

Corporate Investment Report

September 30, 2005

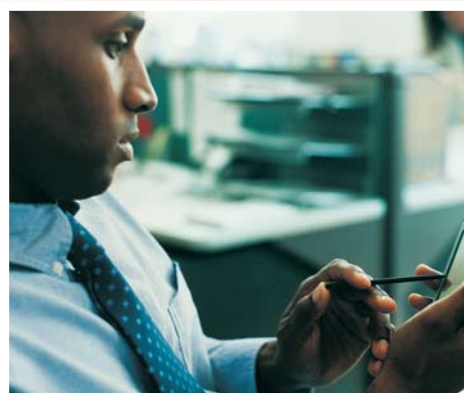


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The philosophy

The Investment Management Services (IMS) team believes in quality, not quantity. They believe past performance is not an accurate indicator of future performance, but rather high-quality investment firms who adhere to documented investment policies and procedures are more likely to deliver superior results over time. It is their job to monitor the fund managers on Manulife's platform so investors don't have to. They understand how important it is for Manulife Financial's stakeholders to have sufficient information to make prudent investment decisions. This is why i-Watch exists.

Investment Management Services

One of Manulife Financial's core competencies is providing investment management services in the countries in which we operate, including the U.S., Canada, Hong Kong, Japan, and other countries in the Far East. In Canada, the Investment Management Services team is comprised of a team of analysts and industry professionals whose credentials match professionals in the most respected investment consulting firms.

By operating objectively and independently of any business units, IMS team ensures fund partners meet stringent requirements for fund management. Given that money management is a global concern, team members often consult with their Manulife counterparts throughout the world. Fund partners adhere to the same best practices particularly when IMS is selecting or monitoring investment funds representing non-North American mandates.

i-Watch

Fund selection

Funds available through Manulife Financial are screened and selected using a strict process. Performance is one screening criterion, but is not the most important determinant of future returns. In the IMS's view, the consideration of an investment firm's qualitative aspects, together with its quantitative aspects, is a better indicator of the fund's long-term viability.

Reflecting this viewpoint, Manulife Financial's selection process includes an in-depth review of factors that determine the underlying quality of the fund manager. IMS emphasizes their qualitative review in the decision-making process and screens for the following qualities:

- The stability of the organization, including succession planning and adherence to a code of ethics.
- The depth, quality and overall experience level of the people managing the assets.
- A clearly defined investment process that has been applied consistently over time.
- A record of performance that compares favourably to appropriate benchmarks and peer managers.
- Risk characteristics that are in line with investment mandates.

Our team of independent professionals get 'behind the numbers' by visiting and interviewing fund managers on a regular basis, probing issues in a way that can only come from years of experience.

Ongoing monitoring process

While the selection process is important, the ongoing monitoring process makes i-Watch unique. Once an investment fund is selected, the IMS team continues to apply the same level of analysis used to select the fund manager originally. With regular on-site due diligence meetings, the IMS team conducts ongoing systematic reviews of every fund available through Manulife Financial. The due diligence review includes a comprehensive examination of the evolving characteristics of the fund and face-to-face meetings with the fund manager.

We believe in forming long-term relationships with our manager partners. If a fund fails to live up to its mandate, we will work with the fund manager to address specific concerns. If these additional steps fail to address our expectations, the fund manager will be replaced or the mandate will be capped. The choice of actions is based on minimizing any disruption to investors.

Statement of Investment Policies, Procedures and Goals

Pension legislation requirements

Pension law requires plan sponsors to establish appropriate policies and investment strategies for their pension plan assets. A sound governance plan includes a statement of investment policies, procedures and goals that is commonly referred to as the "SIPP&G." This documentation helps ensure the pension plan is operating in the best interests of its plan members. A sound governance plan outlines the steps and processes plan sponsors need to follow to set-up and maintain a pension plan. As part of their responsibilities, plan sponsors must exercise due diligence in selecting and monitoring investment managers; offer a range of investment alternatives; give plan members the opportunity to make regular investment changes; and provide plan members with detailed investment information.

Clearly identifying and defining the roles and responsibilities of each participant in the governance and operation of the pension plan is an important part of this plan management. Pension management roles and activities are identified in the lists that follow.

Plan sponsor obligations

The plan sponsor is required to:

- Select the fund custodian to administer the pension fund assets.
- Communicate with plan members on plan documentation.
- Establish and review, a statement of investment policies, procedures and goals annually or as required.
- Educate and inform plan members about the risk and return characteristics of each asset class and the benefits of diversification.
- Communicate information on historic rates of return and fees for each investment option, the expected future returns and the importance of diversification.
- Monitor fund performance and report results to the plan members.
- Select the classes of assets and investment alternatives that are appropriate investments for the pension fund.

- Provide plan members information received from the investment agencies in connection with the various investment alternatives offered under the plan.
- Review and approve any benefit payments from the plan.
- Maintain overall responsibility for the administration of plan member accounts.

Manulife Financial's obligations

As the plan fiduciary and fund custodian, Manulife is required to:

- Establish and maintain records for each plan member.
- Maintain detailed records of all plan transactions.
- Select and monitor the investment agencies.
- Establish, monitor and review performance benchmarks for the investment funds.
- Select and offer an appropriate range of investment funds to allow for an acceptable level of liquidity and to provide for investment diversification to maximize return and minimize risk.
- Process allocations to the funds and disbursements of benefit payments from the fund as directed by the plan sponsor.
- Provide plan sponsors with regular investment reviews obtained by investment agencies.

Fund manager obligations

As the investment agency, the fund manager is required to:

- Present current economic analysis and related investment strategy.
- Be responsible for the timing and selection of individual securities.
- Be responsible for maintaining an appropriate level of liquidity through diligent cash management and timely scheduling of maturities.
- Present regular reviews in investment performance.
- Monitor the investment performance of the individual securities to meet or exceed established performance benchmarks and to maximize return and minimize risk.

Information available

Manulife currently offers the Guaranteed Interest Accounts and market-based investment funds described in this report to help achieve the specific objectives of plan sponsors. Plan sponsors may use the information provided in this Group Investment Report to establish a customized statement of investment policies, procedures and goals, based on their plan's specific investment strategies.

General information regarding the market-based funds for a pension plan's statement of investment policies, procedures and goals is provided below. Information specific to each fund is found on the fund description pages in this report.

Market-based funds

All funds are established and maintained under the authority of the Insurance Companies Act. The funds may invest in underlying mutual funds or other segregated funds in accordance with applicable guidelines established by Canadian securities regulators.

We intend to maintain a reasonable portfolio diversification. We do not intend to invest in securities for the purpose of exercising control or management. No fund may purchase more than 10% of the common stock of any one corporation unless the investment is made through a mutual or pooled fund that complies with applicable investment regulations.

Limitation on loans

There will be no plan loans from the funds.

Limitation on share ownership

No single security will represent more than 10% of the book value of any fund, with the exception of the index funds.

Derivatives

A derivative is a financial instrument whose characteristics and value depend on the value of such underlying instruments or assets as stocks, bonds or cash. Two examples are futures and options.

A future is a standardized, transferable, exchange-traded contract that requires delivery of a commodity, bond, currency or stock index at a specified price on a specified future date.

An option is the right, but not obligation, to buy (a call option) or sell (a put option) a specific amount of a given stock, bond, currency, index or debt at a specified price during a specified period of time.

The funds may, from time to time, invest in or use derivative instruments consistent with their investment objectives to the extent, and for the purposes, permitted by Canadian securities regulators.

The Manulife market-based funds do not invest directly in derivatives. However, except where otherwise specified, the underlying fund may invest in derivatives for hedging or achieving the duration target. In particular, the use of derivative instruments is prohibited in the acquisition of investment exposures not otherwise permitted in the underlying fund's investment objectives and description.

Voting rights

The fund manager will exercise any voting rights on the shares in the best interests of the investment objectives of the fund.

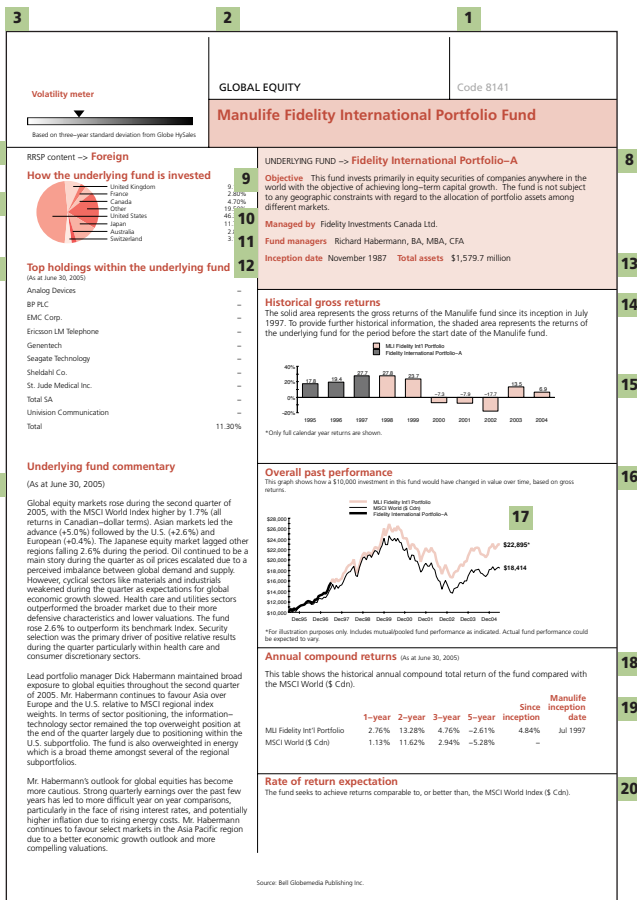
Valuation of investments not regularly traded

Securities and other investments will be valued using the best available quotation in Manulife Financial's estimation.

Conflict of interest

No employee of Manulife or any fund manager shall act on investment knowledge or information of the fund to his or her direct or indirect benefit, unless the knowledge or information has been generally disclosed to the public and the employee satisfies all the requirements of Manulife's Code of Business Conduct and Conflict of Interest Statement.

How to Read Fund Descriptions



3 Volatility meter:

You can use the volatility meter of each fund to help you choose funds that suit your tolerance for risk. The volatility meter is based on the standard deviation of monthly returns of the fund or the underlying fund over a three-year period where available. For any funds with less than a three-year history, the rating was based on the next longest available time period. Generally, the greater the return you hope to earn on your investments, the greater risk you must assume. A fund with high volatility has experienced larger fluctuations of monthly returns than a fund with low volatility. Investors expect the potential for higher return in exchange for assuming the higher risk of more volatile investments. Volatility is ranked from lowest to highest - the left side represents low volatility and the right side represents high volatility.

4 Indication of foreign content:

Specifies whether the fund contains investments considered as foreign content. In June 2005, the federal government eliminated the Foreign Property Rule (also known as the foreign content rule) specifying the extent of international investments permitted in retirement savings plans. No restriction on foreign holdings in retirement savings plans remains.

Although there is no longer a limit on the content of foreign investments, you should monitor your account regularly, verifying your account information and ensuring your investments continue to meet your specified risk tolerance.

5 How the underlying fund is invested:

The pie chart depicts the mix of investments held by the underlying fund.

6 Top holdings:

The primary security holdings based on the percentage

1 Fund code:

A specific code has been assigned to each fund. This code makes it easier for you and Manulife to identify a specific fund. Use this code in all communications with Manulife. When you use Manulife's secure website and telephone services to access your account, you will be able to identify funds using the fund codes.

2 Asset class:

The fund pages in this **Corporate Investment Options Report** and on the website (www.manulife.ca/GRO) reflect the colour of the asset class they are in.

weighting of the underlying fund's net market value.

7 Fund manager commentary:

The fund manager's review of fund activity and/or impact on performance over a specified time period, including an outlook.

8 Underlying fund:

The market-based investment options in your group plan are fund-on-fund investments, which invest in existing pooled or mutual funds (referred to as underlying funds). When a deposit is made into a Manulife fund, the deposit is used to purchase units of the underlying fund that corresponds to the Manulife fund. For example, if you purchase units of the "Manulife Trimark Canadian Fund," this Manulife fund invests in units of the "Trimark Canadian Fund." Due to the timing of these transactions, each Manulife fund may contain a small cash component in addition to the underlying pooled fund component. The goal of the fund-on-fund strategy is to produce returns on the Manulife fund that are similar to the returns on the underlying fund.

9 Objective:

The fund's primary investment goal(s) as determined by the fund manager.

10 Managed by:

The fund management company that manages the underlying fund.

11 Fund managers:

The name of the lead fund manager (or managers) responsible for the investment decisions regarding the underlying fund.

12 Inception date:

The date the underlying fund was made available for purchase by investors.

13 Total assets:

The total market value of all the assets invested in the underlying fund as of the specified date.

14 Historical gross returns:

Historical performance of the fund over a specified time period. All performance histories are offered for illustrations purposes only and are not a guarantee of future performance. Unit values will fluctuate with the market value of the underlying fund's assets. Gross returns are the rates of return earned before the deduction of investment management fees. An individual investing in the fund earns a net return, which has been reduced by the applicable management fees. Management fees can vary for different clients depending on the products purchased. The returns illustrated here are for the Manulife fund and/or the underlying fund.

15 Year by year returns:

The one-year return of the fund for each year specified, based upon calendar year, January to December.

16 Overall past performance:

The graph shows you how a \$10,000 investment in a fund would have changed in value for the specific number of years, compared with a related broad-based index.

17 Index:

The index shown represents a broad-based market view and is not necessarily the fund's specific benchmark. It should be used as a reference to compare funds against a broad asset class. The fund's objective may differ from the style of the index.

18 Annual compound returns:

The return for historical period specified, converted to an annualized rate.

19 Manulife inception date:

The first full month the fund was made available for investing from Manulife Canadian Pension Operations.

20 Rate of return expectation:

The benchmark, the fund managers are expecting to meet or exceed over the long-term.

Fund Managers

■ **Templeton Investment Management** is an operating division of Franklin Templeton Investments Corp., a subsidiary of Franklin Resources Inc., one of the largest publicly traded investment management organizations in the world. Franklin Templeton Investments has in excess of \$480 billion Cdn in assets under management.

www.templeton.ca

■ Founded in 1962 to serve private clients, **Howson Tattersall Investment Counsel** (Howson Tattersall) has grown over the years to provide investment services to a wide range of institutional investors for their pension plans, endowments, foundations and corporate reserves. In August 2003, Howson Tattersall merged with Lancet Asset Management, a subsidiary of the Canadian Medical Association (CMA). The merged firm which has its headquarters in Toronto, Canada, continues to operate under the trusted Howson Tattersall name and manages over \$7 billion Cdn in assets including the Saxon Mutual Funds.

www.htic.ca

■ **Jarislowsky Fraser Limited** is a registered investment counselling firm managing pension funds, pooled funds, endowment funds, and corporate and private portfolios for clients in North America and Europe. The company was founded in 1955 as an investment research firm. In the early 1960's, the firm began to use research material to counsel private investors and, in 1966, extended its client base to include pension funds. Today, the firm manages investment funds on behalf of governments, corporations, universities, institutions and labour unions; with assets exceeding \$54.6 billion.

www.jfl.ca

■ **McLean Budden Limited** is one of Canada's oldest investment counselling firms. From offices in Toronto, Montreal, Vancouver and Chicago, they manage over \$30 billion of pension, foundation and mutual fund assets as well as personal wealth.

www.mcleanbudden.com

■ **MFC Global Investment Management** is the institutional investment management arm of Manulife Financial. Based in Canada, the firm has investment offices in the United States, the United Kingdom, Japan, Australia, Hong Kong, and throughout Southeast Asia. In April 2004, it more than doubled its size through the merger of Manulife Financial and John Hancock Financial Services, Inc. Today it is a leading global investment manager, with over \$200 billion Cdn (U.S. \$170 billion) in assets under management.

www.mfcglobal.com

Rates of return overview

visit us at: www.manulife.ca/GRO

		Annualized Return								Annual Return				
Fund Code	Fund Name	YTD ¹	Three Month	1 Year	2 Year	3 Year	4 Year	5 Year	10 Year	2005	2004	2003	2002	2001
Gross rates of return (%) ³ as at September 30, 2005														
Canadian Money Market														
UGIC	MLI CBS Pooled GIC Fund	3.6	1.3	4.9	4.2	n/a	n/a	n/a	n/a	4.9	3.5	n/a	n/a	n/a
3132	MLI Canadian Money Market (MFC)	2.0	0.7	2.6	2.5	2.7	2.8	3.4	n/a	2.6	2.5	3.1	3.2	5.6
	Scotia Capital 91-Day Treasury Bill Index	1.8	0.6	2.5	2.4	2.6	2.6	3.1	3.9	2.5	2.3	3.0	2.7	5.3
Canadian Bond														
4191	MLI MFC Global Pooled Canadian Bond Index	5.6	-0.3	8.9	6.9	7.3	7.3	7.8	n/a	8.9	4.8	8.2	7.4	8.7
	Scotia Capital Universe Bond Index	5.7	0.1	9.0	6.9	7.3	7.6	7.9	8.2	9.0	4.8	8.1	8.5	8.9
Canadian Balanced														
5161	MLI McLean Budden Balanced Growth	8.3	2.8	13.1	11.5	13.0	8.4	4.8	10.3	13.1	9.9	15.9	-4.3	-8.3
5241	MLI Jarislowsky Fraser Balanced	10.5	3.5	15.6	13.0	11.1	8.7	7.6	n/a	15.6	10.4	7.4	1.9	2.9
	Balanced Benchmark ³	8.4	3.6	13.9	11.7	11.3	6.8	1.7	8.2	13.9	9.6	10.6	-5.6	-16.6
Canadian Large Cap Equity														
7161	MLI McLean Budden Canadian Equity Growth	18.0	10.1	24.3	20.9	24.2	14.7	6.8	14.9	24.3	17.7	30.9	-9.6	-19.8
7241	MLI Jarislowsky Fraser Canadian Equity	27.6	12.2	37.7	31.6	25.8	19.6	15.7	n/a	37.7	25.8	14.9	2.7	0.5
	S&P/TSX Composite Index	20.7	11.6	29.3	24.0	23.5	14.7	3.0	11.2	29.3	18.9	22.5	-8.1	-33.1
Canadian Small to Mid Cap Equity														
7191	MLI Canadian Small Cap Equity (Tattersall)	10.6	5.9	18.9	23.5	22.4	19.2	15.6	n/a	18.9	28.2	20.2	10.1	2.3
	BMO Nesbitt Burns Small Cap Index	14.3	11.4	25.6	23.2	26.2	21.4	11.0	11.1	25.6	20.9	32.5	8.0	-22.3
U.S. Equity														
8131	MLI MFC Global Pooled U.S. Index	-1.1	-1.9	2.7	4.3	4.7	-2.3	-6.9	n/a	2.7	5.8	5.7	-20.7	-23.2
	S&P 500 Index (\$ Cdn)	-0.9	-1.8	3.1	4.8	5.2	-1.8	-6.5	7.9	3.1	6.6	5.9	-20.1	-23.1
International Equity														
8192	MLI International Equity (Templeton)	5.4	3.0	16.4	16.1	14.0	5.9	1.2	n/a	16.4	15.8	9.9	-15.2	-15.4
	MSCI EAFE Index (\$ Cdn)	5.6	4.6	16.0	15.4	12.8	5.1	-1.7	4.6	16.0	14.7	7.8	-14.9	-24.8
Global Equity														
8161	MLI McLean Budden Global Equity	1.8	-0.2	6.6	8.5	8.5	2.1	-2.6	n/a	6.6	10.3	8.7	-15.1	-19.2
	MSCI World Index (\$ Cdn)	2.9	1.4	9.8	9.9	9.1	1.4	-4.4	6.1	9.8	10.1	7.3	-18.5	-24.4

¹ Year to date (YTD) rates of returns are not annualized.

² Gross rates of returns reflect performance before fees are deducted.

³ Comprised of 35% S&P/TSX Composite Index, 35% Scotia Capital Universe Bond Index (Total Return), 10% S&P 500 Index (\$C), 10% MSCI EAFE Index (\$C), and 10% 91-Day T-bills.

Manulife Return (dark shading)

These numbers represent the gross rate of return of the Manulife fund.


Additional Historical Information (light shading)

In order to provide further historical information, we have included the returns of the underlying funds.

Volatility meter



GUARANTEED INTEREST ACCOUNT FUND

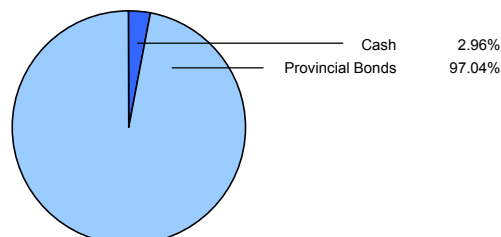
Code UGIA

Manulife Pooled UGIA Fund

Administered by: Manulife Financial

RRSP Content: Canadian

How the underlying fund is invested



Fund commentary

The Manulife Pooled GIA was created exclusively for the Canadian Blood Services retirement program. The fund invests in a blend of various Guaranteed Investment Accounts (GIA). If you are an investor looking for a fund with minimal risk, you should consider this fund as an investment selection.

Fund objective:

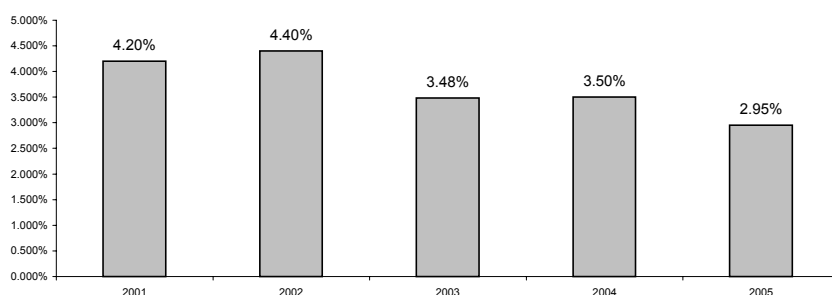
The general objective of this fund is to provide an investment vehicle that is guaranteed by a financial institution subject to its ability to meet its financial obligations and its ability to show individual participant's holdings in the pool as per CompCorp's requirements.

Inception date: July 1, 2003

Total Assets: \$6.42 million

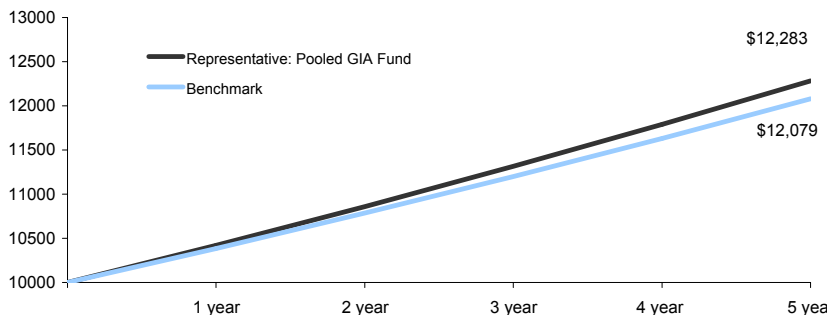
Historical gross returns

To provide historical GIA information, the shaded area represents a term rate for the average of the banks 5-year non-cashable GIC, less the min and max, plus plan level enhancement (of 35 bps) as of September.



Overall past performance

This graph shows you how a \$10,000 investment, September 2001 in a five-year GIA, would have changed in value over time.



* For illustration purposes only. Average of the banks 5 year non-cashable GIC, less min and max, plus the plan level enhancement. Five year GIA purchased September 2001.

Annual compound returns (as at September 30, 2005)

This table shows the historical annual compound total return of the segregated fund compared with the Consumer Price Index.

	1-year	2-year	3-year	5-year	Since Inception	Manulife Inception Date
MLI Pooled GIA	4.85%	4.15%	-	-	5.22%	July 2003
Benchmark: CPI + 2%	3.68%	3.62%	3.07%	3.48%		

Rate of return expectation:

The investment objective of the fund is to achieve, over the long term (e.g. 10 years), an average annual rate of return that exceeds the increase in the Consumer Price Index by 2%.

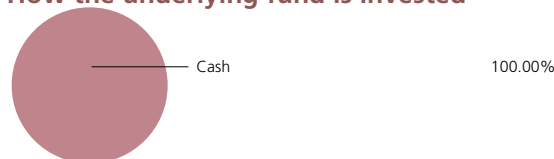


Based on three-year standard deviation from Globe HySales

Manulife Canadian Money Market Fund (MFC)

RRSP content → **Canadian**

How the underlying fund is invested



Top holdings within the underlying fund

(As at June 30, 2005)

Short-Term investments	100.00%
Total	100.00%

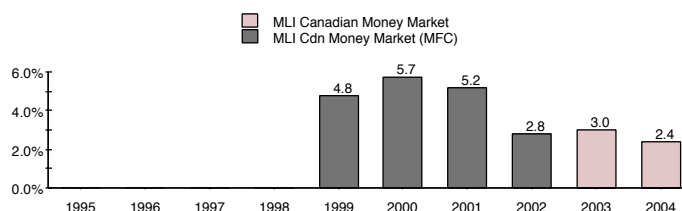
UNDERLYING FUND → **MLI Cdn Money Market (MFC)**

Objective The Manulife Canadian Money Market Fund is managed to achieve a consistent level of interest income while preserving capital and maintaining liquidity. This fund primarily invests in money market securities guaranteed by the Government of Canada, its provinces or municipalities, corporations and chartered banks.

Managed by Manulife Financial**Fund managers** MFC Global Invest Mgmt (Tor)–Mgmt Team**Inception date** January 1999 **Total assets** \$214.4 million

Historical gross returns

The solid area represents the gross returns of the Manulife fund since its inception in July 2002. To provide further historical information, the shaded area represents the returns of the underlying fund for the period before the start date of the Manulife fund.



*Only full calendar year returns are shown.

Underlying fund commentary

(As at June 30, 2005)

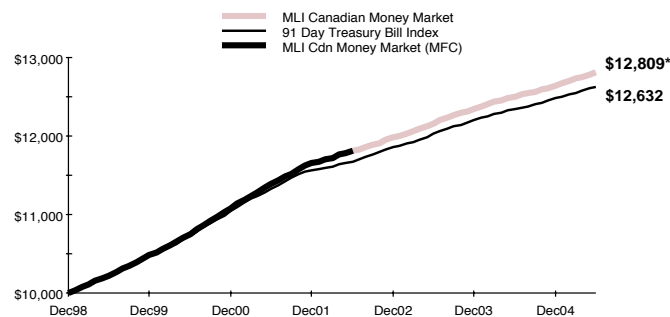
The Bank of Canada maintained its status quo making no interest rate changes during the second quarter. The Bank's next meeting is on July 12, and the possibility of a rate increase is minimal. However, futures are currently pricing in an 80% chance of an increase in the overnight rate at the Bank's September meeting. In contrast, the U.S. Federal Reserve continues its program of interest rate hikes while Europe is leaning towards the possibility of easing. The spread between Canadian and U.S. rates stood at 75 basis points (bps) at the end of June which would typically contribute to Canadian dollar weakness. However, rising oil prices, which serve as a reminder that the Canadian dollar is still a commodity currency, have provided support. Yields on the three-month treasury bill ranged from a low of 2.43% to a high of 2.58% over the last three months, ending the quarter at 2.49%.

The fund continues to maintain a slightly longer-than-average term to maturity; the term stood at 78 days at the end of the quarter. Corporate paper accounted for 48% of the fund's holdings, bank paper for 14%, provincials for 4%, and Canada treasury bills for 34%.

The Bank of Canada is expected to keep the overnight rate at 2.50% over the next quarter. Economic data and terrorist activity will certainly add volatility to the treasury bill market. The fund will continue to add yield on market weakness and take gains on strength, while maintaining a longer-than-neutral average term.

Overall past performance

This graph shows how a \$10,000 investment in this fund would have changed in value over time, based on gross returns.



*For illustration purposes only. Includes mutual/pooled fund performance as indicated. Actual fund performance could be expected to vary.

Annual compound returns (As at June 30, 2005)

This table shows the historical annual compound total return of the fund compared with the 91 Day Treasury Bill Index.

	1-year	2-year	3-year	5-year	Since inception	Manulife inception date
MLI Canadian Money Market	2.45%	2.63%	2.76%	–	2.76%	Jul 2002
91 Day Treasury Bill Index	2.35%	2.50%	2.65%	3.31%	–	

Rate of return expectation

The fund is expected to outperform the SCM 91 Day T-bill Total Return Index over a moving three-year annualized period.



Manulife MFC Global Pooled Canadian Bond Index Fund

RRSP content → **Canadian**

How the underlying fund is invested



Top holdings within the underlying fund

(As at June 30, 2005)

Gov't of Canada, 5.50%, June 1, 2010	6.51%
Gov't of Canada, 5.50%, June 1, 2009	5.23%
Gov't of Canada, 5.75%, June 1, 2033	4.03%
Gov't of Canada, 6.00%, June 1, 2008	3.33%
Gov't of Canada, 4.50%, September 1, 2007	2.79%
Gov't of Canada, 5.00%, June 1, 2014	2.74%
Gov't of Canada, 5.75%, September 1, 2006	2.41%
Gov't of Canada, 5.25%, June 1, 2013	2.18%
Canada Housing Trust, 5.10%, September 15, 2007	1.63%
Gov't of Canada, 8.00%, June 1, 2023	1.55%
Total	32.40%

Underlying fund commentary

(As at June 30, 2005)

Over the quarter, the Canadian bond market outperformed the U.S. market in the front end of the curve, while matching the latter's decline in ten-year rates. Ten-year yields fell 55 basis points (bps) in the U.S. and 57 bps in Canada, while long-term rates fell 54 bps in the States and 49 bps in Canada. The strong rally in both countries was coupled with significant yield curve flattening, particularly in the United States. Corporate spreads tightened modestly during the quarter.

The Federal Reserve's position remains unchanged. The Fed considers that longer-term inflation is well contained and that more immediate pressure on inflation is being addressed through "measured" increases. After three increases during the quarter, the Fed funds rate stood at 3.25% at quarter-end, while the Bank of Canada remained on hold, with overnight rates fixed at 2.50%. Markets in both countries continue to watch employment and inflation data carefully for clues to future market directions.

UNDERLYING FUND → MFC Global Pooled Cdn Bond Index

Objective The MFC Global Pooled Canadian Bond Index Fund is managed to provide a rate of return based on the performance of the Scotia Capital Universe Bond Index. This fund seeks to earn returns that replicate, as closely as possible, the Scotia Capital Universe Bond Index. This is a passively managed fund. To achieve its investment objective, the fund will invest directly in bonds and may use derivative instruments in order to replicate the securities of the Scotia Capital Universe Bond Index.

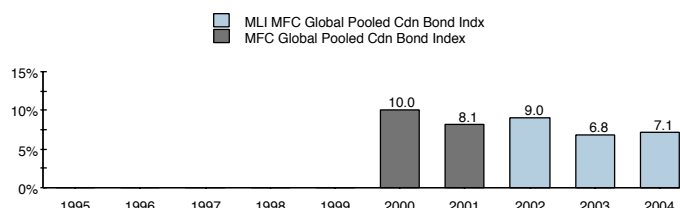
Managed by MFC Global Investment Management (Toronto)

Fund managers MFC Global Invest Mgmt (Tor)–Mgmt Team

Inception date April 1999 **Total assets** \$103.0 million

Historical gross returns

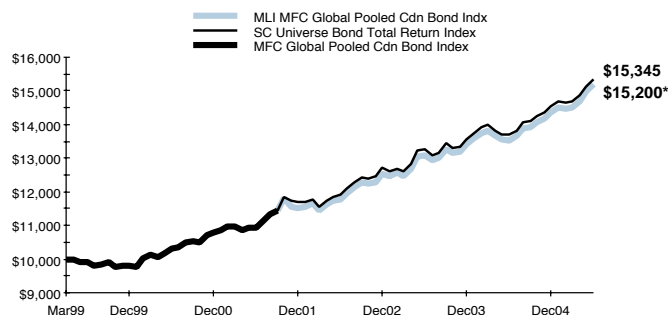
The solid area represents the gross returns of the Manulife fund since its inception in October 2001. To provide further historical information, the shaded area represents the returns of the underlying fund for the period before the start date of the Manulife fund.



*Only full calendar year returns are shown.

Overall past performance

This graph shows how a \$10,000 investment in this fund would have changed in value over time, based on gross returns.



*For illustration purposes only. Includes mutual/pooled fund performance as indicated. Actual fund performance could be expected to vary.

Annual compound returns (As at June 30, 2005)

This table shows the historical annual compound total return of the fund compared with the SC Universe Bond Total Return Index.

	1-year	2-year	3-year	5-year	Since inception	Manulife inception date
MLI MFC Global Pooled Cdn Bond Index	12.30%	7.73%	8.86%	–	7.90%	Oct 2001
SC Universe Bond Total Return Index	11.97%	7.55%	8.77%	8.30%	–	

Rate of return expectation

Over the long term, the fund is expected to track the performance of the Scotia Capital Universe Bond Total Return Index.



Manulife McLean Budden Balanced Growth Fund

RRSP content → **Canadian**

How the underlying fund is invested



Top holdings within the underlying fund

(As at June 30, 2005)

MB Global Equity Growth	8.73%
Gov't of Canada, 5.75%, September 1, 2006	2.17%
Talisman Energy	2.14%
Gov't of Canada, 5.75%, June 1, 2029	1.91%
Gov't of Canada, 4.50%, September 1, 2007	1.88%
TD Bank	1.77%
Bank of Nova Scotia	1.67%
Canadian Natural Resources	1.67%
Province of Ontario, 6.50%, March 8, 2029	1.66%
Royal Bank of Canada	1.66%
Total	25.26%

Underlying fund commentary

(As at June 30, 2005)

Financial markets performed well during the quarter. Bonds were the best performing asset class as yields fell globally on evidence of slowing growth and low inflation. Canadian equities outperformed virtually all other global markets with the 12.6% surge in the heavily weighted energy sector accounting for the vast majority of the S&P/TSX Composite Index's 3.6% advance. The U.S. market's advance was paced by gains in the utilities, health care and financials sectors which all benefitted from a stronger U.S. dollar and a movement into less economically sensitive issues. Most overseas markets had very strong returns when measured in local currencies and the weak performance of the Japanese market pulled the benchmark MSCI EAFE Index return down close to zero.

The fund posted a solid absolute return of 3.4% for the quarter which was in-line with the benchmark. The Canadian equity component added value based on favourable stock selection within the consumer discretionary and energy sectors. The impact from asset mix was slightly negative given the relatively modest overweight in underperforming foreign equities.

Relative to the benchmark, asset mix began the quarter slightly favouring equities and cash versus bonds. Bonds were reduced further following a significant decline in yields with most of the proceeds directed into foreign equities, while some Canadian equities were also switched into foreign equities. In total, the fund's target for foreign content was raised approximately 1.5% during the period. Foreign equities continue to be favoured as Canadian equities and the Canadian dollar have benefited from strong commodity prices – especially energy.

UNDERLYING FUND → **MB Balanced Growth**

Objective The McLean Budden Balanced Growth Fund is managed for a balance of security and growth. This fund invests in Canadian and foreign equities and fixed income securities issued by Canadian governments and corporations. This fund provides superior real rates of return both through income and capital appreciation.

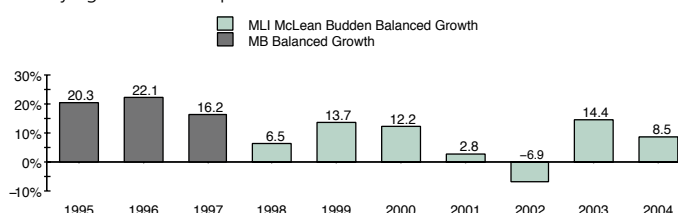
Managed by McLean Budden Limited

Fund managers Mary Hallward, BA, MBA; Bruce Murray; Craig Barnard; and Doug Mahaffy

Inception date January 1997 **Total assets** \$2,061.7 million

Historical gross returns

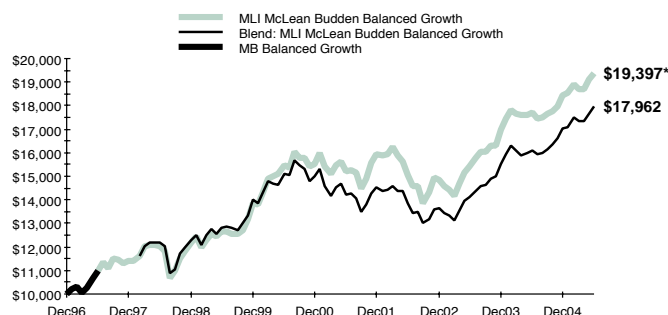
The solid area represents the gross returns of the Manulife fund since its inception in July 1997. To provide further historical information, the shaded area represents the returns of the underlying fund for the period before the start date of the Manulife fund.



*Only full calendar year returns are shown.

Overall past performance

This graph shows how a \$10,000 investment in this fund would have changed in value over time, based on gross returns.



*For illustration purposes only. Includes mutual/pooled fund performance as indicated. Actual fund performance could be expected to vary.

Annual compound returns (As at June 30, 2005)

This table shows the historical annual compound total return of the fund compared with the composite benchmark, as outlined in the Rate of return expectation below.

	1-year	2-year	3-year	5-year	Since inception	Manulife inception date
MLI McLean Budden Balanced Growth	9.67%	12.14%	8.80%	4.64%	7.39%	Jul 1997
Blend: MLI McLean Budden Balanced Growth	11.63%	12.90%	9.04%	3.51%	—	

Rate of return expectation

Over a moving four-year period, the fund strives to outperform by 1% per year a benchmark portfolio composed of the following:

- 37% Scotia Capital Universe Bond Index
- 33% BMO/TSX Composite Cap 10% Index
- 25% MSCI World Index (\$ Cdn)
- 5% Scotia Capital 91-Day T-bill Index

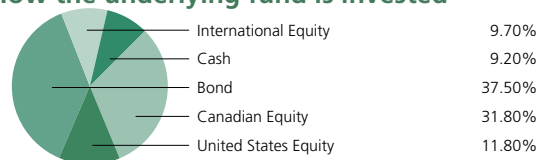


Based on three-year standard deviation from Globe HySales

Manulife Jarislowsky Fraser Balanced Fund (Available to Registered Plans Only)

RRSP content -> **Canadian**

How the underlying fund is invested



Top holdings within the underlying fund

(As at June 30, 2005)

Royal Bank of Canada	2.20%
Bank of Nova Scotia	2.10%
Manulife Financial	1.80%
Nexen	1.70%
TD Bank	1.70%
Talisman Energy	1.70%
Shell Canada	1.30%
Great West Life	1.10%
Imperial Oil	1.10%
TransCanada Corp.	1.10%
Total	15.80%

Underlying fund commentary

(As at June 30, 2005)

Returns generated in local currencies by the world's major equity markets were fairly anemic during the second quarter. The exceptions, once again, were those markets fortunate enough to carry a substantial weight in oil & gas companies. Canada is one of those "oil heavy" markets. As a result, some of the world's best returns have been available to Canadian investors, beaten mainly by much smaller markets such as Egypt, Saudi Arabia, Kuwait and the UAE. Outside the Energy sector, the move away from deeper cyclical continued.

Overall portfolio performance was close to the averages during the second quarter, helped by strong positive returns in both Canadian equities and bonds. Despite the continued rotation out of cyclical stocks, performance in U.S. and international equities was somewhat disappointing. April was a strong month; however, a rebound in consumer discretionary (automobiles), technology (semi-conductors) and utilities stocks later in the quarter led to returns slightly behind the indices in foreign equities.

The rotation away from cyclical sectors continued during the second quarter, but relative portfolio performance was not as strong as in the first quarter. Nevertheless, as economic growth continues to slow, we are well positioned within our portfolios.

While the short-term direction of the equity markets is somewhat unclear, long-term bond yields remain stubbornly low and unappealing, despite the efforts of the U.S. Federal Reserve to push them upwards. Equities remain the asset class of choice and we will continue to focus on companies that will be able to generate healthy earnings growth no matter which way the economic cycle goes from here. These companies tend to be industry leaders in non-cyclical businesses that pay dividends.

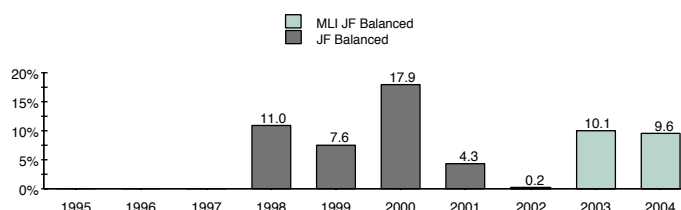
UNDERLYING FUND -> **JF Balanced**

Objective The Jarislowsky Fraser Balanced Fund is a diversified portfolio consisting of fixed income assets, North American equities and International equities. The objective is to add value through longer-term asset mix positioning and stock selection rather than short-term trading. The portfolio's volatility is kept to a minimum by implementing only incremental asset mix changes and buying large cap, blue-chip equity holdings and high quality, non-cyclical bonds.

Managed by Jarislowsky Fraser Ltd.**Fund managers** Jarislowsky Fraser – Mgmt. Team**Inception date** April 1997 **Total assets** \$3,539.5 million

Historical gross returns

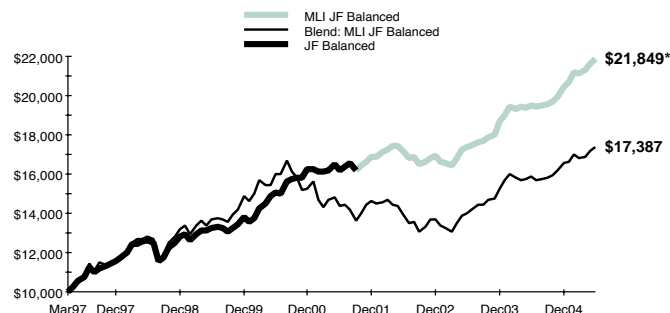
The solid area represents the gross returns of the Manulife fund since its inception in October 2001. To provide further historical information, the shaded area represents the returns of the underlying fund for the period before the start date of the Manulife fund.



*Only full calendar year returns are shown.

Overall past performance

This graph shows how a \$10,000 investment in this fund would have changed in value over time, based on gross returns.



*For illustration purposes only. Includes mutual/pooled fund performance as indicated. Actual fund performance could be expected to vary.

Annual compound returns (As at June 30, 2005)

This table shows the historical annual compound total return of the fund compared with the composite benchmark, as outlined in the Rate of return expectation below.

	1-year	2-year	3-year	5-year	Since inception	Manulife inception date
MLI JF Balanced	12.21%	12.13%	8.49%	-	8.34%	Oct 2001
Blend: MLI JF Balanced	9.68%	11.50%	7.84%	1.65%	-	-

Rate of return expectation

Over the long term, this fund is expected to outperform a benchmark comprised of the following:

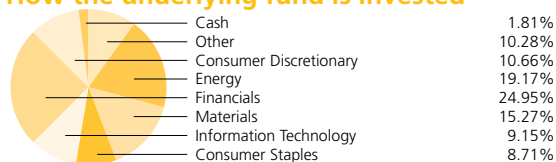
- 35% S&P/TSX Composite Index
- 9% S&P 500 Index (\$ Cdn)
- 8% MSCI EAFE Index (\$ Cdn)
- 40% Scotia Capital Universe Bond Index
- 8% Scotia Capital 91-Day T-bill Index

Based on three-year standard deviation from Globe HySales

Manulife McLean Budden Canadian Equity Growth Fund

RRSP content -> **Canadian**

How the underlying fund is invested



Top holdings within the underlying fund

(As at June 30, 2005)

Talisman Energy	6.15%
TD Bank	5.00%
Royal Bank of Canada	4.95%
Canadian Natural Resources	4.93%
Bank of Nova Scotia	4.80%
Cameco Corp.	4.75%
Magna International	4.15%
CIBC	3.93%
George Weston Ltd.	3.71%
Suncor Energy	3.52%
Total	45.89%

Underlying fund commentary

(As at June 30, 2005)

Financial markets performed well during the quarter. Bonds were the best performing asset class as yields fell globally on evidence of slowing growth and low inflation. Canadian equities outperformed virtually all other global markets with the 12.6% surge in the heavily weighted energy sector accounting for the vast majority of the S&P/TSX Composite Index's 3.6% advance.

The fund performed in-line with the Index for the quarter with good stock selection offset by weak sector allocation. Positive stock selection in consumer discretionary (Rogers Communications) and energy (Canadian Natural Resources) was partly offset by weaker results in information technology (ATI Technologies). A relatively high commitment to information technology caused the negative sector allocation.

The fund continues to favour consumer discretionary, consumer staples and information technology, remains underweight financials and has no exposure to telecommunication services and utilities.

UNDERLYING FUND -> **MB Canadian Equity Growth**

Objective The McLean Budden Canadian Equity Growth Fund is managed for a balance of security and growth over a period of at least four years. This stock fund invests in a diversified portfolio of Canadian stocks and convertible securities. The fund was developed to provide superior rates of return, primarily through capital appreciation, by investing in a diversified portfolio of Canadian equities.

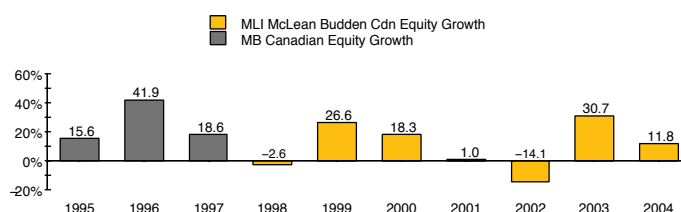
Managed by McLean Budden Limited

Fund managers Bill Giblin; Bruce Murray; Mary Hallward, BA, MBA; Doug Andrews; and John Durfy

Inception date September 1980 **Total assets** \$2,218.9 million

Historical gross returns

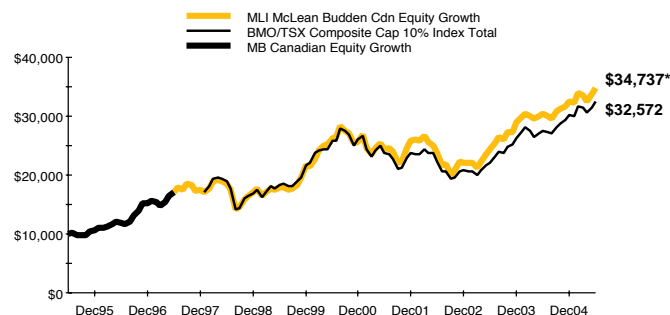
The solid area represents the gross returns of the Manulife fund since its inception in July 1997. In order to provide further historical information, the shaded area represents the returns of the underlying fund for the period before the start date of the Manulife fund.



*Only full calendar year returns are shown.

Overall past performance

This graph shows how a \$10,000 investment in this fund would have changed in value over time, based on gross returns.



*For illustration purposes only. Includes mutual/pooled fund performance as indicated. Actual fund performance could be expected to vary.

Annual compound returns (As at June 30, 2005)

This table shows the historical annual compound total return of the fund compared with the BMO/TSX Composite Cap 10% Index Total.

	1-year	2-year	3-year	5-year	Since inception	Manulife inception date
MLI McLean Budden Cdn Equity Growth	14.35%	19.59%	13.65%	5.76%	9.31%	Jul 1997
BMO/TSX Composite Cap 10% Index Total	18.04%	21.21%	13.58%	4.82%	-	

Rate of return expectation

This fund is expected to outperform the BMO/TSX Composite Cap 10% Index over a moving four-year annualized period by 1.5% per year.

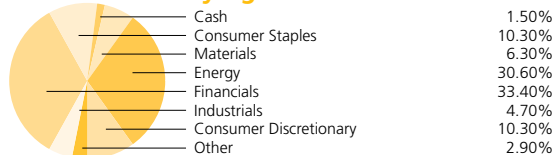


Based on three-year standard deviation from Globe HySales

Manulife Jarislowsky Fraser Canadian Equity Fund

RRSP content → **Canadian**

How the underlying fund is invested



Top holdings within the underlying fund

(As at June 30, 2005)

Royal Bank of Canada	6.80%
Bank of Nova Scotia	6.70%
Manulife Financial	5.60%
TD Bank	5.40%
Nexen	5.20%
Talisman Energy	5.20%
Shell Canada	3.90%
Enbridge	3.40%
Imperial Oil	3.40%
Loblaw Companies	3.40%
Total	49.00%

Underlying fund commentary

(As at June 30, 2005)

The story in Canada is a familiar one with returns from the energy sector (+12.6%) dominating those from almost every other sector. With well over 50% of the S&P/TSX Composite Index made up of energy and financials, the Canadian market is becoming very concentrated. This will only be exacerbated when trusts become part of the Index later this year. With the price of oil pushing past the U.S. \$60 per barrel level, it is clear that oil companies have been an attractive investment, subject to valuations. The utilities (+9.9%) and consumer discretionary (+5.7%) sectors also performed well, although both sectors are very small, and therefore did not contribute significantly to index performance. Within the energy sector, strong performance was exhibited by Shell Canada (+13.4%) and Encana (+13.1%). Rogers Communications (+22.1%) and Enbridge (+12.4%) also performed well.

Oil continues to be the dominant theme. The Canadian market, with a substantial weight in oil, performed well in the quarter, while those markets with a broader cross section of holdings saw lower returns. Economists continue to argue about the effect of higher oil prices on growth, but there are very few who believe that more costly oil is good for the economy as a whole. So economic growth will slow, but will it be enough to curtail short-term demand for oil? The answer remains unknown, and thus a further movement upward in oil prices is possible as we head into the seasonally strong demand winter period. Our portfolios have benefitted from significant exposure to energy stocks in recent years. As a result of profit taking, we are now just above the averages in terms of weights.

We will continue to focus on companies that will be able to generate healthy earnings growth, no matter which way the economic cycle goes from here. These companies tend to be industry leaders in non-cyclical businesses that pay dividends.

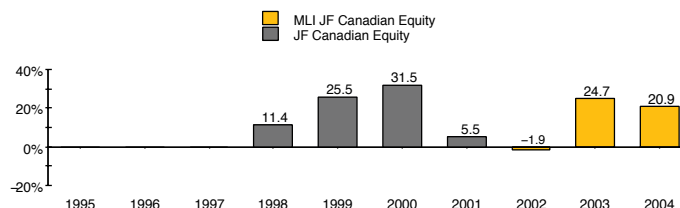
UNDERLYING FUND → **JF Canadian Equity**

Objective Jarislowsky Fraser's equity style emphasizes buying long-term growth at a reasonable price. Internal resources are primarily relied on to generate investment ideas. Each year their investment professionals contact and interview more than 200 Canadian companies. The focus of the portfolio is on industry leaders with strong balance sheets and cash flow as well as depth and quality at the management level.

Managed by Jarislowsky Fraser Ltd.**Fund managers** Jarislowsky Fraser – Mgmt. Team**Inception date** April 1997 **Total assets** \$3,179.6 million

Historical gross returns

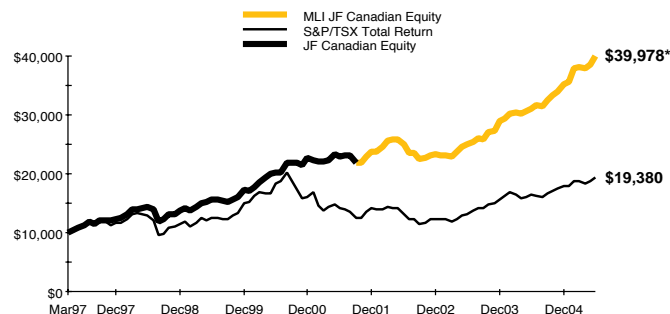
The solid area represents the gross returns of the Manulife fund since its inception in October 2001. To provide further historical information, the shaded area represents the returns of the underlying fund for the period before the start date of the Manulife fund.



*Only full calendar year returns are shown.

Overall past performance

This graph shows how a \$10,000 investment in this fund would have changed in value over time, based on gross returns.



*For illustration purposes only. Includes mutual/pooled fund performance as indicated. Actual fund performance could be expected to vary.

Annual compound returns (As at June 30, 2005)

This table shows the historical annual compound total return of the fund compared with the S&P/TSX Total Return.

	1-year	2-year	3-year	5-year	Since inception	Manulife inception date
MLI JF Canadian Equity	28.53%	26.34%	16.95%	-	17.37%	Oct 2001
S&P/TSX Total Return	18.04%	21.22%	13.58%	1.13%	-	-

Rate of return expectation

Over the long term, this fund is expected to outperform the S&P/TSX Composite Index.

Volatility meter



CANADIAN SMALL/MID CAP EQUITY

Code 7191

Manulife Canadian Small Cap Equity Fund (Tattersall)

RRSP content -> **Canadian**

How the underlying fund is invested



Top holdings within the underlying fund

(As at June 30, 2005)

Real Resources	3.00%
Gentry Resources	2.90%
Intertape Polymer Group Inc	2.70%
Lundin Mining	2.60%
Enerflex Systems	2.40%
GSI Lumonics Inc	2.40%
Thunder Energy	2.40%
Martinrea International Inc.	2.30%
Reitmans Cda Ltd	2.30%
Cascades Inc	2.10%
Total	25.10%

Underlying fund commentary

(As at June 30, 2005)

In contrast to the 3.6% gain reported by the big cap S&P/TSX Composite Index, Canadian small caps made essentially no progress during the second quarter. The BMO-Nesbitt Burns small cap index was down 1.0% for the quarter and, as was the case in the first quarter, there was a tendency for smaller names within the universe to underperform. Energy stocks were the standout performers for all sectors of the market, but the large cap category also was a beneficiary of strong returns from several financial services stocks. These stocks make up a large part of the S&P/TSX Composite, but a negligible part of the small cap universe, so this explains a large part of the differential in quarterly returns.

MLI Canadian Small Cap was up 1.6% for the quarter and 4.2% year to date. Once again, we had good returns from our energy stocks, just not enough of them, and weak returns from the other resource sectors.

The growing shortfall in small cap returns year to date means that bargains are beginning to re-emerge in this sector. However, as we mentioned in the first quarter report, many of these bargains are truly micro-cap. As a result, we are making slow but measured progress on the buy side and do not expect the cash reserve to change materially over the next few weeks. Our underweight position in the energy sector will likely remain in place, not because we have strong opinions on the price of oil, but simply because so many of our purchase candidates have converted to income trusts.

UNDERLYING FUND -> **MLI Cdn Small Cap Equ (Tattersall)**

Objective The fund is managed to achieve above average long-term capital growth, primarily through investment in common shares of listed Canadian companies with relatively small market capitalization. The manager uses a value-oriented investment style to select stocks that will, as a group, out perform market averages over time.

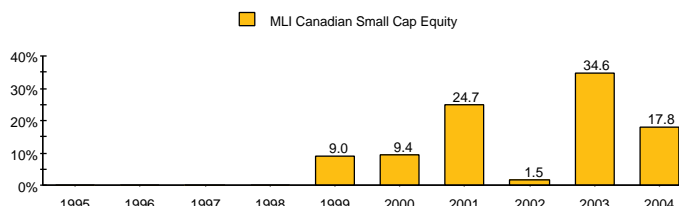
Managed by Manulife Financial

Fund managers Howson Tattersall – Mgmt. Team

Inception date January 1999 **Total assets** \$275.4 million

Historical gross returns

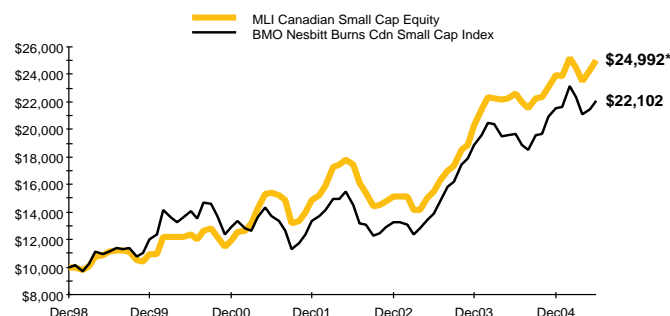
The solid area represents the gross returns of the Manulife fund since January 1999. To provide further historical information, the shaded area represents the returns of the underlying fund for the period before the start date of the Manulife fund.



*Only full calendar year returns are shown.

Overall past performance

This graph shows how a \$10,000 investment in this fund would have changed in value over time, based on gross returns.



*For illustration purposes only. Includes mutual/pooled fund performance as indicated. Actual fund performance could be expected to vary.

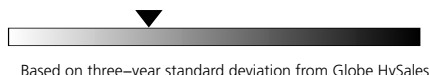
Annual compound returns (As at June 30, 2005)

This table shows the historical annual compound total return of the fund compared with the BMO Nesbitt Burns Cdn Small Cap Index.

	1-year	2-year	3-year	5-year	Since inception	Manulife inception date
MLI Canadian Small Cap Equity	10.48%	26.90%	12.72%	15.16%	15.13%	Jan 1999
BMO Nesbitt Burns Cdn Small Cap Index	12.49%	26.00%	15.09%	9.45%	–	

Rate of return expectation

The fund is expected to outperform the NB Small Cap (Weighted) Total Return Index over moving three-year annualized period by 2.0% per year.



Manulife MFC Global Pooled U.S. Index Fund

RRSP content → **Foreign**

How the underlying fund is invested



Top holdings within the underlying fund

(As at June 30, 2005)

General Electric	3.19%
Exxon Mobil	3.18%
Microsoft	2.17%
Citigroup	2.09%
Pfizer	1.78%
Johnson & Johnson	1.68%
Bank of America	1.59%
Intel	1.40%
Wal-Mart	1.40%
American International Group	1.31%
Total	19.79%

Underlying fund commentary

(As at June 30, 2005)

For the second quarter, the S&P 500 Index rose 2.71%, including dividends. The Russell Indices showed large growth outperforming large value and mid caps outperforming large caps and small caps. Utilities, health care, and financials were the strongest sectors, and materials, industrials, and consumer staples the weakest. As expected, the Fed raised rates in June by 25 basis points (bps), to 3.25%, but the increases are expected to stop before year-end, leaving rates between 3.5% and 4%.

The end of a tightening cycle can be troubling for the economy and the market. However, GDP growth, earnings growth, and inflation figures, as well as strong payroll employment growth, growing incomes, and strong consumer confidence, create an environment that has historically been associated with above-average returns. But many risks remain: the threat of protectionism in the U.S. or Europe, and consequent retaliation from China; the impact of high oil prices; the possible end of a housing bubble; the risk of recession in Europe; and the risk of slowdown in China. While investors remain remarkably optimistic (which often signals an imminent correction), the risks do not appear to be fully priced into the market. Accordingly, while stocks will likely rise, a near-term correction seems possible.

UNDERLYING FUND → **MFC Global Pooled U.S. Equity Index**

Objective The investment objective of the fund is to achieve investment results that approximate the total return of the S&P 500 Stock Index, one of the most well regarded benchmarks for the U.S. equity market. This is a passively managed fund. To achieve its investment objective, the fund will invest directly in common shares and may use derivative instruments such as futures in order to replicate the returns of the S&P 500 Stock Index. The fund may also invest a portion of its funds in cash.

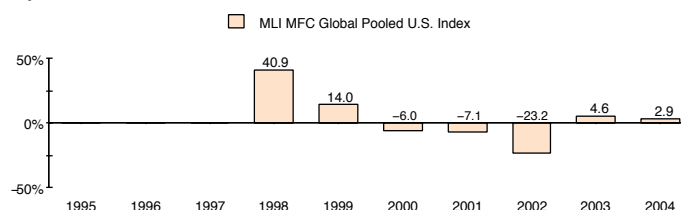
Managed by MFC Global Investment Management (Toronto)

Fund managers MFC Global Invest Mgmt (Tor)–Mgmt Team

Inception date January 1998 **Total assets** \$99.7 million

Historical gross returns

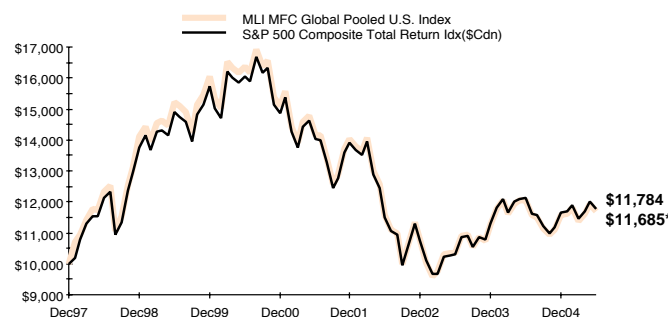
The solid area represents the gross returns of the Manulife fund since its inception in January 1998.



*Only full calendar year returns are shown.

Overall past performance

This graph shows how a \$10,000 investment in this fund would have changed in value over time, based on gross returns.



*For illustration purposes only. Includes mutual/pooled fund performance as indicated. Actual fund performance could be expected to vary.

Annual compound returns (As at June 30, 2005)

This table shows the historical annual compound total return of the fund compared with the S&P 500 Composite Total Return Index (\$Cdn).

	1-year	2-year	3-year	5-year	Since inception	Manulife inception date
MLI MFC Global Pooled U.S. Index	-3.14%	6.19%	0.31%	-6.52%	2.10%	Jan 1998
S&P 500 Composite Total Return Index (\$Cdn)	-2.80%	7.00%	0.81%	-5.98%	-	

Rate of return expectation

Over the long term, the fund is expected track the performance of the S&P 500 Total Return Index (\$ Cdn).

Manulife International Equity Fund (Templeton)

RRSP content → **Foreign**

How the underlying fund is invested



Top holdings within the underlying fund

(As at June 30, 2005)

BAE Systems	1.90%
Cheung Kong Hld	1.90%
Securitas AB B	1.90%
Compass Group PLC	1.70%
GKN PLC	1.70%
Swire Pacific Ltd.	1.70%
Accor	1.60%
Glaxosmithkline PLC	1.60%
Sanofi-Aventis	1.60%
Smiths Group PLC	1.60%
Total	17.20%

Underlying fund commentary

(As at June 30, 2005)

Performance of the fund was driven by our overweight in industrials where the fund outperformed by 137 basis points (bps). Relative to the benchmark, the fund also added value in healthcare (+84 bps), utilities (+40 bps), materials (+29 bps) and consumer discretionary (+30 bps).

On a regional basis, the fund outperformed by 121 bps in Asia mostly due to a strong showing in Korea (+46 bps) and Hong Kong (+40 bps). On a relative basis, the fund outperformed the Index in Europe by 143 bps for the annual period. Overall, developed markets added 176 bps of relative outperformance, while exposure to emerging markets added 78 bps of relative outperformance. The fund has taken some profits in materials and energy after the surge in commodity prices during the period. Weights were also reduced in consumer staples, financials and utilities names. We have increased weights in the industrials, information technology and telecommunications sectors, where we have identified some undervalued opportunities.

As a manager who picks stocks based on fundamentals, we are finding good value across many regions and are finding especially good bargains in Europe. European companies are very well positioned on a cash flow basis. In 2004, net operating cash flow grew by 10%. In balance sheet terms, cash represents some 10% of total assets. We believe this has yet to be reflected on the share prices of many European companies; hence, our belief that European equities are offering some of the most compelling discounts from around the world.

While we will remain vigilant of ongoing macroeconomic developments, we will continue to focus our attention on identifying securities that we consider undervalued according to our longer-term analysis.

UNDERLYING FUND → MLI International Equ (Templeton)

Objective The fund is managed to achieve long-term capital appreciation, primarily through investments in equity securities of companies outside Canada and the United States. Franklin Templeton's investment philosophy is based on identifying undervalued companies that, over time, may produce the greatest share price returns with minimum risk. Bottom up analysis and a worldwide network of experienced research professionals are used to identify undervalued stocks.

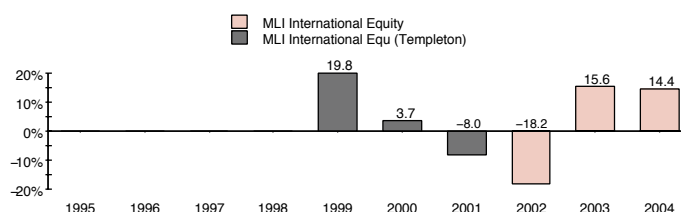
Managed by Manulife Financial

Fund managers Franklin Templeton Mgmt – Mgmt. Team

Inception date January 1999 **Total assets** \$306.0 million

Historical gross returns

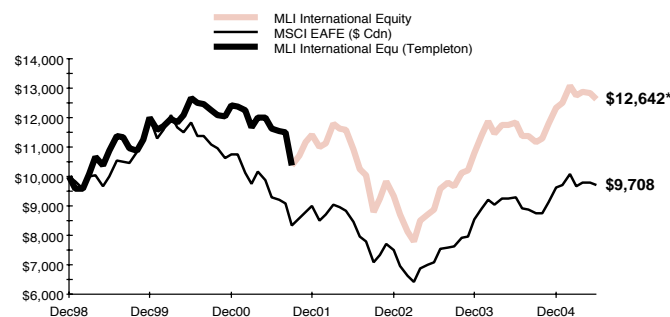
The solid area represents the gross returns of the Manulife fund since its inception in October 2001. To provide further historical information, the shaded area represents the returns of the underlying fund for the period before the start date of the Manulife fund.



*Only full calendar year returns are shown.

Overall past performance

This graph shows how a \$10,000 investment in this fund would have changed in value over time, based on gross returns.



*For illustration purposes only. Includes mutual/pooled fund performance as indicated. Actual fund performance could be expected to vary.

Annual compound returns (As at June 30, 2005)

This table shows the historical annual compound total return of the fund compared with the MSCI EAFE (\$ Cdn).

	1-year	2-year	3-year	5-year	Since inception	Manulife inception date
MLI International Equity	6.68%	19.45%	4.96%	-	5.45%	Oct 2001
MSCI EAFE (\$ Cdn)	4.35%	17.09%	4.75%	-3.86%	-	

Rate of return expectation

The fund is expected to outperform the MSCI EAFE Total Return Index (\$ Cdn) over moving three-year annualized period by 2.0% per year.

Based on three-year standard deviation from Globe HySales

Manulife McLean Budden Global Equity Fund

RRSP content -> **Foreign**

How the underlying fund is invested



Top holdings within the underlying fund

(As at June 30, 2005)

Pfizer	3.03%
Citigroup	2.88%
Fannie Mae	2.48%
BP PLC	2.15%
Microsoft	1.87%
Tyco International	1.70%
Toyota	1.68%
Canon Inc.	1.66%
Nippon Telegraph & Telephone	1.63%
First Data Corp.	1.48%
Total	20.56%

Underlying fund commentary

(As at June 30, 2005)

The fund slightly underperformed the Index for the quarter as negative sector allocation outweighed favourable stock selection. A high commitment to telecommunication services and industrials combined with low exposure to utilities were the main reasons for negative sector allocation. Positive stock selection in information technology (Motorola, Free Scale Semiconductor, Ericsson) and energy (Statoil) were offset by weak results in industrials (Tyco, Burlington Northern) and financials (Nomura).

UNDERLYING FUND -> **MB Global Equity**

Objective The McLean Budden Global Equity Fund is managed to provide a superior rate of return, primarily through capital appreciation. The fund invests in a diversified portfolio of 60–80 non-Canadian equities. Security selections emphasize large companies with prospects for above average earnings growth.

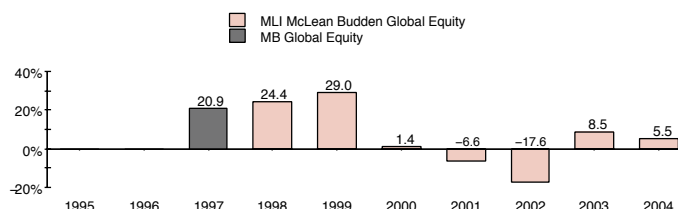
Managed by McLean Budden Limited

Fund managers Mary Hallward, BA, MBA; Bruce Murray, Bill Giblin; Brian Dawson, CFA, BA; and Benoit Paradis

Inception date June 1996 **Total assets** \$1,333.3 million

Historical gross returns

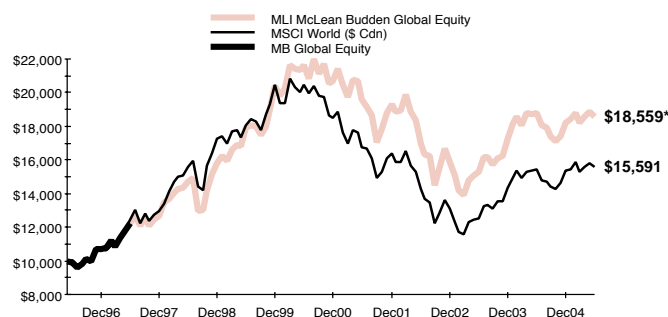
The solid area represents the gross returns of the Manulife fund since its inception in July 1997. To provide further historical information, the shaded area represents the returns of the underlying fund for the period before the start date of the Manulife fund.



*Only full calendar year returns are shown.

Overall past performance

This graph shows how a \$10,000 investment in this fund would have changed in value over time, based on gross returns.



*For illustration purposes only. Includes mutual/pooled fund performance as indicated. Actual fund performance could be expected to vary.

Annual compound returns (As at June 30, 2005)

This table shows the historical annual compound total return of the fund compared with the MSCI World (\$ Cdn).

	1-year	2-year	3-year	5-year	Since inception	Manulife inception date
MLI McLean Budden Global Equity	-1.41%	10.24%	2.99%	-3.05%	5.32%	Jul 1997
MSCI World (\$ Cdn)	1.13%	11.62%	2.94%	-5.28%	-	

Rate of return expectation

The fund is expected to outperform the MSCI World Index (\$ Cdn) over a moving four-year annualized period by 1.0% per year.

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