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## **NEWS**

FOR IMMEDIATE RELEASE

### **JOHN HANCOCK HEDGED EQUITY & INCOME FUND ANNOUNCES INVESTMENT POLICY CHANGES, AMENDMENT TO MANAGED DISTRIBUTION PLAN AND DECLARATION OF INCREASED QUARTERLY DISTRIBUTION**

**BOSTON, MA (September 30, 2013)** – John Hancock Hedged Equity & Income Fund (NYSE: HEQ) (the “Fund”), a John Hancock Closed-End Fund, announced today that the Board of Trustees approved certain changes to the Fund’s investment policies and, in conjunction with these investment policy changes, approved a change to the Fund’s benchmark.

The Board of Trustees also voted to amend the Fund’s current managed distribution plan (the “Plan”), increasing the quarterly distribution amount from \$0.323 to \$0.376 per share, a 16% increase over the Fund’s most recently announced distribution. The new distribution rate is effective with the December 31, 2013 distribution.

#### **Investment Policy Changes and New Benchmark**

The Board of Trustees has approved the following investment policy changes, which are expected to be implemented over the next 60 days:

- Removal of 30% restriction on the investment in securities of foreign issuers and foreign currency securities. The Fund will have no restriction on investing in foreign issuers or foreign currency securities.
- Change the Fund’s benchmark from the Russell 3000 Index to the MSCI ACWI Index to align the Fund’s benchmark with the increased flexibility to invest in foreign securities.
- Employ a “beta hedge” strategy that consists of selling equity index futures to provide potential downside protection in the event of market decline. The “beta hedge” strategy will replace the use of a put option spread.
- Reduce the utilization of call writing strategy. The Fund will typically limit notional exposure of the index call options to a range between 0% and 50% of the value of the Fund’s portfolio securities. Previously, the Fund’s use of index call options typically ranged from 40% to 60% of the value of the portfolio, with the ability to write up to 100% of the value of the portfolio.

The modifications to the investment policy and strategy of the Fund are designed to seek to increase the overall income generating capabilities of the portfolio while continuing to maintain its equity focus and downside protection capabilities.

The Fund will continue to invest at least 80% of its total assets in equity and equity-related securities. However, in order to potentially increase income generation, the investment team may utilize, to a greater extent, the Fund's ability to invest in fixed income securities, including high yield bonds, up to the current 20% limit of total assets.

There is no assurance that these changes will achieve their intended purposes.

Additional information regarding these investment policy changes will be disclosed in the Fund's next annual shareholder report for the twelve month period ending December 31, 2013.

#### Amendment to Managed Distribution Plan

The amended Plan provides that the Fund will make quarterly distributions of an amount equal to \$0.376 per share. This new distribution amount is based upon an annual distribution rate of 8.00% of the Fund's net asset value ("NAV") of \$18.80 on August 31, 2013 (representing a quarterly distribution rate of 2.00% of the Fund's August 31, 2013 NAV). This amount will be paid quarterly until further notice.

Pursuant to its amended Plan, the Fund declared its quarterly distribution today as follows:

Declaration Date: September 30, 2013  
Ex-Dividend Date: December 10, 2013  
Record Date: December 12, 2013  
Payment Date: December 31, 2013  
Distribution Amount Per Share: \$0.376

The Adviser believes that the approved policy changes and amended distribution plan may enhance shareholder value and potentially decrease the discount between the market price and the NAV of the Fund's common shares.

The Fund may also make additional distributions (i) for purposes of not incurring federal income tax on the Fund 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 of ordinary income and capital gain net income, if any, not included in such regular quarterly distributions. You should not draw any conclusions about the Fund's investment performance from the amount of the Fund's distributions or from the terms of the Plan.

Although the Fund has adopted the Plan, it may discontinue the Plan. The Board of Trustees of the Fund may amend the terms of the Plan or terminate the Plan at any time without prior notice to the Fund's shareholders. The Plan will be subject to periodic review by the Fund's Board of Trustees.

With each distribution that does not consist solely of net investment income, the Fund will issue a notice to shareholders and an accompanying press release that will provide detailed information regarding the amount and composition of the distribution and other related information. The amounts and sources of distributions reported in the notice to shareholders are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts

for tax reporting purposes will depend upon the Fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. The Fund will send shareholders a Form 1099-DIV for the calendar year that will tell them 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 the distribution may result in a return of capital. A return of capital may occur, for example, when some or all of the money that shareholders invested in the Fund are paid back to them. A return of capital does not necessarily reflect the Fund's investment performance and should not be confused with "yield" or "income."

*Statements in this press release that are not historical facts are forward-looking statements as defined by the United States securities laws. You should exercise caution in interpreting and relying on forward-looking statements because they are subject to uncertainties and other factors which are, in some cases, beyond the Fund's control and could cause actual results to differ materially from those set forth in the forward-looking statements.*

*An investor should consider the Fund's investment objectives, risks, charges and expenses carefully before investing.*

**Foreign securities risk.** The Fund may invest in the securities of foreign issuers and foreign-currency securities, including foreign currency forward contracts, the entirety of which may be invested in companies that conduct their principal business activities in emerging markets or whose securities are traded principally on exchanges in emerging markets. Funds that invest in securities of companies located in foreign countries or in securities traded principally in securities markets outside the United States are subject to additional and more varied risks, as the value of foreign securities may change more rapidly and extremely than the value of U.S. securities. The securities markets of many foreign countries are relatively small, with a limited number of companies representing a small number of industries. Additionally, issuers of foreign securities may not be subject to the same degree of regulation as U.S. issuers. There are generally higher commission rates on foreign portfolio transactions, transfer taxes, higher custodial costs and the possibility that foreign taxes will be charged on dividends and interest payable on foreign securities. Also, for lesser developed countries, nationalization, expropriation or confiscatory taxation, adverse changes in investment or exchange control regulations (which may include suspension of the ability to transfer currency from a country), political changes or diplomatic developments could adversely affect the Fund's investments.

**Futures risk.** The Fund may engage in transactions in futures contracts and options on futures contracts. Futures are standardized, exchange-traded contracts that obligate a purchaser to take delivery, and a seller to make delivery, of a specific amount of an asset at a specified future date at a specified price. If an offsetting purchase price is less than the original sale price, the Fund realizes a gain, or if it is more, the Fund realizes a loss. The primary risks associated with the use of futures contracts and options are imperfect correlation, liquidity, unanticipated market movement and counterparty risk.

**Options risk.** The use of options involves the exercise of skill and judgment, therefore its success is dependent upon the investment skills and analytical abilities of the subadviser implementing the strategy. When the Fund writes a call option, the Fund forgoes, during the option's life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but has retained the risk of loss should the price of the underlying security decline. There are several risks associated

with transactions in options such as imperfect correlation, counterparty risk and an insufficient liquid secondary market for particular options. The value of options written by the Fund will be affected by many factors, including changes in the value of underlying securities or indices, changes in the dividend rates of underlying securities (or in the case of indices, the securities comprising such indices), changes in interest rates, changes in the actual or perceived volatility of the stock market and underlying securities, and the remaining time to an option's expiration.

**High yield debt securities risk.** An investment in below investment grade securities involves substantial risk of loss. Below investment grade (high yield) debt securities or comparable unrated securities are commonly referred to as “junk bonds” or “high yield securities” and are considered predominantly speculative with respect to the issuer's ability to pay interest and principal and are susceptible to default or decline in market value due to adverse economic and business developments. The market values for high yield securities tend to be very volatile, and these securities are less liquid than investment grade debt securities.

### **About John Hancock Investments**

John Hancock Investments provides asset management services to individuals and institutions through a unique manager-of-managers approach. We combine unbiased asset management with vigorous investment oversight to offer investors a deeper level of diversification and proven results across asset classes. A wealth management business of John Hancock Financial, we managed nearly \$100 billion in assets as of June 30, 2013, across mutual funds, college savings plans, and retirement plans.

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

John Hancock Financial is a division of Manulife Financial, a leading Canada-based financial services group with principal operations in Asia, Canada and the United States. Operating as Manulife Financial in Canada and Asia, and primarily as John Hancock in the United States, the Company offers clients a diverse range of financial protection products and wealth management services through its extensive network of employees, agents and distribution partners. Funds under management by Manulife Financial and its subsidiaries were C\$567billion (US\$539 billion) at June 30, 2013. Manulife Financial Corporation trades as 'MFC' on the TSX, NYSE and PSE, and under '945' on the SEHK. Manulife Financial can be found on the Internet at [manulife.com](http://manulife.com).

The John Hancock unit, through its insurance companies, comprises one of the largest life insurers in the United States. John Hancock offers and administers a broad range of financial products, including [life insurance](#), [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 [johnhancock.com](http://johnhancock.com).