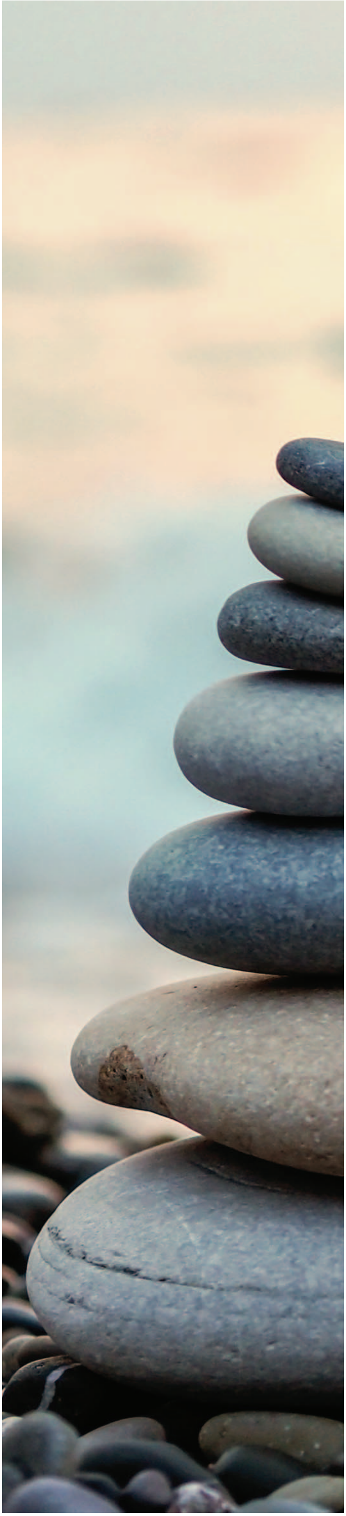


John Hancock Investment Management

Annual report

John Hancock Preferred Income Fund III

Closed-end fixed income

Ticker: HPS
July 31, 2023

A company of Manulife Investment Management

A *message* to shareholders

Dear shareholder,

Bonds posted mixed results for the 12 months ended July 31, 2023, as inflation remained a key factor. Rates remained high, but showed signs of cooling by period end, allowing the U.S. Federal Reserve and other central banks to slow their pace of monetary tightening and fostering hopes that they could be tapering the pace of the current rate-hiking cycle. Other factors affecting bond market performance included a liquidity crisis in the regional banking sector and government wrangling about the federal debt ceiling.

U.S. bond yields moved broadly higher, with short- and intermediate-term bond yields rising the most. On a sector basis, U.S. Treasury securities and residential mortgage-backed securities declined the most, while high-yield corporate bonds posted positive returns, reflecting signs of improving economic growth late in the period.

In these uncertain times, your financial professional can assist with positioning your portfolio so that it's sufficiently diversified to help meet your long-term objectives and to withstand the inevitable bouts of market volatility along the way.

On behalf of everyone at John Hancock Investment Management, I'd like to take this opportunity to welcome new shareholders and thank existing shareholders for the continued trust you've placed in us.

Sincerely,

Kristie M. Feinberg

Head of Wealth and Asset Management,
United States and Europe
Manulife Investment Management

President and CEO,
John Hancock Investment Management

This commentary reflects the CEO's views as of this report's period end and are subject to change at any time. Diversification does not guarantee investment returns and does not eliminate risk of loss. All investments entail risks, including the possible loss of principal. For more up-to-date information, you can visit our website at jhinvestments.com.

John Hancock
Preferred Income Fund III

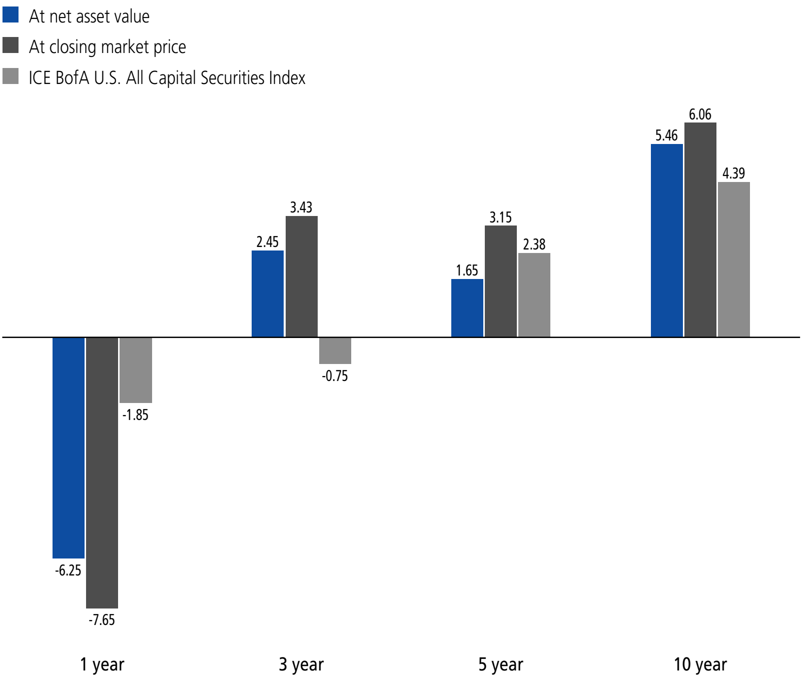
Table of contents

Your fund at a glance

INVESTMENT OBJECTIVE

The fund seeks to provide a high level of current income consistent with preservation of capital. The fund's secondary investment objective is to provide growth of capital to the extent consistent with its primary objective.

AVERAGE ANNUAL TOTAL RETURNS AS OF 7/31/2023 (%)



The Intercontinental Exchange (ICE) Bank of America (BofA) U.S. All Capital Securities Index tracks all fixed-to floating-rate, perpetual callable and capital securities of the ICE BofA U.S. Corporate Index.

It is not possible to invest directly in an index. Index figures do not reflect expenses, which would result in lower returns.

The performance data contained within this material represents past performance, which does not guarantee future results.

Investment returns and principal value will fluctuate and a shareholder may sustain losses. Further, 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. Market risk may increase when shares are purchased at a premium to NAV or sold at a discount to NAV. Current month-end performance may be higher or lower than the performance cited. The fund's most recent performance can be found at jhinvestments.com or by calling 800-852-0218.

PERFORMANCE HIGHLIGHTS OVER THE LAST TWELVE MONTHS

Preferred securities declined

Like most interest-rate-sensitive investments, preferreds declined as investor demand for them faltered in response to rising interest rates.

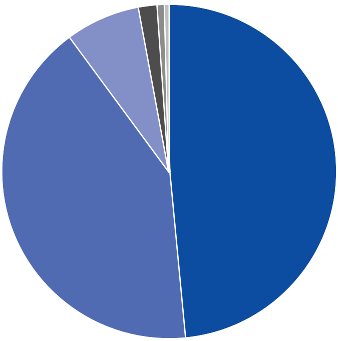
The fund posted a loss for the period

The fund produced a negative return and underperformed a comparative index, the ICE BofA U.S. All Capital Securities Index.

Holding positions in failed banks hurt fund performance

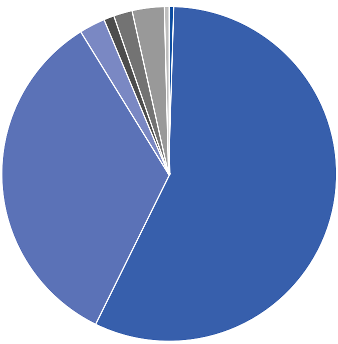
Owning shares in banking firms that failed or came close to failing affected returns.

PORTFOLIO COMPOSITION AS OF 7/31/2023 (% of total investments)



Preferred securities - U.S.	48.5
Corporate bonds	41.4
Preferred securities - Foreign	7.2
Common stocks	1.8
Capital preferred securities	0.7
Short-term investments	0.4

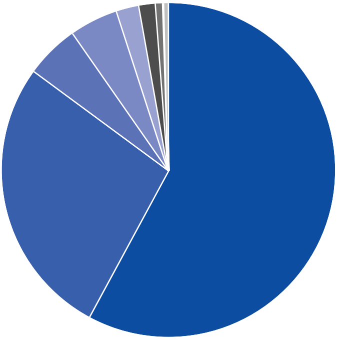
QUALITY COMPOSITION AS OF 7/31/2023 (% of total investments)



A	0.5
BBB	56.8
BB	33.9
B	2.5
CCC and below	1.0
Common stocks	1.8
Not rated	3.1
Short-term investments	0.4

Ratings are from Moody's Investors Service, Inc. If not available, we have used S&P Global Ratings. In the absence of ratings from these agencies, we have used Fitch Ratings, Inc. "Not rated" securities are those with no ratings available from these agencies. All ratings are as of 7-31-23 and do not reflect subsequent downgrades or upgrades, if any.

SECTOR COMPOSITION AS OF 7/31/2023 (% of total investments)



Financials	57.9
Utilities	27.2
Energy	5.2
Communication services	4.7
Consumer discretionary	2.2
Real estate	1.6
Industrials	0.7
Consumer staples	0.1
Short-term investments	0.4

Management's discussion of fund performance

How would you describe the investment backdrop during the 12 months ended July 31, 2023, and how did the fund perform?

Preferred securities, like most interest-rate-sensitive investments, notably declined throughout much of the period as investor demand for them faltered in response to rising interest rates and the failure of a few U.S. regional banks. That said, preferreds regained some ground late in the period when investors began to anticipate the slowing of rate hikes and, contrary to earlier fears, a national banking crisis failed to materialize. Against this backdrop, the fund produced a negative return and underperformed a comparative index.

What detracted and contributed from relative performance?

Owning Silicon Valley Bank, which failed in March 2023, and PacWest Bancorp, which came close to failing during the period, detracted. We sold the fund's holdings in Silicon Valley Bank and PacWest Bancorp prior to period end. Additionally, security selection in communications companies, led by holdings in Lumen Technologies, Inc. and U.S. Cellular Corp., detracted as well. We sold the fund's holdings in Lumen Technologies prior to period end. The communications sector lagged the comparative index amid concern about the increasingly intense competition among providers of cellular, cable, internet, and other communications services.

TOP 10 ISSUERS AS OF 7/31/2023 (% of total investments)

Bank of America Corp.	5.0
Citigroup, Inc.	4.5
Algonquin Power & Utilities Corp.	4.5
Morgan Stanley	4.0
Wells Fargo & Company	3.7
The PNC Financial Services Group, Inc.	3.6
NiSource, Inc.	3.1
NextEra Energy, Inc.	3.0
Edison International	3.0
Energy Transfer LP	3.0
TOTAL	**37.4**

Cash and cash equivalents are not included.

The fund's use of derivatives contracts added the most value versus the comparative index. Early on, investments in interest-rate hedges on short U.S. Treasury futures boosted performance as rates rose. Later, owning interest-rate swaps was a performance tailwind since these derivatives helped reduce the cost of leverage. From a sector perspective, an underweight allocation to bank securities, which posted some of the weakest returns the past year, added value.

MANAGED BY

Joseph H. Bozoyan, CFA
James Gearhart, CFA
Jonas Grazulis, CFA
Caryn E. Rothman, CFA

Manulife Investment Management

Security selection and an overweight in the energy sector were also beneficial, particularly an exposure to high-quality midstream energy companies such as Energy Transfer LP, which outpaced the index. Elsewhere within the energy sector, an out-of-index position in exploration and production company BP PLC was another of the fund's positive performers, driven largely by rising oil prices. We sold the fund's holdings in BP PLC prior to period end. An overweight allocation to the utilities sector also added value. Key contributors in this category included an out-of-index position in The AES Corp., Edison International, and Integrys Holding, Inc.

Can you tell us about a change to the portfolio management team?

Effective December 31, 2022, Bradley L. Lutz left the management team.

A look at performance

TOTAL RETURNS FOR THE PERIOD ENDED JULY 31, 2023

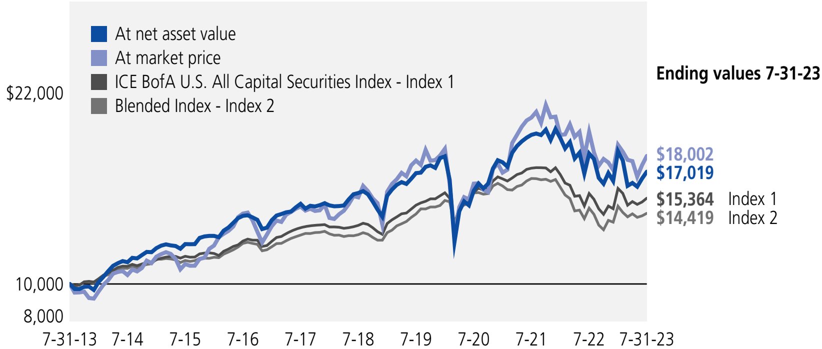
	Average annual total returns (%)			Cumulative total returns (%)	
	1-Year	5-Year	10-Year	5-year	10-Year
At Net asset value	-6.25	1.65	5.46	8.50	70.19
At Market price	-7.65	3.15	6.06	16.80	80.02
ICE BofA U.S. All Capital Securities Index	-1.85	2.38	4.39	12.46	53.64
Blended Index	-2.17	1.97	3.73	10.23	44.19

Performance figures assume all distributions have been reinvested.

The returns reflect past results and should not be considered indicative of future performance. Investment returns and principal value will fluctuate and a shareholder may sustain losses. Further, 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. Market risk may be augmented when shares are purchased at a premium to NAV or when shares need to be sold at a discount to NAV. Current month-end performance may be higher or lower than the performance cited. The fund's most recent performance can be found at jhinvestments.com or by calling 800-852-0218.

The performance table above and the chart on the next page do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the sale of fund shares. The fund's performance results reflect any applicable fee waivers or expense reductions, without which the expenses would increase and results would have been less favorable.

This chart shows what happened to a hypothetical $10,000 investment in John Hancock Preferred Income Fund III for the periods indicated, assuming all distributions were reinvested. For comparison, we've shown the same investment in a blended index and a separate index.



The Intercontinental Exchange (ICE) Bank of America (BofA) U.S. All Capital Securities Index tracks all fixed-to floating-rate, perpetual callable and capital securities of the ICE BofA U.S. Corporate Index.

The Blended Index comprises 65% ICE BofA U.S. All Capital Securities Index and 35% Bloomberg Investment Grade Utilities Index.

It is not possible to invest directly in an index. Index figures do not reflect expenses, which would result in lower returns.

The returns reflect past results and should not be considered indicative of future performance.

Fund's investments

AS OF 7-31-23

	Shares	Value
Preferred securities (A) 89.7% (55.7% of Total investments)		**$390,892,063**
(Cost $448,193,371)		
Communication services 4.5%		**19,518,934**
Diversified telecommunication services 1.1%		
Qwest Corp., 6.750% (B)	330,000	4,870,800
Media 0.4%		
Paramount Global, 5.750%	65,000	1,485,250
Wireless telecommunication services 3.0%		
Telephone & Data Systems, Inc., 6.000%	292,075	4,065,684
U.S. Cellular Corp., 5.500%	140,000	2,020,200
U.S. Cellular Corp., 5.500%	150,000	2,160,000
U.S. Cellular Corp., 6.250%	300,000	4,917,000
Consumer discretionary 1.0%		**4,178,600**
Broadline retail 1.0%		
Qurate Retail, Inc., 8.000%	98,000	3,508,400
QVC, Inc., 6.250%	60,000	670,200
Energy 1.2%		**5,122,650**
Oil, gas and consumable fuels 1.2%		
NuStar Logistics LP, 12.304% (3 month CME Term SOFR + 6.996%) (B)(C)(D)	195,000	5,122,650
Financials 50.9%		**221,938,924**
Banks 21.0%		
Bank of America Corp., 4.250% (B)	184,575	3,407,255
Bank of America Corp., 6.450% (6.450% to 8-28-23, then 3 month LIBOR + 1.327%) (B)	140,000	3,537,800
Bank of America Corp., 7.250% (B)	9,500	11,571,000
Citigroup Capital XIII, 12.001% (3 month CME Term SOFR + 6.632%) (B)(D)	338,275	9,806,592
Citigroup, Inc., 7.125% (7.125% to 9-30-23, then 3 month CME Term SOFR + 4.302%) (B)(C)	616,412	15,693,844
Fifth Third Bancorp, 6.000% (B)	211,595	5,181,962
Fulton Financial Corp., 5.125% (B)	149,500	2,482,448
Huntington Bancshares, Inc., Series J, 6.875% (6.875% to 4-15-28, then 5 Year CMT + 2.704%)	163,800	3,910,725
KeyCorp, 5.650%	159,850	3,302,501
Pinnacle Financial Partners, Inc., 6.750%	103,400	2,430,934
Regions Financial Corp., 4.450%	198,650	3,406,848
Synovus Financial Corp., 8.862% (3 month LIBOR + 3.352%) (B)(D)	191,500	4,682,175
Wells Fargo & Company, 4.750%	332,475	6,350,273

Financials (continued)	Shares	Value
Banks (continued)		
Wells Fargo & Company, 7.500% (B)(C)	11,000	$12,968,890
WesBanco, Inc., 6.750% (6.750% to 11-15-25, then 5 Year CMT + 6.557%)	123,000	2,864,670
Capital markets 7.3%		
Brookfield Finance, Inc., 4.625% (B)	211,375	3,587,034
Morgan Stanley, 6.375% (6.375% to 10-15-24, then 3 month LIBOR + 3.708%) (B)	170,000	4,253,400
Morgan Stanley, 6.500% (B)	276,600	7,205,430
Morgan Stanley, 6.875% (6.875% to 1-15-24, then 3 month LIBOR + 3.940%) (B)	148,425	3,799,680
Morgan Stanley, 7.125% (7.125% to 10-15-23, then 3 month LIBOR + 4.320%) (B)	511,153	12,886,167
Consumer finance 1.0%		
Navient Corp., 6.000%	234,238	4,476,288
Financial services 1.4%		
Federal National Mortgage Association, Series S, 8.250% (E)	80,000	170,400
KKR Group Finance Company IX LLC, 4.625% (B)	238,425	4,341,719
National Rural Utilities Cooperative Finance Corp., 5.500% (B)	61,475	1,476,015
Insurance 20.2%		
AEGON Funding Company LLC, 5.100% (B)(C)	347,450	7,372,889
American Equity Investment Life Holding Company, 6.625% (6.625% to 9-1-25, then 5 Year CMT + 6.297%) (B)	183,925	4,267,060
American Financial Group, Inc., 5.125% (B)(C)	162,725	3,410,716
American International Group, Inc., 5.850%	275,025	6,804,119
Athene Holding, Ltd., 7.750% (7.750% to 12-30-27, then 5 Year CMT + 3.962%) (B)	393,900	9,796,293
Athene Holding, Ltd., Series A, 6.350% (6.350% to 6-30-29, then 3 month LIBOR + 4.253%) (B)	350,000	7,486,500
Brighthouse Financial, Inc., 6.600% (B)(C)	345,263	7,875,449
Enstar Group, Ltd., 7.000% (7.000% to 9-1-28, then 3 month LIBOR + 4.015%)	103,800	2,470,440
Lincoln National Corp., 9.000% (B)(C)	292,750	7,962,800
Reinsurance Group of America, Inc., 7.125% (7.125% to 10-15-27, then 5 Year CMT + 3.456%) (B)(C)	375,400	9,662,796
RenaissanceRe Holdings, Ltd., 4.200% (B)	221,000	3,989,050
The Allstate Corp., 7.375%	119,925	3,218,787
The Phoenix Companies, Inc., 7.450% (B)	574,500	9,737,775
Unum Group, 6.250% (B)	170,000	4,090,200

	Shares	Value
Industrials 1.1%		**$4,899,906**
Trading companies and distributors 1.1%		
WESCO International, Inc., 10.625% (10.625% to 6-22-25, then 5 Year CMT + 10.325%)	180,675	4,899,906
Real estate 2.5%		**10,888,933**
Health care REITs 0.9%		
Diversified Healthcare Trust, 5.625%	289,332	3,816,289
Hotel and resort REITs 1.0%		
Pebblebrook Hotel Trust, 6.375%	214,400	4,191,520
Office REITs 0.5%		
Vornado Realty Trust, 5.400%	156,431	2,440,324
Specialized REITs 0.1%		
Public Storage, 4.625% (B)(C)	20,000	440,800
Utilities 28.5%		**124,344,116**
Electric utilities 6.8%		
Duke Energy Corp., 5.750%	274,775	6,935,321
NextEra Energy Capital Holdings, Inc., 5.650% (B)	4,950	125,681
NextEra Energy, Inc., 6.219% (B)(C)	72,200	3,573,900
NextEra Energy, Inc., 6.926% (B)(C)	235,750	10,780,848
SCE Trust III, 5.750% (5.750% to 3-15-24, then 3 month LIBOR + 2.990%) (B)(C)	130,000	3,055,000
SCE Trust VI, 5.000%	266,350	5,271,067
Gas utilities 1.5%		
South Jersey Industries, Inc., 5.625% (B)	251,850	3,274,050
UGI Corp., 7.250%	47,000	3,145,710
Independent power and renewable electricity producers 1.7%		
The AES Corp., 6.875%	86,900	7,437,771
Multi-utilities 18.5%		
Algonquin Power & Utilities Corp., 6.200% (6.200% to 7-1-24, then 3 month LIBOR + 4.010%) (B)	375,000	8,700,000
Algonquin Power & Utilities Corp., 6.875% (6.875% to 10-17-23, then 3 month LIBOR + 3.677%) (B)	558,675	13,843,968
CMS Energy Corp., 5.625% (B)	235,000	5,792,750
CMS Energy Corp., 5.875% (B)	376,250	9,210,600
DTE Energy Company, Series E, 5.250% (B)	200,000	4,788,000
Integrys Holding, Inc., 6.000% (6.000% to 8-1-23, then 3 month LIBOR + 3.220%)	296,303	7,259,424
NiSource, Inc., 6.500% (6.500% to 3-15-24, then 5 Year CMT + 3.632%) (B)(C)	398,000	10,049,500

	Rate (%)	Maturity date	Shares	Value
Utilities (continued)				
Multi-utilities (continued)				
NiSource, Inc., 7.750% (B)(C)			117,400	$12,091,026
Sempra, 5.750% (B)			370,000	9,009,500
Common stocks 2.9% (1.8% of Total investments)				**$12,799,672**
(Cost $17,169,723)				
Communication services 0.8%				**3,742,597**
Diversified telecommunication services 0.8%				
Verizon Communications, Inc. (B)			109,818	3,742,597
Utilities 2.1%				**9,057,075**
Multi-utilities 2.1%				
Algonquin Power & Utilities Corp.			306,500	9,057,075

	Rate (%)	Maturity date	Par value^	Value
Corporate bonds 66.5% (41.4% of Total investments)				**$290,012,953**
(Cost $316,537,078)				
Communication services 2.2%				**9,542,619**
Media 1.7%				
Paramount Global (6.375% to 3-30-27, then 5 Year CMT + 3.999%)	6.375	03-30-62	8,900,000	7,337,605
Wireless telecommunication services 0.5%				
SoftBank Group Corp. (6.875% to 7-19-27, then 5 Year ICE Swap Rate + 4.854%) (B)(F)	6.875	07-19-27	2,269,000	2,205,014
Consumer discretionary 2.5%				**11,064,554**
Automobiles 2.5%				
General Motors Financial Company, Inc. (5.700% to 9-30-30, then 5 Year CMT + 4.997%) (F)	5.700	09-30-30	3,250,000	2,933,905
General Motors Financial Company, Inc. (6.500% to 9-30-28, then 3 month LIBOR + 3.436%) (B)(F)	6.500	09-30-28	9,182,000	8,130,649
Consumer staples 0.2%				**818,400**
Food products 0.2%				
Land O' Lakes, Inc. (B)(C)(F)(G)	8.000	07-16-25	880,000	818,400
Energy 7.1%				**31,221,735**
Oil, gas and consumable fuels 7.1%				
Enbridge, Inc. (7.375% to 10-15-27, then 5 Year CMT + 3.708%) (B)(C)	7.375	01-15-83	5,560,000	5,499,056
Enbridge, Inc. (7.625% to 10-15-32, then 5 Year CMT + 4.418%) (B)	7.625	01-15-83	3,400,000	3,435,363
Energy Transfer LP (6.625% to 2-15-28, then 3 month LIBOR + 4.155%) (F)	6.625	02-15-28	8,550,000	6,775,875

Energy (continued)	Rate (%)	Maturity date	Par value^	Value
Oil, gas and consumable fuels (continued)				
Energy Transfer LP (7.125% to 5-15-30, then 5 Year CMT + 5.306%) (F)	7.125	05-15-30	8,000,000	$7,026,409
Energy Transfer LP (3 month CME Term SOFR + 3.279%) (B)(D)	8.317	11-01-66	9,000,000	7,173,435
Transcanada Trust (5.600% to 12-7-31, then 5 Year CMT + 3.986%) (B)	5.600	03-07-82	1,557,000	1,311,597
Financials 41.3%				**179,949,310**
Banks 32.8%				
Bank of America Corp. (5.875% to 3-15-28, then 3 month CME Term SOFR + 3.193%) (B)(C)(F)	5.875	03-15-28	5,790,000	5,399,465
Bank of America Corp. (6.125% to 4-27-27, then 5 Year CMT + 3.231%) (B)(C)(F)	6.125	04-27-27	8,500,000	8,443,050
Bank of America Corp. (6.500% to 10-23-24, then 3 month CME Term SOFR + 4.436%) (B)(C)(F)	6.500	10-23-24	2,338,000	2,327,479
Barclays PLC (7.750% to 9-15-23, then 5 Year U.S. Swap Rate + 4.842%) (B)(F)	7.750	09-15-23	2,870,000	2,860,529
Barclays PLC (8.000% to 6-15-24, then 5 Year CMT + 5.672%) (B)(F)	8.000	06-15-24	4,839,000	4,764,867
Barclays PLC (8.000% to 3-15-29, then 5 Year CMT + 5.431%) (F)	8.000	03-15-29	3,000,000	2,790,000
BNP Paribas SA (7.750% to 8-16-29, then 5 Year CMT + 4.899%) (F)(G)	7.750	08-16-29	3,200,000	3,185,280
Citigroup, Inc. (7.375% to 5-15-28, then 5 Year CMT + 3.209%) (B)(C)(F)	7.375	05-15-28	6,000,000	6,105,000
Citizens Financial Group, Inc. (6.375% to 4-6-24, then 3 month CME Term SOFR + 3.419%) (F)	6.375	04-06-24	7,500,000	6,656,298
CoBank ACB (4.250% to 1-1-27, then 5 Year CMT + 3.049%) (B)(C)(F)	4.250	01-01-27	3,500,000	2,791,117
CoBank ACB (6.450% to 10-1-27, then 5 Year CMT + 3.487%) (B)(C)(F)	6.450	10-01-27	5,525,000	5,227,057
Comerica, Inc. (5.625% to 7-1-25, then 5 Year CMT + 5.291%) (B)(C)(F)	5.625	07-01-25	5,750,000	5,105,871
Huntington Bancshares, Inc. (5.625% to 7-15-30, then 10 Year CMT + 4.945%) (F)	5.625	07-15-30	4,250,000	3,893,370
JPMorgan Chase & Co. (4.600% to 2-1-25, then 3 month CME Term SOFR + 3.125%) (B)(C)(F)	4.600	02-01-25	5,277,000	4,986,765
JPMorgan Chase & Co. (6.750% to 2-1-24, then 3 month CME Term SOFR + 4.042%) (B)(F)	6.750	02-01-24	10,000,000	9,993,750
KeyCorp (5.000% to 9-15-26, then 3 month CME Term SOFR + 3.868%) (F)	5.000	09-15-26	3,273,000	2,625,042
Lloyds Banking Group PLC (7.500% to 6-27-24, then 5 Year U.S. Swap Rate + 4.760%) (F)	7.500	06-27-24	8,000,000	7,796,000

Financials (continued)	Rate (%)	Maturity date	Par value^	Value
Banks (continued)				
M&T Bank Corp. (3.500% to 9-1-26, then 5 Year CMT + 2.679%) (F)	3.500	09-01-26	9,850,000	$7,354,207
The Bank of Nova Scotia (8.625% to 10-27-27, then 5 Year CMT + 4.389%) (B)(C)	8.625	10-27-82	6,810,000	7,082,105
The PNC Financial Services Group, Inc. (6.000% to 5-15-27, then 5 Year CMT + 3.000%) (B)(C)(F)	6.000	05-15-27	7,930,000	7,320,462
The PNC Financial Services Group, Inc. (6.200% to 9-15-27, then 5 Year CMT + 3.238%) (B)(C)(F)	6.200	09-15-27	9,294,000	8,945,475
The PNC Financial Services Group, Inc. (6.250% to 3-15-30, then 7 Year CMT + 2.808%) (B)(C)(F)	6.250	03-15-30	8,500,000	7,772,588
The PNC Financial Services Group, Inc. (3 month CME Term SOFR + 3.940%) (B)(D)(F)	8.977	11-01-23	1,663,000	1,672,119
The Toronto-Dominion Bank (8.125% to 10-31-27, then 5 Year CMT + 4.075%) (B)(C)	8.125	10-31-82	10,534,000	10,821,578
Wells Fargo & Company (5.900% to 6-15-24, then 3 month LIBOR + 3.110%) (B)(F)	5.900	06-15-24	2,000,000	1,979,400
Wells Fargo & Company (7.625% to 9-15-28, then 5 Year CMT + 3.606%) (F)	7.625	09-15-28	5,012,000	5,153,038
Capital markets 1.6%				
The Charles Schwab Corp. (4.000% to 6-1-26, then 5 Year CMT + 3.168%) (B)(C)(F)	4.000	06-01-26	3,250,000	2,901,405
The Charles Schwab Corp. (4.000% to 12-1-30, then 10 Year CMT + 3.079%) (B)(C)(F)	4.000	12-01-30	3,800,000	2,976,306
The Charles Schwab Corp. (5.000% to 6-1-27, then 5 Year CMT + 3.256%) (B)(C)(F)	5.000	06-01-27	1,292,000	1,165,635
Consumer finance 1.0%				
Discover Financial Services (6.125% to 6-23-25, then 5 Year CMT + 5.783%) (F)	6.125	06-23-25	4,500,000	4,318,897
Insurance 5.9%				
Enstar Finance LLC (5.750% to 9-1-25, then 5 Year CMT + 5.468%)	5.750	09-01-40	4,000,000	3,490,786
Markel Group, Inc. (6.000% to 6-1-25, then 5 Year CMT + 5.662%) (F)	6.000	06-01-25	5,500,000	5,343,658
MetLife, Inc. (5.875% to 3-15-28, then 3 month CME Term SOFR + 3.221%) (B)(C)(F)	5.875	03-15-28	6,696,000	6,527,086
SBL Holdings, Inc. (6.500% to 11-13-26, then 5 Year CMT + 5.620%) (F)(G)	6.500	11-13-26	8,000,000	4,540,000
SBL Holdings, Inc. (7.000% to 5-13-25, then 5 Year CMT + 5.580%) (F)(G)	7.000	05-13-25	9,050,000	5,633,625
Utilities 13.2%				**57,416,335**
Electric utilities 6.9%				
Edison International (5.000% to 12-15-26, then 5 Year CMT + 3.901%) (F)	5.000	12-15-26	3,790,000	3,274,451

Utilities (continued)	Rate (%)	Maturity date	Par value^	Value
Electric utilities (continued)				
Edison International (5.375% to 3-15-26, then 5 Year CMT + 4.698%) (B)(C)(F)	5.375	03-15-26	10,875,000	$9,651,334
Emera, Inc. (6.750% to 6-15-26, then 3 month LIBOR + 5.440%) (B)	6.750	06-15-76	3,370,000	3,277,215
NextEra Energy Capital Holdings, Inc. (5.650% to 5-1-29, then 3 month LIBOR + 3.156%) (B)(C)	5.650	05-01-79	7,400,000	6,883,675
NRG Energy, Inc. (10.250% to 3-15-28, then 5 Year CMT + 5.920%) (F)(G)	10.250	03-15-28	7,240,000	7,016,238
Independent power and renewable electricity producers 2.8%				
Vistra Corp. (7.000% to 12-15-26, then 5 Year CMT + 5.740%) (F)(G)	7.000	12-15-26	3,200,000	2,848,000
Vistra Corp. (8.000% to 10-15-26, then 5 Year CMT + 6.930%) (F)(G)	8.000	10-15-26	9,750,000	9,330,263
Multi-utilities 3.5%				
CenterPoint Energy, Inc. (6.125% to 9-1-23, then 3 month LIBOR + 3.270%) (F)	6.125	09-01-23	7,146,000	7,002,353
CMS Energy Corp. (4.750% to 3-1-30, then 5 Year CMT + 4.116%) (B)(C)	4.750	06-01-50	4,500,000	3,954,757
Dominion Energy, Inc. (4.350% to 1-15-27, then 5 Year CMT + 3.195%) (F)	4.350	01-15-27	1,500,000	1,287,600
Dominion Energy, Inc. (5.750% to 10-1-24, then 3 month LIBOR + 3.057%) (B)(C)	5.750	10-01-54	3,000,000	2,890,449
Capital preferred securities (H) 1.2% (0.7% of Total investments)				**$5,083,688**
(Cost $6,310,250)				
Financials 1.2%				**5,083,688**
Insurance 1.2%				
MetLife Capital Trust IV (7.875% to 12-15-37, then 3 month LIBOR + 3.960%) (B)(C)(G)	7.875	12-15-37	4,860,000	5,083,688

	Yield (%)	Shares	Value
Short-term investments 0.7% (0.4% of Total investments)			**$2,849,364**
(Cost $2,849,732)			
Short-term funds 0.7%			**2,849,364**
John Hancock Collateral Trust (I)	5.2927(J)	285,079	2,849,364

Total investments (Cost $791,060,154) 161.0%	**$701,637,740**
Other assets and liabilities, net (61.0%)	**(265,884,299)**
Total net assets 100.0%	**$435,753,441**

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

CME	Chicago Mercantile Exchange
CMT	Constant Maturity Treasury
ICE	Intercontinental Exchange
LIBOR	London Interbank Offered Rate
SOFR	Secured Overnight Financing Rate
(A)	Includes preferred stocks and hybrid securities with characteristics of both equity and debt that pay dividends on a periodic basis.
(B)	All or a portion of this security is pledged as collateral pursuant to the Credit Facility Agreement. Total collateral value at 7-31-23 was $444,518,684. A portion of the securities pledged as collateral were loaned pursuant to the Credit Facility Agreement. The value of securities on loan amounted to $224,407,473.
(C)	All or a portion of this security is on loan as of 7-31-23, and is a component of the fund's leverage under the Credit Facility Agreement.
(D)	Variable rate obligation. The coupon rate shown represents the rate at period end.
(E)	Non-income producing security.
(F)	Perpetual bonds have no stated maturity date. Date shown as maturity date is next call date.
(G)	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.
(H)	Includes hybrid securities with characteristics of both equity and debt that trade with, and pay, interest income.
(I)	Investment is an affiliate of the fund, the advisor and/or subadvisor.
(J)	The rate shown is the annualized seven-day yield as of 7-31-23.

DERIVATIVES

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	137,000,000	USD	Fixed 3.662%	USD SOFR Compounded OIS[(a)]	Semi-Annual	Quarterly	May 2026	—	$3,291,723	$3,291,723
Centrally cleared	68,500,000	USD	Fixed 3.473%	USD SOFR Compounded OIS[(a)]	Semi-Annual	Quarterly	May 2026	—	2,005,983	2,005,983
								—	**$5,297,706**	**$5,297,706**

[(a)] At 7-31-23, the overnight SOFR was 5.310%.

Derivatives Currency Abbreviations

USD U.S. Dollar

Derivatives Abbreviations

OIS Overnight Index Swap

OTC Over-the-counter

SOFR Secured Overnight Financing Rate

At 7-31-23, the aggregate cost of investments for federal income tax purposes was $793,932,943. Net unrealized depreciation aggregated to $86,997,497, of which $9,025,323 related to gross unrealized appreciation and $96,022,820 related to gross unrealized depreciation.

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

Financial statements

STATEMENT OF ASSETS AND LIABILITIES 7-31-23

Assets	
Unaffiliated investments, at value (Cost $788,210,422)	$698,788,376
Affiliated investments, at value (Cost $2,849,732)	2,849,364
Total investments, at value (Cost $791,060,154)	**701,637,740**
Receivable for centrally cleared swaps	3,634,215
Dividends and interest receivable	5,295,843
Receivable for investments sold	3,546,797
Other assets	911,601
Total assets	**715,026,196**
Liabilities	
Due to custodian	3,425,190
Credit facility agreement payable	274,300,000
Interest payable	1,384,072
Payable to affiliates	
Accounting and legal services fees	31,100
Trustees' fees	933
Other liabilities and accrued expenses	131,460
Total liabilities	**279,272,755**
Net assets	**$435,753,441**
Net assets consist of	
Paid-in capital	$574,613,586
Total distributable earnings (loss)	(138,860,145)
Net assets	**$435,753,441**

Net asset value per share	
Based on 31,904,184 shares of beneficial interest outstanding - unlimited number of shares authorized with no par value	$13.66

STATEMENT OF OPERATIONS For the year ended 7-31-23

Investment income	
Dividends	$31,012,840
Interest	19,357,572
Dividends from affiliated investments	252,491
Less foreign taxes withheld	(116,942)
Total investment income	**50,505,961**
Expenses	
Investment management fees	5,436,871
Interest expense	13,745,140
Accounting and legal services fees	99,097
Transfer agent fees	23,789
Trustees' fees	48,679
Custodian fees	58,705
Printing and postage	59,016
Professional fees	128,862
Stock exchange listing fees	31,276
Other	28,090
Total expenses	**19,659,525**
Less expense reductions	(54,897)
Net expenses	**19,604,628**
Net investment income	**30,901,333**
Realized and unrealized gain (loss)	
Net realized gain (loss) on	
Unaffiliated investments	(40,481,200)
Affiliated investments	1,199
Futures contracts	2,947,350
Swap contracts	(281,169)
	(37,813,820)
Change in net unrealized appreciation (depreciation) of	
Unaffiliated investments	(30,088,654)
Affiliated investments	(368)
Futures contracts	694,842
Swap contracts	5,560,346
	(23,833,834)
Net realized and unrealized loss	**(61,647,654)**
Decrease in net assets from operations	**$(30,746,321)**

STATEMENTS OF CHANGES IN NET ASSETS

	Year ended 7-31-23	Year ended 7-31-22
Increase (decrease) in net assets		
From operations		
Net investment income	$30,901,333	$38,335,174
Net realized gain (loss)	(37,813,820)	10,078,434
Change in net unrealized appreciation (depreciation)	(23,833,834)	(82,377,859)
Decrease in net assets resulting from operations	**(30,746,321)**	**(33,964,251)**
Distributions to shareholders		
From earnings	(34,879,894)	(38,678,356)
From tax return of capital	(7,157,911)	(3,243,483)
Total distributions	**(42,037,805)**	**(41,921,839)**
Fund share transactions		
Issued pursuant to Dividend Reinvestment Plan	1,465,563	1,249,793
Total decrease	**(71,318,563)**	**(74,636,297)**
Net assets		
Beginning of year	507,072,004	581,708,301
End of year	**$435,753,441**	**$507,072,004**
Share activity		
Shares outstanding		
Beginning of year	31,800,828	31,727,709
Issued pursuant to Dividend Reinvestment Plan	103,356	73,119
End of year	**31,904,184**	**31,800,828**

STATEMENT OF CASH FLOWS For the year ended 7-31-23

Cash flows from operating activities	
Net decrease in net assets from operations	$(30,746,321)
Adjustments to reconcile net decrease in net assets from operations to net cash provided by operating activities:	
Long-term investments purchased	(207,830,935)
Long-term investments sold	212,607,134
Net purchases and sales of short-term investments	1,556,467
Net amortization of premium (discount)	1,985,335
(Increase) Decrease in assets:	
Receivable for centrally cleared swaps	(3,620,502)
Collateral held at broker for futures contracts	1,160,000
Dividends and interest receivable	(261,256)
Receivable for investments sold	(1,464,858)
Other assets	(848,482)
Increase (Decrease) in liabilities:	
Payable for futures variation margin	(93,726)
Payable for investments purchased	(6,915,000)
Interest payable	725,094
Payable to affiliates	10,536
Other liabilities and accrued expenses	(30,481)
Net change in unrealized (appreciation) depreciation on:	
Investments	30,089,022
Net realized (gain) loss on:	
Investments	40,480,001
Proceeds received as return of capital	88,115
Net cash provided by operating activities	**$36,890,143**
Cash flows provided by (used in) financing activities	
Distributions to shareholders	$(40,572,242)
Increase in due to custodian	3,425,190
Net cash used in financing activities	**$(37,147,052)**
Net decrease in cash	**$(256,909)**
Cash at beginning of year	**$256,909**
Cash at end of year	**—**
Supplemental disclosure of cash flow information:	
Cash paid for interest	**$(13,020,046)**
Noncash financing activities not included herein consists of reinvestment of distributions	**$1,465,563**

Financial highlights

Period ended	7-31-23	7-31-22	7-31-21	7-31-20	7-31-19
Per share operating performance					
Net asset value, beginning of period	**$15.95**	**$18.33**	**$16.21**	**$18.75**	**$18.84**
Net investment income[1]	0.97	1.21	1.25	1.26	1.20
Net realized and unrealized gain (loss) on investments	(1.94)	(2.27)	2.19	(2.46)	0.18
Total from investment operations	**(0.97)**	**(1.06)**	**3.44**	**(1.20)**	**1.38**
Less distributions					
From net investment income	(1.10)	(1.21)	(1.21)	(1.26)	(1.25)
From tax return of capital	(0.22)	(0.11)	(0.11)	(0.08)	(0.22)
Total distributions	**(1.32)**	**(1.32)**	**(1.32)**	**(1.34)**	**(1.47)**
Net asset value, end of period	**$13.66**	**$15.95**	**$18.33**	**$16.21**	**$18.75**
Per share market value, end of period	**$14.36**	**$17.06**	**$19.27**	**$16.59**	**$19.53**
Total return at net asset value (%)[2,3]	**(6.25)**	**(6.04)**	**22.07**	**(6.51)**	**7.92**
Total return at market value (%)[2]	**(7.65)**	**(4.41)**	**25.39**	**(8.14)**	**14.91**
Ratios and supplemental data					
Net assets, end of period (in millions)	$436	$507	$582	$514	$593
Ratios (as a percentage of average net assets):					
Expenses before reductions	4.36	1.82	1.61	2.32	2.94
Expenses including reductions[4]	4.35	1.81	1.59	2.31	2.93
Net investment income	6.86	7.06	7.19	7.26	6.62
Portfolio turnover (%)	29	20	31	34	36
Senior securities					
Total debt outstanding end of period (in millions)	$274	$274	$266	$252	$310
Asset coverage per $1,000 of debt[5]	$2,589	$2,849	$3,187	$3,039	$2,917

1 Based on average daily shares outstanding.

2 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.

3 Total returns would have been lower had certain expenses not been reduced during the applicable periods.

4 Expenses including reductions excluding interest expense were 1.30%, 1.19%, 1.20%, 1.23% and 1.25% for the periods ended 7-31-23, 7-31-22, 7-31-21, 7-31-20 and 7-31-19, respectively.

5 Asset coverage equals the total net assets plus borrowings divided by the borrowings of the fund outstanding at period end (Note 7). As debt outstanding changes, the level of invested assets may change accordingly. Asset coverage ratio provides a measure of leverage.

Notes to financial statements

Note 1 — Organization

John Hancock Preferred Income Fund III (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 Advisor's Valuation Policies and Procedures.

In order to value the securities, the fund uses the following valuation techniques: Equity securities, including exchange-traded or closed-end funds, 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. Investments by the fund in open-end mutual funds, including John Hancock Collateral Trust (JHCT), are valued at their respective NAVs each business day. Debt obligations are typically valued based on evaluated prices provided by an independent pricing vendor. 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 generally valued using evaluated prices obtained from an independent pricing vendor.

In certain instances, the Pricing Committee of the Advisor 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 Pricing Committee following procedures established by the Advisor and adopted 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, including registered investment companies. 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 Advisor's 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 July 31, 2023, by major security category or type:

	Total value at 7-31-23	Level 1 quoted price	Level 2 significant observable inputs	Level 3 significant unobservable inputs
Investments in securities:				
Assets				
Preferred securities				
Communication services	**$19,518,934**	$19,518,934	—	—
Consumer discretionary	**4,178,600**	4,178,600	—	—
Energy	**5,122,650**	5,122,650	—	—
Financials	**221,938,924**	208,290,424	$13,648,500	—
Industrials	**4,899,906**	4,899,906	—	—
Real estate	**10,888,933**	10,888,933	—	—
Utilities	**124,344,116**	113,810,642	10,533,474	—
Common stocks	**12,799,672**	12,799,672	—	—
Corporate bonds	**290,012,953**	—	290,012,953	—
Capital preferred securities	**5,083,688**	—	5,083,688	—
Short-term investments	**2,849,364**	2,849,364	—	—
Total investments in securities	**$701,637,740**	**$382,359,125**	**$319,278,615**	**—**
Derivatives:				
Assets				
Swap contracts	**$5,297,706**	—	$5,297,706	—

The fund holds liabilities for which the fair value approximates the carrying amount for financial statement purposes. As of July 31, 2023, the liability for the fund's Credit facility agreement on the Statement of assets and liabilities is categorized as Level 2 within the disclosure hierarchy.

Real estate investment trusts. The fund may invest in real estate investment trusts (REITs). Distributions from REITs may be recorded as income and subsequently characterized by the REIT at the end of their fiscal year as a reduction of cost of investments and/or as a realized gain. As a result, the fund will estimate the components of distributions from these securities. Such estimates are revised when the actual components of the distributions are known.

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 ex-date, except for dividends of certain 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. Non-cash dividends, if any, are recorded at the fair market value of the securities received.

Distributions received on securities that represent a tax return of capital and/or capital gain, if any, are recorded as a reduction of cost of investments and/or as a realized gain, if amounts are estimable. Gains and losses on securities sold are determined on the basis of identified cost and may include proceeds from litigation.

Foreign taxes. The fund may be subject to withholding tax on income, capital gains or repatriations imposed by certain countries, a portion of which may be recoverable. Foreign taxes are accrued based upon the fund's understanding of the tax rules and rates that exist in the foreign markets in which it invests. Taxes are accrued based on gains realized by the fund as a result of certain foreign security sales. In certain circumstances, estimated taxes are accrued based on unrealized appreciation of such securities. Investment income is recorded net of foreign withholding taxes.

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.

Statement of cash flows. A Statement of cash flows is presented when a fund has a significant amount of borrowing during the period, based on the average total borrowing in relation to total assets, or when a certain percentage of the fund's investments is classified as Level 3 in the fair value hierarchy. Information on financial transactions that have been settled through the receipt and disbursement of cash is presented in the Statement of cash flows. The cash amount shown in the Statement of cash flows is the amount included in the fund's Statement of assets and liabilities and represents the cash on hand at the fund's custodian and does not include any short-term investments or collateral on derivative contracts, if any.

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.

For federal income tax purposes, as of July 31, 2023, the fund has a short-term capital loss carryforward of $9,656,038 and a long-term capital loss carryforward of $42,206,610 available to offset future net realized capital gains. These carryforwards do not expire.

As of July 31, 2023, 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.

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 generally declares and pays dividends monthly. Capital gain distributions, if any, are typically distributed annually.

	July 31, 2023	**July 31, 2022**
Ordinary income	$34,879,894	$38,678,356
Return of capital	7,157,911	3,243,483
Total	**$42,037,805**	**$41,921,839**

As of July 31, 2023, there were no distributable earnings on a tax basis.

Such distributions and distributable earnings, on a tax basis, are determined in conformity with income tax regulations, which may differ from US GAAP. Distributions in excess of tax basis earnings and profits, if any, are reported in the fund's financial statements as a return of capital.

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 amortization and accretion on debt securities, contingent payment debt instruments and derivative transactions.

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.

Certain derivatives 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.

Centrally-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 centrally-cleared derivatives are set by the broker or applicable clearinghouse. Margin for centrally-cleared transactions is detailed in the Statement of assets and liabilities as Receivable/Payable for centrally-cleared swaps. Securities pledged by the fund for 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. Futures are traded on an exchange and cleared through a central clearinghouse. 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 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 set by the broker and is generally based on a percentage of the contract value. The margin deposit must then be maintained at the established level over the life of the contract. Cash that has been pledged by the fund, if any, is detailed in the Statement of assets and liabilities as Collateral held at broker for futures contracts. Securities pledged by the fund, if any, are identified in the Fund's investments. Subsequent payments, referred to as variation margin, are made or received by the fund periodically and are based on changes in the market value of open futures contracts. Futures contracts are marked-to-market daily 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 year ended July 31, 2023, the fund used futures contracts to manage against changes in interest rates. The fund held futures contracts with USD notional values ranging up to $72.7 million, as measured at each quarter end. There were no open futures contracts as of July 31, 2023.

Swaps. Swap agreements are agreements between the fund and a counterparty to exchange cash flows, assets, foreign currencies or market-linked returns at specified intervals. Swap agreements are privately negotiated in the OTC market (OTC swaps) 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 a component of 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.

Upfront payments made/received by the fund, if any, 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.

Entering into swap agreements involves, to varying degrees, elements of credit, market and documentation risk that may provide outcomes that produce losses 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. In addition to interest rate risk, market risks may also impact the swap. The fund may also suffer losses if it is unable to terminate or assign outstanding swaps or reduce its exposure through offsetting transactions.

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.

During the year ended July 31, 2023, the fund used interest rate swap contracts to manage against changes in the credit facility agreement interest rates. The fund held interest rate swaps with total USD notional amounts ranging up to $205.5 million, 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 July 31, 2023 by risk category:

Risk	Statement of assets and liabilities location	Financial instruments location	Assets derivatives fair value	Liabilities derivatives fair value
Interest rate	Swap contracts, at value[1]	Interest rate swaps	$5,297,706	—

[1] Reflects cumulative value of swap contracts. Receivable/payable for centrally cleared swaps, which includes value and margin, are shown separately on the Statement of assets and liabilities.

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 year ended July 31, 2023:

	Statement of operations location - Net realized gain (loss) on:		
Risk	**Futures contracts**	**Swap contracts**	**Total**
Interest rate	$2,947,350	$(281,169)	$2,666,181

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 year ended July 31, 2023:

	Statement of operations location - Change in net unrealized appreciation (depreciation) of:		
Risk	**Futures contracts**	**Swap contracts**	**Total**
Interest rate	$694,842	$5,560,346	$6,255,188

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 Investment Management LLC (the Advisor) serves as investment advisor for the fund. The Advisor is an indirect, principally owned subsidiary of John Hancock Life Insurance Company (U.S.A.), which in turn is a 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 0.75% of the fund's average daily managed assets including any assets attributable to the Credit Facility Agreement (see Note 7) (collectively, managed assets). The Advisor has a subadvisory agreement with Manulife Investment Management (US) LLC, an indirectly owned subsidiary of MFC and an affiliate of the Advisor. 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 year ended July 31, 2023, this waiver amounted to 0.01% of the fund's average daily net assets. This arrangement expires on July 31, 2025, unless renewed by mutual agreement of the fund and the Advisor based upon a determination that this is appropriate under the circumstances at that time.

The expense reductions described above amounted to $54,897 for the year ended July 31, 2023.

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 year ended July 31, 2023, were equivalent to a net annual effective rate of 0.74% of the fund's average daily managed 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, compliance, 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 year ended July 31, 2023, amounted to an annual rate of 0.01% of the fund's average daily managed 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 — Leverage risk

The fund utilizes a Credit Facility Agreement (CFA) to increase its assets available for investment. When the fund leverages its assets, shareholders bear the expenses associated with the CFA and have potential to benefit or be disadvantaged from the use of leverage. The Advisor's fee is also increased in dollar terms from the use of leverage. Consequently, the fund and the Advisor may have differing interests in determining whether to leverage the fund's assets. Leverage creates risks that may adversely affect the return for the holders of shares, including:

- the likelihood of greater volatility of NAV and market price of shares;
- fluctuations in the interest rate paid for the use of the CFA;
- increased operating costs, which may reduce the fund's total return;
- the potential for a decline in the value of an investment acquired through leverage, while the fund's obligations under such leverage remains fixed; and
- the fund is more likely to have to sell securities in a volatile market in order to meet asset coverage or other debt compliance requirements.

To the extent the income or capital appreciation derived from securities purchased with funds received from leverage exceeds the cost of leverage, the fund's return will be greater than if leverage had not been used; conversely, returns would be lower if the cost of the leverage exceeds the income or capital appreciation derived.

In addition to the risks created by the fund's use of leverage, the fund is subject to the risk that it would be unable to timely, or at all, obtain replacement financing if the CFA is terminated. Were this to happen, the fund would be required to de-leverage, selling securities at a potentially inopportune time and incurring tax consequences. Further, the fund's ability to generate income from the use of leverage would be adversely affected.

Note 7 — Credit Facility Agreement

The fund has entered into a Credit Facility Agreement (CFA) with a subsidiary of BNP Paribas (BNP) that allows it to borrow up to $309.5 million (maximum facility amount) and to invest the borrowings in accordance with its investment practices.

The fund pledges a portion of its assets as collateral to secure borrowings under the CFA. Such pledged assets are held in a special custody account with the fund's custodian. The amount of assets required to be pledged by the fund is determined in accordance with the CFA. The fund retains the benefits of ownership of assets pledged to secure borrowings under the CFA. Effective January 1, 2023, interest charged is at the rate of OBFR (overnight bank funding rate) plus 0.75% and is payable monthly. Prior to January 1, 2023, interest was charged at a rate of one month LIBOR (London Interbank Offered Rate) plus 0.70%. As of July 31, 2023, the fund had borrowings of $274,300,000 at an interest rate of 6.07%, which are reflected in the Credit facility agreement payable on the Statement of assets and liabilities. During the year ended July 31, 2023, the average borrowings under the CFA and the effective average interest rate were $274,300,000 and 5.01%, respectively.

The fund is required to pay a commitment fee equal to 0.60% on any unused portion of the maximum facility amount, only for days on which the aggregate outstanding amount of the loans under the CFA is less than 80% of the maximum facility amount. For the year ended July 31, 2023, there were no commitment fees incurred by the fund.

The fund may terminate the CFA with 30 days' notice. If certain asset coverage and collateral requirements, minimum net assets or other covenants are not met, the CFA could be deemed in default and result in termination. Absent a default or facility termination event, BNP generally is required to provide the fund with 360 days' notice prior to terminating or amending the CFA.

The fund has an agreement with BNP that allows BNP to borrow a portion of the pledged collateral (Lent Securities) in an amount not to exceed the lesser of: (i) outstanding borrowings owed by the fund to BNP or (ii) 33 1/3% of the fund's total assets. The fund can designate any security within the pledged collateral as ineligible to be a Lent Security and can recall any of the Lent Securities. The fund also has the right to apply and set-off an amount equal to 100% of the then-current fair market value of such Lent Securities against the current borrowings under the CFA in the event that BNP fails to timely return the Lent Securities and in certain other circumstances. In such circumstances, however, the fund may not be able to obtain replacement financing required to purchase replacement securities and, consequently, the fund's income generating potential may decrease. Even if the fund is able to obtain replacement financing, it might not be able to purchase replacement securities at favorable prices.

Due to the discontinuation of LIBOR, as discussed in Note 8, the CFA was amended to remove LIBOR as the reference rate for interest and to replace LIBOR with an alternative reference rate for interest mutually agreed upon by the fund and BNP, however, there remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate and the potential effect of a transition away from LIBOR on the fund and/or BNP cannot yet be fully determined.

Note 8 — LIBOR Discontinuation Risk

LIBOR is a measure of the average interest rate at which major global banks can borrow from one another. Following allegations of rate manipulation and concerns regarding its thin liquidity, in July 2017, the U.K. Financial Conduct Authority, which regulates LIBOR, announced that it will stop encouraging banks to provide the quotations needed to sustain LIBOR. The ICE Benchmark Administration Limited, the administrator of LIBOR, ceased publishing most liquid US LIBOR maturities on June 30, 2023. The 1-, 3- and 6-month USD LIBOR maturities will continue to be published based on a synthetic methodology through September 30, 2024. It is expected that market participants, such as the fund and BNP, transitioned to the use of alternative reference or benchmark rates prior to the applicable LIBOR publication cessation date. Additionally, although regulators have encouraged the development and adoption of alternative rates, such as the Secured Overnight Financing Rate (SOFR), the future utilization of LIBOR or of any particular replacement rate remains uncertain.

Although the transition process away from LIBOR became increasingly well-defined in advance of the discontinuation dates, the impact on the transition away from LIBOR referenced financial instruments remains uncertain. Market participants have adopted financial instruments referencing LIBOR to include fallback provisions and other measures that contemplated the discontinuation of LIBOR or other similar market disruption events, but neither the effect of the transition process nor the viability of such measures is known. Further, uncertainty and risk remain regarding the willingness and ability of issuers and lenders to include alternative rates and revised provisions in new and existing contracts or instruments. To facilitate the transition of legacy derivatives contracts referencing LIBOR, the International Swaps and Derivatives Association, Inc. launched a protocol to incorporate fallback provisions. However, there are obstacles to converting certain longer term securities and transactions to a new benchmark or benchmarks and the effectiveness of one alternative reference rate versus multiple alternative reference rates in new or existing financial instruments and products has not been determined. Certain proposed replacement rates to LIBOR, such as SOFR, which is a broad measure of secured overnight US Treasury repo rates, are materially different from LIBOR, and changes in the applicable spread for financial instruments transitioning away from LIBOR will need to be made to accommodate the differences. Furthermore, the risks associated with the discontinuation of LIBOR and transition to replacement rates may be exacerbated if an orderly transition to an alternative reference rate is not completed in a timely manner.

LIBOR's deterioration may adversely affect the liquidity and/or market value of securities that use LIBOR as a benchmark interest rate. The use of an alternative reference rate may result in increases to the interest paid by the fund pursuant to the CFA and, therefore, may adversely affect the fund's performance.

Note 9 — Purchase and sale of securities

Purchases and sales of securities, other than short-term investments, amounted to $207,830,935 and $212,607,134, respectively, for the year ended July 31, 2023.

Note 10 — Industry or sector risk

The fund may invest a large percentage of its assets in one or more particular industries or sectors of the economy. If a large percentage of the fund's assets are economically tied to a single or small number of industries or sectors of the economy, the fund will be less diversified than a more broadly diversified fund, and it may cause the fund to underperform if that industry or sector underperforms. In addition, focusing on a particular industry or sector may make the fund's NAV more volatile. Further, a fund that invests in particular industries or sectors is particularly susceptible to the impact of market, economic, regulatory and other factors affecting those industries or sectors.

Commercial banks, savings and loan associations, and holding companies of the foregoing are especially subject to adverse effects of volatile interest rates, concentrations of loans in particular industries, and significant competition. Banks and financial services companies could suffer losses if interest rates rise or economic conditions deteriorate.

Note 11 — Investment in affiliated underlying funds

The fund may invest in affiliated underlying funds that are managed by the Advisor and its affiliates. Information regarding the fund's fiscal year to date purchases and sales of the affiliated underlying funds as well as income and capital gains earned by the fund, if any, is as follows:

							Dividends and distributions		
Affiliate	Ending share amount	Beginning value	Cost of purchases	Proceeds from shares sold	Realized gain (loss)	Change in unrealized appreciation (depreciation)	Income distributions received	Capital gain distributions received	Ending value
John Hancock Collateral Trust	285,079	—	$189,238,528	$(186,389,995)	$1,199	$(368)	$252,491	—	$2,849,364

Note 12 — New accounting pronouncement

In March 2020, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU), ASU 2020-04, Reference Rate Reform (Topic 848), which provides optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of the LIBOR and other IBOR-based reference rates as of the end of 2021. In January 2021 and December 2022, the FASB issued ASU No. 2021-01 and ASU No. 2022-06, with further amendments to Topic 848. The temporary relief provided by ASU 2020-04 is effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2024. Management expects that the adoption of the guidance will not have a material impact to the financial statements.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of John Hancock Preferred Income Fund III

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the fund's investments, of John Hancock Preferred Income Fund III (the "Fund") as of July 31, 2023, the related statements of operations and cash flows for the year ended July 31, 2023, the statements of changes in net assets for each of the two years in the period ended July 31, 2023, including the related notes, and the financial highlights for each of the five years in the period ended July 31, 2023 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of July 31, 2023, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period ended July 31, 2023 and the financial highlights for each of the five years in the period ended July 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of July 31, 2023 by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts

September 26, 2023

We have served as the auditor of one or more investment companies in the John Hancock group of funds since 1988.

Tax information (Unaudited)

For federal income tax purposes, the following information is furnished with respect to the distributions of the fund, if any, paid during its taxable year ended July 31, 2023.

The fund reports the maximum amount allowable of its net taxable income as eligible for the corporate dividends-received deduction.

The fund reports the maximum amount allowable of its net taxable income as qualified dividend income as provided in the Jobs and Growth Tax Relief Reconciliation Act of 2003.

The fund reports the maximum amount allowable as Section 163(j) Interest Dividends.

The fund reports the maximum amount allowable of its Section 199A dividends as defined in Proposed Treasury Regulation §1.199A-3(d).

Eligible shareholders will be mailed a 2023 Form 1099-DIV in early 2024. This will reflect the tax character of all distributions paid in calendar year 2023.

Please consult a tax advisor regarding the tax consequences of your investment in the fund.

Investment objective, principal investment strategies, and principal risks

Unaudited

Investment Objective

The fund's primary investment objective is to provide a high level of current income, consistent with preservation of capital. The fund's secondary investment objective is to provide growth of capital to the extent consistent with its primary investment objective. The fund seeks to achieve its objectives by investing in securities that, in the opinion of the Advisor, may be undervalued relative to similar securities in the marketplace.

Principal Investment Strategies

Under normal market conditions, the fund invests at least 80% of its assets (net assets plus borrowings for investment purposes) in preferred stocks and other preferred securities, including convertible preferred securities. This is a non-fundamental policy and may be changed by the Board of Trustees of the fund provided that shareholders are provided with at least 60 days prior written notice of any change as required by the rules under the 1940 Act. The fund intends to invest primarily in fully taxable preferred securities. The fund's portfolio of preferred securities may include both fixed rate and adjustable rate securities. The allocation of the fund's assets in various types of preferred, debt and equity securities may vary from time to time depending upon the Advisor's assessment of market conditions.

The fund will invest at least 50% of its total assets in preferred securities and other fixed-income securities that are rated investment grade (i.e., at least Baa by a nationally recognized statistical rating organization such as Moody's Investors Service, Inc. ("Moody's") or BBB by Standard & Poor's Ratings Services ("S&P")), or in unrated securities determined by the Advisor to be of comparable credit quality. The fund may invest up to 50% of its total assets in preferred securities and other fixed income securities rated below investment grade (rated below Baa by Moody's or below BBB by S&P), or in comparable unrated securities. Below investment grade securities must be rated Ca or higher by Moody's or CC or higher by S&P or determined to be of comparable quality. The fund may not invest more than 5% of its total assets in securities rated below B or in comparable unrated securities.These investment policies are based on credit quality ratings at the time of acquisition.

The Advisor seeks to produce superior results by focusing on the business cycle and individual security fundamentals and less so on interest rate and duration. In structuring the portfolio, the Advisor seeks to add investment value in two ways:

- by anticipating the broader, more gradual changes in the business cycle, and then investing in those industries and sectors that are expected to benefit from the changes
- by looking within those industries and sectors for issuers and companies that are undervalued and mispriced relative to the market

The fund may invest in corporate bonds, common stock, securities issued by the U.S. government or its related agencies, real estate investment trusts ("REITs") and money market instruments. The fund may invest up to 20% of its total assets in securities of corporate and governmental issuers located outside the United States that are traded or denominated in U.S. dollars. The fund may invest up to 20% of its assets in illiquid securities including, but not limited to, restricted securities, securities that may be resold pursuant to Rule 144A under the Securities Act of 1933, as amended, but that are deemed to be illiquid, and repurchase agreements with maturities in excess of seven days. The fund concentrates its investments in securities of issuers in the industries composing the utilities sector, which includes telecommunication companies, meaning that the fund will invest 25% or more of its total assets in the industries composing the utilities sector. The fund may also invest in derivatives such as credit default swaps, futures, options, swaps, reverse repurchase agreements and options on futures.

The fund may issue preferred shares or debt obligations to establish leverage, to the extent permitted by the 1940 Act. The fund generally will not issue preferred shares or borrow unless the Advisor expects that the fund will achieve a greater return on such borrowed funds than the additional costs the fund incurs as a result of such borrowing. The fund may also engage in reverse repurchase agreements and invest in derivatives to establish investment leverage or for temporary purposes.

Principal Risks

As is the case with all exchange-listed 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.

The fund's main risks are listed below in alphabetical order, not in order of importance.

Changing distribution level & return of capital risk. There is no guarantee prior distribution levels will be maintained, and distributions may include a substantial tax return of capital. A return of capital is the return of all or a portion of a shareholder's investment in the fund. For the fiscal year ended July 31, 2023, the fund's aggregate distributions included a return of capital of $0.22 per share, or 17.03% of aggregate distributions, which could impact the tax treatment of a subsequent sale of fund shares.

Concentration risk. Because the fund may focus on one or more industries or sectors of the economy, its performance depends in large part on the performance of those industries or sectors. As a result, the value of an investment may fluctuate more widely since it is more susceptible to market, economic, political, regulatory, and other conditions and risks affecting those industries or sectors than a fund that invests more broadly across industries and sectors.

Credit and counterparty risk. The issuer or guarantor of a fixed-income security, the counterparty to an over-the-counter derivatives contract, or a borrower of fund securities may not make timely payments or otherwise honor its obligations. U.S. government securities are subject to varying degrees of credit risk depending upon the nature of their support. A downgrade or default affecting any of the fund's securities could affect the fund's performance.

Cybersecurity and operational risk. Cybersecurity breaches may allow an unauthorized party to gain access to fund assets, customer data, or proprietary information, or cause a fund or its service providers to suffer data corruption or lose operational functionality. Similar incidents affecting issuers of a fund's securities may negatively impact performance. Operational risk may arise from human error, error by third parties, communication errors, or technology failures, among other causes.

Economic and market events risk. Events in the U.S. and global financial markets, including actions taken by the U.S. Federal Reserve or foreign central banks to stimulate or stabilize economic growth, may at times result in unusually high market volatility, which could negatively impact performance. Reduced liquidity in credit and fixed-income markets could adversely affect issuers worldwide. Banks and financial services companies could suffer losses if interest rates rise or economic conditions deteriorate.

As a result of continued political tensions and armed conflicts, including the Russian invasion of Ukraine commencing in February of 2022, the extent and ultimate result of which are unknown at this time, the United States and the EU, along with the regulatory bodies of a number of countries, have imposed economic sanctions on certain Russian corporate entities and individuals, and certain sectors of Russia's economy, which may result in, among other things, the continued devaluation of Russian currency, a downgrade in the country's credit rating, and/or a decline in the value and liquidity of Russian securities, property or interests. These sanctions could also result in the immediate freeze of Russian securities and/or funds invested in prohibited assets, impairing the ability of a fund to buy, sell, receive or deliver those securities and/or assets. These sanctions or the threat of additional sanctions could also result in Russia taking counter measures or retaliatory actions, which may further impair the value and liquidity of Russian securities. The United States and other nations or international organizations may also impose additional economic sanctions or take other actions that may adversely affect Russia-exposed issuers and companies in various sectors of the Russian economy. Any or all of these potential results could lead Russia's economy into a recession. Economic sanctions and other actions against Russian institutions, companies, and individuals resulting from the ongoing conflict may also have a substantial negative impact on other economies and securities markets both regionally and globally, as well as on companies with operations in the conflict region, the extent to which is unknown at this time. The United States and the EU have also imposed similar sanctions on Belarus for its support of Russia's invasion of Ukraine. Additional sanctions may be imposed on Belarus and other countries that support Russia. Any such sanctions could present substantially similar risks as those resulting from the sanctions imposed on Russia, including substantial negative impacts on the regional and global economies and securities markets.

A widespread health crisis such as a global pandemic could cause substantial market volatility, exchange trading suspensions and closures, and affect fund performance. For example, the novel coronavirus pandemic (COVID-19) has resulted and may continue to result in significant disruptions to global business activity and market volatility due to disruptions in market access, resource availability, facilities operations, imposition of tariffs, export controls, and supply chain disruptions, among others. The impact of a health crisis and other epidemics and pandemics that may arise in the future, could affect the global economy in ways that cannot necessarily be foreseen at the present time. A health crisis may exacerbate other preexisting political, social, and economic risks. Any such impact could adversely affect the fund's performance, resulting in losses to your investment.

Equity securities risk. The price of equity securities may decline due to changes in a company's financial condition or overall market conditions. Securities the manager believes are undervalued may never realize their full potential value, and in certain markets value stocks may underperform the market as a whole.

ESG integration risk. The manager considers ESG factors that it deems relevant or additive, along with other material factors and analysis, when managing the fund. The portion of the fund's investments for which the manager considers these ESG factors may vary, and could increase or decrease over time. In certain situations, the extent to which these ESG factors may be applied according to the manager's integrated investment process may not include U.S. Treasuries, government securities, or other asset classes. ESG factors may include, but are not limited to, matters regarding board diversity, climate change policies, and supply chain and human rights policies. Incorporating ESG criteria and making investment decisions based on certain ESG characteristics, as determined by the manager, carries the risk that the fund may perform differently, including underperforming, funds that do not utilize ESG criteria, or funds that utilize different ESG criteria. Integration of ESG factors into the fund's investment process may result in the manager making different investments for the fund than for a fund with a similar investment universe and/or investment style that does not incorporate such considerations in its investment strategy or processes, and the fund's investment performance may be affected. Because ESG factors are one of many considerations for the fund, the manager may nonetheless include companies with low ESG characteristics or exclude companies with high ESG characteristics in the fund's investments.

Fixed-income securities risk. A rise in interest rates typically causes bond prices to fall. The longer the average maturity or duration of the bonds held by a fund, the more sensitive it will likely be to interest-rate fluctuations. An issuer may not make all interest payment or repay all or any of the principal borrowed. Changes in a security's credit qualify may adversely affect fund performance. Increases in real interest rates generally cause the price of inflation-protected debt securities to decrease.

Foreign securities risk. Less information may be publicly available regarding foreign issuers, including foreign government issuers. Foreign securities may be subject to foreign taxes and may be more volatile than U.S. securities. Currency fluctuations and political and economic developments may adversely impact the value of foreign securities. If applicable, depositary receipts are subject to most of the risks associated with investing in foreign securities directly because the value of a depositary receipt is dependent upon the market price of the underlying foreign equity security. Depositary receipts are also subject to liquidity risk.

Hedging, derivatives, and other strategic transactions risk. Hedging, derivatives, and other strategic transactions may increase a fund's volatility and could produce disproportionate losses, potentially more than the fund's principal investment. Risks of these transactions are different from and possibly greater than risks of investing directly in securities and other traditional instruments. Under certain market conditions, derivatives could become harder to value or sell and may become subject to liquidity risk (i.e., the inability to enter into closing transactions). Derivatives and other strategic transactions that the fund intends to utilize include: credit default swaps, futures contracts, options, and swaps, reverse repurchase agreements and options on futures. Futures contracts, options, and swaps generally are subject to counterparty risk. In addition, swaps may be subject to interest-rate and settlement risk, and the risk of default of the underlying reference obligation. An event of default or insolvency of the counterparty to a reverse repurchase agreement could result in delays or restrictions with respect to the fund's ability to dispose of the underlying securities. In addition, a reverse repurchase agreement may be considered a form of leverage and may, therefore, increase fluctuations in the fund's NAV.

Illiquid and restricted securities risk. Illiquid and restricted securities may be difficult to value and may involve greater risks than liquid securities. Illiquidity may have an adverse impact on a particular security's market price and the fund's ability to sell the security.

Leveraging risk. Issuing preferred shares or using derivatives may result in a leveraged portfolio. Leveraging long exposures increases a fund's losses when the value of its investments declines. Some derivatives have the potential for unlimited loss, regardless of the size of the initial investment. The fund also utilizes a Credit Facility Agreement to increase its assets available for investment. See "Note 6 —Leverage risk" above.

LIBOR discontinuation risk. The publication of the London Interbank Offered Rate (LIBOR), which many debt securities, derivatives and other financial instruments have used or continue to use as the reference or benchmark rate for interest rate calculations, was discontinued for certain maturities on December 31, 2021, and ceased publishing the remaining and most liquid U.S. LIBOR maturities on June 30, 2023 on a representative basis. The 1-,3- and 6-month USD LIBOR maturities will continue to be published based on a synthetic methodology through September 30, 2024 and are permitted to be used in all legacy contracts except cleared derivatives. The transition process away from LIBOR may lead to increased volatility and illiquidity in markets that currently rely on LIBOR to determine interest rates, and the eventual use of an alternative reference rate may adversely affect the fund's performance. In addition, the usefulness of LIBOR may deteriorate in the period leading up to its discontinuation, which could adversely affect the liquidity or market value of securities that use LIBOR.

Liquidity risk. The extent (if at all) to which a security may be sold or a derivative position closed without negatively impacting its market value may be impaired by reduced market activity or participation, legal restrictions, or other economic and market impediments. Widespread selling of fixed-income securities to satisfy redemptions during periods of reduced demand may adversely impact the price or salability of such securities.

Lower-rated and high-yield fixed-income securities risk. Lower-rated and high-yield fixed-income securities (junk bonds) are subject to greater credit quality risk, risk of default, and price volatility than higher-rated fixed-income securities, may be considered speculative, and can be difficult to resell.

Preferred and convertible securities risk. Preferred stock dividends are payable only if declared by the issuer's board. Preferred stock may be subject to redemption provisions. The market values of convertible securities tend to fall as interest rates rise and rise as interest rates fall. Convertible preferred stock's value can depend heavily upon the underlying common stock's value.

Real estate investment trust risk. REITs, pooled investment vehicles that typically invest in real estate directly or in loans collateralized by real estate, carry risks associated with owning real estate, including the potential for a decline in value due to economic or market conditions.

Real estate securities risk. Securities of companies in the real estate industry carry risks associated with owning real estate, including the potential for a decline in value due to economic or market conditions.

U.S. Government agency obligations risk. U.S. government-sponsored entities such as Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal Home Loan Banks, although chartered or sponsored by Congress, are not funded by congressional appropriations and the debt securities that they issue are neither guaranteed nor issued by the U.S. government. Such debt securities are subject to the risk of default on the payment of interest and/or principal, similar to the debt securities of private issuers. The maximum potential liability of the issuers of some U.S. government obligations may greatly exceed their current resources, including any legal right to support from the U.S. government. Although the U.S. government has provided financial support to Fannie Mae and Freddie Mac in the past, there can be no assurance that it will support these or other government-sponsored entities in the future.

ADDITIONAL INFORMATION

Unaudited

The fund is a closed-end, diversified management investment company, common shares of which were initially offered to the public on June 19, 2003 and are publicly traded on the New York Stock Exchange (the NYSE).

Dividends and distributions

During the year ended July 31, 2023, distributions from net investment income totaling $1.0956 per share and tax return of capital totalling $0.2244 per share were paid to shareholders. The dates of payments and the amounts per share were as follows:

Payment Date	Income Distributions
August 31, 2022	$ 0.1100
September 30, 2022	0.1100
October 31, 2022	0.1100
November 30, 2022	0.1100
December 30, 2022	0.1100
January 31, 2023	0.1100
February 28, 2023	0.1100
March 31, 2023	0.1100
April 28, 2023	0.1100
May 31, 2023	0.1100
June 30, 2023	0.1100
July 31, 2023	0.1100
Total	**$1.3200**

Dividend reinvestment plan

The fund's Dividend Reinvestment Plan (the Plan) provides that distributions of dividends and capital gains are automatically reinvested in common shares of the fund by Computershare Trust Company, N.A. (the Plan Agent). Every shareholder holding at least one full share of the fund is entitled to participate in the Plan. In addition, every shareholder who became a shareholder of the fund after June 30, 2011, and holds at least one full share of the fund will be automatically enrolled in the Plan. Shareholders may withdraw from the Plan at any time and shareholders who do not participate in the Plan will receive all distributions in cash.

If the fund declares a dividend or distribution payable either in cash or in common shares of the fund and the market price of shares on the payment date for the distribution or dividend equals or exceeds the fund's net asset value per share (NAV), the fund will issue common shares to participants at a value equal to the higher of NAV or 95% of the market price. The number of additional shares to be credited to each participant's account will be determined by dividing the dollar amount of the distribution or dividend by the higher of NAV or 95% of the market price. If the market price is lower than NAV, or if dividends or distributions are payable only in cash, then participants will receive shares purchased by the Plan Agent on participants' behalf on the NYSE or otherwise on the open market. If the market price exceeds NAV before the Plan Agent has completed its purchases, the average per share purchase price may exceed NAV, resulting in fewer shares being acquired than if the fund had issued new shares.

There are no brokerage charges with respect to common shares issued directly by the fund. However, whenever shares are purchased or sold on the NYSE or otherwise on the open market, each participant will pay a pro rata portion of brokerage trading fees, currently $0.05 per share purchased or sold. Brokerage trading fees will be deducted from amounts to be invested.

The reinvestment of dividends and net capital gains distributions does not relieve participants of any income tax that may be payable on such dividends or distributions.

Shareholders participating in the Plan may buy additional shares of the fund through the Plan at any time in amounts of at least $50 per investment, up to a maximum of $10,000, with a total calendar year limit of $100,000. Shareholders will be charged a $5 transaction fee plus $0.05 per share brokerage trading fee for each order. Purchases of additional shares of the fund will be made on the open market. Shareholders who elect to utilize monthly electronic fund transfers to buy additional shares of the fund will be charged a $2 transaction fee plus $0.05 per share brokerage trading fee for each automatic purchase. Shareholders can also sell fund shares held in the Plan account at any time by contacting the Plan Agent by telephone, in writing or by visiting the Plan Agent's website at www.computershare.com/investor. The Plan Agent will mail a check (less applicable brokerage trading fees) on settlement date. Pursuant to regulatory changes, effective September 5, 2017, the settlement date is changed from three business days after the shares have been sold to two business days after the shares have been sold. If shareholders choose to sell shares through their stockbroker, they will need to request that the Plan Agent electronically transfer those shares to their stockbroker through the Direct Registration System.

Shareholders participating in the Plan may withdraw from the Plan at any time by contacting the Plan Agent by telephone, in writing or by visiting the Plan Agent's website at www.computershare.com/investor. Such termination will be effective immediately if the notice is received by the Plan Agent prior to any dividend or distribution record date; otherwise, such termination will be effective on the first trading day after the payment date for such dividend or distribution, with respect to any subsequent dividend or distribution. If shareholders withdraw from the Plan, their shares will be credited to their account; or, if they wish, the Plan Agent will sell their full and fractional shares and send the shareholders the proceeds, less a transaction fee of $5 and less brokerage trading fees of $0.05 per share. If a shareholder does not maintain at least one whole share of common stock in the Plan account, the Plan Agent may terminate such shareholder's participation in the Plan after written notice. Upon termination, shareholders will be sent a check for the cash value of any fractional share in the Plan account, less any applicable broker commissions and taxes.

Shareholders who hold at least one full share of the fund may join the Plan by notifying the Plan Agent by telephone, in writing or by visiting the Plan Agent's website at www.computershare.com/investor. If received in proper form by the Plan Agent before the record date of a dividend, the election will be effective with respect to all dividends paid after such record date. If shareholders wish to participate in the Plan and their shares are held in the name of a brokerage firm, bank or other nominee, shareholders should contact their nominee to see if it will participate in the Plan. If shareholders wish to participate in the Plan, but their brokerage firm, bank or other nominee is unable to participate on their behalf, they will need to request that their shares be re-registered in their own name, or they will not be able to participate. The Plan Agent will administer the Plan on the basis of the number of shares certified from time to time by shareholders as representing the total amount registered in their name and held for their account by their nominee.

Experience under the Plan may indicate that changes are desirable. Accordingly, the fund and the Plan Agent reserve the right to amend or terminate the Plan. Participants generally will receive written notice at least 90 days before the effective date of any amendment. In the case of termination, participants will receive written notice at least 90 days before the record date for the payment of any dividend or distribution by the fund.

All correspondence or requests for additional information about the Plan should be directed to Computershare Trust Company, N.A., at the address stated below, or by calling 800-852-0218, 201-680-6578 (For International Telephone Inquiries) and 800-952-9245 (For the Hearing Impaired (TDD)).

Shareholder communication and assistance

If you have any questions concerning the fund, we will be pleased to assist you. If you hold shares in your own name and not with a brokerage firm, please address all notices, correspondence, questions or other communications regarding the fund to the transfer agent at:

Regular Mail:
Computershare
P.O. Box 43006
Providence, RI 02940-3078

Registered or Overnight Mail:
Computershare
150 Royall Street, Suite 101
Canton, MA 02021

If your shares are held with a brokerage firm, you should contact that firm, bank or other nominee for assistance.

SHAREHOLDER MEETING

The Fund held its Annual Meeting of Shareholders on Monday, February 21, 2023. The following proposal was considered by the shareholders:

THE PROPOSAL PASSED ON FEBRUARY 21, 2023

Proposal: To elect one (1) Trustee (Noni L. Ellison) to serve for a 1-year term ending at the 2024 Annual Meeting of Shareholders. To elect two (2) Trustees (Dean C. Garfield and Patricia Lizarraga) to serve for a 2-year term ending at the 2025 Annual Meeting of Shareholders, and to elect six (6) Trustees (James R. Boyle, William H. Cunningham, Grace K. Fey, Paul Lorentz, Hassell H. McClellan, and Gregory A. Russo) to serve for a 3-year term ending at the 2026 Annual Meeting of Shareholders.

	Total votes for the nominee	Total votes withheld from the nominee
Independent Trustees		
James R. Boyle	22,931,845.576	753,256.650
William H. Cunningham	22,677,198.576	1,007,903.650
Noni L. Ellison	22,678,496.576	1,006,605.650
Grace K. Fey	22,621,303.576	1,063,798.650
Dean C. Garfield	22,890,187.576	794,914.650
Patricia Lizarraga	22,703,737.576	981,364.650
Hassell H. McClellan	22,657,643.576	1,027,458.650
Gregory A. Russo	22,840,657.576	844,444.650
Non-Independent Trustees		
Paul Lorentz	22,931,612.576	753,489.650

Trustees whose term of office continued after the Annual Meeting of Shareholders because they were not up for election were: Andrew G. Arnott, Deborah C. Jackson, Steven R. Pruchansky, and Frances G. Rathke.

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 Preferred Income Fund III (the fund) of the Advisory Agreement (the Advisory Agreement) with John Hancock Investment Management LLC (the Advisor) and the Subadvisory Agreement (the Subadvisory Agreement) with Manulife Investment Management (US) LLC (the Subadvisor). The Advisory Agreement and Subadvisory Agreement are collectively referred to as the Agreements. Prior to the June 26-29, 2023 meeting at which the Agreements were approved, the Board also discussed and considered information regarding the proposed continuation of the Agreements at a meeting held on May 30 - June 1, 2023. The Trustees who are not "interested persons" of the Trust as defined by the Investment Company Act of 1940, as amended (the 1940 Act) (the Independent Trustees) also met separately to evaluate and discuss the information presented, including with counsel to the Independent Trustees and a third-party consulting firm.

Approval of Advisory and Subadvisory Agreements

At meetings held on June 26-29, 2023, the Board, including the Trustees who are not parties to any Agreement or considered to be interested persons of the fund under the 1940 Act, 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 noted 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 noted the affiliation of the Subadvisor with the Advisor, noting any potential conflicts of interest. 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, derivatives risk 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 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 relationship, 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, as well as the Advisor's oversight of any securities lending activity, its monitoring of class action litigation and collection of class action settlements on behalf of the fund, and bringing loss recovery actions on behalf of 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 five- and ten-year periods ended December 31, 2022 and underperformed its benchmark index for the one- and three-year periods ended December 31, 2022. The Board also noted that, based on its net asset value, the fund outperformed its peer group median for the one-year period and underperformed its peer group median for the three-, five-, and ten-year periods ended December 31, 2022. The Board took into account management's discussion of the factors that contributed to the fund's performance relative to the benchmark index for the one- and three-year periods and relative to its peer group median for the three-, five- and ten-year periods, including the impact of past and current market conditions on the fund's strategy and management's outlook for the fund. The Board concluded that the fund's performance is being monitored and reasonably addressed, where appropriate.

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 also took into account the impact of leverage on fund expenses. The Board took into account the management fee structure, including that management fees for the fund were based on the fund's total managed assets, which are attributable to common stock and borrowings.

The Board noted that net management fees and net total expenses for the fund are lower than the peer group median. The Board also noted that the contractual fee waiver and/or expense reimbursement reduces certain expenses of the fund.

The Board took into account management's discussion with respect to the overall management fee, the fees of the Subadvisor, including the amount of the advisory fee retained by the Advisor after payment of the subadvisory fee, in each case in light of the services rendered for those amounts and the risks undertaken by the Advisor. The Board also noted that the Advisor pays the subadvisory fee. 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 in light of the nature, extent and quality of the services provided to the fund under the Advisory Agreement.

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 (including the Subadvisor) 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 the fund;

(d) received information with respect to the Advisor's allocation methodologies used in preparing the 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 fund's Subadvisor is an affiliate of the Advisor;

(g) noted that the Advisor also derives reputational and other indirect benefits from providing advisory services to the fund;

(h) noted that the subadvisory fees for the fund are paid by the Advisor;

(i) 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

(j) considered that the Advisor should be entitled to earn a reasonable level of profits in exchange for the level 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 (including the Subadvisor) 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 noted that although the fund does not have breakpoints in its contractual management fee, its net management fee and total expenses are each below the peer group median. 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; and

(3) the subadvisory fee for the fund and to the extent available, comparable fee information prepared by an independent third party provider of fund data.

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 considered any 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 performance of the fund is being monitored and reasonably addressed, where appropriate; and

(3) the subadvisory fees are reasonable in relation to the level and quality of services being provided under the Subadvisory Agreement.

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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.

Trustees and Officers

This chart provides information about the Trustees and Officers who oversee your John Hancock fund. Officers elected by the Trustees manage the day-to-day operations of the fund and execute policies formulated by the Trustees.

Independent Trustees

Name, year of birth Position(s) held with fund Principal occupation(s) and other directorships during past 5 years	Trustee of the Trust since[1]	Number of John Hancock funds overseen by Trustee
Hassell H. McClellan,[2] Born: 1945	**2012**	**186**
Trustee and Chairperson of the Board		
Director/Trustee, Virtus Funds (2008-2020); Director, The Barnes Group (2010-2021); Associate Professor, The Wallace E. Carroll School of Management, Boston College (retired 2013). Trustee (since 2005) and Chairperson of the Board (since 2017) of various trusts within the John Hancock Fund Complex.		
James R. Boyle, Born: 1959	**2015**	**183**
Trustee		
Board Member, United of Omaha Life Insurance Company (since 2022). Board Member, Mutual of Omaha Investor Services, Inc. (since 2022). Foresters Financial, Chief Executive Officer (2018–2022) and board member (2017–2022). Manulife Financial and John Hancock, more than 20 years, retiring in 2012 as Chief Executive Officer, John Hancock and Senior Executive Vice President, Manulife Financial. Trustee of various trusts within the John Hancock Fund Complex (2005–2014 and since 2015).		
William H. Cunningham,[3] Born: 1944	**2002**	**184**
Trustee		
Professor, University of Texas, Austin, Texas (since 1971); former Chancellor, University of Texas System and former President of the University of Texas, Austin, Texas; Director (since 2006), Lincoln National Corporation (insurance); Director, Southwest Airlines (since 2000). Trustee of various trusts within the John Hancock Fund Complex (since 1986).		
Noni L. Ellison,[*] Born: 1971	**2022**	**183**
Trustee		
Senior Vice President, General Counsel & Corporate Secretary, Tractor Supply Company (rural lifestyle retailer) (since 2021); General Counsel, Chief Compliance Officer & Corporate Secretary, Carestream Dental, L.L.C.(2017–2021); Associate General Counsel & Assistant Corporate Secretary, W.W. Grainger, Inc. (global industrial supplier) (2015–2017); Board Member, Goodwill of North Georgia, 2018 (FY2019)–2020 (FY2021); Board Member, Howard University School of Law Board of Visitors (since 2021); Board Member, University of Chicago Law School Board of Visitors (since 2016); Board member, Children's Healthcare of Atlanta Foundation Board (2021–present). Trustee of various trusts within the John Hancock Fund Complex (since 2022).		
Grace K. Fey, Born: 1946	**2012**	**186**
Trustee		
Chief Executive Officer, Grace Fey Advisors (since 2007); Director and Executive Vice President, Frontier Capital Management Company (1988–2007); Director, Fiduciary Trust (since 2009). Trustee of various trusts within the John Hancock Fund Complex (since 2008).		
Dean C. Garfield,[*] Born: 1968	**2022**	**183**
Trustee		
Vice President, Netflix, Inc. (since 2019); President & Chief Executive Officer, Information Technology Industry Council (2009–2019); NYU School of Law Board of Trustees (since 2021); Member, U.S. Department of Transportation, Advisory Committee on Automation (since 2021); President of the United States Trade Advisory Council (2010–2018); Board Member, College for Every Student (2017–2021); Board Member, The Seed School of Washington, D.C. (2012–2017). Trustee of various trusts within the John Hancock Fund Complex (since 2022).		

Independent Trustees (continued)

Name, year of birth Position(s) held with fund Principal occupation(s) and other directorships during past 5 years	Trustee of the Trust since[1]	Number of John Hancock funds overseen by Trustee
Deborah C. Jackson, Born: 1952	**2008**	**185**

Trustee

President, Cambridge College, Cambridge, Massachusetts (since 2011); Board of Directors, Amwell Corporation (since 2020); Board of Directors, Massachusetts Women's Forum (2018-2020); Board of Directors, National Association of Corporate Directors/New England (2015-2020); Chief Executive Officer, American Red Cross of Massachusetts Bay (2002–2011); Board of Directors of Eastern Bank Corporation (since 2001); Board of Directors of Eastern Bank Charitable Foundation (since 2001); Board of Directors of Boston Stock Exchange (2002–2008); Board of Directors of Harvard Pilgrim Healthcare (health benefits company) (2007–2011). Trustee of various trusts within the John Hancock Fund Complex (since 2008).

Steven R. Pruchansky, Born: 1944	**2002**	**183**

Trustee and Vice Chairperson of the Board

Managing Director, Pru Realty (since 2017); Chairman and Chief Executive Officer, Greenscapes of Southwest Florida, Inc. (2014-2020); Director and President, Greenscapes of Southwest Florida, Inc. (until 2000); Member, Board of Advisors, First American Bank (until 2010); Managing Director, Jon James, LLC (real estate) (since 2000); Partner, Right Funding, LLC (2014-2017); Director, First Signature Bank & Trust Company (until 1991); Director, Mast Realty Trust (until 1994); President, Maxwell Building Corp. (until 1991). Trustee (since 1992), Chairperson of the Board (2011–2012), and Vice Chairperson of the Board (since 2012) of various trusts within the John Hancock Fund Complex.

Frances G. Rathke,[3] Born: 1960	**2020**	**183**

Trustee

Director, Audit Committee Chair, Oatly Group AB (plant-based drink company) (since 2021); Director, Audit Committee Chair and Compensation Committee Member, Green Mountain Power Corporation (since 2016); Director, Treasurer and Finance & Audit Committee Chair, Flynn Center for Performing Arts (since 2016); Director and Audit Committee Chair, Planet Fitness (since 2016); Chief Financial Officer and Treasurer, Keurig Green Mountain, Inc. (2003-retired 2015). Trustee of various trusts within the John Hancock Fund Complex (since 2020).

Gregory A. Russo, Born: 1949	**2008**	**183**

Trustee

Director and Audit Committee Chairman (2012-2020), and Member, Audit Committee and Finance Committee (2011-2020), NCH Healthcare System, Inc. (holding company for multi-entity healthcare system); Director and Member (2012-2018), and Finance Committee Chairman (2014-2018), The Moorings, Inc. (nonprofit continuing care community); Global Vice Chairman, Risk & Regulatory Matters, KPMG LLP (KPMG) (2002–2006); Vice Chairman, Industrial Markets, KPMG (1998–2002). Trustee of various trusts within the John Hancock Fund Complex (since 2008).

Non-Independent Trustees[4]

Name, year of birth Position(s) held with fund Principal occupation(s) and other directorships during past 5 years	Trustee of the Trust since[1]	Number of John Hancock funds overseen by Trustee
Andrew G. Arnott, Born: 1971	**2017**	**184**

Non-Independent Trustee

Global Head of Retail for Manulife (since 2022); Head of Wealth and Asset Management, United States and Europe, for John Hancock and Manulife (2018-2023); Director and Chairman, John Hancock Investment Management LLC (since 2005, including prior positions); Director and Chairman, John Hancock Variable Trust Advisers LLC (since 2006, including prior positions); Director and Chairman, John Hancock Investment Management Distributors LLC (since 2004, including prior positions); President of various trusts within the John Hancock Fund Complex (2007-2023, including prior positions). Trustee of various trusts within the John Hancock Fund Complex (since 2017).

Paul Lorentz,† Born: 1968	**2022**	**183**

Non-Independent Trustee

Global Head, Manulife Wealth and Asset Management (since 2017); General Manager, Manulife, Individual Wealth Management and Insurance (2013–2017); President, Manulife Investments (2010–2016). Trustee of various trusts within the John Hancock Fund Complex (since 2022).

Principal officers who are not Trustees

Name, year of birth Position(s) held with fund Principal occupation(s) during past 5 years	Current Position(s) with the Trust since
Kristie M. Feinberg, Born: 1975	**2023**

President

Head of Wealth and Asset Management, United States and Europe, for John Hancock and Manulife (since 2023); CFO and Global Head of Strategy, Manulife Investment Management (2021-2023, including prior positions); CFO Americas & Global Head of Treasury, Invesco, Ltd., Invesco US (2019-2020, including prior positions); Senior Vice President, Corporate Treasurer and Business Controller, Oppenheimer Funds (2001-2019, including prior positions); President of various trusts within the John Hancock Fund Complex (since 2023).

Charles A. Rizzo, Born: 1957	**2007**

Chief Financial Officer

Vice President, John Hancock Financial Services (since 2008); Senior Vice President, John Hancock Investment Management LLC and John Hancock Variable Trust Advisers LLC (since 2008); Chief Financial Officer of various trusts within the John Hancock Fund Complex (since 2007).

Salvatore Schiavone, Born: 1965	**2010**

Treasurer

Assistant Vice President, John Hancock Financial Services (since 2007); Vice President, John Hancock Investment Management LLC and John Hancock Variable Trust Advisers LLC (since 2007); Treasurer of various trusts within the John Hancock Fund Complex (since 2007, including prior positions).

Principal officers who are not Trustees (continued)

Name, year of birth Position(s) held with fund Principal occupation(s) during past 5 years	Current Position(s) with the Trust since
Christopher (Kit) Sechler, Born: 1973	**2018**

Secretary and Chief Legal Officer

Vice President and Deputy Chief Counsel, John Hancock Investment Management (since 2015); Assistant Vice President and Senior Counsel (2009–2015), John Hancock Investment Management; Assistant Secretary of John Hancock Investment Management LLC and John Hancock Variable Trust Advisers LLC (since 2009); Chief Legal Officer and Secretary of various trusts within the John Hancock Fund Complex (since 2009, including prior positions).

Trevor Swanberg, Born: 1979	**2020**

Chief Compliance Officer

Chief Compliance Officer, John Hancock Investment Management LLC and John Hancock Variable Trust Advisers LLC (since 2020); Deputy Chief Compliance Officer, John Hancock Investment Management LLC and John Hancock Variable Trust Advisers LLC (2019–2020); Assistant Chief Compliance Officer, John Hancock Investment Management LLC and John Hancock Variable Trust Advisers LLC (2016–2019); Vice President, State Street Global Advisors (2015–2016); Chief Compliance Officer of various trusts within the John Hancock Fund Complex (since 2016, including prior positions).

The business address for all Trustees and Officers is 200 Berkeley Street, Boston, Massachusetts 02116-5023.

The Fund does not make available copies of its Statement of Additional Information because the Fund's shares are not continuously offered and the Statement of Additional Information has not been updated since the Fund's last public offering, therefore the information contained in the Statement of Additional Information may be outdated.

[1] Ms. Ellison and Ms. Rathke serve as Trustees for a term expiring in 2024; Mr. Arnott, Mr. Garfield, Ms. Jackson, Ms. Lizarraga, and Mr. Pruchansky serve as Trustees for a term expiring in 2025; Mr. Boyle, Dr. Cunningham, Ms. Fey, Mr. Lorentz, Dr. McClellan and Mr. Russo serve as Trustees for a term expiring in 2026; Mr. Boyle has served as Trustee at various times prior to date listed in the table.

[2] Member of the Audit Committee as of September 26, 2023.

[3] Member of the Audit Committee.

[4] The Trustee is a Non-Independent Trustee due to current or former positions with the Advisor and certain of its affiliates.

* Appointed to serve as Independent Trustee effective as of September 20, 2022.

† Appointed to serve as Non-Independent Trustee effective as of September 20, 2022.

More information

Investment advisor
John Hancock Investment Management LLC

Subadvisor
Manulife Investment Management (US) LLC

Portfolio Managers
Joseph H. Bozoyan, CFA
James Gearhart, CFA
Jonas Grazulis, CFA
Caryn E. Rothman, CFA

Custodian
State Street Bank and Trust Company

Transfer agent
Computershare Shareowner Services, LLC

Legal counsel
K&L Gates LLP

Independent registered public accounting firm
PricewaterhouseCoopers LLP

Stock symbol
Listed New York Stock Exchange: HPS

π Member of the Audit Committee as of September 26, 2023.
† Non-Independent Trustee
* Member of the Audit Committee
^ Appointed to serve as Independent Trustee effective as of September 20, 2022.
§ Effective September 21, 2023, Ms. Lizarraga is no longer a Trustee.
‡ Appointed to serve as Non-Independent Trustee effective as of September 20, 2022.
# Effective June 29, 2023.

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 or on our website.

All of the fund's holdings as of the end of the third month of every fiscal quarter are filed with the SEC on Form N-PORT within 60 days of the end of the fiscal quarter. The fund's Form N-PORT filings are available on our website and the SEC's website, sec.gov.

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

The report is certified under the Sarbanes-Oxley Act, which requires closed-end funds and other public companies to affirm that, to the best of their knowledge, the information in their financial reports is fairly and accurately stated in all material respects.

You can also contact us:

800-852-0218
jhinvestments.com

Regular mail:
Computershare
P.O. Box 43006
Providence, RI 02940-3078

Express mail:
Computershare
150 Royall St., Suite 101
Canton, MA 02021

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You may revoke your consent at any time by simply visiting jhinvestments.com/login and following the instructions above. You may also revoke consent by calling 800-225-5291 or by writing to us at the following address: John Hancock Signature Services, Inc., P.O. Box 219909, Kansas City, MO 64121-9909. We reserve the right to deliver documents to you on paper at any time should the need arise.

Brokerage account shareholders

If you receive statements directly from your bank or broker and would like to participate in eDelivery, go to **icsdelivery/live** or contact your financial representative.

Get your questions answered by using our shareholder resources

ONLINE

- Visit **jhinvestments.com** to access a range of resources for individual investors, from account details and fund information to forms and our latest insight on the markets and economy.
- Use our **Fund Compare** tool to compare thousands of funds and ETFs across dozens of risk and performance metrics—all powered by Morningstar.
- Visit our online **Tax Center**, where you'll find helpful taxpayer resources all year long, including tax forms, planning guides, and other fund-specific information.
- Follow us on **Facebook, Twitter, and LinkedIn** to get the latest updates on the markets and what's trending now.

BY PHONE

Call our customer service representatives at 800-225-5291, Monday to Thursday, 8:00 A.M. to 7:00 P.M., and Friday, 8:00 A.M. to 6:00 P.M., Eastern time. We're here to help!

John Hancock family of funds

U.S. EQUITY FUNDS

Blue Chip Growth

Classic Value

Disciplined Value

Disciplined Value Mid Cap

Equity Income

Financial Industries

Fundamental All Cap Core

Fundamental Large Cap Core

Mid Cap Growth

New Opportunities

Regional Bank

Small Cap Core

Small Cap Growth

Small Cap Value

U.S. Global Leaders Growth

U.S. Growth

INTERNATIONAL EQUITY FUNDS

Disciplined Value International

Emerging Markets

Emerging Markets Equity

Fundamental Global Franchise

Global Environmental Opportunities

Global Equity

Global Shareholder Yield

Global Thematic Opportunities

International Dynamic Growth

International Growth

International Small Company

FIXED-INCOME FUNDS

Bond

California Municipal Bond

Emerging Markets Debt

Floating Rate Income

Government Income

High Yield

High Yield Municipal Bond

Income

Investment Grade Bond

Money Market

Municipal Opportunities

Opportunistic Fixed Income

Short Duration Bond

Short Duration Municipal Opportunities

Strategic Income Opportunities

ALTERNATIVE FUNDS

Alternative Asset Allocation

Diversified Macro

Infrastructure

Multi-Asset Absolute Return

Real Estate Securities

Seaport Long/Short

EXCHANGE-TRADED FUNDS

John Hancock Corporate Bond ETF

John Hancock International High Dividend ETF

John Hancock Mortgage-Backed Securities ETF

John Hancock Multifactor Developed International ETF

John Hancock Multifactor Emerging Markets ETF

John Hancock Multifactor Large Cap ETF

John Hancock Multifactor Mid Cap ETF

John Hancock Multifactor Small Cap ETF

John Hancock Preferred Income ETF

John Hancock U.S. High Dividend ETF

ASSET ALLOCATION/TARGET DATE FUNDS

Balanced

Multi-Asset High Income

Lifestyle Blend Portfolios

Lifetime Blend Portfolios

Multimanager Lifestyle Portfolios

Multimanager Lifetime Portfolios

Preservation Blend Portfolios

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE FUNDS

ESG Core Bond

ESG International Equity

ESG Large Cap Core

CLOSED-END FUNDS

Asset-Based Lending

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

John Hancock 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 Manulife Investment Management (US) LLC or Dimensional Fund Advisors LP. Foreside is not affiliated with John Hancock Investment Management Distributors LLC, Manulife Investment Management (US) 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.

A *trusted* brand

John Hancock Investment Management is a premier asset manager 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.

"A trusted brand" is based on a survey of 6,651 respondents conducted by Medallia between 3/18/20 and 5/13/20.

John Hancock Investment Management

John Hancock Investment Management LLC, 200 Berkeley Street, Boston, MA 02116-5010, 800-225-5291, jhinvestments.com

A company of Manulife Investment Management

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