



MUTUAL FUNDS

John Hancock Investors Trust



Semiannual Report

4.30.11

Ticker | **JHI**

CEO corner



To Our Shareholders,

Stocks produced solid gains for the six months ended April 30, 2011, shrugging off a series of unsettling events that occurred in the world during the period and reflecting a growing sense of a strengthening economy.

The period began November 1, 2010 as the market took off on a sustained rally after the U.S. Federal Reserve Board embarked on another mission to stimulate the economy. The rally stalled briefly several times as the market responded to a range of global issues, including political turmoil in the Middle East and North Africa and the devastating events in Japan, both of which sparked a spike in crude oil prices.

Amazingly, the markets recovered in short order from these major shocks, supported by stronger-than-expected corporate earnings reports and rising consumer demand. Coupled with the Fed's message that interest rates would remain low, investors grew comfortable taking on more risk, boosting stock and commodities prices. For the six-month period, the S&P 500 Index returned 16.36%.

The bond market had mixed results and remained flat in the same six-month period. As confidence grew that the economy had turned a corner, bond prices fell and their yields rose. The improving economic environment lifted corporate bonds, especially high-yielding corporate securities, based on stronger balance sheets and a demand for higher yields. Over the full six-month period, Treasury bonds declined slightly, reflecting rising inflation expectations, and the broad bond market returned 0.02%, as measured by the Barclays Capital U.S. Aggregate Bond Index.

Preferred securities, which often act like bonds given their mostly fixed dividend payouts, fell somewhere in between the return of stocks and bonds, with the Bank of America Merrill Lynch Preferred Stock DRD-Eligible Index rising 6.37%. They benefited from consistently good demand from investors seeking higher-yielding securities. In addition, the extension of Bush-era tax policies — including the continuation of the 15% tax rate on qualified dividends on many tax-advantaged preferred securities — bolstered support for the group.

The disparity in stock and bond results in this period supports the argument for having an investment portfolio that is well diversified among asset classes, styles and managers. The goal is to mitigate risk and help boost long-term results by having at least one asset class performing well to limit the downside impact of underperforming assets. We believe a well-diversified portfolio can act as a good defense against market volatility.

Sincerely,

Keith F. Hartstein

Keith F. Hartstein,
President and Chief Executive Officer

This commentary reflects the CEO's views as of April 30, 2011. They are subject to change at any time. For more up-to-date information, you can visit our Web site at www.jhfunds.com.

Not part of the semiannual report

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Your fund at a glance

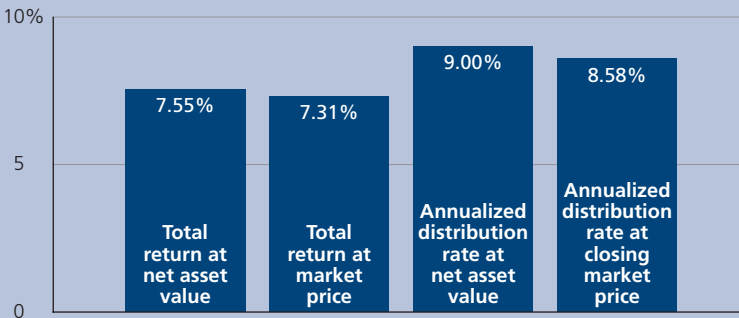
The Fund's primary investment objective is to generate income for distribution to its shareholders, with capital appreciation as a secondary objective. The preponderance of the Fund's assets are invested in a diversified portfolio of debt securities issued by U.S. and foreign corporations and governments, some of which may carry equity features. The Fund utilizes a committed facility agreement to increase its assets available for investment.

Over the last six months

- ▶ The bond market posted mixed results — corporate bonds benefited from improving economic conditions, while inflation concerns led to a decline for Treasury securities.
- ▶ The Fund posted a solidly positive return that outpaced both its benchmark index and peer group average.
- ▶ Allocations within the bond market, with an emphasis on high-yield corporate securities and limited exposure to Treasury bonds, was the key behind the Fund's outperformance of its benchmark index.

John Hancock Investors Trust

Fund performance and distribution rates for the six months ended April 30, 2011.



The total returns for the Fund include the reinvestment of all distributions. The performance data contained within this material represents past performance, which does not guarantee future results.

Current annualized distribution rate is the latest quarterly dividend rate as an annualized percentage of net asset value/market price on 4-30-11. The Fund's quarterly distributions may be from net investment income, capital gains or return of capital.

Managers' report

John Hancock Investors Trust

U.S. bonds posted mixed results for the six months ended April 30, 2011, resulting in flat returns overall. The Barclays Capital U.S. Aggregate Bond Index, a broad measure of bond market performance, returned 0.02% for the six-month period.

The divergent returns in the bond market resulted from improving economic conditions on the one hand, and the threat of rising inflation on the other. Supported by quantitative easing measures from the Federal Reserve and a last-minute extension of expiring federal tax breaks at the end of 2010, the U.S. economy began to show promising signs of a sustainable recovery. Most notably, six consecutive months of positive job growth caused the unemployment rate to dip below 9% for the first time in nearly two years. As the economic environment improved, concerns surfaced about the potential for rising inflation; these fears were reinforced by sharp increases in food and energy prices during the period.

The market was also buffeted by two significant global events in early 2011 — growing unrest in North Africa and the Middle East, and a devastating earthquake and tsunami in Japan — that contributed to a sharp increase in the price of oil (as well as a brief flight to quality that boosted high-quality bonds).

In this environment, the best performers in the bond market were high-yield corporate bonds and commercial mortgage-backed securities, both of which benefited from the stronger economy and continued demand for higher-yielding investments in a low interest-rate environment. Investment-grade corporate bonds and residential mortgage-backed securities also generated positive returns for the six months. Treasury bonds, which are the most sensitive to inflation expectations, were the only segment of the bond market to decline for the period.

PORTFOLIO COMPOSITION¹

Corporate Bonds.....	59%
U.S. Government & Agency Obligations.....	26%
Collateralized Mortgage Obligations.....	5%
Preferred Securities.....	2%
Common Stocks.....	2%
Foreign Government Obligations.....	2%
Convertible Bonds.....	2%
Asset-Backed Securities....	1%
Capital Preferred Securities.....	1%



Portfolio Managers Barry H. Evans, CFA, Jeffrey N. Given, CFA, and John F. Iles
John Hancock Asset Management (formerly MFC Global Investment Management (U.S.), LLC)²

Fund performance

For the six months ended April 30, 2011, John Hancock Investors Trust produced a total return of 7.55% at net asset value (NAV) and 7.31% at market price. The Fund's NAV return and its market performance differ because the market share price is subject to the dynamics of secondary market trading, which could cause it to trade at a discount or premium to the Fund's NAV share price at any time. By comparison, the UBS Securities LLC leveraged closed-end investment-grade bond fund group returned an average 4.07% at NAV and -1.04% at market price. The Fund's benchmark, the Barclays Capital Government/Credit Bond Index, returned -0.61%.

The Fund's current annualized distribution rate was 9.00% at NAV and 8.58% at closing market price on April 30, 2011, compared with a rate of 7.12% at NAV and 7.44% at market price for the average UBS leveraged closed-end investment-grade bond fund as of April 30, 2011.

Sector allocation key to outperformance

The Fund outperformed its benchmark index and peer group average by a wide margin, driven primarily by allocations within the bond market. In particular, the Fund's heavy weighting in corporate bonds, including a meaningful position in high-yield securities (comprising approximately 50% of the Fund's portfolio), contributed favorably to performance. An underweight position in Treasury securities, which declined overall, also added value during the period.

As corporate bonds continued to rally during the six months, we modestly reduced the Fund's exposure to corporate securities. For the most part, we sold investment-grade bonds, with an emphasis on securities in the industrials sector, which comprised the most expensive segment of the corporate bond market.

**“U.S. bonds posted mixed results
for the six months ended
April 30, 2011, resulting in flat
returns overall.”**

Consequently, we were able to lock in profits and lower the Fund's overall risk profile at the same time.

Among the Fund's corporate bond holdings, the top performers included broadcasting company Clear Channel Communications, Inc., tribal casino operator Quapaw Tribe of Oklahoma, and mortgage servicer Nationstar Mortgage. Clear Channel was able to extend its debt maturities; Quapaw generated solid growth at its Downstream Casino; and Nationstar recently inked a mortgage servicing agreement with a major government-sponsored mortgage agency. On the downside, the most significant detractors were gaming company Waterford Gaming LLC, which fell amid concerns about a potential restructuring, and telecommunications provider Frontier Communications Corp., which continued to face challenging price competition in its wireline business.

Increased diversification

As we trimmed the Fund's investment-grade corporate bond holdings, we shifted these assets into residential mortgage-backed securities, where valuations were more attractive, particularly in the short-term end of the bond market. This approach paid off as residential mortgage-backed securities outperformed investment-grade corporate bonds during the six-month period.

We also shifted some assets into dollar-denominated emerging-market debt, focusing on securities whose lower credit ratings were based on their geographic location rather than the strength of their balance sheets. We believe these securities will benefit from the faster growth rates in emerging economies.

We increased the Fund's exposure to interest-only mortgage-backed securities issued by government agencies. These securities typically perform well when interest rates are rising and mortgage refinancing activity wanes, so they may provide some protection against the negative impact of rising interest rates. The Fund's interest-only mortgage-backed securities posted strong returns during the six-month period as interest rates rose.

SECTOR COMPOSITION¹

U.S. Government & Agency Obligations	26%
Consumer Discretionary ...	16%
Financials.....	11%
Materials	9%
Industrials.....	8%
Energy.....	8%
Telecommunication Services	6%
Collateralized Mortgage Obligations	5%
Consumer Staples	3%
Utilities	3%
Foreign Government Obligations.....	2%
Health Care	1%
Information Technology....	1%
Asset-Backed Securities....	1%

Outlook

We expect the economy to remain on an upward trajectory, growing at a moderate pace. Inflation has also been on the rise but is still not a concern, which should keep the Federal Reserve on hold through the end of 2011.

Nonetheless, we expect interest rates to rise gradually over time as investors price in stronger growth and higher inflation down the road. We still see value in the credit-related segments of the bond market, which we believe

are reasonably valued for this stage of the economic cycle. As a result, we think the Fund is well positioned for the current environment.

“The Fund outperformed its benchmark index and peer group average by a wide margin, driven primarily by sector allocation.”

This commentary reflects the views of the portfolio managers through the end of the Fund’s period discussed in this report. The managers’ statements reflect their own opinions. As such, they are in no way guarantees of future events and are not intended to be used as investment advice or a recommendation regarding any specific security. They are also subject to change at any time as market and other conditions warrant.

Past performance is no guarantee of future results.

The major factors in this Fund’s performance are interest-rate and credit risk. When interest rates rise, bond prices usually fall. Generally, an increase in the Fund’s average maturity will make it more sensitive to interest-rate risk. Higher-yielding bonds are riskier than lower-yielding bonds, and their value may fluctuate more in response to market conditions.

Sector investing is subject to greater risks than the market as a whole. Because the Fund may focus on particular sectors of the economy, its performance may depend on the performance of those sectors.

¹ As a percentage of the Fund’s total investments on 4-30-11.

² Manulife Asset Management (US) LLC is doing business as John Hancock Asset Management.

Portfolio summary

Portfolio Composition¹

Corporate Bonds	59%	Common Stocks	2%
U.S. Government & Agency Obligations	26%	Foreign Government Obligations	2%
Collateralized Mortgage Obligations	5%	Convertible Bonds	2%
Preferred Securities	2%	Asset-Backed Securities	1%
		Capital Preferred Securities	1%

Sector Composition^{1,2}

U.S. Government & Agency Obligations	26%	Collateralized Mortgage Obligations	5%
Consumer Discretionary	16%	Consumer Staples	3%
Financials	11%	Utilities	3%
Materials	9%	Foreign Government Obligations	2%
Industrials	8%	Health Care	1%
Energy	8%	Information Technology	1%
Telecommunication Services	6%	Asset-Backed Securities	1%

Quality Distribution^{1,3}

AAA	28%	B	25%
A	5%	CCC & Below	14%
BBB	14%	Not Rated	2%
BB	8%	Equity	4%

¹ As a percentage of the Fund's total investments on 4-30-11.

² Sector investing is subject to greater risks than the market as a whole. Because the Fund may focus on particular sectors of the economy, its performance may depend on the performance of those sectors.

³ Ratings are from Moody's Investor Services, Inc. If not available, we have used S&P ratings. In the absence of ratings from these agencies, we have used Fitch, Inc. ratings. "Not Rated" securities are those with no ratings available. They may have internal ratings similar to those shown. All are as of 4-30-11 and do not reflect subsequent downgrades, if any.

Fund's investments

As of 4-30-11 (unaudited)

	Rate (%)	Maturity date	Par value	Value
Corporate Bonds 83.80% (58.70% of Total Investments)				\$147,531,600
(Cost \$137,219,346)				
Consumer Discretionary 18.98%				33,406,147
Auto Components 1.07%				
Allison Transmission, Inc. (S)(Z)	11.000	11-01-15	\$1,000,000	1,087,480
Allison Transmission, Inc. (S)	7.125	05-15-19	497,000	504,455
Exide Technologies (S)	8.625	02-01-18	270,000	289,575
Hotels, Restaurants & Leisure 6.38%				
Downstream Development Authority of the Quapaw Tribe of Oklahoma (S)(Z)	12.000	10-15-15	2,000,000	2,160,000
Greektown Superholdings, Inc.	13.000	07-01-15	2,179,000	2,459,546
Jacobs Entertainment, Inc. (Z)	9.750	06-15-14	1,000,000	1,027,500
Landry's Restaurants, Inc.	11.625	12-01-15	360,000	389,700
Little Traverse Bay Bands of Odawa Indians (S)	9.000	08-31-20	328,000	295,200
Mashantucket Western Pequot Tribe (H)(S)	5.912	09-01-21	275,000	126,822
Mashantucket Western Pequot Tribe, Series A (H)(S)	8.500	11-15-15	2,000,000	250,000
Midwest Gaming Borrower LLC/Midwest Finance Corp. (S)(Z)	11.625	04-15-16	80,000	85,600
Mohegan Tribal Gaming Authority (Z)	7.125	08-15-14	1,000,000	732,500
MTR Gaming Group, Inc. (Z)	12.625	07-15-14	1,055,000	1,118,300
MTR Gaming Group, Inc., Series B (Z)	9.000	06-01-12	590,000	561,238
Pokagon Gaming Authority (S)(Z)	10.375	06-15-14	694,000	715,688
Turning Stone Resort Casino Enterprises (S)(Z)	9.125	09-15-14	485,000	500,763
Waterford Gaming LLC (S)(Z)	8.625	09-15-14	904,742	427,278
Yonkers Racing Corp. (S)(Z)	11.375	07-15-16	351,000	386,100
Household Durables 0.08%				
Standard Pacific Corp.	8.375	05-15-18	140,000	144,900
Household Products 0.23%				
Reynolds Group Issuer, Inc. (S)	8.500	05-15-18	390,000	401,700
Leisure Equipment & Products 0.30%				
Easton-Bell Sports, Inc.	9.750	12-01-16	465,000	520,800
Media 8.48%				
AMC Entertainment, Inc. (Z)	8.750	06-01-19	350,000	379,750
Canadian Satellite Radio Holdings, Inc.	12.750	02-15-14	2,000,000	2,055,000
CCH II LLC/CCH II Capital Corp.	13.500	11-30-16	841,501	1,015,061
Cinemark USA, Inc. (Z)	8.625	06-15-19	245,000	268,275
Clear Channel Communications, Inc.	10.750	08-01-16	1,385,000	1,346,913

	Rate (%)	Maturity date	Par value	Value
Media (continued)				
Clear Channel Communications, Inc., PIK	11.000	08-01-16	\$1,806,617	\$1,711,770
Clear Channel Worldwide Holdings, Inc.	9.250	12-15-17	100,000	111,125
Clear Channel Worldwide Holdings, Inc., Series B	9.250	12-15-17	395,000	439,438
CSC Holdings LLC	8.500	06-15-15	755,000	823,894
DIRECTV Holdings LLC/DIRECTV Financing Company, Inc.	5.875	10-01-19	355,000	390,459
News America, Inc. (Z)	7.750	01-20-24	980,000	1,172,998
Quebecor Media, Inc. (Z)	7.750	03-15-16	95,000	98,919
Regal Cinemas Corp. (Z)	8.625	07-15-19	130,000	140,075
Sirius XM Radio, Inc. (S)(Z)	8.750	04-01-15	2,000,000	2,240,000
SuperMedia, Inc., Escrow Certificates (I)	8.000	11-15-16	2,000,000	0
Time Warner Cable, Inc. (Z)	8.250	04-01-19	375,000	465,481
Videotron Ltee (Z)	6.375	12-15-15	300,000	309,750
XM Satellite Radio, Inc. (S)(Z)	13.000	08-01-13	1,650,000	1,959,375
Multiline Retail 1.35%				
Macy's Retail Holdings, Inc.	7.875	08-15-36	215,000	223,600
Michaels Stores, Inc. (Z)	11.375	11-01-16	1,975,000	2,152,750
Specialty Retail 0.75%				
Hillman Group, Inc.	10.875	06-01-18	290,000	321,900
Sonic Automotive, Inc.	9.000	03-15-18	145,000	155,875
Staples, Inc. (Z)	9.750	01-15-14	500,000	601,344
Toys R Us Property Company LLC	8.500	12-01-17	225,000	241,875
Textiles, Apparel & Luxury Goods 0.34%				
Phillips-Van Heusen Corp. (Z)	7.375	05-15-20	550,000	595,375
Consumer Staples 4.16%			7,321,149	
Beverages 0.65%				
Anheuser-Busch InBev Worldwide, Inc.	7.200	01-15-14	1,000,000	1,143,162
Food Products 2.02%				
BFF International, Ltd. (S)(Z)	7.250	01-28-20	1,000,000	1,103,750
Bunge Ltd. Finance Corp. (Z)	5.350	04-15-14	1,015,000	1,094,337
Corp. Pesquera Inca SAC (S)(Z)	9.000	02-10-17	350,000	367,500
JBS Finance II, Ltd. (S)	8.250	01-29-18	775,000	804,063
TreeHouse Foods, Inc. (Z)	7.750	03-01-18	175,000	188,344
Household Products 0.58%				
Yankee Candle Company, Inc. (Z)	8.500	02-15-15	655,000	682,838
Yankee Candle Company, Inc., Series B (Z)	9.750	02-15-17	315,000	336,263
Personal Products 0.46%				
Hypermarcas SA (S)	6.500	04-20-21	600,000	606,000
Revlon Consumer Products Corp.	9.750	11-15-15	185,000	201,650
Tobacco 0.45%				
Lorillard Tobacco Company (Z)	6.875	05-01-20	720,000	793,242
Energy 11.18%			19,689,817	
Energy Equipment & Services 2.24%				
Delek & Avner-Yam Tethys, Ltd. (S)	5.226	08-01-13	99,873	103,269
Gazprom OAO Via RBS AG (S)(Z)	9.625	03-01-13	1,000,000	1,135,000

	Rate (%)	Maturity date	Par value	Value
Energy Equipment & Services (continued)				
Offshore Group Investments, Ltd.	11.500	08-01-15	\$2,180,000	\$2,433,425
Trinidad Drilling, Ltd. (S)	7.875	01-15-19	265,000	280,900
Oil, Gas & Consumable Fuels 8.94%				
Anadarko Petroleum Corp. (Z)	6.375	09-15-17	355,000	401,171
Devon Energy Corp. (Z)	5.625	01-15-14	1,035,000	1,149,103
Drummond Company, Inc. (Z)	7.375	02-15-16	1,760,000	1,821,600
EV Energy Partners LP/EV Energy Finance Corp. (S)	8.000	04-15-19	405,000	418,163
Gibson Energy ULC/GEP Midstream Finance Corp.	10.000	01-15-18	390,000	412,425
Linn Energy LLC/Linn Energy Finance Corp.	8.625	04-15-20	390,000	430,950
McMoRan Exploration Company (Z)	11.875	11-15-14	1,100,000	1,203,125
Niska Gas Storage U.S. LLC/Niska Gas Storage Canada ULC	8.875	03-15-18	565,000	612,319
Overseas Shipholding Group, Inc. (Z)	8.125	03-30-18	500,000	487,500
Pan American Energy LLC (S)	7.875	05-07-21	350,000	375,375
Petro-Canada (Z)	9.250	10-15-21	1,000,000	1,358,450
Petroleos Mexicanos	6.000	03-05-20	360,000	385,020
Petroleos Mexicanos	4.875	03-15-15	1,000,000	1,071,000
Plains All American Pipeline LP/PAA Finance Corp. (Z)	6.500	05-01-18	1,000,000	1,139,808
RDS Ultra-Deepwater, Ltd. (S)(Z)	11.875	03-15-17	750,000	841,875
Regency Energy Partners LP/Regency Energy Finance Corp. (Z)	9.375	06-01-16	1,140,000	1,296,750
Thermon Industries, Inc.	9.500	05-01-17	1,755,000	1,886,625
Valero Energy Corp. (Z)	6.125	02-01-20	205,000	227,344
Valero Energy Corp. (Z)	4.500	02-01-15	205,000	218,620
Financials 13.00%				22,888,673
Capital Markets 1.40%				
Knight Capital Group, Inc.	3.500	03-15-15	250,000	247,838
Morgan Stanley (Z)	6.000	04-28-15	1,000,000	1,103,242
The Goldman Sachs Group, Inc. (Z)	6.250	09-01-17	1,000,000	1,113,722
Commercial Banks 2.08%				
Banco de Galicia y Buenos Aires (S)	8.750	05-04-18	303,000	303,000
Bank of Moscow via BOM Capital PL (S)(Z)	6.699	03-11-15	355,000	378,963
Barclays Bank PLC (Z)	5.140	10-14-20	1,595,000	1,552,169
Chuo Mitsui Trust & Banking Company, Ltd. (5.506% to 4-15-15, then 3 month LIBOR + 2.490%) (Q)(S)(Z)	5.506	04-15-15	905,000	918,575
State Bank of India/London (S)	4.500	07-27-15	500,000	515,309
Consumer Finance 0.93%				
American Express Credit Corp. (Z)	5.125	08-25-14	1,000,000	1,092,154
SLM Corp. (Z)	8.450	06-15-18	485,000	550,475
Diversified Financial Services 3.79%				
Alfa Bank OJSC Via Alfa Bond Issuance PLC (S)	7.750	04-28-21	300,000	303,127
Astoria Depositor Corp., Series B (S)	8.144	05-01-21	750,000	731,250
Beaver Valley Funding (Z)	9.000	06-01-17	607,000	665,885
Bosphorus Financial Services, Ltd. (P)(S)(Z)	2.113	02-15-12	125,000	123,727
CCM Merger, Inc. (S)(Z)	8.000	08-01-13	2,145,000	2,139,638

	Rate (%)	Maturity date	Par value	Value
Diversified Financial Services (continued)				
Corporacion Andina de Fomento (Z)	3.750	01-15-16	\$690,000	\$699,478
Crown Castle Towers LLC (S)(Z)	4.883	08-15-20	750,000	746,933
Nationstar Mortgage/Nationstar Capital Corp. (S)(Z)	10.875	04-01-15	375,000	387,188
TAM Capital, Inc. (Z)	7.375	04-25-17	860,000	880,425
Insurance 1.55%				
CNA Financial Corp. (Z)	7.350	11-15-19	655,000	758,883
Liberty Mutual Group, Inc. (S)(Z)	7.300	06-15-14	750,000	816,659
Lincoln National Corp. (7.000% to 5-17-16, then 3 month LIBOR + 2.358%) (Z)	7.000	05-17-66	370,000	382,506
Symetra Financial Corp. (8.300% to 10-15-17, then 3 month LIBOR + 4.177%) (S)(Z)	8.300	10-15-37	520,000	529,100
Willis North America, Inc. (Z)	7.000	09-29-19	215,000	235,092
Real Estate Investment Trusts 1.29%				
Dexus Property Group (S)(Z)	7.125	10-15-14	1,000,000	1,128,865
DuPont Fabros Technology LP	8.500	12-15-17	350,000	386,750
Health Care REIT, Inc. (Z)	6.200	06-01-16	345,000	382,030
Plum Creek Timberlands LP (Z)	5.875	11-15-15	345,000	370,523
Real Estate Management & Development 1.96%				
Realogy Corp. (S)	12.000	04-15-17	1,843,221	1,919,254
Realogy Corp. (S)	11.500	04-15-17	1,095,000	1,141,538
Yanlord Land Group, Ltd. (S)	10.625	03-29-18	375,000	384,375
Health Care 1.46%				\$2,577,580
Health Care Equipment & Supplies 0.57%				
Covidien International Finance SA (Z)	5.450	10-15-12	945,000	1,006,496
Health Care Providers & Services 0.39%				
BioScrip, Inc.	10.250	10-01-15	510,000	510,000
Community Health Systems, Inc.	8.875	07-15-15	180,000	184,050
Pharmaceuticals 0.50%				
Catalent Pharma Solutions, Inc., PIK (Z)	9.500	04-15-15	436,268	446,084
PharmaNet Development Group, Inc. (S)(Z)	10.875	04-15-17	390,000	430,950
Industrials 11.29%				19,872,733
Aerospace & Defense 1.70%				
Colt Defense LLC/Colt Finance Corp. (S)	8.750	11-15-17	175,000	146,125
Embraer Overseas, Ltd. (Z)	6.375	01-15-20	885,000	949,163
Hawker Beechcraft Acquisition Company LLC (Z)	8.500	04-01-15	855,000	724,613
Kratos Defense & Security Solutions, Inc.	10.000	06-01-17	400,000	439,000
L-3 Communications Corp., Series B (Z)	6.375	10-15-15	200,000	206,500
TransDigm, Inc. (S)	7.750	12-15-18	495,000	533,363
Airlines 4.27%				
Continental Airlines 1999-1 Class A Pass Through Trust (Z)	6.545	02-02-19	222,633	233,765
Continental Airlines 2000-2 Class B Pass Through Trust (Z)	8.307	04-02-18	153,601	156,673
Continental Airlines 2001-1 Class C Pass Through Trust	7.033	06-15-11	88,650	88,872

	Rate (%)	Maturity date	Par value	Value
Airlines (continued)				
Delta Air Lines 2007-1 Class A Pass Through Trust (Z)	6.821	08-10-22	\$729,954	\$759,152
Delta Air Lines, Inc. (S)(Z)	12.250	03-15-15	410,000	460,225
Delta Air Lines, Inc. (S)(Z)	9.500	09-15-14	1,343,000	1,440,368
Global Aviation Holdings, Inc. (Z)	14.000	08-15-13	1,385,000	1,623,913
UAL 2009-1 Pass Through Trust (Z)	10.400	11-01-16	335,229	383,837
UAL 2009-2A Pass Through Trust (Z)	9.750	01-15-17	659,839	750,567
United Air Lines, Inc. (Z)	12.750	07-15-12	672,725	743,361
United Air Lines, Inc. (S)(Z)	12.000	11-01-13	820,000	887,650
Building Products 0.30%				
Euramax International, Inc. (S)	9.500	04-01-16	120,000	124,800
Nortek, Inc. (S)	8.500	04-15-21	235,000	234,413
Voto-Votorantim Overseas Trading Operations NV (S)(Z)	6.625	09-25-19	160,000	168,800
Commercial Services & Supplies 2.44%				
ACCO Brands Corp.	10.625	03-15-15	615,000	693,413
Avis Budget Car Rental LLC/Avis Budget Finance, Inc.	9.625	03-15-18	345,000	382,950
Garda World Security Corp. (S)(Z)	9.750	03-15-17	765,000	820,463
Iron Mountain, Inc. (Z)	8.375	08-15-21	760,000	809,400
MSX International, Inc. (S)	12.500	04-01-12	1,850,000	1,591,000
Electrical Equipment 0.18%				
Coleman Cable, Inc.	9.000	02-15-18	295,000	311,963
Industrial Conglomerates 0.46%				
Hutchison Whampoa International, Ltd. (S)(Z)	6.500	02-13-13	365,000	396,817
Hutchison Whampoa International, Ltd. (S)(Z)	4.625	09-11-15	385,000	410,662
Machinery 0.16%				
Thermadyne Holdings Corp. (S)	9.000	12-15-17	260,000	275,925
Marine 0.12%				
Navios South American Logistics, Inc./Navios Logistics Finance (S)	9.250	04-15-19	200,000	204,750
Road & Rail 1.66%				
CSX Corp. (Z)	6.300	03-15-12	1,000,000	1,047,755
RailAmerica, Inc. (Z)	9.250	07-01-17	448,000	498,400
Western Express, Inc. (S)(Z)	12.500	04-15-15	1,395,000	1,374,075
Information Technology 1.38%			2,425,488	
Electronic Equipment, Instruments & Components 0.57%				
Freescale Semiconductor, Inc. (S)(Z)	9.250	04-15-18	290,000	321,900
STATS ChipPAC, Ltd. (S)	7.500	08-12-15	630,000	680,400
IT Services 0.43%				
Brightstar Corp. (S)	9.500	12-01-16	700,000	749,000
Software 0.38%				
Vangent, Inc. (Z)	9.625	02-15-15	670,000	674,188
Materials 10.34%			18,201,558	
Chemicals 2.81%				
American Pacific Corp. (Z)	9.000	02-01-15	565,000	549,463

	Rate (%)	Maturity date	Par value	Value
Chemicals (continued)				
Braskem Finance, Ltd. (S)	5.750	04-15-21	\$200,000	\$197,363
Fufeng Group, Ltd. (S)	7.625	04-13-16	640,000	620,679
Inkia Energy, Ltd. (S)	8.375	04-04-21	1,400,000	1,421,000
Sterling Chemicals, Inc. (Z)	10.250	04-01-15	1,000,000	1,031,250
The Dow Chemical Company (Z)	5.900	02-15-15	1,000,000	1,124,721
Containers & Packaging 1.45%				
AEP Industries, Inc. (S)	8.250	04-15-19	355,000	359,438
Ball Corp. (Z)	6.750	09-15-20	235,000	247,338
Berry Plastics Corp. (Z)	8.250	11-15-15	770,000	820,050
Cascades, Inc.	7.875	01-15-20	240,000	256,200
Graphic Packaging International, Inc. (Z)	9.500	06-15-17	185,000	207,200
Graphic Packaging International, Inc.	7.875	10-01-18	236,000	256,945
Packaging Dynamics Corp. (S)	8.750	02-01-16	240,000	248,700
Pretium Packaging LLC/Pretium Finance, Inc. (S)	11.500	04-01-16	160,000	164,400
Metals & Mining 3.40%				
APERAM (S)	7.750	04-01-18	300,000	310,875
CSN Islands XI Corp. (S)(Z)	6.875	09-21-19	250,000	276,250
Essar Steel Algoma, Inc. (S)(Z)	9.375	03-15-15	500,000	500,000
Freeport-McMoRan Copper & Gold, Inc. (Z)	8.375	04-01-17	220,000	242,550
Gerdau Holdings, Inc. (S)(Z)	7.000	01-20-20	360,000	396,000
Metinvest BV (S)	8.750	02-14-18	555,000	595,238
Rain CII Carbon LLC/CII Carbon Corp. (S)	8.000	12-01-18	945,000	992,250
Rio Tinto Finance USA, Ltd. (Z)	7.125	07-15-28	710,000	863,498
Ryerson, Inc. (Z)	12.000	11-01-15	1,000,000	1,080,000
Teck Resources, Ltd. (Z)	10.750	05-15-19	240,000	306,912
Winsway Coking Coal Holding, Ltd. (S)	8.500	04-08-16	425,000	421,813
Paper & Forest Products 2.68%				
ABI Escrow Corp. (S)	10.250	10-15-18	910,000	1,005,550
Boise Paper Holdings LLC/Boise Co-Issuer Company	8.000	04-01-20	515,000	558,775
Grupo Papelero Scribe SA (S)(Z)	8.875	04-07-20	1,800,000	1,710,000
NewPage Corp. (Z)	11.375	12-31-14	1,085,000	1,079,575
PE Paper Escrow GmbH (S)(Z)	12.000	08-01-14	95,000	109,725
Verso Paper Holdings LLC/Verso Paper, Inc. (S)	8.750	02-01-19	240,000	247,800
Telecommunication Services 8.52%				15,000,153
Communications Equipment 0.15%				
Sable International Finance, Ltd. (S)(Z)	7.750	02-15-17	250,000	261,250
Diversified Telecommunication Services 3.91%				
Axtel SAB de CV (S)(Z)	9.000	09-22-19	260,000	256,750
Axtel SAB de CV (S)(Z)	7.625	02-01-17	810,000	771,525
BellSouth Telecommunications, Inc. (Z)	6.300	12-15-15	598,380	641,709
Cincinnati Bell, Inc. (Z)	8.750	03-15-18	540,000	518,400
Frontier Communications Corp.	8.750	04-15-22	435,000	470,888
Frontier Communications Corp. (Z)	7.125	03-15-19	530,000	541,925
GXS Worldwide, Inc.	9.750	06-15-15	430,000	439,675
Intelsat Bermuda, Ltd. (Z)	11.250	02-04-17	1,470,000	1,604,138

	Rate (%)	Maturity date	Par value	Value
Diversified Telecommunication Services (continued)				
Intelsat Luxembourg SA, PIK (S)	11.500	02-04-17	\$390,000	\$428,025
Telecom Italia Capital SA (Z)	6.175	06-18-14	1,105,000	1,205,330
Wireless Telecommunication Services 4.46%				
Bakrie Telecom Pte, Ltd. (S)	11.500	05-07-15	750,000	798,750
CC Holdings GS V LLC/Crown Castle GS III Corp. (S)(Z)	7.750	05-01-17	410,000	453,050
Nextel Communications, Inc., Series D (Z)	7.375	08-01-15	1,340,000	1,350,050
NII Capital Corp.	10.000	08-15-16	320,000	367,200
SBA Tower Trust (S)(Z)	5.101	04-15-17	580,000	594,500
Sprint Capital Corp. (Z)	8.750	03-15-32	1,065,000	1,166,175
Sprint Capital Corp. (Z)	8.375	03-15-12	1,970,000	2,080,813
Sprint Capital Corp. (Z)	6.900	05-01-19	1,000,000	1,050,000
Utilities 3.49%				6,148,302
Electric Utilities 2.15%				
BVPS II Funding Corp. (Z)	8.890	06-01-17	550,000	617,192
CE Generation LLC (Z)	7.416	12-15-18	512,000	529,850
Exelon Corp. (Z)	4.900	06-15-15	1,015,000	1,087,863
FPL Energy National Wind LLC (S)(Z)	5.608	03-10-24	244,741	247,597
PNPP II Funding Corp. (Z)	9.120	05-30-16	289,000	307,233
Texas Competitive Electric Holdings Company LLC/TCEH Finance, Inc. (S)	11.500	10-01-20	155,000	158,875
United Maritime Group LLC	11.750	06-15-15	475,000	496,375
W3A Funding Corp. (Z)	8.090	01-02-17	343,380	345,100
Independent Power Producers & Energy Traders 0.66%				
Ipalco Enterprises, Inc. (Z)	8.625	11-14-11	315,000	325,238
NRG Energy, Inc.	7.375	01-15-17	795,000	831,769
Multi-Utilities 0.68%				
DTE Energy Company (Z)	7.625	05-15-14	1,040,000	1,201,210
Convertible Bonds 2.28% (1.60% of Total Investments)				\$4,011,188
(Cost \$2,976,396)				
Consumer Discretionary 1.47%				2,579,775
Media 1.47%				
XM Satellite Radio, Inc. (S)(Z)	7.000	12-01-14	\$1,770,000	2,579,775
Financials 0.21%				374,163
Real Estate Investment Trusts 0.21%				
Corporate Office Properties LP (S)(Z)	4.250	04-15-30	370,000	374,163
Industrials 0.31%				554,125
Airlines 0.31%				
United Continental Holdings, Inc. (Z)	4.500	06-30-21	550,000	554,125
Materials 0.29%				503,125
Containers & Packaging 0.29%				
Owens-Brockway Glass Container, Inc. (S)(Z)	3.000	06-01-15	500,000	503,125

	Rate (%)	Maturity date	Par value	Value
Capital Preferred Securities 1.05% (0.73% of Total Investments)				\$1,844,113

(Cost \$1,957,604)

Financials 1.05% **1,844,113**

Commercial Banks 0.39%

HSBC Finance Capital Trust IX (5.911% to 11-30-15, then 3 month LIBOR + 1.926%) (Z)	5.911	11-30-35	\$700,000	681,625
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Diversified Financial Services 0.66%

NB Capital Trust IV (Z)	8.250	04-15-27	1,130,000	1,162,488
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U.S. Government & Agency Obligations 38.22% (26.77% of Total Investments) **\$67,286,150**

(Cost \$66,893,641)

U.S. Government 21.77% **38,321,039**

U.S. Treasury Bonds	4.250	11-15-40	\$390,000	380,006
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U.S. Treasury Notes

Note	3.625	02-15-21	1,065,000	1,094,787
Note	2.125	02-29-16	2,530,000	2,556,881
Note (Z)	2.500	03-31-15	18,500,000	19,234,265
Note (Z)	2.500	04-30-15	2,430,000	2,524,352
Note (Z)	2.375	02-28-15	1,295,000	1,340,830
Note (Z)	1.250	08-31-15	4,905,000	4,818,397
Note (Z)	1.250	09-30-15	6,500,000	6,371,521

U.S. Government Agency 16.45% **28,965,111**

Federal Home Loan Mortgage Corp.

30 Yr Pass Thru Ctf	6.500	06-01-37	55,025	61,718
30 Yr Pass Thru Ctf	6.500	10-01-37	103,803	116,428
30 Yr Pass Thru Ctf	6.500	11-01-37	208,249	233,806
30 Yr Pass Thru Ctf	6.500	12-01-37	97,644	109,520
30 Yr Pass Thru Ctf	6.500	12-01-37	65,163	73,088
30 Yr Pass Thru Ctf	6.500	03-01-38	418,756	470,734
30 Yr Pass Thru Ctf	6.500	03-01-38	191,835	215,167
30 Yr Pass Thru Ctf	6.500	09-01-39	165,576	185,714

Federal National Mortgage Association

30 Yr Pass Thru Ctf	6.500	07-01-36	895,690	1,007,672
30 Yr Pass Thru Ctf	6.500	10-01-37	595,759	669,871
30 Yr Pass Thru Ctf (Z)	6.500	01-01-39	3,547,219	3,984,054
30 Yr Pass Thru Ctf (Z)	5.500	06-01-38	9,413,090	10,149,476
30 Yr Pass Thru Ctf	5.000	TBA	390,000	411,686
30 Yr Pass Thru Ctf (Z)	4.500	10-01-40	4,107,209	4,238,683
30 Yr Pass Thru Ctf (Z)	4.000	08-01-40	7,059,115	7,037,494

Foreign Government Obligations 2.49% (1.74% of Total Investments) **\$4,383,526**

(Cost \$4,118,056)

Argentina 1.36% **2,396,100**

City of Buenos Aires (S)(Z)	12.500	04-06-15	\$1,700,000	1,912,500
Provincia de Neuquen Argentina (S)	7.875	04-26-21	480,000	483,600

Canada 0.42% **742,876**

Province of Ontario	3.150	12-15-17	735,000	742,876
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Georgia 0.12% **199,542**

Republic of Georgia (S)	6.875	04-12-21	200,000	199,542
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	Rate (%)	Maturity date	Par value	Value
Mexico 0.47%				\$829,980
Government of Mexico				
Bond (Z)	5.125	01-15-20	\$315,000	332,955
Bond (Z)	5.875	02-17-14	450,000	497,025
South Korea 0.12%				215,028
Korea Development Bank (Z)	4.375	08-10-15	205,000	215,028
Term Loans (M) 0.39% (0.28% of Total Investments)				\$690,813
(Cost \$689,500)				
Industrials 0.39%				690,813
Delta Air Lines, Inc.	— (T)	04-14-17	\$700,000	690,813
Collateralized Mortgage Obligations 7.08% (4.96% of Total Investments)				\$12,471,830
(Cost \$10,807,353)				
Commercial & Residential 6.30%				11,094,327
American Home Mortgage Assets				
Series 2006-6, Class XP IO	2.361	12-25-46	\$8,644,711	579,116
American Tower Trust				
Series 2007-1A, Class C (S)	5.615	04-15-37	195,000	207,574
Bear Stearns Alt-A Trust				
Series 2005-3, Class B2 (P)	2.572	04-25-35	395,723	26,185
Countrywide Alternative Loan Trust				
Series 2006-OA12, Class X IO	2.660	09-20-46	49,413,732	3,319,985
First Horizon Alternative Mortgage Securities				
Series 2004-AA5, Class B1 (P)	2.353	12-25-34	254,547	34,753
Global Tower Partners Acquisition Partners LLC				
Series 2007-1A, Class G (S)	7.874	05-15-37	360,000	370,854
GSR Mortgage Loan Trust				
Series 2006-4F, Class 6A1	6.500	05-25-36	2,758,076	2,172,655
Series 2004-9, Class B1 (P)	3.599	08-25-34	770,910	295,519
Harborview Mortgage Loan Trust				
Series 2005-8, Class 1X IO	2.400	09-19-35	5,195,958	279,428
Series 2007-3, Class ES IO	0.350	05-19-47	8,999,532	59,397
Series 2007-4, Class ES IO	0.350	07-19-47	10,906,741	59,878
Series 2007-6, Class ES IO (S)	0.342	08-19-37	7,495,569	47,822
IndyMac Index Mortgage Loan Trust				
Series 2004-AR13, Class B1	5.296	01-25-35	305,908	32,546
Series 2005-AR18, Class 1X IO	2.225	10-25-36	10,542,809	527,140
Series 2005-AR18, Class 2X IO	2.225	10-25-36	9,857,995	492,900
Series 2005-AR5, Class B1 (P)	2.642	05-25-35	408,338	3,285
Merrill Lynch Mortgage Investors Trust				
Series 2006-AF1, Class MF1 (H)	6.862	08-25-36	267,205	3
Morgan Stanley Capital I				
Series 2008-HQ8, Class AM (P)	5.642	03-12-44	995,000	1,062,022
Provident Funding Mortgage Loan Trust				
Series 2005-1, Class B1 (P)	2.671	05-25-35	361,423	78,472
WaMu Mortgage Pass Through Certificates				
Series 2005-AR1, Class X IO	1.623	01-25-45	14,037,288	647,933
Series 2005-AR4, Class B1 (P)	2.583	04-25-35	1,406,901	378,888
Series 2005-AR8, Class X IO	1.755	07-25-45	7,890,379	417,972

	Rate (%)	Maturity date	Par value	Value
U.S. Government Agency 0.78%				\$1,377,503
Federal National Mortgage Association				
Series 398, Class C3 IO	4.500	05-25-39	\$1,508,623	355,700
Series 402, Class 3 IO	4.000	11-25-39	1,136,091	253,045
Series 402, Class 4 IO	4.000	10-25-39	1,992,235	436,828
Series 407, Class 7 IO	5.000	03-25-41	1,090,000	267,813
Series 407, Class 8 IO	5.000	03-25-41	265,000	64,117

Asset Backed Securities 1.16% (0.81% of Total Investments)	\$2,038,310
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(Cost \$1,946,086)

Asset Backed Securities 1.16%	2,038,310
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Aircraft Certificate Owner Trust				
Series 2003-1A, Class E (S)	7.001	09-20-22	\$170,000	158,100
ContiMortgage Home Equity Loan Trust				
Series 1995-2, Class A-5	8.100	08-15-25	36,338	35,960
Countrywide Asset-Backed Certificates				
Series 2006-3, Class 2A2 (P)	0.392	06-25-36	951,186	824,250
Dominos Pizza Master Issuer LLC				
Series 2007-1, Class M1 (S)	7.629	04-25-37	1,000,000	1,020,000

	Shares	Value
Common Stocks 2.90% (2.03% of Total Investments)		\$5,101,034

(Cost \$5,579,387)

Consumer Discretionary 0.85%	1,500,153
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Hotels, Restaurants & Leisure 0.05%
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Greektown Superholdings, Inc. (I)	977	96,547
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Media 0.80%

Charter Communications, Inc., Class A (I)(Z)	11,505	678,105
Dex One Corp. (I)(Z)	20,979	88,112
SuperMedia, Inc. (I)(Z)	1,578	8,111
Vertis Holdings, Inc. (I)	34,015	629,278

Materials 2.05%	3,600,881
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Containers & Packaging 2.05%

Smurfit-Stone Container Corp. (I)(Z)	93,578	3,600,881
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Preferred Securities 3.34% (2.34% of Total Investments)	\$5,885,821
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(Cost \$5,526,753)

Consumer Discretionary 1.54%	2,720,169
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Automobiles 0.15%

General Motors Company, Series B, 4.750%	5,290	263,495
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Hotels, Restaurants & Leisure 1.07%
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Greektown Superholdings, Inc., Series A (I)	19,074	1,884,893
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Media 0.32%

Nielsen Holdings NV, 6.250%	950,000	571,781
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Energy 0.28%	491,252
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Oil, Gas & Consumable Fuels 0.28%
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Apache Corp., Series D, 6.000%	6,980	491,252
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	Shares	Value
Financials 1.20%		\$2,107,600
Commercial Banks 0.63%		
Zions Bancorporation, Series E, 11.000%	40,000	1,106,000
Real Estate Investment Trusts 0.57%		
Public Storage, Inc., Depository Shares, Series W, 6.500% (Z)	40,000	1,001,600
Utilities 0.32%		566,800
Electric Utilities 0.32%		
PPL Corp., 9.500%	10,000	566,800
	Par value	Value
Short-Term Investments 0.06% (0.04% of Total Investments)		\$110,000
(Cost \$110,000)		
Repurchase Agreement 0.06%		110,000
Repurchase Agreement with State Street Corp. dated 4-29-11 at 0.010% to be repurchased at \$110,000 on 5-2-11, collateralized by \$105,000 Federal Home Loan Mortgage Corp., 4.500% due 1-15-14 (valued at \$116,025, including interest)	\$110,000	110,000
Total investments (Cost \$237,824,122)† 142.77%		\$251,354,385
Other assets and liabilities, net (42.77%)		(\$75,303,487)
Total net assets 100.00%		\$176,050,898

The percentage shown for each investment category is the total value of that category as a percentage of the net assets of the Fund.

IO Interest Only Security — Interest Tranche of Stripped Mortgage Pool

LIBOR London Interbank Offered Rate

PIK Payment-in-kind

TBA To Be Announced

(H) Non-income producing — Issuer is in default.

(I) Non-income producing security.

(M) Term loans are variable rate obligations. The coupon rate shown represents the rate at period end unless the investment is unsettled.

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

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

(S) 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. Rule 144A securities amounted to \$62,589,576 or 35.55% of the Fund's net assets as of 4-30-11.

(T) All or a portion of this position represents unsettled loan commitment. The coupon rate will be determined at time of settlement.

(Z) All or a portion of this security is pledged as collateral pursuant to the Committed Facility Agreement. Total collateral value at 4-30-11 was \$178,683,319 (see Note 8).

† At 4-30-11, the aggregate cost of investment securities for federal income tax purposes was \$238,424,755.

Net unrealized appreciation aggregated \$12,929,630, of which \$22,789,160 related to appreciated investment securities and \$9,859,530 related to depreciated investment securities.

Financial statements

Statement of assets and liabilities 4-30-11 (unaudited)

This Statement of Assets and Liabilities is the Fund's balance sheet. It shows the value of what the Fund owns, is due and owes. You'll also find the net asset value for each common share.

Assets	
Investments, at value (Cost \$237,824,122)	\$251,354,385
Cash	3,123,051
Cash held at broker for futures contracts	68,475
Receivable for investments sold	414,684
Dividends and interest receivable	3,510,015
Other receivables and prepaid expenses	68,823
Total assets	258,539,433
Liabilities	
Payable for investments purchased	1,954,762
Payable for delayed delivery securities purchased	410,536
Committed facility agreement payable (Note 8)	80,000,000
Payable for futures variation margin (Note 3)	4,789
Interest payable (Note 8)	15,326
Payable to affiliates	
Accounting and legal services fees	4,857
Trustees' fees	17,309
Other liabilities and accrued expenses	80,956
Total liabilities	82,488,535
Net assets	
Capital paid-in	\$175,246,492
Undistributed net investment income	1,310,482
Accumulated net realized loss on investments and futures contracts	(13,958,930)
Net unrealized appreciation (depreciation) on investments and futures contracts	13,452,854
Net assets	\$176,050,898
Net asset value per share	
Based on 8,527,835 shares of beneficial interest outstanding — unlimited number of shares authorized with no par value	\$20.64

Statement of operations For the six-month period ended 4-30-11

(unaudited)

This Statement of Operations summarizes the Fund's investment income earned and expenses incurred in operating the Fund. It also shows net gains (losses) for the period stated.

Investment income	
Interest	\$9,346,654
Dividends	125,140
Less foreign taxes withheld	(179)
Total investment income	9,471,615
Expenses	
Investment management fees (Note 5)	666,328
Accounting and legal services fees (Note 5)	10,397
Transfer agent fees (Note 5)	49,882
Trustees' fees (Note 5)	27,309
Printing and postage (Note 5)	37,169
Professional fees	53,326
Custodian fees	13,939
Interest expense (Note 8)	583,390
Stock exchange listing fees	11,805
Other	11,567
Total expenses	1,465,112
Net investment income	8,006,503
Realized and unrealized gain (loss)	
Net realized gain (loss) on	
Investments	(2,944,968)
Futures contracts (Note 3)	28,092
	(2,916,876)
Change in net unrealized appreciation (depreciation) of	
Investments	7,644,895
Futures contracts (Note 3)	19,476
	7,664,371
Net realized and unrealized gain	4,747,495
Increase in net assets from operations	\$12,753,998

Statements of changes in net assets

These Statements of Changes in Net Assets show how the value of the Fund's net assets has changed during the last two periods. The difference reflects earnings less expenses, any investment gains and losses, distributions, if any, paid to shareholders and the net of Fund share transactions.

	Six months ended 4-30-11 (unaudited)	Year ended 10-31-10
Increase (decrease) in net assets		
From operations		
Net investment income	\$8,006,503	\$18,170,832
Net realized gain (loss)	(2,916,876)	880,369
Change in net unrealized appreciation (depreciation)	7,664,371	16,096,569
Increase in net assets resulting from operations	12,753,998	35,147,770
Distributions to shareholders		
From net investment income	(8,248,152)	(17,506,522)
From Fund share transactions (Note 6)	599,663	1,326,215
Total increase	5,105,509	18,967,463
Net assets		
Beginning of period	170,945,389	151,977,926
End of period	\$176,050,898	\$170,945,389
Undistributed net investment income	\$1,310,482	\$1,552,131

Statement of cash flows

This Statement of Cash Flows shows cash flow from operating and financing activities for the period stated.

	For the six-month period ended 4-30-11 (unaudited)
Cash flows from operating activities	
Net increase in net assets from operations	\$12,753,998
Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities:	
Long-term investments purchased	(34,695,613)
Long-term investments sold	32,059,392
Decrease in short-term investments	2,781,000
Net amortization of premium (discount)	16,111
Decrease in dividends and interest receivable	599,980
Decrease in payable for investments purchased	(8,961,446)
Decrease in receivable for investments sold	10,977,937
Increase in cash held at broker for futures contracts	(16,125)
Increase in prepaid assets	(37,226)
Decrease in payable for futures variation margin	(4,688)
Increase in payable to affiliates	18,089
Decrease in interest payable	(10,145)
Decrease in other liabilities and accrued expenses	(10,468)
Net change in unrealized (appreciation) depreciation on investments	(7,644,895)
Net realized loss on investments	2,944,968
Net cash provided by operating activities	
	\$10,770,869
Cash flows from financing activities	
Distributions to common shareholders net of reinvestments	(7,648,489)
Net cash used by financing activities	
	(\$7,648,489)
Net increase in cash	
	\$3,122,380
Cash at beginning of period	
	\$671
Cash at end of period	
	\$3,123,051
Supplemental disclosure of cash flow information	
Cash paid for interest	\$593,535
Noncash financing activities not included herein consist of reinvestment of distributions	599,663

Financial highlights

The Financial Highlights show how the Fund's net asset value for a share has changed since the end of the previous period.

COMMON SHARES

Period ended	4-30-11 ¹	10-31-10	10-31-09	10-31-08 ²	12-31-07	12-31-06	12-31-05
Per share operating performance							
Net asset value, beginning of period	\$20.11	\$18.03	\$14.51	\$19.21	\$19.90	\$20.04	\$21.22
Net investment income ³	0.94	2.15	1.70	1.49	1.89	1.74	1.70
Net realized and unrealized gain (loss) on investments	0.56	2.00	3.51	(4.80)	(0.72)	(0.07)	(1.07)
Distributions to Auction Preferred Shares (APS)*	—	—	—	(0.19)	(0.55)	(0.50)	(0.34)
Total from investment operations	1.50	4.15	5.21	(3.50)	0.62	1.17	0.29
Less distributions to common shareholders							
From net investment income	(0.97)	(2.07)	(1.69)	(1.20)	(1.31)	(1.31)	(1.47)
Net asset value, end of period	\$20.64	\$20.11	\$18.03	\$14.51	\$19.21	\$19.90	\$20.04
Per share market value, end of period	\$21.64	\$21.13	\$17.73	\$13.46	\$17.01	\$19.04	\$17.70
Total return at net asset value (%)⁴	7.55⁵	23.81	39.26	(18.78)⁵	3.73	6.54	1.78⁶
Total return at market value (%)⁴	7.31⁵	32.29	47.62	(14.91)⁵	(4.00)	15.41	(15.06)
Ratios and supplemental data							
Net assets applicable to common shares, end of period (in millions)	\$176	\$171	\$152	\$121	\$160	\$164	\$165
Ratios (as a percentage of average net assets):							
Expenses before reductions (excluding interest expense)	1.04 ⁷	1.12	1.43	1.42 ⁷	1.16 ⁸	1.17 ⁸	1.17 ⁸
Interest expense (Note 8)	0.68 ⁷	0.81	1.00	0.83 ⁷	—	—	—
Expenses before reductions (including interest expense)	1.72 ⁷	1.93	2.43	2.25 ⁷	1.16 ⁸	1.17 ⁸	1.17 ⁸
Net investment income	9.40 ⁷	11.33	11.34	9.93 ⁷	9.55 ⁹	8.80 ⁹	8.25 ⁹
Portfolio turnover (%)	14	71	72 ¹⁰	37	46	63	144

COMMON SHARES

Period ended	4-30-11 ¹	10-31-10	10-31-09	10-31-08 ²	12-31-07	12-31-06	12-31-05
Senior securities							
Total value of APS outstanding (in millions)	—	—	—	—	\$86	\$86	\$86
Involuntary liquidation preference per unit (in thousands)	—	—	—	—	25	25	25
Average market value per unit (in thousands)	—	—	—	—	25	25	25
Asset coverage per unit ¹¹	—	—	—	— ¹²	\$71,364	\$72,917	\$72,072
Total debt outstanding end of period (in millions) (Note 8)	\$80	\$80	\$67	\$58	—	—	—
Asset coverage per \$1,000 of APS ¹³	—	—	—	—	\$2,856	\$2,910	\$2,913
Asset coverage per \$1,000 of debt ¹⁴	\$3,201	\$3,136	\$3,268	\$3,090	—	—	—

* Auction Preferred Shares (APS).

¹ Semiannual period from 11-1-10 to 4-30-11. Unaudited.

² For the ten-month period ended 10-31-08. The Fund changed its fiscal year end from December 31 to October 31.

³ Based on the average daily shares outstanding.

⁴ 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 dividend and capital gain distributions, if any, were reinvested. These figures will differ depending upon the level of any discount from or premium to net asset value at which the Fund's shares traded during the period.

⁵ Not annualized.

⁶ Unaudited.

⁷ Annualized.

⁸ Ratios calculated on the basis of expenses relative to the average net assets of common shares. Without the exclusion of preferred shares, the ratios of expenses would have been 0.76%, 0.77% and 0.77% for the years ended 12-31-07, 12-31-06 and 12-31-05, respectively.

⁹ Ratios calculated on the basis of net investment income relative to the average net assets of common shares. Without the exclusion of preferred shares, the ratios of net investment income would have been 6.26%, 5.77% and 5.47% for the years ended 12-31-07, 12-31-06 and 12-31-05, respectively.

¹⁰ The Portfolio turnover rate, including the effect of "TBA" (to be announced) securities for the year ended 10-31-09 was 100%.

¹¹ Calculated by subtracting the Fund's total liabilities from the Fund's total assets and dividing that amount by the number of APS outstanding, as of the applicable 1940 Act Evaluation Date, which may differ from the financial reporting date.

¹² In May 2008, the Fund entered into a Committed Facility Agreement with a third-party commercial bank in order to redeem the APS. The redemption of all APS was completed on 6-12-08 (Note 8).

¹³ Asset coverage equals the total net assets plus APS divided by the APS of the Fund outstanding at period end.

¹⁴ Asset coverage equals the total net assets plus borrowings divided by the borrowings of the Fund outstanding at period end (Note 8).

Notes to financial statements

(unaudited)

Note 1 — Organization

John Hancock Investors Trust (the Fund) is a closed-end diversified management investment company 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, which require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates. 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 close of regular trading on the New York Stock Exchange (NYSE), normally at 4:00 P.M., Eastern Time. The Fund uses a three-tier hierarchy to prioritize the pricing assumptions, referred to as inputs, used in valuation techniques to measure fair value. Level 1 includes securities valued using quoted prices in active markets for identical securities. Level 2 includes securities valued using significant observable inputs. Observable inputs may include quoted prices for similar securities, interest rates, prepayment speeds and credit risk. Prices for securities valued using these inputs are received from independent pricing vendors and brokers and are based on an evaluation of the inputs described. Level 3 includes securities valued using significant unobservable inputs when market prices are not readily available or reliable, including the Fund's own assumptions in determining the fair value of investments. Factors used in determining value may include market or issuer specific events, changes in interest rates and credit quality. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the values by input classification of the Fund's investments as of April 30, 2011, by major security category or type:

INVESTMENTS IN SECURITIES	TOTAL MARKET VALUE AT 4-30-11	LEVEL 1 QUOTED PRICE	LEVEL 2 SIGNIFICANT OBSERVABLE INPUTS	LEVEL 3 SIGNIFICANT UNOBSERVABLE INPUTS
Corporate Bonds	\$147,531,600	—	\$145,388,122	\$2,143,478
Convertible Bonds	4,011,188	—	4,011,188	—
Capital Preferred Securities	1,844,113	—	1,844,113	—
U.S. Government & Agency Obligations	67,286,150	—	67,286,150	—
Foreign Government Obligations	4,383,526	—	4,383,526	—
Term Loans	690,813	—	690,813	—
Collateralized Mortgage Obligations	12,471,830	—	11,392,393	1,079,437
Asset Backed Securities	2,038,310	—	1,880,210	158,100
Common Stocks	5,101,034	\$4,375,209	—	725,825
Preferred Securities	5,885,821	3,429,147	571,781	1,884,893
Short-Term Investments	110,000	—	110,000	—
Total Investments in Securities	\$251,354,385	\$7,804,356	\$237,558,296	\$5,991,733
Other Financial Instruments:				
Futures	(\$77,409)	(\$77,409)	—	—

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. During the six-month period ended April 30, 2011, there were no significant transfers in or out of Level 1 or Level 2 assets.

The following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value. Transfers in or out of Level 3 represent the beginning value of any security or instrument where a change in the level has occurred from the beginning to the end of the period.

	CORPORATE BONDS	COLLATERALIZED MORTGAGE OBLIGATIONS	ASSET BACKED SECURITIES	COMMON STOCKS	PREFERRED SECURITIES	TOTAL
Balance as of 10-31-10	\$637,920	\$994,286	—	\$108,035	\$2,109,179	\$3,849,420
Realized gain (loss)	(1,740,960)	(308,307)	—	—	—	(2,049,267)
Change in unrealized appreciation (depreciation)	1,601,459	613,338	(\$4,463)	216,668	(224,286)	2,202,716
Purchases	1,709,788	422	162,563	401,122	—	2,273,895
Sales	(64,729)	(5,474)	—	—	—	(70,203)
Transfers into Level 3	—	—	—	—	—	—
Transfers out of Level 3	—	(214,828)	—	—	—	(214,828)
Balance as of 4-30-11	\$2,143,478	\$1,079,437	\$158,100	\$725,825	\$1,884,893	\$5,991,733
Change in unrealized at period end*	(\$152,087)	\$305,031	(\$4,463)	\$216,667	(\$224,286)	\$140,862

*Change in unrealized appreciation (depreciation) attributable to Level 3 securities held at the period end.

In order to value the securities, the Fund uses the following valuation techniques. Equity securities held by the Fund are valued at the last sale price or official closing price on the principal securities exchange on which they trade. In the event there were no sales during the day or closing prices are not available, then securities are valued using the last quoted bid or evaluated price. Debt obligations are valued based on the evaluated prices provided by an independent pricing service, which utilizes both dealer-supplied and electronic data processing techniques, taking 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. Foreign securities and currencies are valued in U.S. dollars, based on foreign currency exchange rates supplied by an independent pricing service. Certain securities traded only in the over-the-counter market are valued at the last bid price quoted by brokers making markets in the securities at the close of trading. Certain short-term securities are valued at amortized cost. Other portfolio securities and assets, where market quotations are not readily available, are valued at fair value, as determined in good faith by the Fund's Pricing Committee, following procedures established by the Board of Trustees.

Repurchase agreements. The Fund may enter into repurchase agreements. When the Fund enters into a repurchase agreement, it receives collateral which is held in a segregated account by the Fund's custodian. The collateral amount is marked-to-market and monitored on a daily basis to ensure that the collateral held is in an amount not less than the principal amount of the repurchase agreement plus any accrued interest. In the event of a default by the counterparty, realization of the collateral proceeds could be delayed, during which time the collateral value may decline.

Security transactions and related investment income. Investment security transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is accrued as earned. Gains and losses on securities sold are determined on the basis of identified cost and may include proceeds from litigation. Dividend income is recorded on the ex-date, except for dividends of foreign securities where the dividend may not be known until after the ex-date. In those cases, dividend income is recorded when the Fund becomes aware of the dividends. 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.

Payment-in-kind bonds. The Fund may invest in payment-in-kind bonds (PIK Bonds). PIK Bonds allow the issuer, at its option, to make current interest payments on the bonds either in cash or in additional bonds. The market prices of PIK Bonds are affected to a greater extent by interest rate changes and thereby tend to be more volatile than securities which pay cash interest periodically. The Fund accrues income on these securities and this income is required to be distributed to shareholders. Because no cash is received at the time income accrues on these securities, the Fund may need to sell other investments to make distributions.

Real estate investment trusts. From time to time, the Fund may invest in real estate investment trusts (REITs) and, as a result, will estimate the components of distributions from these securities. Distributions from REITs received in excess of income are recorded as a reduction of cost of investments and/or as a realized gain.

Stripped securities. Stripped mortgage backed securities are financial instruments structured to separate principal and interest cash flows so that one class receives the entire principal from the underlying mortgage assets (PO or principal only), while the other class receives the interest cash flows (IO or interest only). Both PO and IO investments represent an interest in the cash flows of an underlying stripped mortgage backed security. If the underlying mortgage assets experience greater than anticipated prepayments of principal, the Fund may fail to fully receive its initial investment in an IO security. The market value of these securities can be extremely volatile in response to changes in interest rates. In addition, these securities present additional credit risk such that the Fund may not receive all or part of its principal or interest payments because the borrower or issuer has defaulted on its obligation.

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 has a lien, security interest or security entitlement in any Fund property, that is not segregated, to the maximum extent permitted by law to the extent of any overdraft.

Expenses. The majority of expenses are directly attributable to an individual 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 assets. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

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

For federal income tax purposes, the Fund has a capital loss carryforward of \$10,225,436 available to offset future net realized capital gains as of October 31, 2010. The following table details the capital loss carryforward available as of October 31, 2010.

CAPITAL LOSS CARRYFORWARD EXPIRING AT OCTOBER 31				
2013	2014	2015	2016	2017
\$2,727,115	\$2,605,424	\$1,304,634	\$912,660	\$2,675,603

Under the recently enacted Regulated Investment Company Modernization Act of 2010, the Fund will be permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to the losses incurred in pre-enactment taxable years. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

As of October 31, 2010, the Fund had no uncertain tax positions that would require financial statement recognition, de-recognition 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 quarterly and capital gain distributions, if any, annually.

Such distributions, on a tax basis, are determined in conformity with income tax regulations, which may differ from accounting principles generally accepted in the United States of America.

Capital accounts within 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 wash sales loss deferrals, defaulted bonds, derivative transactions, and amortization and accretion on debt securities.

Statement of cash flows. 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 its custodian and does not include any short-term investments.

Note 3 — Derivative instruments

The Fund may invest in derivatives in order to meet its investment objectives. The use of derivatives may involve risks different from, or potentially greater than, the risks associated with investing directly in securities. Specifically, derivatives expose the Fund to the risk that the counterparty to an over-the-counter (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. If the counterparty defaults, the Fund will have contractual remedies, but there is no assurance that the counterparty will meet its contractual obligations or that the Fund will succeed in enforcing them.

Futures. A futures contract is a contractual agreement to buy or sell a particular commodity, currency, or financial instrument at a pre-determined price in the future. Risks related to the use of futures contracts include possible illiquidity of the futures markets, contract prices that can be highly volatile and imperfectly correlated to movements in hedged security values and/or interest rates and potential losses in excess of the amounts recognized on the Statement of Assets and Liabilities.

Futures contracts are valued at the quoted daily settlement prices established by the exchange on which they trade. Upon entering into a futures contract, the Fund is required to deposit initial margin with the broker in the form of cash or securities. The amount of required margin is generally based on a percentage of the contract value; this amount is the initial margin for the trade. The margin deposit must then be maintained at the established level over the life of the contract. Futures contracts are marked-to-market daily and an appropriate payable or receivable for the change in value (variation margin) is recorded by the Fund.

During the six months ended April 30, 2011, the Fund used futures contracts to manage duration of the portfolio. The following table summarizes the contracts held at April 30, 2011. During the six months ended April 30, 2011, the Fund held futures contracts with absolute notional values ranging from \$7.1 million to \$7.4 million, as measured at each quarter end.

OPEN CONTRACTS	NUMBER OF CONTRACTS	POSITION	EXPIRATION DATE	NOTIONAL VALUE	UNREALIZED APPRECIATION (DEPRECIATION)
U.S. Treasury 30-Year Bond Futures	10	Long	Jun 2011	\$1,223,750	\$31,222
U.S. Treasury 10-Year Note Futures	22	Short	Jun 2011	(2,665,094)	(57,297)
U.S. Treasury 5-Year Note Futures	27	Short	Jun 2011	(3,198,656)	(51,334)
Total					(\$77,409)

Fair value of derivative instruments by risk category

The table below summarizes the fair value of derivatives held by the Fund at April 30, 2011 by risk category:

RISK	STATEMENT OF ASSETS AND LIABILITIES LOCATION	FINANCIAL INSTRUMENTS LOCATION	ASSET DERIVATIVES FAIR VALUE	LIABILITY DERIVATIVES FAIR VALUE
Interest rate contracts	Payables for futures variation margin	Futures†	\$31,222	(\$108,631)
Total			\$31,222	(\$108,631)

† Reflects cumulative appreciation/depreciation of futures as disclosed in Note 3. Only the period end variation margin is separately disclosed 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 six-month period ended April 30, 2011:

RISK	STATEMENT OF OPERATIONS LOCATION	FUTURES CONTRACTS
Interest rate contracts	Net realized gain	\$28,092
Total		\$28,092

The table below summarizes the net change in unrealized appreciation (depreciation) included in the net increase (decrease) in net assets from operations, classified by derivative instrument and risk category, for the six-month period ended April 30, 2011:

RISK	STATEMENT OF OPERATIONS LOCATION	FUTURES CONTRACTS
Interest rate contracts	Change in unrealized appreciation (depreciation)	\$19,476
Total		\$19,476

Note 4 — Guarantees and indemnifications

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

Note 5 — Fees and transactions with affiliates

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

Management fee. The Fund has an investment management agreement with the Adviser under which the Fund pays a daily management fee to the Adviser equivalent, on an annual basis, to the sum of (a) 0.650% of the first \$150,000,000 of the Fund's average daily net assets and the value attributed to the committed facility agreement (collectively, managed assets), (b) 0.375% of the next \$50,000,000, (c) 0.350% of the next \$100,000,000 and (d) 0.300% of the Fund's average daily managed assets in excess of \$300,000,000. The Adviser has a subadvisory agreement with John

Hancock Asset Management a division of Manulife Asset Management (US) LLC (formerly MFC Global Investment Management (U.S.), LLC), an indirectly owned subsidiary of MFC and an affiliate of the Adviser. The Fund is not responsible for payment of the subadvisory fees.

The investment management fees incurred for the six months ended April 30, 2011 were equivalent to an annual effective rate of 0.53% of the Fund's average daily managed assets.

Accounting and legal services. Pursuant to a service agreement, the Fund reimburses the Adviser for all expenses associated with providing the administrative, financial, legal, accounting and recordkeeping services of the Fund, including the preparation of all tax returns, periodic reports to shareholders and regulatory reports, among other services. These accounting and legal services fees incurred for the six months ended April 30, 2011 amounted to an annual rate of 0.01% of the Fund's average daily net assets.

Trustee expenses. The Fund compensates each Trustee who is not an employee of the Adviser or its affiliates. These Trustees may, for tax purposes, elect to defer receipt of this compensation under the John Hancock Group of Funds Deferred Compensation Plan (the Plan). Deferred amounts are invested in various John Hancock funds and remain in the funds until distributed in accordance with the Plan. The investment of deferred amounts and the offsetting liability are included within Other receivables and prepaid expenses and Payable to affiliates — Trustees' fees, respectively, in the accompanying Statement of Assets and Liabilities.

Note 6 — Fund share transactions

Transactions in Fund shares for the six months ended April 30, 2011 and the year ended October 31, 2010 were as follows:

	Six months ended 4-30-11		Year ended 10-31-10	
	Shares	Amount	Shares	Amount
Distributions reinvested	29,228	\$599,663	67,824	\$1,326,215

Note 7 — Leverage risk

The Fund utilizes a Committed Facility Agreement (CFA) to increase its assets available for investment. When the Fund leverages its assets, common shareholders bear the fees associated with the facility and have the potential to benefit or be disadvantaged from the use of leverage.

The Adviser's fee is also increased in dollar terms from the use of leverage. Consequently, the Fund and the Adviser 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 common shares, including:

- the likelihood of greater volatility of net asset value and market price of common shares
- fluctuations in the interest rate paid for the use of the credit facility
- 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
- 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.

Note 8 — Committed Facility Agreement

The Fund has entered into a Committed Facility Agreement (CFA) with a subsidiary of BNP Paribas (BNP) that allows it to borrow up to \$91 million and to invest the borrowings in accordance with its investment practices. Prior to April 29, 2011, the Fund could borrow up to \$80 million under the CFA.

Borrowings under the CFA are secured by the assets of the Fund as disclosed in the Fund's investments. Interest charged is at the rate of one-month LIBOR (reset daily) plus 0.70% and is payable monthly. Under the terms of the CFA, the Fund also paid a one time arrangement fee of 0.25% of the maximum commitment financing, which was accrued and paid over the first year of the CFA. The Fund also pays a commitment fee of 0.60% per annum on the unused portion of the commitment. Prior to April 29, 2011, the interest rate was one-month LIBOR plus 0.95% and the commitment fee was 0.70% per annum on the unused portion of the commitment. The arrangement fee and commitment fee for the six months ended April 30, 2011, totaled \$92,221 and \$367, respectively, and are included in the interest expense in the Statement of operations. As of April 30, 2011, the Fund had borrowings of \$80,000,000 at an interest rate of 0.91%, which are reflected on the Statement of assets and liabilities. During the six months ended April 30, 2011, the average borrowing under the CFA and the effective average interest rate were \$80,000,000 and 1.20%, respectively.

The Fund may terminate the CFA with 90 days' notice and, if the Board of Trustees determines that the elimination of all indebtedness leveraging the Fund's investments is in the best interest of the Fund's shareholders, the Fund may terminate the agreement with 30 days' notice. In addition, 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 a facility termination event, BNP is required to provide the Fund with 270 days' notice prior to terminating or amending the CFA.

The Fund has entered into 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 and (ii) thirty-three and one-third percent 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 one hundred percent (100%) of the then-current fair market value of such Lent Securities against the current borrowings under the CFA. During the six months ended April 30, 2011, the Fund had no income from Lent Securities.

Note 9 — Purchase and sale of securities

Purchases and sales of securities, other than short-term securities, aggregated \$29,673,453 and \$29,915,247, respectively, for the six months ended April 30, 2011. Purchases and sales of U.S. Treasury obligations aggregated \$5,022,160 and \$2,144,145, respectively, for the six months ended April 30, 2011.

Additional information

Unaudited

Investment objective and policy

The Fund is a closed-end diversified management investment company, common shares of which were initially offered to the public on January 29, 1971 and are publicly traded on the NYSE. The Fund's primary investment objective is to generate income for distribution to its shareholders, with capital appreciation as a secondary objective. The preponderance of the Fund's assets are invested in a diversified portfolio of debt securities, some of which may carry equity features. Up to 50% of the value of the Fund's assets may be invested in restricted securities acquired through direct placement. The Fund may also invest in repurchase agreements.

On March 9, 2011, the Board of Trustees amended the Fund's investment policy regarding the use of reverse repurchase agreement transactions. The new policy provides the following:

Reverse repurchase agreements. The Fund may engage in reverse repurchase agreement transactions to the extent permitted under the Investment Company Act of 1940, as amended ("1940 Act"), and related guidance of the Securities and Exchange Commission and its staff. The Fund intends to use reverse repurchase agreements to obtain investment leverage either alone and/or in combination with other forms of investment leverage. The Fund may also use reverse repurchase agreement transactions for temporary or emergency purposes. In a reverse repurchase agreement transaction, the Fund temporarily transfers possession of a portfolio instrument to another party in return for cash. At the same time, the Fund agrees to repurchase the instrument at an agreed upon time and price, which reflects an interest payment. The value of the portfolio securities transferred may substantially exceed the purchase price received by the Fund under the reverse repurchase agreement transaction and, during the life of the reverse repurchase agreement transaction, the Fund may be required to transfer additional securities if the market value of those securities initially transferred declines. In engaging in a reverse repurchase transaction, the Fund may transfer ("sell") any of its portfolio securities to a broker-dealer, bank or another financial institution counterparty as determined by the Adviser to be appropriate. In accordance with guidance from the SEC and its staff from time to time in effect, the Fund will earmark or segregate liquid assets equal to repayment obligations under the reverse repurchase agreements. When the Fund enters into a reverse repurchase agreement transaction, any fluctuations in the market value of either the securities transferred to another party or the securities in which the proceeds may be invested would affect the market value of the Fund's assets. As a result, such transactions may increase fluctuations in the market value of the Fund's assets.

On March 9, 2011, the Board of Trustees also approved certain other investment policy changes, as summarized below:

- (i) investment policy stating that "The Fund may also purchase preferred stock and may acquire common stock through the exercise of conversion or exchange rights acquired in connection with other securities owned by the Fund." was replaced with the following: "The Fund may also purchase preferred securities and may acquire common stock through the exercise of conversion or exchange rights acquired in connection with other securities owned by the Fund.";
- (ii) investment policy stating that "The Fund will not acquire any additional preferred or common stock if as a result of that acquisition the value of all preferred and common stocks in the Fund's portfolio would exceed 20% of its total assets." was replaced with the following: "The Fund will not acquire any additional preferred securities or common stock if as a result of that acquisition the value of all preferred securities and common stocks in the Fund's portfolio would exceed 20% of its total assets."; and

(iii) investment policy stating that “The Fund may also purchase income producing securities which are convertible into or come with rights to purchase preferred and common stocks.” was replaced with the following: “The Fund may also purchase income producing securities which are convertible into or come with rights to purchase preferred securities and common stocks.”

Bylaws and Declaration of Trust

In November 2002, the Board of Trustees adopted several amendments to the Fund’s bylaws, including provisions relating to the calling of a special meeting and requiring advance notice of shareholder proposals or nominees for Trustee. The advance notice provisions in the bylaws require shareholders to notify the Fund in writing of any proposal that they intend to present at an annual meeting of shareholders, including any nominations for Trustee, between 90 and 120 days prior to the first anniversary of the mailing date of the notice from the prior year’s annual meeting of shareholders. The notification must be in the form prescribed by the bylaws. The advance notice provisions provide the Fund and its Trustees with the opportunity to thoughtfully consider and address the matters proposed before the Fund prepares and mails its proxy statement to shareholders. Other amendments set forth the procedures that must be followed in order for a shareholder to call a special meeting of shareholders. In October 2008, the Fund’s bylaws were amended with respect to notice requirements for Trustee nominations and other proposals by the Fund’s shareholders. These provisions require the disclosure of the nominating shareholder and the nominee’s investment interests as they relate to the Fund, as well as the name of any other shareholder supporting the nominee for election as a Trustee or the proposal of other business. In order for notice to be proper, such notice must disclose the economic interests of the nominating shareholder and nominee, including his or her holdings of shares in the Fund, the intent upon which those shares were acquired, and any hedging arrangements (including leveraged or short positions) made with respect to the shares of the Fund. Additionally, any material interest that the shareholder has in the business to be brought before the meeting must be disclosed. Please contact the Secretary of the Fund for additional information about the advance notice requirements or the other amendments to the bylaws. On August 21, 2003, shareholders approved the amendment of the Fund’s bylaws, effective August 26, 2003, to provide for the issuance of preferred shares.

On March 31, 2008, the shareholders approved an amendment to the Fund’s Declaration of Trust to permit the Fund’s Board of Trustees to delegate the authority to declare dividends to a Dividend Committee consisting of officers, employees or agents of the Fund.

Dividends and distributions

During the six-month period ended April 30, 2011, distributions totaling \$0.9696 per share were paid to common shareholders. The dates of payments and the amounts per share are as follows:

PAYMENT DATE	INCOME DIVIDEND
December 31, 2010	\$0.5054
March 31, 2011	0.4642
Total	\$0.9696

Dividend reinvestment plan

The Board of Trustees approved certain amendments to the Fund’s Dividend Reinvestment Plan. The Dividend Reinvestment Plan that is in effect as of July 1, 2011 is described below.

Pursuant to the Fund’s Dividend Reinvestment Plan (the Plan), distributions of dividends and capital gains are automatically reinvested in common shares of the Fund by The Bank of New York Mellon (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 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 New York Stock Exchange (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 Web site at www.bnymellon.com/shareowner/equityaccess. The Plan Agent will mail a check to you (less applicable brokerage trading fees) on settlement date, which is three business days after your shares have been sold. If you choose to sell your shares through your stockbroker, you will need to request that the Plan Agent electronically transfer your shares to your 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 Web site at www.bnymellon.com/shareowner/equityaccess. 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 you withdraw, your shares will be credited to your account; or, if you wish, the Plan Agent will sell your full and fractional shares and send you the proceeds, less a transaction fee of \$5.00 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 Web site at www.bnymellon.com/shareowner/equityaccess. 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 you wish to participate in the Plan and your shares are held in the

name of a brokerage firm, bank or other nominee, please contact your nominee to see if it will participate in the Plan for you. If you wish to participate in the Plan, but your brokerage firm, bank or other nominee is unable to participate on your behalf, you will need to request that your shares be re-registered in your own name, or you 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 you as representing the total amount registered in your name and held for your account by your 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 additional information about the Plan should be directed to The Bank of New York Mellon, c/o BNY Mellon Shareowner Services, c/o Mellon Investor Services, P.O. Box 358035, Pittsburgh, PA 15252-8035 (Telephone: 1-800-852-0218 (within the U.S. and Canada), 1-201-680-6578 (International Telephone Inquiries), and 1-800-231-5469 (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:

Mellon Investor Services
Newport Office Center VII
480 Washington Boulevard
Jersey City, NJ 07310
Telephone: 1-800-852-0218

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 January 21, 2011. The following proposal was considered by the shareholders:

Proposal: Election of eleven (11) Trustees to serve until their respective successors have been duly elected and qualified. The votes cast with respect to each Trustee are set forth below.

THE PROPOSAL PASSED ON JANUARY 21, 2011.

	TOTAL VOTES FOR THE NOMINEE	TOTAL VOTES WITHHELD FROM THE NOMINEE
James F Carlin	6,867,873	122,795
William H. Cunningham	6,858,359	132,309
Deborah C. Jackson	6,832,067	158,601
Charles L. Ladner	6,852,119	138,549
Stanley Martin	6,869,691	120,977
Hugh McHaffie	6,864,651	126,017
John A. Moore	6,847,763	142,905
Patti McGill Peterson	6,840,251	150,417
Steven R. Pruchansky	6,867,236	123,432
Gregory A. Russo	6,872,927	117,741
John G. Vrysen	6,863,520	127,148

More information

Trustees

Steven R. Pruchansky,
Chairperson
James F. Carlin
William H. Cunningham
Deborah C. Jackson*
Charles L. Ladner,*
Vice Chairperson
Stanley Martin*
Hugh McHaffie†
Dr. John A. Moore
Patti McGill Peterson*
Gregory A. Russo
John G. Vrysant

*Member of the
Audit Committee
†Non-Independent Trustee

Officers

Keith F. Hartstein
*President and
Chief Executive Officer*
Andrew G. Arnott
*Senior Vice President
and Chief Operating Officer*
Thomas M. Kinzler
Secretary and Chief Legal Officer
Francis V. Knox, Jr.
Chief Compliance Officer
Charles A. Rizzo
Chief Financial Officer
Salvatore Schiavone
Treasurer

Investment adviser

John Hancock Advisers, LLC

Subadviser

John Hancock Asset Management
(formerly MFC Global
Investment Management
(U.S.), LLC)

Custodian

State Street Bank and
Trust Company

Transfer agent

Mellon Investor Services

Legal counsel

K&L Gates LLP

Stock symbol

Listed New York Stock
Exchange: JHI

For shareholder assistance refer to page 35

You can also contact us:

1-800-852-0218
jhfunds.com

Regular mail:
Mellon Investor Services
Newport Office Center VII
480 Washington Boulevard
Jersey City, NJ 07310

The Fund's proxy voting policies and procedures, as well as the Fund's 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) Web site at www.sec.gov or on our Web site.

The Fund's complete list of portfolio holdings, for the first and third fiscal quarters, is filed with the SEC on Form N-Q. The Fund's Form N-Q is available on our Web site and the SEC's Web site, www.sec.gov, and can be reviewed and copied (for a fee) at the SEC's Public Reference Room in Washington, DC. Call 1-800-SEC-0330 to receive information on the operation of the SEC's Public Reference Room.

We make this information on your fund, as well as **monthly portfolio holdings**, and other fund details available on our Web site www.jhfunds.com or by calling 1-800-852-0218.

The report is certified under the Sarbanes-Oxley Act, which requires mutual 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.

The Fund is listed for trading on the NYSE and has filed with the NYSE its chief executive officer certification regarding compliance with the NYSE's listing standards. The Fund also files with the SEC the certification of its chief executive officer and chief financial officer required by Section 302 of the Sarbanes-Oxley Act.

DOMESTIC EQUITY

Balanced Fund
 Classic Value Fund
 Classic Value Mega Cap Fund
 Disciplined Value Fund
 Disciplined Value Mid Cap Fund
 Fundamental All Cap Core Fund
 Fundamental Large Cap Core Fund
 Fundamental Large Cap Value Fund
 Large Cap Equity Fund
 Mid Cap Equity Fund
 Rainier Growth Fund
 Small Cap Equity Fund
 Small Cap Intrinsic Value Fund
 Small Company Fund
 Sovereign Investors Fund
 U.S. Core Fund
 U.S. Global Leaders Growth Fund

ASSET ALLOCATION**TARGET RISK**

Lifestyle Aggressive Portfolio
 Lifestyle Balanced Portfolio
 Lifestyle Conservative Portfolio
 Lifestyle Growth Portfolio
 Lifestyle Moderate Portfolio

TARGET DATE

Lifecycle 2045 Portfolio
 Lifecycle 2040 Portfolio
 Lifecycle 2035 Portfolio
 Lifecycle 2030 Portfolio
 Lifecycle 2025 Portfolio
 Lifecycle 2020 Portfolio
 Lifecycle 2015 Portfolio
 Lifecycle 2010 Portfolio

RETIREMENT INCOME

Retirement Distribution Portfolio
 Retirement Rising Distribution Portfolio

GLOBAL/INTERNATIONAL EQUITY

Emerging Markets Fund
 Global Opportunities Fund
 Global Shareholder Yield Fund
 Greater China Opportunities Fund
 International Allocation Portfolio
 International Core Fund
 International Growth Fund
 International Value Equity Fund

SPECIALTY

Alternative Asset Allocation Fund
 Currency Strategies Fund
 Financial Industries Fund
 Natural Resources Fund
 Regional Bank Fund
 Technical Opportunities Fund

INCOME

Bond Fund
 Floating Rate Income Fund
 Government Income Fund
 High Yield Fund
 Investment Grade Bond Fund
 Strategic Income Fund
 Strategic Income Opportunities Fund

TAX-FREE INCOME

California Tax-Free Income Fund
 High Yield Municipal Bond Fund
 Massachusetts Tax-Free Income Fund
 New York Tax-Free Income Fund
 Tax-Free Bond Fund

MONEY MARKET

Money Market Fund

CLOSED-END

Bank and Thrift Opportunity Fund
 Hedged Equity & Income Fund
 Income Securities Trust
 Investors Trust
 Preferred Income Fund
 Preferred Income Fund II
 Preferred Income Fund III
 Premium Dividend Fund
 Tax-Advantaged Dividend Income Fund
 Tax-Advantaged Global Shareholder Yield Fund

The Fund's investment objectives, risks, charges and expenses are included in the prospectus and should be considered carefully before investing. For a prospectus, call your financial professional, call John Hancock Funds at 1-800-225-5291 or visit the Fund's Web site at www.jhfunds.com. Please read the prospectus carefully before investing or sending money.

Not part of the semiannual report



1-800-852-0218
1-800-231-5469 TDD
1-800-843-0090 EASI-Line
www.jhfunds.com

PRESORTED
STANDARD
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PAID
MIS

P50SA 4/11
6/11