

**NEWS**

FOR IMMEDIATE RELEASE

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**JOHN HANCOCK FUNDS SETS INITIAL PUBLIC OFFERING OF JOHN HANCOCK HEDGED EQUITY & INCOME FUND**

- **Diversified closed-end fund focused on long-term capital appreciation and income, combined with downside equity market protection**
- **Portfolio managed by Wellington Management**
- **NYSE: HEQ**

**BOSTON, MA (May 26, 2011)** – John Hancock Funds today announced the initial public offering of the John Hancock Hedged Equity & Income Fund, which began trading today on the New York Stock Exchange under the ticker symbol “HEQ.” The John Hancock Hedged Equity & Income Fund is a newly-organized, diversified, closed-end fund; its investment objective is to provide total return consisting of current income and gains and long-term capital appreciation. The John Hancock Hedged Equity & Income Fund is the tenth closed-end fund offered by John Hancock, which has been managing closed-end funds since 1971.

The Fund is issuing 14,015,000 shares at an initial offering price of \$20 per share, resulting in gross proceeds of \$280,300,000. Including the underwriters’ over-allotment option, total shares issued were 16,116,052, for gross proceeds of \$322,321,040. Morgan Stanley & Co. Incorporated and Citigroup Global Markets Inc. are acting as lead underwriters in connection with the offering, with BofA Merrill Lynch, UBS Investment Bank, and Wells Fargo Securities as co-lead managers.

“HEQ is a terrific example of the benefits of our business model at John Hancock Funds. Instead of approaching the market from the standpoint of offering access to the core competencies of a proprietary asset manager, we are able to analyze the market to determine what investors’ most pressing problems and needs are and then we are able to search the marketplace for an asset manager who can address those needs,” said Keith F. Hartstein, President & CEO, John Hancock Funds.

“We held discussions with our proprietary asset management shop as well as several of our non-affiliated sub-advisors, and ultimately partnered with Wellington Management to create the John Hancock Hedged Equity & Income Fund -- a strategy for investors who want an actively-managed approach to investing in equities that employs sophisticated risk mitigation tools and seeks to provide an attractive level of quarterly income,” he continued. “We couldn’t be more pleased with the process of working with a world class

manager like Wellington and top tier distribution partners such as our lead underwriters, Morgan Stanley and Citigroup, and other co-managers to bring this offering to market.”

In pursuing its objective, the John Hancock Hedged Equity & Income Fund invests in a diversified equity portfolio and uses an actively managed option overlay strategy to seek to provide investors with a portfolio designed to generate attractive long-term total returns while emphasizing downside equity market protection. Under normal market conditions, the Fund will invest (at the time of purchase) at least 80 percent of its total assets in equity and equity-related securities.

The portfolio management team, headed by Wellington Management’s Kent M. Stahl, CFA, Senior Vice President and Director of Investments and Risk Management, and Gregg R. Thomas, CFA, Vice President and Director of Risk Management, uses a disciplined, proprietary investment and risk management approach in an attempt to attain three main goals:

- **Participate in up markets.** The Fund’s portfolio combines multiple equity strategies into a single diversified portfolio. The portfolio is constructed from an opportunity set of more than 100 distinct Wellington Management equity strategies that are combined together in an effort to capture positive returns in a rising market, while attempting to limit losses during declining markets.
- **Protect in down markets.** The Fund constructs its equity portfolio in an effort to potentially provide downside protection during typical market declines. The Fund uses a put option spread strategy to seek to provide additional downside protection in case of large market declines. This protection is utilized at all times regardless of market conditions.
- **Provide quarterly income.** The Fund seeks to generate income from dividends earned on the underlying equity strategies in the portfolio. Writing S&P 500 Index call options on a portion of the portfolio’s value generates additional income.

#### **About Wellington Management**

Wellington Management is a Boston-based global investment manager to over 1,850 institutions located in more than 50 countries around the globe. Their expertise is investments – from global equities and fixed income to currencies and commodities. As of March 31, 2011, the firm has more than \$663 billion in assets under management.

#### **About John Hancock Funds**

The Boston-based mutual fund business unit of John Hancock Financial, John Hancock Funds, manages more than \$70.1 billion in open-end funds, closed-end funds, private accounts, retirement plans and related party assets for individual and institutional investors at March 31, 2011.

#### **About John Hancock Financial and Manulife Financial Corporation**

John Hancock Financial is a unit of Manulife Financial Corporation, a leading Canadian-based financial services group serving millions of customers in 22 countries and territories worldwide. Operating as Manulife Financial in Canada and in most of Asia, and primarily as John Hancock in the United States, Manulife Financial Corporation offers clients a diverse range of financial

protection products and wealth management services through its extensive network of employees, agents and distribution partners. For more than 120 years, clients have looked to Manulife for strong, reliable, trustworthy and forward-thinking solutions for their most significant financial decisions. Funds under management by Manulife Financial and its subsidiaries were Cdn\$478 billion (US\$492 billion) as at March 31, 2011.

Manulife Financial Corporation trades as 'MFC' on the TSX, NYSE and PSE, and under '945' on the SEHK. Manulife Financial may be found on the Internet at [www.manulife.com](http://www.manulife.com).

The John Hancock unit, through its insurance companies, comprises one of the largest life insurers in the United States. John Hancock offers a broad range of financial products and services, including [life insurance](#), fixed and variable [annuities](#), [fixed products](#), [mutual funds](#), [401\(k\) plans](#), [long-term care insurance](#), [college savings](#), and other forms of business insurance. Additional information about John Hancock may be found at [www.johnhancock.com](http://www.johnhancock.com).

**Investors should consider carefully the Fund's investment objectives, risks, charges and expenses before investing. The prospectus, which contains this and other information about the Fund, may be obtained by calling your financial professional or by calling John Hancock at 1-800-225-5291.**

**This news release contains statements that are not historical facts, referred to as "forward looking statements." The Fund's actual future results may differ significantly from those stated in any forward-looking statement, depending on factors such as changes in securities or financial markets or general economic conditions, the volume of sales and purchases of Fund shares, the continuation of investment advisory, administrative and service contracts, and other risks discussed from time to time in the Fund's filings with the Securities and Exchange Commission.**