risks related to the use of forwards include the possible failure of counterparties to meet the terms of the forward agreement, the failure of the counterparties to timely post collateral if applicable, the risk that currency movements will not favor the fund thereby reducing the fund's total return, and the potential for losses in excess of the amounts recognized on the Statement of assets and liabilities.

The market value of a forward foreign currency contract fluctuates with changes in foreign currency exchange rates. Forward foreign currency contracts are marked-to-market daily and the change in value is recorded by the fund as an unrealized gain or loss. Realized gains or losses, equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed, are recorded upon delivery or receipt of the currency or settlement with the counterparty.

During the six months ended June 30, 2017, the fund used forward foreign currency contracts to manage against anticipated changes in currency exchange rates. The fund held forward foreign currency contracts with U.S. Dollar notional values ranging from \$2.9 million to \$10.9 million, as measured at each quarter end.

**Options.** There are two types of options, put options and call options. Options are traded on an exchange. A call option gives the purchaser of the option the right to buy (and the seller the obligation to sell) the underlying instrument at the exercise price. A put option gives the purchaser of the option the right to sell (and the writer the obligation to buy) the underlying instrument at the exercise price. Writing puts and buying calls may increase the fund's exposure to changes in the value of the underlying instrument. Buying puts and writing calls may decrease the fund's exposure to such changes. Risks related to the use of options include the loss of premiums, possible illiquidity of the options markets, trading restrictions imposed by an exchange and movements in underlying security values, and for written options, potential losses in excess of the amounts recognized on the Statement of assets and liabilities. In addition, OTC options are subject to the risks of all OTC derivatives contracts.

When the fund writes an option, the premium received is included as a liability and subsequently "marked-to-market" to reflect the current market value of the option written. Premiums received from writing options that expire unexercised are recorded as realized gains. Premiums received from writing options which are exercised or are closed



are added to or offset against the proceeds or amount paid on the transaction to determine the realized gain or loss. If a put option on a security is exercised, the premium received reduces the cost basis of the securities purchased by the fund.

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During the six months ended June 30, 2017, the fund wrote option contracts to generate income. The following table summarizes the fund's written options activities during the six months ended June 30, 2017. There were no written options held at June 30, 2017.

|                                  | <b>Number of contracts</b> | <b>Premiums received</b> |
|----------------------------------|----------------------------|--------------------------|
| Outstanding, beginning of period | 275                        | \$411,664                |
| Options written                  | 1,754                      | 2,382,013                |
| Options closed                   | (2,029                     | ) (2,793,677             |
| Options exercised                |                            |                          |
| Options expired                  |                            |                          |

### **Outstanding, end of period**

**Credit default swaps.** Credit default swaps (CDS) involve the exchange of a fixed rate premium (paid by the Buyer), for protection against the loss in value of an underlying debt instrument, referenced entity or index, 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" (the Seller), receiving the premium and agreeing to contingent payments that are specified within the credit default agreement. The fund may enter into CDS in which it may act as either Buyer or Seller. By acting as the Seller, the fund may incur economic leverage since it would be obligated to pay the Buyer the notional amount of the contract in the event of a default. The amount of loss in such case could be significant, but would typically be reduced by any recovery value on the underlying credit.

Upfront payments made/received by the fund are amortized/accreted for financial reporting purposes, with the unamortized/unaccreted portion included in the Statement of assets and liabilities. 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 the fund.

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. The value of the swap will typically impose collateral posting obligations on the party that is considered out-of-the-money on the swap.

Entering into swap agreements involves, to varying degrees, elements of credit, market and documentation risk that may amount to values that are in excess of the amounts recognized on the Statement of assets and liabilities. Such risks involve the possibility that there will be no liquid market for the swap or that a counterparty may default on its obligation or delay payment under the swap terms. The counterparty may disagree or contest the terms of the swap. Market risks may also accompany the swap, including interest rate risk. The fund may also suffer losses if it is unable to terminate or assign outstanding swaps or reduce its exposure through offsetting transactions.

### **Credit default swaps Seller**

Implied credit spreads are utilized in determining the market value of CDS agreements in which the fund is the Seller at period end. The implied credit spread generally represents the yield of the instrument above a credit-risk free rate, such as the U.S. Treasury Bond Yield, and may include upfront payments required to be made to enter into the agreement. It also serves as an indicator of the current status of the payment/performance risk and represents the likelihood or risk of default for the credit derivative. Wider credit spreads represent a deterioration of the referenced entity's creditworthiness and an increased risk of default or other credit event occurring as defined under the terms of the agreement.

For CDS agreements where implied credit spreads are not reported or available, the average credit rating on the underlying index is shown. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced entity's creditworthiness soundness and a greater likelihood of a credit event occurring. This is also represented by a decrease in the average credit rating of the underlying index. The

maximum potential amount of future payments (undiscounted) that a fund as the Seller could be required to make under any CDS agreement equals the notional amount of the agreement.

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During the six months ended June 30, 2017, the fund used CDS as a Seller of protection to manage against potential credit events. The fund acted as Seller on credit default swap contracts with total USD notional amounts ranging up to \$570,000 as measured at each quarter end.

**Fair value of derivative instruments by risk category**

The table below summarizes the fair value of derivatives held by the fund at June 30, 2017 by risk category:

| <b>Risk</b>      | <b>Statement of assets and liabilities location</b>                          | <b>Financial instruments location</b> | <b>Assets derivatives fair value</b> | <b>Liabilities derivative fair value</b> |
|------------------|--|---------------------------------------|--------------------------------------|--|
| Equity           | Receivable/payable for futures   | Futures                               | \$361,250                            | (\$104,479 )                             |
| Foreign currency | Unrealized appreciation / depreciation on forward foreign currency contracts | Forward foreign currency contracts    | 67,421                               | (3,879 )                                 |
| Credit           | Swap contracts, at value   | Credit default swaps <sup>^</sup>     | 40,187                               |  |
|                  |  |                                       | <b>\$468,858</b>                     | <b>(\$108,358 )</b>                      |

Reflects cumulative appreciation/depreciation on futures as disclosed in Fund's investments. Only the period end variation margin is separately disclosed on the Statement of assets and liabilities.

<sup>^</sup> Reflects cumulative value of swap contracts. Receivable for centrally cleared swaps, which includes value and margin, and swap contracts at value, which represents OTC swaps, are shown separately on the Statement of assets and liabilities.

For financial reporting purposes, the fund does not offset OTC derivative assets or liabilities that are subject to master netting arrangements, as defined by the ISDAs, in the Statement of assets and liabilities. In the event of default by the counterparty or a termination of the agreement, the ISDA allows an offset of amounts across the various transactions between the fund and the applicable counterparty.

**Effect of derivative instruments on the Statement of operations**

The table below summarizes the net realized gain (loss) included in the net increase (decrease) in net assets from operations, classified by derivative instrument and risk category, for the six months ended June 30, 2017:

**Statement of operations location - net realized gain (loss) on:**

| <b>Risk</b>      | <b>Futures contracts</b> | <b>Written options</b> | <b>Swap contracts</b> | <b>Investments and foreign currency transactions<sup>1</sup></b> | <b>Total</b>         |
|------------------|--------------------------|------------------------|-----------------------|--|----------------------|
| Credit           |                          |                        | (\$2,294 )            |  | (\$2,294 )           |
| Equity           | (\$3,103,456)            | (\$168,566)            |                       |  | (3,272,022 )         |
| Foreign currency |                          |                        |                       | \$130,693  | 130,693              |
| <b>Total</b>     | <b>(\$3,103,456)</b>     | <b>(\$168,566)</b>     | <b>(\$2,294 )</b>     | <b>\$130,693</b>   | <b>(\$3,143,623)</b> |

<sup>1</sup> Realized gain/loss associated with forward foreign currency contracts is included in this caption on the Statement of operations.

The table below summarizes the net change in unrealized appreciation (depreciation) included in the net increase (decrease) in net assets from operations, classified by derivative instrument and risk category, for the six months ended June 30, 2017:

**Statement of operations location - change in net unrealized appreciation  
(depreciation) of:**

| <b>Risk</b>      | <b>Futures<br/>contracts</b> | <b>Written<br/>options</b> | <b>Swap<br/>contracts</b> | <b>Investments and<br/>translation of assets<br/>and liabilities<br/>in foreign<br/>currencies <sup>1</sup></b> | <b>Total</b> |
|------------------|------------------------------|----------------------------|---------------------------|---|--------------|
| Credit           |                              |                            | \$363                     |   | \$363        |
| Equity           | (\$1,747 )                   | (\$257,664)                |                           |   | (259,411)    |
| Foreign currency |                              |                            |                           | \$83,345  | 83,345       |

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**Statement of operations location - change in net unrealized appreciation (depreciation) of:**

| <b>Risk</b>  | <b>Futures contracts</b> | <b>Written options</b> | <b>Swap contracts</b> | <b>Investments and translation of assets and liabilities in foreign currencies <sup>1</sup></b> | <b>Total</b>       |
|--------------|--------------------------|------------------------|-----------------------|---|--------------------|
| <b>Total</b> | <b>(\$1,747 )</b>        | <b>(\$257,664)</b>     | <b>\$363</b>          | <b>\$83,345</b>   | <b>(\$175,703)</b> |

<sup>1</sup> Change in unrealized appreciation/depreciation associated with forward foreign currency contracts is included in this caption on the Statement of operations.

Note 4 Guarantees and indemnifications

Under the fund's organizational documents, its Officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the fund. Additionally, in the normal course of business, the fund enters into contracts with service providers that contain general indemnification clauses. The fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the fund that have not yet occurred. The risk of material loss from such claims is considered remote.

Note 5 Fees and transactions with affiliates

John Hancock Advisers, LLC (the Advisor) serves as investment advisor for the fund. The Advisor is an indirect, wholly owned subsidiary of Manulife Financial Corporation (MFC).

**Management fee.** The fund has an investment management agreement with the Advisor under which the fund pays a daily management fee to the Advisor equivalent on an annual basis to 1.00% of the fund's average daily gross assets. The Advisor has a subadvisory agreement with Wellington Management Company LLP. The fund is not responsible for payment of the subadvisory fees.

The Advisor has contractually agreed to waive a portion of its management fee and/or reimburse expenses for certain funds of the John Hancock group of funds complex, including the fund (the participating portfolios). This waiver is based upon aggregate net assets of all the participating portfolios. The amount of the reimbursement is calculated daily and allocated among all the participating portfolios in proportion to the daily net assets of each fund. During the six months ended June 30, 2017, this waiver amounted to 0.01% of the fund's average daily gross assets (on an annualized basis). This arrangement may be amended or terminated at any time by the Advisor upon notice to the fund and with the approval of the Board of Trustees.

The expense reductions described above amounted to \$8,230 for the six months ended June 30, 2017.

Expenses waived or reimbursed in the current fiscal period are not subject to recapture in future fiscal periods.

The investment management fees, including the impact of the waivers and reimbursements as described above, incurred for the six months ended June 30, 2017 were equivalent to a net annual effective rate of 0.99% of the fund's average daily gross assets.

**Accounting and legal services.** Pursuant to a service agreement, the fund reimburses the Advisor for all expenses associated with providing the administrative, financial, legal, accounting and recordkeeping services to the fund, including the preparation of all tax returns, periodic reports to shareholders and regulatory reports, among other services. These accounting and legal services fees incurred for the six months ended June 30, 2017 amounted to an annual rate of 0.02% of the fund's average daily net assets.

**Trustee expenses.** The fund compensates each Trustee who is not an employee of the Advisor or its affiliates. These Trustees receive from the fund and the other John Hancock closed-end funds an annual retainer. In addition, Trustee out-of-pocket expenses are allocated to each fund based on its net assets relative to other funds within the John Hancock group of funds complex.

## Note 6 Fund share transactions

On December 6, 2011, the Board of Trustees approved a share repurchase plan, which has been subsequently renewed and approved by the Board of Trustees each year in December. Under the current share repurchase plan, the fund may purchase in the open market, between January 1, 2017 and December 31, 2017, up to an additional 10% of its outstanding common shares (based on common shares outstanding as of December 31, 2016). During the six months ended June 30, 2017, there was no activity under the share repurchase plan. During the year ended December 31, 2016, the fund repurchased 2.50% of shares outstanding. The weighted average discount per share on the repurchases amounted to 12.54% for the year ended December 31, 2016. Shares repurchased and corresponding dollar amounts are included in the Statements of changes in net assets. The antidilutive impact of these share repurchases is included on the Financial highlights.

## Note 7 Purchase and sale of securities

Purchases and sales of securities, other than short-term investments, amounted to \$95,226,428 and \$105,652,171, respectively, for the six months ended June 30, 2017.

## Note 8 Direct placement securities

The fund may hold private placement securities which are restricted as to resale and the fund has limited rights to registration under the Securities Act of 1933. The following table summarizes the direct placement securities held at June 30, 2017:

| Issuer,<br>description | Acquisition<br>date | Acquisition<br>cost | Beginning<br>share<br>amount | Ending<br>share<br>amount | Value as a<br>percentage<br>of fund's<br>net assets | Value<br>as of<br>06-30-17 |
|------------------------|---------------------|---------------------|------------------------------|---------------------------|---|----------------------------|
| Allstar Co-Invest LLC  | 8-1-11              | \$240,553           | 236,300                      | 236,300                   | 0.00%   | \$0                        |
| Dropbox, Inc., Class B | 5-1-12              | 65,608              | 7,248                        | 6,622                     | 0.04%   | 88,669                     |
|                        |                     | <b>\$306,161</b>    |                              |                           |   | <b>\$88,669</b>            |

## Note 9 New rule issuance

In October 2016, the SEC issued *Final Rule Release No.33-10231, Investment Company Reporting Modernization* (the Release). The Release calls for the adoption of new rules and forms as well as amendments to its rules and forms to modernize the reporting and disclosure of information by registered investment companies. The SEC is adopting amendments to Regulation S-X, which will require standardized, enhanced disclosure about derivatives in investment company financial statements, as well as other amendments. The updates to Regulation S-X are effective August 1, 2017 and may result in additional disclosure relating to the presentation of derivatives and certain other financial instruments. These updates will have no impact on the fund's net assets or results of operations.



**ADDITIONAL INFORMATION**

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Unaudited

**Investment objective and policy**

The fund is a closed-end, diversified management investment company, common shares of which were initially offered to the public on May 26, 2011 and are publicly traded on the New York Stock Exchange (the NYSE). The fund's investment objective is to provide total return with a focus on current income and gains and also consisting of long-term capital appreciation. The fund uses an equity strategy, as well as futures and call writing, to pursue its investment objective.

Under normal circumstances, the fund will invest at least 80% of its net assets (assets plus borrowings for investment purposes) in equity and equity-related securities, including common stock, preferred stock, depositary receipts (including American Depositary Receipts and Global Depositary Receipts), index-related securities (including exchange-traded funds), options on equity securities and equity indexes, real estate investment structures (including real estate investment trusts), convertible securities, private placements, convertible preferred stock, rights, warrants, derivatives linked to equity securities or indexes and other similar equity equivalents. The fund may invest in listed and unlisted domestic and foreign equity and equity-related securities or instruments. These equity and equity-related instruments may include equity securities of, or derivatives linked to, foreign issuers and indexes (including emerging market issuers or indexes).

**Dividends and distributions**

During the six months ended June 30, 2017, distributions from net investment income of \$0.7520 per share were paid to shareholders. The dates of payments and the amounts per share were as follows:

**Payment date    Distributions**

March 31, 2017    \$0.3760

June 30, 2017    0.3760

**Total                \$0.7520****Shareholder meeting**

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The fund held its Annual Meeting of Shareholders on January 24, 2017. The following proposal was considered by the shareholders:

**Proposal:** To elect five (5) Trustees (James R. Boyle, William H. Cunningham, Grace K. Fey, Hassell H. McClellan and Gregory A. Russo) to serve for a three-year term ending at the 2020 Annual Meeting of Shareholders

|                                | <b>Total votes<br/>for the nominee</b> | <b>Total votes withheld<br/>from the nominee</b> |
|--------------------------------|--|--|
| <b>Independent Trustees</b>    |  |  |
| William H. Cunningham          | 11,020,550.100                         | 176,996.000                                      |
| Grace K. Fey                   | 11,036,168.100                         | 161,378.000                                      |
| Hassell H. McClellan           | 11,020,334.100                         | 177,212.000                                      |
| Gregory A. Russo               | 11,029,980.100                         | 167,566.000                                      |
| <b>Non-Independent Trustee</b> |  |  |
| James R. Boyle                 | 11,026,865.100                         | 170,681.000                                      |

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Trustees whose term of office continued after the Annual Meeting of Shareholders because they were not up for election are: Charles L. Bardelis, Craig Bromley<sup>1</sup>, Peter S. Burgess, Theron S. Hoffman, Deborah C. Jackson, James M. Oates, Steven R. Pruchansky, and Warren A. Thomson.

<sup>1</sup>Effective June 15, 2017, Mr. Bromley no longer serves as a Trustee of the fund. Andrew G. Arnott has been appointed as a Trustee of the fund effective June 20, 2017. Mr. Arnott serves as a Trustee for a term expiring in 2019.

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## **CONTINUATION OF INVESTMENT ADVISORY AND SUBADVISORY AGREEMENTS**

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### **Evaluation of Advisory and Subadvisory Agreements by the Board of Trustees**

This section describes the evaluation by the Board of Trustees (the Board) of John Hancock Hedged Equity & Income Fund (the fund) of the Advisory Agreement (the Advisory Agreement) with John Hancock Advisers, LLC (the Advisor) and the Subadvisory Agreement (the Subadvisory Agreement) with Wellington Management Company LLP (the Subadvisor). The Advisory Agreement and Subadvisory Agreement are collectively referred to as the Agreements. Prior to the June 19-22, 2017 in-person meeting, at which the Agreements were approved, the Board also discussed and considered information regarding the proposed continuation of the Agreements at an in-person meeting held on May 22-24, 2017.

### **Approval of Advisory and Subadvisory Agreements**

At in-person meetings held on June 19-22, 2017, the Board, including the Trustees who are not parties to any Agreement or considered to be interested persons of the fund under the Investment Company Act of 1940, as amended (the 1940 Act) (the Independent Trustees), reapproved for an annual period the continuation of the Advisory Agreement between the fund and the Advisor and the Subadvisory Agreement between the Advisor and the Subadvisor with respect to the fund.

In considering the Advisory Agreement and the Subadvisory Agreement, the Board received in advance of the meetings a variety of materials relating to the fund, the Advisor and the Subadvisor, including comparative performance, fee and expense information for a peer group of similar funds prepared by an independent third-party provider of fund data, performance information for an applicable benchmark index; and other pertinent information, such as the market premium and discount information, and, with respect to the Subadvisor, comparative performance information for comparably managed accounts, as applicable, and other information provided by the Advisor and the Subadvisor regarding the nature, extent and quality of services provided by the Advisor and the Subadvisor under their respective Agreements, as well as information regarding the Advisor's revenues and costs of providing services to the fund and any compensation paid to affiliates of the Advisor. At the meetings at which the renewal of the Advisory Agreement and Subadvisory Agreement are considered, particular focus is given to information concerning fund performance, comparability of fees and total expenses, and profitability. However, the Board notes that the evaluation process with respect to the Advisor and the Subadvisor is an ongoing one. In this regard, the Board also took into account discussions with management and information provided to the Board (including its various committees) at prior meetings with respect to the services provided by the Advisor and the Subadvisor to the fund, including quarterly performance reports prepared by management containing reviews of investment results and prior presentations from the Subadvisor with respect to the fund. The information received and considered by the Board in connection with the May and June meetings and throughout the year was both written and oral. The Board also considered the nature, quality, and extent of non-advisory services, if any, to be provided to the fund by the Advisor's affiliates. The Board considered the Advisory Agreement and the Subadvisory Agreement separately in the course of its review. In doing so, the Board noted the respective roles of the Advisor and Subadvisor in providing services to the fund.

Throughout the process, the Board asked questions of and requested additional information from management. The Board is assisted by counsel for the fund and the Independent Trustees are also separately assisted by independent legal counsel throughout the process. The Independent Trustees also received a memorandum from their independent legal counsel discussing the legal standards for their consideration of the proposed continuation of the Agreements and discussed the proposed continuation of the Agreements in private sessions with their independent legal counsel at which no representatives of management were present.

### **Approval of Advisory Agreement**

In approving the Advisory Agreement with respect to the fund, the Board, including the Independent Trustees, considered a variety of factors, including those discussed below. The Board also considered other factors (including conditions and trends prevailing generally in the economy, the securities markets, and the industry) and did not treat any single factor as determinative, and each Trustee may have attributed different weights to different factors. The Board's conclusions may be

based in part on its consideration of the advisory and subadvisory arrangements in prior years and on the Board's ongoing regular review of fund performance and operations throughout the year.

Nature, extent, and quality of services. Among the information received by the Board from the Advisor relating to the nature, extent, and quality of services provided to the fund, the Board reviewed information provided by the Advisor relating to its operations and personnel, descriptions of its organizational and management structure, and information regarding the Advisor's compliance and regulatory history, including its Form ADV. The Board also noted that on a regular basis it receives and reviews information from the fund's Chief Compliance Officer (CCO) regarding the fund's compliance policies and procedures established pursuant to Rule 38a-1 under the 1940 Act. The Board observed that the scope of services provided by the Advisor, and of the undertakings required of the Advisor in connection with those services, including maintaining and monitoring its own and the fund's compliance programs, risk management programs, liquidity management programs and cybersecurity programs, had expanded over time as a result of regulatory, market and other developments. The Board considered that the Advisor is responsible for the management of the day-to-day operations of the fund, including, but not limited to, general supervision of and coordination of the services provided by the Subadvisor, and is also responsible for monitoring and reviewing the activities of the Subadvisor and other third-party service providers. The Board also considered the significant risks assumed by the Advisor in connection with the services provided to the fund including entrepreneurial risk in sponsoring new funds and ongoing risks including investment, operational, enterprise, litigation, regulatory and compliance risks with respect to all funds.

The Board also considered the differences between the Advisor's services to the fund and the services it provides to other clients that are not closed-end funds, including, for example, the differences in services related to the regulatory and legal obligations of closed-end funds.

In considering the nature, extent, and quality of the services provided by the Advisor, the Trustees also took into account their knowledge of the Advisor's management and the quality of the performance of the Advisor's duties, through Board meetings, discussions and reports during the preceding year and through each Trustee's experience as a Trustee of the fund and of the other funds in the John Hancock group of funds complex (the John Hancock Fund Complex).

In the course of their deliberations regarding the Advisory Agreement, the Board considered, among other things:

- (a) the skills and competency with which the Advisor has in the past managed the fund's affairs and its subadvisory relationships, the Advisor's oversight and monitoring of the Subadvisor's investment performance and compliance programs, such as the Subadvisor's compliance with fund policies and objectives, review of brokerage matters, including with respect to trade allocation and best execution and the Advisor's timeliness in responding to performance issues;
- (b) the background, qualifications and skills of the Advisor's personnel;
- (c) the Advisor's compliance policies and procedures and its responsiveness to regulatory changes and fund industry developments;
- (d) the Advisor's administrative capabilities, including its ability to supervise the other service providers for the fund;
- (e) the financial condition of the Advisor and whether it has the financial wherewithal to provide a high level and quality of services to the fund;
- (f) the Advisor's initiatives intended to improve various aspects of the fund's operations and investor experience with the fund; and
- (g) the Advisor's reputation and experience in serving as an investment advisor to the fund and the benefit to shareholders of investing in funds that are part of a family of funds offering a variety of investments.

The Board concluded that the Advisor may reasonably be expected to continue to provide a high quality of services under the Advisory Agreement with respect to the fund.



Investment performance. In considering the fund's performance, the Board noted that it reviews at its regularly scheduled meetings information about the fund's performance results. In connection with the consideration of the Advisory Agreement, the Board:

- (a) reviewed information prepared by management regarding the fund's performance;
- (b) considered the comparative performance of an applicable benchmark index;
- (c) considered the performance of comparable funds, if any, as included in the report prepared by an independent third-party provider of fund data;
- (d) took into account the Advisor's analysis of the fund's performance; and
- (e) considered the fund's share performance and premium/discount information.

The Board noted that while it found the data provided by the independent third-party generally useful, it recognized its limitations, including in particular that the data may vary depending on the end date selected and the results of the performance comparisons may vary depending on the selection of the peer group. The Board noted that, based on its net asset value, the fund outperformed its benchmark index for the one- and three-year periods and underperformed its benchmark index for the five-year period ended December 31, 2016. The Board also noted that, based on its net asset value, the fund outperformed its peer group average for the one-, three- and five-year periods ended December 31, 2016. The Board took into account management's discussion of the fund's performance, including the fund's favorable performance relative to the benchmark index for the one- and three-year periods and to the peer group for the one-, three-, and five-year periods. The Board concluded that the fund's performance has generally been in line with or outperformed the historical performance of comparable funds and the fund's benchmark index.

Fees and expenses. The Board reviewed comparative information prepared by an independent third-party provider of fund data, including, among other data, the fund's contractual and net management fees (and subadvisory fees, to the extent available) and total expenses as compared to similarly situated investment companies deemed to be comparable to the fund in light of the nature, extent and quality of the management and advisory and subadvisory services provided by the Advisor and the Subadvisor. The Board considered the fund's ranking within a smaller group of peer funds chosen by the independent third-party provider, as well as the fund's ranking within a broader group of funds. In comparing the fund's contractual and net management fees to those of comparable funds, the Board noted that such fees include both advisory and administrative costs.

The Board noted that net management fees and the total expenses for the fund are below the peer group median. The Board also took into account management's discussion with respect to the advisory/subadvisory fee structure, including the amount of the advisory fee retained by the Advisor after payment of the subadvisory fees. The Board also noted that the Advisor pays the subadvisory fees. In addition, the Board took into account that management had agreed to implement an overall fee waiver across the complex, including the fund, which is discussed further below. The Board reviewed information provided by the Advisor concerning the investment advisory fee charged by the Advisor or one of its advisory affiliates to other clients (including other funds in the John Hancock Fund Complex) having similar investment mandates, if any. The Board considered any differences between the Advisor's and Subadvisor's services to the fund and the services they provide to other comparable clients or funds. The Board concluded that the advisory fee paid with respect to the fund is reasonable.

Profitability/Fall out benefits. In considering the costs of the services to be provided and the profits to be realized by the Advisor and its affiliates from the Advisor's relationship with the fund, the Board:

- (a) reviewed financial information of the Advisor;
- (b) reviewed and considered information presented by the Advisor regarding the net profitability to the Advisor and its affiliates with respect to the fund;
- (c) received and reviewed profitability information with respect to the John Hancock Fund Complex as a whole and with respect to each fund;





- received information with respect to the Advisor's allocation methodologies used in preparing the
- (d) profitability data and considered that the Advisor hired an independent third-party consultant to provide an analysis of the Advisor's allocation methodologies;
  - (e) considered that the Advisor also provides administrative services to the fund pursuant to an administrative services agreement;
  - (f) noted that the Advisor also derives reputational and other indirect benefits from providing advisory services to the fund;
  - (g) noted that the subadvisory fees for the fund are paid by the Advisor and negotiated at arm's length;
  - (h) considered the Advisor's ongoing costs and expenditures necessary to improve services, meet new regulatory and compliance requirements, and adapt to other challenges impacting the fund industry; and considered that the Advisor should be entitled to earn a reasonable level of profits in exchange for the level
  - (i) of services it provides to the fund and the risks that it assumes as Advisor, including entrepreneurial, operational, reputational, litigation and regulatory risk.

Based upon its review, the Board concluded that the level of profitability, if any, of the Advisor and its affiliates from their relationship with the fund was reasonable and not excessive.

Economies of scale. In considering the extent to which the fund may realize any economies of scale and whether fee levels reflect these economies of scale for the benefit of the fund shareholders, the Board noted that the fund has a limited ability to increase its assets as a closed-end fund. The Board took into account management's discussions of the current advisory fee structure, and, as noted above, the services the Advisor provides in performing its functions under the Advisory Agreement and in supervising the Subadvisor.

The Board also considered potential economies of scale that may be realized by the fund as part of the John Hancock Fund Complex. Among them, the Board noted that the Advisor has contractually agreed to waive a portion of its management fee and/or reimburse expenses for certain funds of the John Hancock Fund Complex, including the fund (the participating portfolios). This waiver is based on the aggregate net assets of all the participating portfolios. The amount of the reimbursement is calculated daily and allocated among all the participating portfolios in proportion to the daily net assets of each fund. The Board also considered the Advisor's overall operations and its ongoing investment in its business in order to expand the scale of, and improve the quality of, its operations that benefit the fund. The Board determined that the management fee structure for the fund was reasonable.

### **Approval of Subadvisory Agreement**

In making its determination with respect to approval of the Subadvisory Agreement, the Board reviewed:

- (1) information relating to the Subadvisor's business, including current subadvisory services to the fund (and other funds in the John Hancock Fund Complex);
- (2) the historical and current performance of the fund and comparative performance information relating to an applicable benchmark index and comparable funds;
- (3) the subadvisory fee for the fund and to the extent available, comparable fee information prepared by an independent third party of fund data; and
- (4) information relating to the nature and scope of any material relationships and their significance to the fund's Advisor and the Subadvisor.

Nature, extent, and quality of services. With respect to the services provided by the Subadvisor, the Board received information provided to the Board by the Subadvisor, including the Subadvisor's Form ADV, as well as took into account information presented throughout the past year. The Board considered the Subadvisor's current level of staffing and its



overall resources, as well as received information relating to the Subadvisor's compensation program. The Board reviewed the Subadvisor's history and investment experience, as well as information regarding the qualifications, background, and responsibilities of the Subadvisor's investment and compliance personnel who provide services to the fund. The Board also considered, among other things, the Subadvisor's compliance program and any disciplinary history. The Board also considered the Subadvisor's risk assessment and monitoring process. The Board reviewed the Subadvisor's regulatory history, including whether it was involved in any regulatory actions or investigations as well as material litigation, and any settlements and amelioratory actions undertaken, as appropriate. The Board noted that the Advisor conducts regular, periodic reviews of the Subadvisor and its operations, including regarding investment processes and organizational and staffing matters. The Board also noted that the fund's CCO and his staff conduct regular, periodic compliance reviews with the Subadvisor and present reports to the Independent Trustees regarding the same, which includes evaluating the regulatory compliance systems of the Subadvisor and procedures reasonably designed to assure compliance with the federal securities laws. The Board also took into account the financial condition of the Subadvisor.

The Board considered the Subadvisor's investment process and philosophy. The Board took into account that the Subadvisor's responsibilities include the development and maintenance of an investment program for the fund that is consistent with the fund's investment objective, the selection of investment securities and the placement of orders for the purchase and sale of such securities, as well as the implementation of compliance controls related to performance of these services. The Board also received information with respect to the Subadvisor's brokerage policies and practices, including with respect to best execution and soft dollars.

Subadvisor compensation. In considering the cost of services to be provided by the Subadvisor and the profitability to the Subadvisor of its relationship with the fund, the Board noted that the fees under the Subadvisory Agreement are paid by the Advisor and not the fund. The Board also relied on the ability of the Advisor to negotiate the Subadvisory Agreement and the fees thereunder at arm's length. As a result, the costs of the services to be provided and the profits to be realized by the Subadvisor from its relationship with the fund were not a material factor in the Board's consideration of the Subadvisory Agreement.

The Board also received information regarding the nature and scope (including their significance to the Advisor and its affiliates and to the Subadvisor) of any material relationships with respect to the Subadvisor, which include arrangements in which the Subadvisor or its affiliates provide advisory, distribution, or management services in connection with financial products sponsored by the Advisor or its affiliates, and may include other registered investment companies, a 529 education savings plan, managed separate accounts and exempt group annuity contracts sold to qualified plans. The Board also received information and took into account any other potential conflicts of interest the Advisor might have in connection with the Subadvisory Agreement.

In addition, the Board considered other potential indirect benefits that the Subadvisor and its affiliates may receive from the Subadvisor's relationship with the fund, such as the opportunity to provide advisory services to additional funds in the John Hancock Fund Complex and reputational benefits.

Subadvisory fees. The Board considered that the fund pays an advisory fee to the Advisor and that, in turn, the Advisor pays subadvisory fees to the Subadvisor. As noted above, the Board also considered the fund's subadvisory fee as compared to similarly situated investment companies deemed to be comparable to the fund as included in the report prepared by the independent third party provider of fund data, to the extent available. The Board noted that the limited size of the Lipper peer group was not sufficient for comparative purposes. The Board also took into account the subadvisory fee paid by the Advisor to the Subadvisor with respect to the fund and compared them to fees charged by the Subadvisor to manage other subadvised portfolios and portfolios not subject to regulation under the 1940 Act, as applicable.

Subadvisor performance. As noted above, the Board considered the fund's performance as compared to the fund's peer group and the benchmark index and noted that the Board reviews information about the fund's performance results at

its regularly scheduled meetings. The Board noted the Advisor's expertise and resources in monitoring the performance, investment style and risk-adjusted performance of the Subadvisor. The Board was mindful of the Advisor's focus on the

Subadvisor's performance. The Board also noted the Subadvisor's long-term performance record for similar accounts, as applicable.

The Board's decision to approve the Subadvisory Agreement was based on a number of determinations, including the following:

- (1) the Subadvisor has extensive experience and demonstrated skills as a manager;
- (2) the fund's performance, based on net asset value, has generally been in line with or outperformed the historical performance of comparable funds and the fund's benchmark index; and
- (3) the subadvisory fees are reasonable in relation to the level and quality of services being provided under the Subadvisory Agreement.

\* \* \*

Based on the Board's evaluation of all factors that the Board deemed to be material, including those factors described above, the Board, including the Independent Trustees, concluded that renewal of the Advisory Agreement and the Subadvisory Agreement would be in the best interest of the fund and its shareholders. Accordingly, the Board, and the Independent Trustees voting separately, approved the Advisory Agreement and Subadvisory Agreement for an additional one-year period.

More information

## Trustees

Hassell H. McClellan, *Chairperson*  
Steven R. Pruchansky, *Vice Chairperson*  
Andrew G. Arnott<sup>#</sup>  
Charles L. Bardelis\*  
James R. Boyle  
Peter S. Burgess\*  
William H. Cunningham  
Grace K. Fey  
Theron S. Hoffman\*  
Deborah C. Jackson  
James M. Oates  
Gregory A. Russo  
Warren A. Thomson

## Investment advisor

John Hancock Advisers, LLC

## Subadvisor

Wellington Management Company LLP

## Custodian

State Street Bank and Trust Company

## Officers

Andrew G. Arnott  
*President*

John J. Danello  
*Senior Vice President, Secretary,  
and Chief Legal Officer*

Francis V. Knox, Jr.  
*Chief Compliance Officer*

Charles A. Rizzo  
*Chief Financial Officer*

## Transfer agent

Computershare Shareowner Services, LLC

## Legal counsel

K&L Gates LLP

## Stock symbol

Listed New York Stock Exchange: HEQ

Salvatore Schiavone  
*Treasurer*  
\*Member of the Audit Committee  
Non-Independent Trustee  
#Effective 6-20-17

The fund's proxy voting policies and procedures, as well as the fund proxy voting record for the most recent twelve-month period ended June 30, are available free of charge on the Securities and Exchange Commission (SEC) website at [sec.gov](http://sec.gov) or on our website.

The fund's complete list of portfolio holdings, for the first and third fiscal quarters, is filed with the SEC on Form N-Q. The fund's Form N-Q is available on our website and the SEC's website, [sec.gov](http://sec.gov), and can be reviewed and copied (for a fee) at the SEC's Public Reference Room in Washington, DC. Call 800-SEC-0330 to receive information on the operation of the SEC's Public Reference Room.

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We make this information on your fund, as well as **monthly portfolio holdings**, and other fund details available on our website at [jhinvestments.com](http://jhinvestments.com) or by calling 800-852-0218.

You can also contact us:

**Regular mail:**

**Express mail:**

**800-852-0218**

**[jhinvestments.com](http://jhinvestments.com)**

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Louisville, KY 40202

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John Hancock family of funds

**DOMESTIC EQUITY FUNDS**

Balanced  
 Blue Chip Growth  
 Classic Value  
 Disciplined Value  
 Disciplined Value Mid Cap  
 Equity Income  
 Fundamental All Cap Core  
 Fundamental Large Cap Core  
 Fundamental Large Cap Value  
 New Opportunities  
 Small Cap Value  
 Small Company  
 Strategic Growth  
 U.S. Global Leaders Growth  
 U.S. Growth  
 Value Equity

**GLOBAL AND INTERNATIONAL EQUITY FUNDS**

Disciplined Value International  
 Emerging Markets  
 Emerging Markets Equity

**INCOME FUNDS**

Bond  
 California Tax-Free Income  
 Emerging Markets Debt  
 Floating Rate Income  
 Global Income  
 Government Income  
 High Yield  
 High Yield Municipal Bond  
 Income  
 Investment Grade Bond  
 Money Market  
 Short Duration Credit Opportunities  
 Spectrum Income  
 Strategic Income Opportunities  
 Tax-Free Bond

**ALTERNATIVE AND SPECIALTY FUNDS**

Absolute Return Currency  
 Alternative Asset Allocation  
 Enduring Assets  
 Financial Industries



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Fundamental Global Franchise

Global Absolute Return Strategies

Global Equity

Global Conservative Absolute Return

Global Shareholder Yield

Global Focused Strategies

Greater China Opportunities

Natural Resources

International Growth

Redwood

International Small Company

Regional Bank

International Value Equity

Seaport

Technical Opportunities

**The fund's investment objectives, risks, charges, and expenses are included in the prospectus and should be considered carefully before investing. For a prospectus, contact your financial professional, call John Hancock Investments at 800-852-0218, or visit the fund's website at [jhinvestments.com](http://jhinvestments.com). Please read the prospectus carefully before investing or sending money.**

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**ASSET ALLOCATION**

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Income Allocation Fund

Multi-Index Lifetime Portfolios

Multi-Index Preservation Portfolios

Multimanager Lifestyle Portfolios

Multimanager Lifetime Portfolios

**EXCHANGE-TRADED FUNDS**

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John Hancock Multifactor Consumer Discretionary  
ETF

John Hancock Multifactor Consumer Staples ETF

John Hancock Multifactor Developed International  
ETF

John Hancock Multifactor Energy ETF

John Hancock Multifactor Financials ETF

John Hancock Multifactor Healthcare ETF

John Hancock Multifactor Industrials ETF

John Hancock Multifactor Large Cap ETF

John Hancock Multifactor Materials ETF

John Hancock Multifactor Mid Cap ETF

John Hancock Multifactor Technology ETF

John Hancock Multifactor Utilities ETF

*John Hancock Multifactor ETF shares are bought and sold at market price (not NAV), and are not individually redeemed from the fund. Brokerage commissions will reduce returns.*

*John Hancock ETFs are distributed by Foreside Fund Services, LLC, and are subadvised by Dimensional Fund Advisors LP.*

**ENVIRONMENTAL, SOCIAL, AND GOVERNANCE  
FUNDS**

---

ESG All Cap Core

ESG Core Bond

ESG International Equity

ESG Large Cap Core

**CLOSED-END FUNDS**

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Financial Opportunities

Hedged Equity & Income

Income Securities Trust

Investors Trust

Preferred Income

Preferred Income II

Preferred Income III

Premium Dividend

Tax-Advantaged Dividend Income

Tax-Advantaged Global Shareholder Yield

*Foreside is not affiliated with John Hancock Funds, LLC or Dimensional Fund Advisors LP.*

*Dimensional Fund Advisors LP receives compensation from John Hancock in connection with licensing rights to the John Hancock Dimensional indexes. Dimensional Fund Advisors LP does not sponsor, endorse, or sell, and makes no representation as to the advisability of investing in, John Hancock Multifactor ETFs.*

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## John Hancock Investments

### A trusted brand

John Hancock Investments is a premier asset manager representing one of America's most trusted brands, with a heritage of financial stewardship dating back to 1862. Helping our shareholders pursue their financial goals is at the core of everything we do. It's why we support the role of professional financial advice and operate with the highest standards of conduct and integrity.

### A better way to invest

We serve investors globally through a unique multimanager approach: We search the world to find proven portfolio teams with specialized expertise for every strategy we offer, then we apply robust investment oversight to ensure they continue to meet our uncompromising standards and serve the best interests of our shareholders.

### Results for investors

Our unique approach to asset management enables us to provide a diverse set of investments backed by some of the world's best managers, along with strong risk-adjusted returns across asset classes.

John Hancock  
Advisers, LLC  
601 Congress Street n  
Boston, MA  
02210-2805  
800-852-0218 n  
jhinvestments.com  
MF385594<sup>P15SA 6/17</sup>  
8/17

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#### ITEM 2. CODE OF ETHICS.

Not applicable at this time.

#### ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable at this time.

#### ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable at this time.

#### ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

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Not applicable at this time.

### ITEM 6. SCHEDULE OF INVESTMENTS.

- (a) Not applicable.
- (b) Not applicable.

### ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

### ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

- (a) Not applicable.

### ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

- (a) Not applicable.
- (b)

#### REGISTRANT PURCHASES OF EQUITY SECURITIES

| <b>Period</b> | <b>Total number of shares purchased</b> | <b>Average price per share</b> | <b>Total number of shares purchased as part of publicly announced plans*</b> | <b>Maximum number of shares that may yet be purchased under the plans</b> |
|---------------|---|--------------------------------|--|---|
| 16-Dec        | -                                       | -                              | -  | 1,220,467   |
| 17-Jan        | -                                       | -                              | -  | 1,220,467   |
| 17-Feb        | -                                       | -                              | -  | 1,220,467   |
| 17-Mar        | -                                       | -                              | -  | 1,220,467   |
| 17-Apr        | -                                       | -                              | -  | 1,220,467   |
| 17-May        | -                                       | -                              | -  | 1,220,467   |
| 17-Jun        | -                                       | -                              | -  | 1,220,467   |
| Total         | -                                       | -                              | -  | 1,220,467   |

\*On December 6, 2011, the Board of Trustees approved a share repurchase plan (the Repurchase Plan). Under the Repurchase Plan, the Fund was allowed to purchase, in the open market, up to 10% of its outstanding common shares between January 1, 2017 and December 31, 2017 (based on common shares outstanding as of December 31, 2016).

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### ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There were no material changes to previously disclosed John Hancock Funds Nominating and Governance Committee Charter.

### ITEM 11. 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-CSR, 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 most recent fiscal half-year (the registrant's second fiscal half-year in the case of an annual report) that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

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### ITEM 12. EXHIBITS.

(a) Separate certifications for the registrant's principal executive officer and principal financial officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and Rule 30a-2(a) under the Investment Company Act of 1940, are attached.

(b) Separate certifications for the registrant's principal executive officer and principal financial officer, as required by 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and Rule 30a-2(b) under the Investment Company Act of 1940, are attached. The certifications furnished pursuant to this paragraph are not deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. Such certifications are not deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Registrant specifically incorporates them by reference.

(c)(1) Submission of Matters to a Vote of Security Holders is attached. See attached John Hancock Funds Nominating and Governance Committee Charter .

(c)(2) Contact person at the registrant.

(c)(3) Registrant's notices to shareholders pursuant to Registrant's exemptive order granting an exemption from Section 19(b) of the Investment Company Act of 1940, as amended and Rule 19b-1 thereunder regarding distributions made pursuant to the Registrant's Managed Distribution Plan.

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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 Hedged Equity & Income Fund

By: /s/ Andrew Arnott  
Andrew Arnott  
President

Date: August 18, 2017

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/ Andrew Arnott  
Andrew Arnott  
President

Date: August 18, 2017

By: /s/ Charles A. Rizzo  
Charles A. Rizzo  
Chief Financial Officer

Date: August 18, 2017

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