

JOHN HANCOCK PREMIUM DIVIDEND FUND
Form N-Q
April 02, 2018

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

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-05908

John Hancock Premium Dividend Fund
(Exact name of registrant as specified in charter)

601 Congress Street, Boston, Massachusetts 02210
(Address of principal executive offices) (Zip code)

Salvatore Schiavone, Treasurer

601 Congress Street

Boston, Massachusetts 02210

(Name and address of agent for service)

Registrant's telephone number, including area code: 617-663-4497

Date of fiscal year end: October 31

Date of reporting period: January 31, 2018

ITEM 1. SCHEDULE OF INVESTMENTS

John Hancock

Premium Dividend Fund

Quarterly portfolio holdings 1/31/18

Edgar Filing: JOHN HANCOCK PREMIUM DIVIDEND FUND - Form N-Q

Fund's investments

As of 1-31-18 (unaudited)

	Shares	Value
Preferred securities 90.5% (59.3% of Total investments) (Cost \$666,328,509)		\$654,887,248
Consumer staples 2.9%		20,855,250
Food and staples retailing 2.9%		
Ocean Spray Cranberries, Inc., 6.250% (A)	224,250	20,855,250
Energy 5.4%		39,497,130
Oil, gas and consumable fuels 5.4%		
Kinder Morgan, Inc., 9.750% (B)(C)	1,073,000	39,497,130
Financials 46.7%		337,735,408
Banks 29.4%		
Bank of America Corp., 6.204% (C)	630,000	16,115,400
Bank of America Corp., 6.375% (C)	980,000	25,127,200
Bank of America Corp., 6.625% (C)	360,000	9,234,000
Barclays Bank PLC, 8.125% (C)	360,000	9,442,800
BB&T Corp. (Callable 6-1-18), 5.200% (C)	110,000	2,693,900
BB&T Corp. (Callable 5-1-18), 5.200% (C)	205,000	5,018,400
BB&T Corp., 5.625% (C)	770,000	19,142,200
Citigroup, Inc. (6.875% to 11-15-23, then 3 month LIBOR + 4.130%) (C)	137,223	3,869,689
Citigroup, Inc. (7.125% to 9-30-23, then 3 month LIBOR + 4.040%) (C)	240,650	6,795,956
JPMorgan Chase & Co., 5.450%	490,000	12,156,900
JPMorgan Chase & Co., 6.100% (C)	650,000	16,770,000
JPMorgan Chase & Co., 6.300%	245,000	6,313,650
JPMorgan Chase & Co., 6.700%	35,000	912,100
Santander Holdings USA, Inc., 7.300%	500,000	12,810,000
The PNC Financial Services Group, Inc., 5.375%	180,000	4,453,200
The PNC Financial Services Group, Inc. (6.125% to 5-1-22, then 3 month LIBOR + 4.067%)	311,600	8,621,972
U.S. Bancorp, 5.150% (B)(C)	500,000	12,275,000
U.S. Bancorp (6.500% to 1-15-22, then 3 month LIBOR + 4.468%)	351,000	9,729,720
Wells Fargo & Company, 6.000%	205,000	5,268,500
Wells Fargo & Company, 8.000%	1,017,000	26,208,090
Capital markets 14.0%		
Deutsche Bank Contingent Capital Trust II, 6.550% (C)	241,725	6,222,002
Deutsche Bank Contingent Capital Trust III, 7.600% (C)	510,000	12,974,400
Morgan Stanley, 6.625%	842,557	21,931,759
Morgan Stanley (6.375% to 10-15-24, then 3 month LIBOR + 3.708%)	249,227	6,746,575
Morgan Stanley (7.125% to 10-15-23, then 3 month LIBOR + 4.320%)	300,000	8,535,000
State Street Corp., 5.250%	1,015,000	24,796,450
State Street Corp., 6.000%	80,000	2,064,800
State Street Corp. (5.900% to 3-15-24, then 3 month LIBOR + 3.108%)	25,000	668,750
The Bank of New York Mellon Corp., 5.200% (C)	442,000	10,722,920
The Goldman Sachs Group, Inc., 6.200% (C)	250,000	6,327,500
Consumer finance 1.5%		
Capital One Financial Corp., 6.000% (C)	136,000	3,427,200
Capital One Financial Corp., 6.200% (C)	80,000	2,087,200
Capital One Financial Corp., 6.250% (C)	87,047	2,269,315
Capital One Financial Corp., 6.700% (C)	112,650	2,985,225
Insurance 1.8%		

Edgar Filing: JOHN HANCOCK PREMIUM DIVIDEND FUND - Form N-Q

Aegon NV, 6.500% (C)	75,000	1,918,500
Prudential Financial, Inc., 5.750%	50,000	1,258,000
Prudential PLC, 6.750% (B)(C)	150,000	3,928,500
W.R. Berkley Corp., 5.625% (C)	240,351	5,912,635

2JOHN HANCOCK Premium Dividend Fund | QUARTERLY REPORT SEE NOTES TO FUND'S INVESTMENTS

Edgar Filing: JOHN HANCOCK PREMIUM DIVIDEND FUND - Form N-Q

	Shares	Value
Health care 2.7%		\$19,961,719
Pharmaceuticals 2.7%		
Teva Pharmaceutical Industries, Ltd., 7.000%	52,650	19,961,719
Industrials 0.5%		3,388,500
Machinery 0.5%		
Stanley Black & Decker, Inc., 5.750%	135,000	3,388,500
Real estate 3.8%		27,665,274
Equity real estate investment trusts 3.8%		
American Homes 4 Rent, Series F, 5.875% (B)(C)	35,000	857,150
Crown Castle International Corp., Series A, 6.875%	10,000	11,243,715
Digital Realty Trust, Inc., 6.625% (B)(C)	6,275	166,288
Senior Housing Properties Trust, 5.625%	554,690	13,811,781
Ventas Realty LP, 5.450%	63,000	1,586,340
Telecommunication services 3.0%		21,466,925
Diversified telecommunication services 0.5%		
Qwest Corp., 6.125%	107,500	2,075,825
Verizon Communications, Inc., 5.900%	60,000	1,549,800
Wireless telecommunication services 2.5%		
Telephone & Data Systems, Inc., 5.875%	100,000	2,357,000
Telephone & Data Systems, Inc., 6.625%	285,000	6,740,250
Telephone & Data Systems, Inc., 6.875%	170,000	4,224,500
United States Cellular Corp., 6.950%	185,000	4,519,550
Utilities 25.5%		184,317,042
Electric utilities 17.8%		
Duke Energy Corp., 5.125% (C)	192,458	4,778,732
HECO Capital Trust III, 6.500% (C)	181,000	4,832,700
Interstate Power & Light Company, 5.100% (C)	1,340,000	32,186,800
NextEra Energy Capital Holdings, Inc., 5.125%	185,000	4,393,750
NextEra Energy, Inc., 6.123%	178,000	10,067,680
NSTAR Electric Company, 4.250%	13,347	1,308,006
NSTAR Electric Company, 4.780%	100,000	9,756,000
PPL Capital Funding, Inc., 5.900%	1,150,320	28,896,038
SCE Trust II, 5.100%	1,218,500	27,599,025
The Southern Company, 6.250%	155,000	4,033,100
Union Electric Company, 3.700%	12,262	1,201,676
Multi-utilities 7.7%		
Dominion Energy, Inc., 6.750%	593,000	29,928,710
DTE Energy Company, 5.250% (C)	235,000	5,675,250
Integrus Holding, Inc. (6.000% to 8-1-23, then 3 month LIBOR + 3.220%)	352,044	9,399,575
Sempra Energy, 6.000%	102,600	10,260,000
Common stocks 59.0% (38.7% of Total investments)		\$426,953,789
(Cost \$300,839,218)		
Energy 13.9%		100,541,337
Oil, gas and consumable fuels 13.9%		
BP PLC, ADR (C)	805,950	34,486,601
Enbridge, Inc. (C)	101,200	3,706,956
ONEOK, Inc. (C)	675,000	39,730,500
Royal Dutch Shell PLC, ADR, Class A (B)(C)	322,000	22,617,280

Edgar Filing: JOHN HANCOCK PREMIUM DIVIDEND FUND - Form N-Q

	Shares	Value			
Industrials 2.5%		\$17,914,500			
Transportation infrastructure 2.5%					
Macquarie Infrastructure Corp. (B)(C)	270,000	17,914,500			
Telecommunication services 4.6%		33,157,700			
Diversified telecommunication services 4.6%					
AT&T, Inc. (C)	510,000	19,099,500			
Verizon Communications, Inc. (C)	260,000	14,058,200			
Utilities 38.0%		275,340,252			
Electric utilities 21.5%					
Alliant Energy Corp. (C)	700,000	27,825,000			
American Electric Power Company, Inc. (B)(C)	200,000	13,756,000			
Avangrid, Inc. (B)(C)	381,500	18,586,680			
Duke Energy Corp. (B)(C)	285,000	22,372,500			
Entergy Corp. (C)	60,000	4,721,400			
Eversource Energy (C)	380,000	23,974,200			
FirstEnergy Corp. (C)	230,000	7,567,000			
OGE Energy Corp. (C)	400,000	12,880,000			
Pinnacle West Capital Corp. (C)	50,000	3,997,500			
PPL Corp. (B)(C)	150,000	4,780,500			
The Southern Company (B)(C)	100,000	4,511,000			
Xcel Energy, Inc. (C)	240,000	10,953,600			
Gas utilities 0.4%					
ONE Gas, Inc. (C)	42,500	3,010,275			
Multi-utilities 16.1%					
Black Hills Corp. (C)	200,000	11,110,000			
CenterPoint Energy, Inc. (B)(C)	925,000	26,066,500			
Dominion Energy, Inc. (B)(C)	240,000	18,345,600			
DTE Energy Company (C)	220,000	23,240,800			
National Grid PLC, ADR (C)	238,333	13,747,047			
NiSource, Inc. (B)(C)	440,000	10,859,200			
Vectren Corp. (B)(C)	215,000	13,035,450			
			Rate (%)	Maturity date	Par value^ Value
Corporate bonds 2.1% (1.4% of Total investments)					\$15,137,500
(Cost \$15,000,000)					
Financials 2.1%					15,137,500
Capital markets 0.7%					
E*TRADE Financial Corp. (5.300% to 3-15-23, then 3 month LIBOR + 3.160%) (B)(C)(D)			5.300	03-15-23	5,000,000 4,981,250
Consumer finance 1.4%					
Discover Financial Services (5.500% to 10-30-27, then 3 month LIBOR + 3.076%) (C)(D)			5.500	10-30-27	10,000,000 10,156,250
			Yield* (%)	Maturity date	Par value^ Value
Short-term investments 0.9% (0.6% of Total investments)					\$6,519,000
(Cost \$6,519,000)					
U.S. Government Agency 0.9%					6,258,000

Edgar Filing: JOHN HANCOCK PREMIUM DIVIDEND FUND - Form N-Q

Federal Agricultural Mortgage Corp. Discount Note	1.200	02-01-18	591,000	591,000
Federal Home Loan Bank Discount Note	0.900	02-01-18	810,000	810,000
Federal Home Loan Bank Discount Note	1.200	02-01-18	4,857,000	4,857,000

4JOHN HANCOCK Premium Dividend Fund | QUARTERLY REPORT SEE NOTES TO FUND'S INVESTMENTS

	Par value [^]	Value
Repurchase agreement 0.0%		261,000
Repurchase Agreement with State Street Corp. dated 1-31-18 at 0.540% to be repurchased at \$261,004 on 2-1-18, collateralized by \$270,000 U.S. Treasury Notes, 1.375% due 9-30-18 (valued at \$270,504, including interest)	261,000	261,000
Total investments (Cost \$988,686,727) 152.5%		\$1,103,497,537
Other assets and liabilities, net (52.5%)		(379,968,421)
Total net assets 100.0%		\$723,529,116

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

[^]All par values are denominated in U.S. dollars unless otherwise indicated.

Security Abbreviations and Legend

ADR American Depositary Receipt

LIBOR London Interbank Offered Rate

(A) 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.

(B) A portion of this security is on loan as of 1-31-18, and is a component of the fund's leverage under the Liquidity Agreement.

(C) All or a portion of this security is pledged as collateral pursuant to the Liquidity Agreement. Total collateral value at 1-31-18 was \$596,819,326. A portion of the securities pledged as collateral were loaned pursuant to the Liquidity Agreement. The value of securities on loan amounted to \$161,661,510.

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

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

SEE NOTES TO FUND'S INVESTMENTS QUARTERLY REPORT | JOHN HANCOCK Premium Dividend Fund

DERIVATIVES
FUTURES

Open contracts	Number of contracts	Position	Expiration date	Notional basis*	Notional value*	Unrealized appreciation (depreciation)
10-Year U.S. Treasury Note Futures	860	Short	Mar 2018	\$(107,404,102)	\$(104,557,188)	\$2,846,914
						\$2,846,914

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

SWAPS

Interest rate swaps

Counterparty (OTC)/ Centrally cleared	Notional amount	Currency	Payments made	Payments received	Fixed payment frequency	Floating payment frequency	Maturity date	Unamortized upfront payment paid (received)	Unrealized appreciation (depreciation)	Value
Centrally cleared	96,000,000	USD	Fixed 2.136%	USD 3 Month LIBOR BBA ^(a)	Semi-Annual	Quarterly	Oct 2022	—	\$1,459,060	\$1,459,060
								—	\$1,459,060	\$1,459,060

(a) At 1-31-18, the 3 month LIBOR was 1.778%

Derivatives

Currency

Abbreviations

USD U.S. Dollar

Derivatives Abbreviations

BBA The British Banker's Association

LIBOR London Interbank Offered Rate

OTC is an abbreviation for over-the-counter. See Notes to Fund's investments regarding investment transactions and other derivatives information.

6 JOHN HANCOCK Premium Dividend Fund | QUARTERLY REPORT SEE NOTES TO FUND'S INVESTMENTS

Notes to Fund's investments (unaudited)

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 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 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.

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 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 January 31, 2018, by major security category or type:

Total value at 1-31-18	Level 1 quoted price	Level 2 significant observable inputs	Level 3 significant unobservable inputs
---------------------------------------	-------------------------------------	----------------------------------------------------------	------------------------------------------------------------

Investments in securities:**Assets****Preferred securities**

Consumer staples	\$20,855,250		\$20,855,250
Energy	39,497,130	\$39,497,130	
Financials	337,735,408	337,735,408	
Health care	19,961,719	19,961,719	
Industrials	3,388,500	3,388,500	
Real estate	27,665,274	16,421,559	11,243,715
Telecommunication services	21,466,925	19,917,125	1,549,800
Utilities	184,317,042	168,883,091	15,433,951
Common stocks	426,953,789	426,953,789	
Corporate bonds	15,137,500		15,137,500
Short-term investments	6,519,000		6,519,000
Total investments in securities	\$1,103,497,537	\$1,032,758,321	\$70,739,216

Derivatives:**Assets**

Futures	\$2,846,914	\$2,846,914	
Swap contracts	1,459,060		\$1,459,060

Securities with market value of approximately \$15,829,000 at the beginning of the year were transferred from Level 1 to Level 2 during the period since quoted prices in active markets for identical securities were no longer available and securities were valued using other significant observable inputs.

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. 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 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.

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.

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 and contract prices that can be highly volatile and imperfectly correlated to movements in the underlying financial instrument. 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.

During the period ended January 31, 2018, the fund used futures contracts to manage against anticipated interest rate changes.

Interest rate swaps. Interest rate swaps represent an agreement between the fund and a counterparty to exchange cash flows based on the difference between two interest rates applied to a notional amount. The payment flows are usually netted against each other, with the difference being paid by one party to the other. The fund settles accrued net interest receivable or payable under the swap contracts at specified, future intervals. Swap agreements are privately negotiated in the OTC market or may be executed on a registered commodities exchange (centrally cleared swaps). Swaps are marked-to-market daily and the change in value is recorded as unrealized appreciation/depreciation of swap contracts. 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. The value of the swap will typically impose collateral posting obligations on the party that is considered out-of-the-money on the swap.

During the period ended January 31, 2018, the fund used interest rate swaps to manage against anticipated interest rate changes.

For additional information on the fund's significant accounting policies, please refer to the fund's most recent semiannual or annual shareholder report.

More information

How to contact us

Internet www.jhinvestments.com

Computershare

Mail P.O. Box 30170

College Station, TX 77842-3170

Customer service representatives **800-852-0218**

Phone Portfolio commentary **800-344-7054**

24-hour automated information **800-843-0090**

TDD line **800-231-5469**

P2Q101/18

This report is for the information of the shareholders of John Hancock Premium Dividend Fund.

3/18

ITEM 2. CONTROLS AND PROCEDURES.

(a) Based upon their evaluation of the registrant's disclosure controls and procedures as conducted within 90 days of the filing date of this Form N-Q, the registrant's principal executive officer and principal accounting officer have concluded that those disclosure controls and procedures provide reasonable assurance that the material information required to be disclosed by the registrant on this report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

John Hancock Premium Dividend Fund

By: /s/ Andrew G. Arnott
Andrew G. Arnott
President

Date: March 19, 2018

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 G. Arnott
Andrew G. Arnott
President

Date: March 19, 2018

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

Date: March 19, 2018
