

A photograph of a utility worker in a hard hat and safety harness climbing a wooden tower. The tower is part of a power line structure. The background shows a vast, flat landscape with a river and a blue sky with scattered white clouds.

Investment Review 2012

FortisAlberta Retirement Program

Defined Contribution Pension Plan and Group RRSP

This booklet accompanies the 2012 FortisAlberta Retirement Program information sessions, presented September – November 2012.

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Summary of Roles and Responsibilities

Four groups play a role in managing the FortisAlberta Retirement Program. The following chart summarizes the responsibility of each group.

FortisAlberta	Manulife Financial	Investment Managers	You
Plan Sponsor	Plan Administrator	Fund Managers	Plan Member
<ul style="list-style-type: none"> • Selects the fund line-up • Contributes money to member accounts • Selects and monitors third party administrators • Monitors investments 	<ul style="list-style-type: none"> • Enrols members • Develops education/planning tools and materials • Provides member assistance • Prepares statements • Processes contributions and invests them in the funds • Processes withdrawals, terminations, and retirements 	<ul style="list-style-type: none"> • Perform research • Select stocks and bonds • Buy and sell securities based on the fund's objectives 	<ul style="list-style-type: none"> • Make investment decisions for your account • Use the information and decision-making tools made available by the Plan Sponsor • Seek investment advice from an appropriately qualified individual

You play an important role in the management of your account. Use all the resources available to you to plan your retirement and actively manage your account.

Active vs. Passive Management Styles

The investment options available effective August 31, 2012 include both actively and passively managed investments within asset classes.

Fund managers adopt different management styles. When setting up the fund, managers state the approach they'll take to managing the fund.

A fund manager who follows a passive management style selects securities from what's called an Index – like the S&P/TSX – and expects returns in line with the performance of that index. The passive management style is also called an Index management style.

In this case, the index is the benchmark. A benchmark is the standard against which similar investments are measured.

A fund manager who practices an active management style attempts to manage the fund so it outperforms the applicable benchmark by deviating from the benchmark weights in securities, sectors, countries, and/or asset classes.

Additional information about Active fund management

Active-style fund managers may employ a number of different management approaches to meet the fund's return objectives:

- The manager may look for value, meaning the manager looks for stocks in sound companies that are undervalued, where their low price is not justified, and have the potential to perform well in the future.
- The manager may look for companies with the potential for growth and the possibility of higher returns in the future.
- The fund manager may use a Quantitative technique, which applies complex mathematical and statistical modeling, measurement, and research to identify attractive investments.
- An active fund manager might also look at the big picture – otherwise know as a 'top-down' approach – to try to decide which sectors or industries will outperform the market and then select stocks from those sectors or industries.
- With a 'bottom-up' approach, the fund manager focuses on the investment merits of individual companies and does not rely on the economy or the financial markets. The allocation of the fund is determined by the individual stocks chosen to meet the fund's objective.
- A multi-manager fund is managed by more than one investment manager, often combining different styles or asset classes.

Investment Options as of August 31, 2012

The following investment options are available within the FortisAlberta Retirement Program – DC Pension Plan and the Group RRSP.

For the most up-to-date information about these funds, go to the Retirement Savings Pathway (www.manulife.ca/FortisAlberta).

Asset Class	Management Style	Fund code	Fund name	IMF*
Target Date	Passive	2321	MLI BlackRock LifePath Index Retirement Fund	0.305%
	Passive	2322	MLI BlackRock LifePath Index 2010 Fund**	0.305%
	Passive	2323	MLI BlackRock LifePath Index 2015 Fund	0.305%
	Passive	2324	MLI BlackRock LifePath Index 2020 Fund	0.305%
	Passive	2325	MLI BlackRock LifePath Index 2025 Fund	0.305%
	Passive	2326	MLI BlackRock LifePath Index 2030 Fund	0.305%
	Passive	2327	MLI BlackRock LifePath Index 2035 Fund	0.305%
	Passive	2328	MLI BlackRock LifePath Index 2040 Fund	0.305%
	Passive	2329	MLI BlackRock LifePath Index 2045 Fund	0.305%
Guaranteed Interest Account	N/A	1005	5-year Guaranteed Interest Account Fund	N/A
Money Market	Active	3132	MLI Canadian Money Market (MAM) Fund	0.100%
Fixed Income	Passive	4191	MLI Asset Management Canadian Bond Index Fund	0.100%
Balanced	Active	5195	MLI Multi Managed Balanced Fund	0.355%
	Passive	2312	MLI BlackRock Balanced Moderate Index Fund	0.105%
Canadian Equity	Active	7011	MLI Canadian Equity Fund	0.380%
	Passive	7132	MLI Asset Management Canadian Equity Index Fund	0.100%
U.S. Equity	Active	8196	MLI U.S. Diversified Growth Equity (Wellington) Fund	0.580%
	Passive	8322	MLI BlackRock U.S. Equity Index Fund	0.155%
International Equity	Active	8162	MLI MFS MB International Equity Fund	0.280%
	Passive	8321	MLI BlackRock International Equity Index Fund	0.230%

* **Investment Management Fee (IMF)** - The IMF is the fee collected by Manulife Financial to cover the cost associated with investment management and administrative expenses. The fee is deducted by Manulife Financial from the fund before calculation of unit values. Therefore, the unit value shown on your statement and through your online account is the value of the unit you own after you have paid the IMF and sales tax.

** The BlackRock LifePath Index 2010 Fund is closed to new entrants.

Revisions to the Investment Fund Options

1) New funds added on August 31, 2012

The following investment options were added to the program on **August 31, 2012**.

Fund code	Asset Class	Fund name	IMF
5195	Balanced	MLI Multi Managed Balanced Fund	0.355%
2312		MLI BlackRock Balanced Moderate Index Fund	0.105%
8196	U.S. Equity	MLI U.S. Diversified Growth Equity (Wellington) Fund	0.580%
8162	International Equity	MLI MB International Equity Fund	0.280%

2) Funds being removed on November 16, 2012

Effective **November 16, 2012, 2 p.m. MT**, the following funds will be removed from the program and any assets remaining in these funds will be automatically redirected to the corresponding funds as follows:

Closing Fund	Fund code		Transferred to Fund	Fund code	Asset Class
MLI Greystone Balanced Fund	5481	→	MLI Multi Managed Balanced Fund	5195	Balanced
MLI McLean Budden American Equity Fund	8163	→	MLI U.S. Diversified Growth Equity (Wellington) Fund	8196	U.S. Equity

Checklist

- Review your investments and contribution instructions to see if you have assets in either of the closing funds.
 1. Log in to your account via the FortisAlberta Retirement Savings Pathway (www.manulife.ca/FortisAlberta).
 2. Select 'My Account' from the top navigation, and then 'View My Account Balance' to review your plan(s). Here you will see if you have assets in the closing funds.
 3. To confirm your contribution instructions, select 'My Investments' from the top navigation, and then 'View My Investment Instructions' and then the plan(s) you want to review. You can now confirm if you have contributions directed to the closing funds.

- Review the revised investment line-up. If you do not want your savings and future contributions redirected as outlined, you can transfer your savings and update investment instructions before **2 p.m. MT on November 16, 2012**.

- To make changes to your investment selections
 1. Log in to your account via the FortisAlberta Retirement Savings Pathway (www.manulife.ca/FortisAlberta).
 2. Select 'My Investments' from the top navigation, and then 'Transfer Between Investments' to move your current savings. Select 'Change My Investments Instructions' to update your investment direction for future contributions.

If you have questions or need assistance, please contact the Manulife Customer Service Centre at **1-888-727-7766**, Monday to Friday, 6 a.m. to 6 p.m. MT, or email gromail@manulife.com.

Please note that you must review and update your DC Pension Plan and your Group RRSP separately.

Remember: If needed, obtain advice from a qualified financial advisor.

Underlying Fund Operating Expenses

While plan members pay Investment Management Fees (IMFs) directly, there are other fees that are paid indirectly, called Underlying Fund Operating Expenses (UFOEs). UFOEs are paid from the fund before the fund's value is reported.

It's important to note that not all funds have UFOEs. However, for those funds that do have UFOEs, they pay for services provided by the fund manager, such as legal, audit, trustee, custodial, and valuation activities. If a fund does not have UFOEs, then these expenses are paid for in the IMF.

UFOEs are reported annually as of December 31 of the prior year. You can view the latest reported UFOE on the online fund information page for the specific fund. Each fund page displays UFOE information as a percentage of the underlying fund's assets. If no UFOE applies, there is a notation on the fund page indicating that the underlying fund's expenses are included in the fund's IMF.

UFOEs are expressed as a percentage of the underlying fund's assets, may vary from year to year, and will generally decrease as the fund's assets under management increase.

Asset Class	Fund code	Fund name	UFOE as of December 31, 2011
Target Date	2321	MLI BlackRock LifePath Index Retirement Fund	0.157%
	2322	MLI BlackRock LifePath Index 2010 Fund**	0.157%
	2323	MLI BlackRock LifePath Index 2015 Fund	0.162%
	2324	MLI BlackRock LifePath Index 2020 Fund	0.173%
	2325	MLI BlackRock LifePath Index 2025 Fund	0.185%
	2326	MLI BlackRock LifePath Index 2030 Fund	0.183%
	2327	MLI BlackRock LifePath Index 2035 Fund	0.183%
	2328	MLI BlackRock LifePath Index 2040 Fund	0.171%
	2329	MLI BlackRock LifePath Index 2045 Fund	0.170%
Guaranteed Interest Account	1005	5-year Guaranteed Interest Account Fund	N/A
Money Market	3132	MLI Canadian Money Market (MAM) Fund	Included in IMF
Fixed Income	4191	MLI Asset Management Canadian Bond Index Fund	0.020%
Balanced	5195	MLI Multi Managed Balanced Fund	0.069%
	2312	MLI BlackRock Balanced Moderate Index Fund	0.077%
Canadian Equity	7011	MLI Canadian Equity Fund	Included in IMF
	7132	MLI Asset Management Canadian Equity Index Fund	0.035%
U.S. Equity	8196	MLI U.S. Diversified Growth Equity (Wellington) Fund	Included in IMF
	8322	MLI BlackRock U.S. Equity Index Fund	0.012%
International Equity	8162	MLI MFS MB International Equity Fund	0.057%
	8321	MLI BlackRock International Equity Index Fund	0.035%

Please note: UFOEs are not a new or a recently-added cost. They have always been charged by the manager of the underlying fund.

Fund Descriptions

3
2
1

Volatility meter

Low (1) High (25)

3

Based on 3 year standard deviation of the Fund

FIXED INCOME

Code 4191

Manulife Asset Management Canadian Bond Index Fund

How the underlying fund is invested

Top holdings within the underlying Fund (As at December 31, 2011)

Gov't of Canada, 2.00%, June 2016	3.23%
Gov't of Canada, 3.00%, June 2014	2.34%
Gov't of Canada, 3.50%, June 2013	2.32%
Gov't of Canada, 1.50%, November 2013	1.78%
Gov't of Canada, 4%, June 2041	1.76%
Canada Housing Trust, 3.15%, June 2014	1.73%
Canada Housing Trust, 2.75%, June 2016	1.71%
Gov't of Canada, 2.50%, June 2015	1.70%
Gov't of Canada, 3.75%, June 2019	1.70%
Gov't of Canada, 5.00%, June 2014	1.60%

Primary investment process

Index

Historical gross returns

Gross rates of return are shown before investment management fees have been deducted. The solid area represents the gross returns of the Manulife Fund since its inception in October 2001.

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.

Annual compound returns (As at December 31, 2011)

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

	1-year	2-year	3-year	5-year	Since inception
MAM Canadian Bond Index	9.67%	8.18%	7.21%	6.31%	6.39%
DEX Universe Bond Total Return Index	9.67%	8.20%	7.26%	6.37%	-

Rate of return expectation

Over the long term, the Fund is expected to track the performance of the DEX Universe Bond Total Return Index.

Note: All rates of return are shown before investment management fees or taxes have been deducted. The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Source: The Globe and Mail Inc.

the underlying fund, the standard deviation of the fund's asset class index is displayed.

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. Volatility is ranked from lowest to highest.

4 How the underlying fund is invested

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

5 Top holdings

These are the primary security holdings based on the percentage weighting of the underlying fund's net market value.

6 Primary investment process

There are a number of approaches a fund's portfolio manager can use to set the asset allocation and choose individual securities for investment.

Turn to page 3 to learn about Active and Passive Management Styles.

7 Equity style and capitalization

This chart indicates the primary equity investment style (e.g. value, growth) used by a fund manager when selecting securities and the average market capitalization of the securities in the fund.

8 Fixed Income Style

This chart indicates various fixed income investment styles and the degree a fund manager uses each style in selecting securities for the fund.

1 Fund code

Each fund is identified by a specific code, which makes it easier when communicating with Manulife. When you use Manulife's secure website and telephone services to access your account, you will be able to identify funds using these codes.

2 Asset class

Each asset class is represented by a different colour. Fund pages are colour-coded to reflect the asset class they represent.

3 Volatility meter

You can use the volatility meter of each fund to help you choose funds that suit your risk tolerance. The volatility meter is based on the standard deviation of monthly returns for the fund or the underlying fund over a three year period where available. If a fund has been in operation for less than three years, the rating is based on the next longest available time period. In cases where no return history exists for the Manulife fund or

9 Underlying fund

The market-based investment options in your group plan are primarily fund-on-fund investments which invest in existing pooled or mutual funds (referred to as underlying funds). When a contribution is made into a Manulife fund, the contribution is used to purchase units of the corresponding underlying fund. For example, if you purchase units of the "Manulife Asset Management Canadian Bond Index Fund" this Manulife fund invests in units of the "Manulife Asset Management Canadian Bond Index Pooled Fund." Due to the timing of these transactions, each Manulife fund may contain a small cash component in addition to the underlying fund's cash 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.

10 Objective

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

11 Managed by

The company that manages the underlying fund.

12 Fund managers

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

13 Inception date

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

14 Total assets

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

15 Historical gross returns

This is the historical performance of the fund over a specified time period. All performance histories are offered for illustrative 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 and sales tax.

An individual investing in the Fund earns a net return after applicable management fees are charged.

Management fees can vary by client, depending on the products purchased. The returns shown here are returns for the Manulife fund and/or the underlying fund.

Returns for individual plans will differ as investment management fees are applied.

16 Year by year returns

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

17 Overall past performance

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

18 Index

The index 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.

19 Annual compound returns

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

20 Manulife inception date

The first full month the fund was made available for investment by Manulife Group Retirement Solutions.

21 Rate of return expectation

The benchmark the fund manager expects to meet or exceed over the long term.

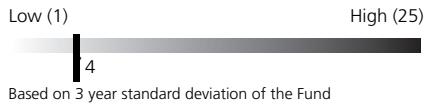
FortisAlberta Retirement Program Investment Options

Please note, the information provided on pages 11 to 29 is as of June 30, 2012.

For the most up-to-date information,

- Go to the Retirement Savings Pathway (www.manulife.ca/FortisAlberta) and click 'Fund Selection'
- Log into your secure online account and click 'My Investments'
- Contact a Manulife Financial Education Specialist, Monday to Friday, 7 a.m. – 3 p.m. MT, at **1-888-727-7766**
- You can also access the Retirement Savings Pathway via the 'My Retirement' tab on E-Connect.

Volatility meter



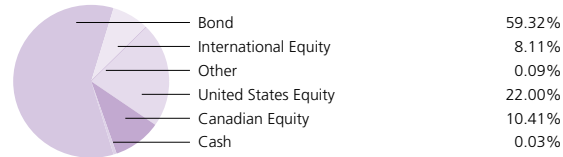
TARGET DATE

Code 2321

Manulife BlackRock LifePath Index Retirement Fund

How the underlying fund is invested

(as at June 30, 2012)



Top holdings within the underlying Fund

(As at June 30, 2012)

BlackRock Cda Universe Bond Idx-D	44.87%
iShares DEX Real Return Bond Index	14.47%
iShares S&P 500 (CAD-Hedged)	9.11%
BlackRock Canadian Equity Index-A	8.09%
iShares GSCI Commodity E.T.F.	5.40%
iShares MSCI EAFE (CAD-Hedged)	4.47%
BlackRock CDN MSCI EAFE Equity Idx	3.76%
iShares MSCI Emerg Mkt E.T.F.	3.01%
iShares DJ Real Estate E.T.F.	2.36%
iShares S&P/TSX Capped REIT	2.33%

UNDERLYING FUND → BlackRock CDN LifePath® Indx Retire

Objective The BlackRock LifePath® Index Retirement Fund is managed to provide investors with a single fund that is broadly diversified among Canadian and International stocks, bonds and alternative investments that automatically evolves to a more conservative asset mix over time to match their investment time horizon.

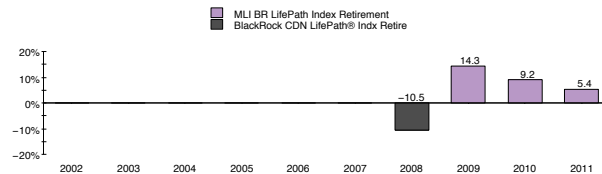
Managed by BlackRock Asset Management Canada Limited

Fund managers Cary Blake, CFA, Kevin Gopaul, Dagmar Nikles, CFA and Jim Chan

Inception date March 2007 **Total assets** \$155.7 million

Historical gross returns

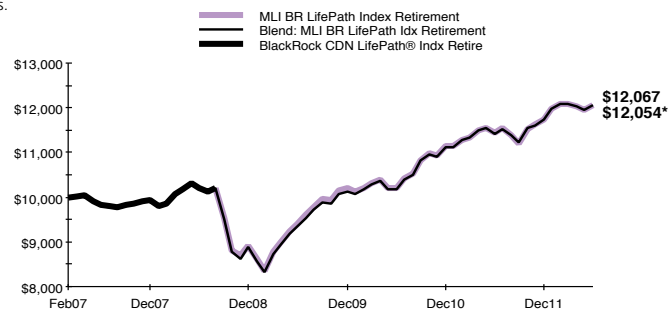
Gross rates of return are shown before investment management fees have been deducted. The solid area represents the gross returns of the Manulife Fund since its inception in September 2008. To provide further historical information, the shaded area represents the returns of the underlying fund for the 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.

Primary investment process

Index

Annual compound returns (As at June 30, 2012)

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 BR LifePath Index Retirement	5.45%	8.76%	8.64%	-	4.42%	Sep 2008
Blend: MLI BR LifePath Idx Retirement	5.62%	8.89%	8.93%	4.23%	-	

Rate of return expectation

The benchmark for this fund is adjusted quarterly. The benchmark as at January 1, 2012 is as follows:

DEX Universe Bond Index, 45.45%; S&P/TSX Composite Index, 8.24%; S&P GSCI Commodity Index, 2.52%; S&P GSCI Commodity Index Hedged to CAD, 2.52%; S&P 500 Index, 4.59%; S&P 500 Hedged to CAD Index, 4.59%; Russell 2000 Index, 0.43%; Russell 2000 Hedged to CAD Index, 0.43%; MSCI EAFE Index, 4.08%; MSCI EAFE Hedged to CAD Index, 4.08%; MSCI Emerging Markets Index, 2.76%; S&P/TSX Capped REIT Index, 2.30%; Dow Jones U.S. Real Estate Index, 1.15%; Hedged Dow Jones U.S. Real Estate Index, 1.15%; DEX Real Return Bond Index, 14.55%; S&P Global Infrastructure Index, 0.57%; Hedged S&P Global Infrastructure Index, 0.57%

Note: All rates of return are shown before investment management fees or taxes have been deducted.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Source: The Globe and Mail Inc.

Volatility meter



Based on 3 year standard deviation of the Fund

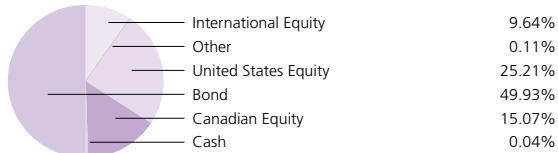
TARGET DATE

Code 2323

Manulife BlackRock LifePath Index 2015 Fund

How the underlying fund is invested

(as at June 30, 2012)



Top holdings within the underlying Fund

(As at June 30, 2012)

BlackRock Cda Universe Bond Idx-D	36.60%
iShares DEX Real Return Bond Index	13.33%
BlackRock Canadian Equity Index-A	12.31%
iShares S&P 500 (CAD-Hedged)	9.09%
iShares GSCI Commodity E.T.F.	4.97%
BlackRock CDN MSCI EAFE Equity Idx	4.90%
iShares MSCI EAFE (CAD-Hedged)	4.85%
iShares MSCI Emerg Mkt E.T.F.	3.56%
iShares DJ Real Estate E.T.F.	2.85%
iShares S&P/TSX Capped REIT	2.76%

Primary investment process

Index

UNDERLYING FUND -> BlackRock CDN LifePath® 2015 Index

Objective The BlackRock LifePath® Index 2015 Fund is managed to provide investors with a single fund that is broadly diversified among Canadian and International stocks, bonds and alternative investments that automatically evolves to a more conservative asset mix over time to match their investment time horizon.

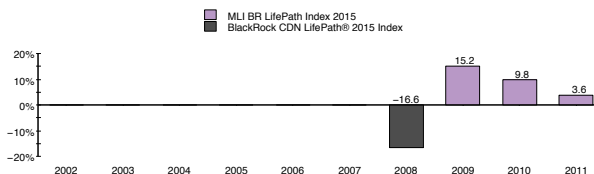
Managed by BlackRock Asset Management Canada Limited

Fund managers Cary Blake, CFA, Jim Chan, Dagmar Nikles, CFA and Kevin Gopaul

Inception date October 2007 **Total assets** \$407.9 million

Historical gross returns

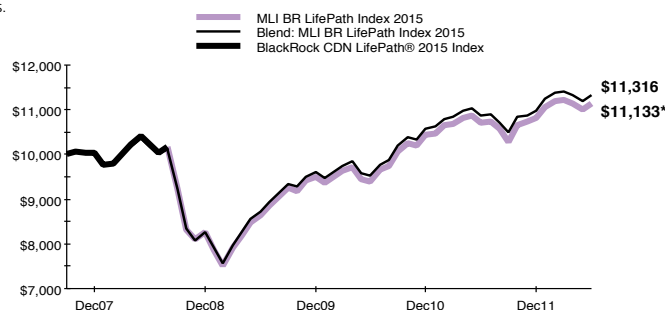
Gross rates of return are shown before investment management fees have been deducted. The solid area represents the gross returns of the Manulife Fund since its inception in September 2008. To provide further historical information, the shaded area represents the returns of the underlying fund for the 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, 2012)

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 BR LifePath Index 2015	3.90%	8.87%	8.77%	-	2.41%	Sep 2008
Blend: MLI BR LifePath Index 2015	4.07%	9.00%	9.05%	-	-	

Rate of return expectation

The benchmark for this fund is adjusted quarterly. The benchmark as at January 1, 2012 is as follows:

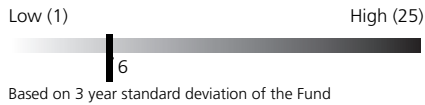
DEX Universe Bond Index, 36.63%; DEX Long Term Bond Index, 0.00%; S&P/TSX Capped Composite Index, 12.65%; S&P GSCI Commodity Index, 2.65%; GSCI Commodity Index Hedged to CAD, 2.09%; S&P 500 Index, 6.13%; S&P 500 Hedged to CAD Index, 4.85%; Russell 2000 Index, 0.57%; Russell 2000 Hedged to CAD Index, 0.45%; MSCI EAFE Index, 5.45%; MSCI EAFE Hedged to CAD Index, 4.31%; MSCI Emerging Markets Index, 3.31%; S&P/TSX Capped REIT Index, 2.78%; Dow Jones U.S. Real Estate Index, 1.55%; Hedged Dow Jones U.S. Real Estate Index, 1.23%; DEX Real Return Bond Index, 13.27%; S&P Global Infrastructure Index, 1.16%; Hedged S&P Global Infrastructure Index, 0.92%

Source: The Globe and Mail Inc.

Note: All rates of return are shown before investment management fees or taxes have been deducted.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Volatility meter



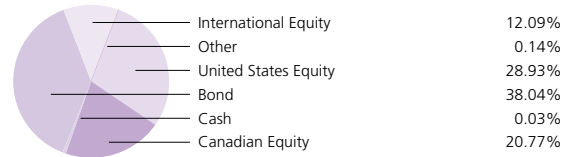
TARGET DATE

Code 2324

Manulife BlackRock LifePath Index 2020 Fund

How the underlying fund is invested

(as at June 30, 2012)



Top holdings within the underlying Fund

(As at June 30, 2012)

BlackRock Cdn Long Bond Index CI D	20.24%
BlackRock Canadian Equity Index-A	17.50%
iShares DEX Real Return Bond Index	11.46%
iShares S&P 500 (CAD-Hedged)	8.43%
BlackRock CDN MSCI EAFE Equity Idx	7.45%
BlackRock Cda Universe Bond Idx-D	6.35%
iShares MSCI EAFE (CAD-Hedged)	4.79%
BlackRock CDN US Eq Idx Non-Tax D	4.74%
iShares GSCI Commodity E.T.F.	4.63%
iShares MSCI Emerg Mkt E.T.F.	4.26%

UNDERLYING FUND → BlackRock CDN LifePath® 2020 Index

Objective The BlackRock LifePath® Index 2020 Fund is managed to provide investors with a single fund that is broadly diversified among Canadian and International stocks, bonds and alternative investments that automatically evolves to a more conservative asset mix over time to match their investment time horizon.

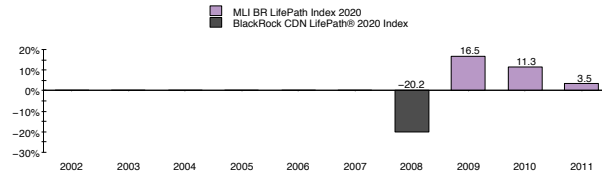
Managed by BlackRock Asset Management Canada Limited

Fund managers Cary Blake, CFA, Jim Chan, Dagmar Nikles, CFA and Kevin Gopaul

Inception date March 2007 **Total assets** \$829.0 million

Historical gross returns

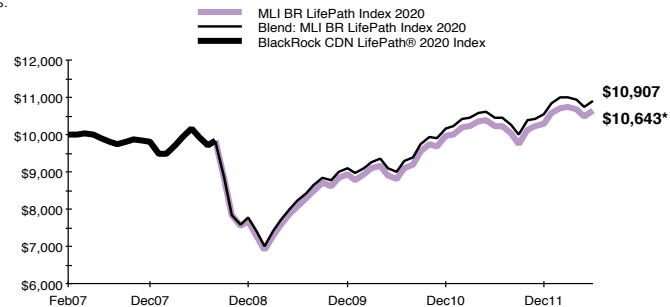
Gross rates of return are shown before investment management fees have been deducted. The solid area represents the gross returns of the Manulife Fund since its inception in September 2008. To provide further historical information, the shaded area represents the returns of the underlying fund for the 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.

Primary investment process

Index

Annual compound returns (As at June 30, 2012)

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 BR LifePath Index 2020	4.21%	9.89%	9.63%	-	2.09%	Sep 2008
Blend: MLI BR LifePath Index 2020	4.37%	10.05%	9.92%	1.96%	-	

Rate of return expectation

The benchmark for this fund is adjusted quarterly. The benchmark as at January 1, 2012 is as follows:

DEX Universe Bond Index, 6.47%; DEX Long Term Bond Index, 20.15%; S&P/TSX Capped Composite Index, 17.54%; S&P GSCI Commodity Index, 2.94%; S&P GSCI Commodity Index Hedged to CAD, 1.66%; S&P 500 Index, 8.43%; S&P 500 Hedged to CAD Index, 4.76%; Russell 2000 Index, 0.79%; Russell 2000 Hedged to CAD Index, 0.44%; MSCI EAFE Index, 7.50%; MSCI EAFE Hedged to CAD Index, 4.23%; MSCI Emerging Markets Index, 3.97%; S&P/TSX Capped REIT Index, 3.32%; Dow Jones U.S. Real Estate Index, 2.12%; Hedged Dow Jones U.S. Real Estate Index, 1.10%; DEX Real Return Bond Index, 11.45%; S&P Global Infrastructure Index, 1.94%; Hedged S&P Global Infrastructure Index, 1.09%

Note: All rates of return are shown before investment management fees or taxes have been deducted.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Source: The Globe and Mail Inc.

Volatility meter



Based on 3 year standard deviation of the Fund

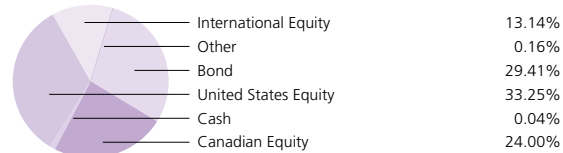
TARGET DATE

Code 2325

Manulife BlackRock LifePath Index 2025 Fund

How the underlying fund is invested

(as at June 30, 2012)



Top holdings within the underlying Fund

(As at June 30, 2012)

BlackRock Cdn Long Bond Index CI D	24.92%
BlackRock Canadian Equity Index-A	20.34%
BlackRock CDN MSCI EAFE Equity Idx	8.89%
iShares S&P 500 (CAD-Hedged)	7.75%
BlackRock CDN US Eq Idx Non-Tax D	7.28%
iShares GSCI Commodity E.T.F.	5.17%
iShares MSCI Emerg Mkt E.T.F.	4.86%
iShares DEX Real Return Bond Index	4.49%
iShares MSCI EAFE (CAD-Hedged)	4.43%
iShares DJ Real Estate E.T.F.	3.75%

Primary investment process

Index

UNDERLYING FUND -> BlackRock CDN LifePath® 2025 Index

Objective The BlackRock LifePath® Index 2025 Fund is managed to provide investors with a single fund that is broadly diversified among Canadian and International stocks, bonds and alternative investments that automatically evolves to a more conservative asset mix over time to match their investment time horizon.

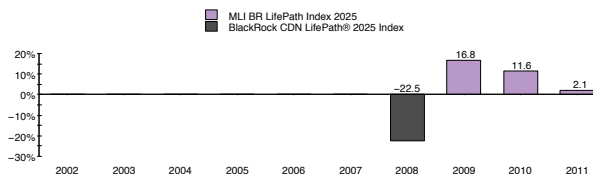
Managed by BlackRock Asset Management Canada Limited

Fund managers Cary Blake, CFA, Jim Chan, Dagmar Nikles, CFA and Kevin Gopaul

Inception date October 2007 **Total assets** \$578.4 million

Historical gross returns

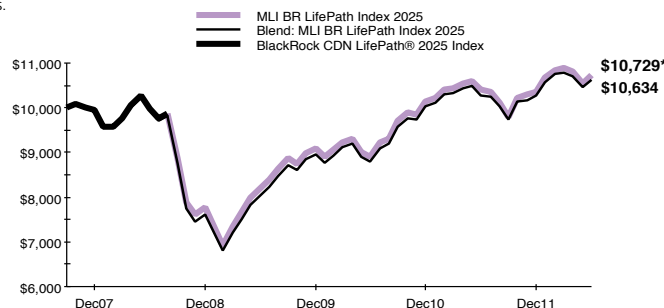
Gross rates of return are shown before investment management fees have been deducted. The solid area represents the gross returns of the Manulife Fund since its inception in September 2008. To provide further historical information, the shaded area represents the returns of the underlying fund for the 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, 2012)

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 BR LifePath Index 2025	3.21%	9.79%	9.39%	-	2.20%	Sep 2008
Blend: MLI BR LifePath Index 2025	3.38%	9.94%	9.72%	-	-	

Rate of return expectation

The benchmark for this fund is adjusted quarterly. The benchmark as at January 1, 2012 is as follows:

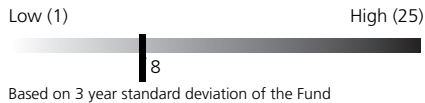
DEX Long Term Bond Index, 25.01%; S&P/TSX Capped Composite Index, 20.33%; S&P GSCI Commodity Index, 3.61%; S&P GSCI Commodity Index Hedged to CAD, 1.48%; S&P 500 Index, 10.70%; S&P 500 Hedged to CAD Index, 4.40%; Russell 2000 Index, 1.00%; Russell 2000 Hedged to CAD Index, 0.41%; MSCI EAFE Index, 9.51%; MSCI EAFE Hedged to CAD Index, 3.91%; MSCI Emerging Markets Index, 4.55%; S&P/TSX Capped REIT Index, 3.66%; Dow Jones U.S. Real Estate Index, 2.59%; Hedged Dow Jones U.S. Real Estate Index, 1.07%; DEX Real Return Bond Index, 4.48%; S&P Global Infrastructure Index, 2.33%; Hedged S&P Global Infrastructure Index, 0.96%

Note: All rates of return are shown before investment management fees or taxes have been deducted.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Source: The Globe and Mail Inc.

Volatility meter



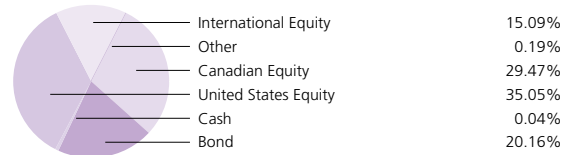
TARGET DATE

Code 2326

Manulife BlackRock LifePath Index 2030 Fund

How the underlying fund is invested

(as at June 30, 2012)



Top holdings within the underlying Fund

(As at June 30, 2012)

BlackRock Canadian Equity Index-A	25.59%
BlackRock Cdn Long Bond Index CI D	20.16%
BlackRock CDN MSCI EAFE Equity Idx	11.39%
BlackRock CDN US Eq Idx Non-Tax D	10.10%
iShares S&P 500 (CAD-Hedged)	6.43%
iShares MSCI Emerg Mkt E.T.F.	5.39%
iShares GSCI Commodity E.T.F.	4.42%
iShares DJ Real Estate E.T.F.	4.02%
iShares MSCI EAFE (CAD-Hedged)	3.90%
iShares S&P/TSX Capped REIT	3.89%

UNDERLYING FUND → BlackRock CDN LifePath® 2030 Index

Objective The BlackRock LifePath® Index 2030 Fund is managed to provide investors with a single fund that is broadly diversified among Canadian and International stocks, bonds and alternative investments that automatically evolves to a more conservative asset mix over time to match their investment time horizon.

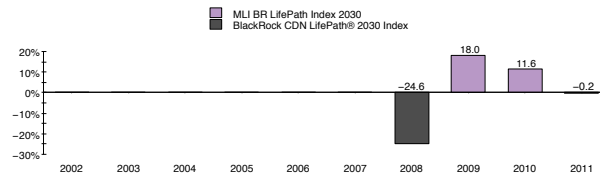
Managed by BlackRock Asset Management Canada Limited

Fund managers Cary Blake, CFA, Jim Chan, Dagmar Nikles, CFA and Kevin Gopaul

Inception date March 2007 **Total assets** \$606.0 million

Historical gross returns

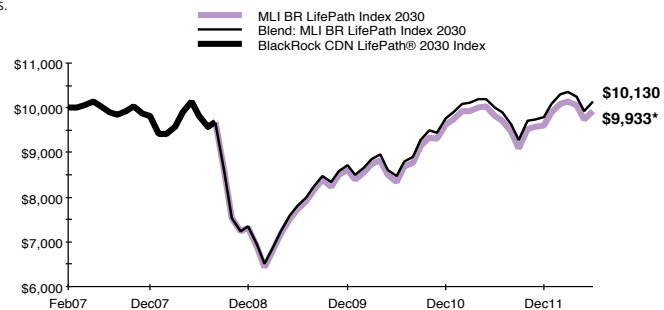
Gross rates of return are shown before investment management fees have been deducted. The solid area represents the gross returns of the Manulife Fund since its inception in September 2008. To provide further historical information, the shaded area represents the returns of the underlying fund for the 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.

Primary investment process

Index

Annual compound returns (As at June 30, 2012)

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 BR LifePath Index 2030	1.10%	9.09%	8.75%	-	0.65%	Sep 2008
Blend: MLI BR LifePath Index 2030	1.36%	9.29%	9.11%	0.22%	-	

Rate of return expectation

The benchmark for this fund is adjusted quarterly. The benchmark as at January 1, 2012 is as follows:

DEX Long Term Bond Index, 20.05%; S&P/TSX Capped Composite Index, 25.74%; S&P GSCI Commodity Index, 3.40%; S&P GSCI Commodity Index Hedged to CAD, 1.01%; S&P 500 Index, 12.79%; S&P 500 Hedged to CAD Index, 3.81%; Russell 2000 Index, 1.20%; Russell 2000 Hedged to CAD Index, 0.36%; MSCI EAFE Index, 11.38%; MSCI EAFE Hedged to CAD Index, 3.39%; MSCI Emerging Markets Index, 5.00%; S&P/TSX Capped REIT Index, 3.89%; Dow Jones U.S. Real Estate Index, 3.00%; Hedged Dow Jones U.S. Real Estate Index, 0.89%; S&P Global Infrastructure Index, 3.16%; Hedged S&P Global Infrastructure Index, 0.94%

Note: All rates of return are shown before investment management fees or taxes have been deducted.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Source: The Globe and Mail Inc.

Volatility meter



Based on 3 year standard deviation of the Fund

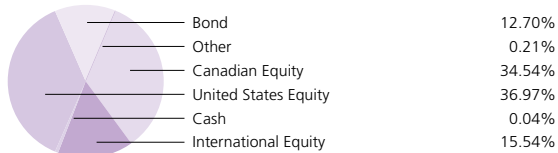
TARGET DATE

Code 2327

Manulife BlackRock LifePath Index 2035 Fund

How the underlying fund is invested

(as at June 30, 2012)



Top holdings within the underlying Fund

(As at June 30, 2012)

BlackRock Canadian Equity Index–A	30.59%
BlackRock Cdn Long Bond Index CI D	12.70%
BlackRock CDN US Eq Idx Non–Tax D	12.68%
BlackRock CDN MSCI EAFE Equity Idx	12.59%
iShares MSCI Emerg Mkt E.T.F.	5.80%
iShares S&P 500 (CAD–Hedged)	5.00%
iShares DJ Real Estate E.T.F.	4.05%
iShares S&P/TSX Capped REIT	3.96%
iShares GSCI Commodity E.T.F.	3.42%
iShares Glb Infrastruct E.T.F.	3.32%

Primary investment process

Index

UNDERLYING FUND → BlackRock CDN LifePath® 2035 Index

Objective The BlackRock LifePath® Index 2035 Fund is managed to provide investors with a single fund that is broadly diversified among Canadian and International stocks, bonds and alternative investments that automatically evolves to a more conservative asset mix over time to match their investment time horizon.

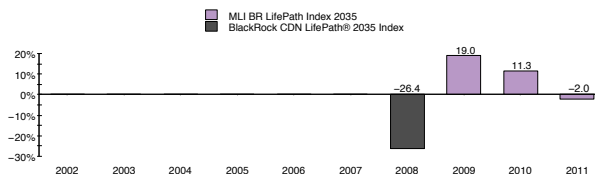
Managed by BlackRock Asset Management Canada Limited

Fund managers Cary Blake, CFA, Jim Chan, Dagmar Nikles, CFA and Kevin Gopaul

Inception date October 2007 **Total assets** \$350.5 million

Historical gross returns

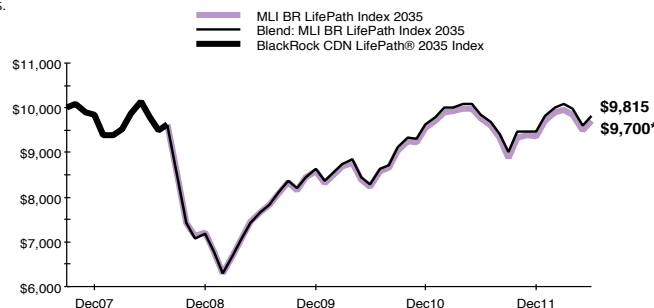
Gross rates of return are shown before investment management fees have been deducted. The solid area represents the gross returns of the Manulife Fund since its inception in September 2008. To provide further historical information, the shaded area represents the returns of the underlying fund for the 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, 2012)

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 BR LifePath Index 2035	-0.64%	8.60%	8.21%	–	0.20%	Sep 2008
Blend: MLI BR LifePath Index 2035	-0.42%	8.77%	8.62%	–	–	

Rate of return expectation

The benchmark for this fund is adjusted quarterly. The benchmark as at January 1, 2012 is as follows:

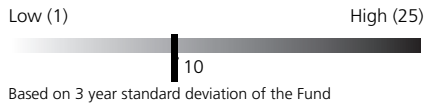
DEX Long Term Bond Index, 12.40%; S&P/TSX Capped Composite Index, 30.56%; S&P GSCI Commodity Index, 2.88%; S&P GSCI Commodity Index Hedged to CAD, 0.60%; S&P 500 Index, 14.77%; S&P 500 Hedged to CAD Index, 3.08%; Russell 2000 Index, 1.38%; Russell 2000 Hedged to CAD Index, 0.29%; MSCI EAFE Index, 13.13%; MSCI EAFE Hedged to CAD Index, 2.74%; MSCI Emerging Markets Index, 5.38%; S&P/TSX Capped REIT Index, 4.01%; Dow Jones U.S. Real Estate Index, 3.31%; Hedged Dow Jones U.S. Real Estate Index, 0.69%; S&P Global Infrastructure Index, 3.94%; Hedged S&P Global Infrastructure Index, 0.82%

Note: All rates of return are shown before investment management fees or taxes have been deducted.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Source: The Globe and Mail Inc.

Volatility meter



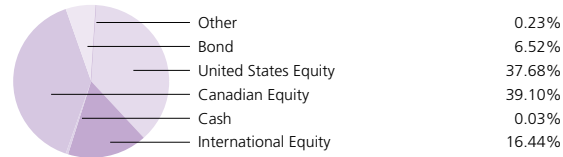
TARGET DATE

Code 2328

Manulife BlackRock LifePath Index 2040 Fund

How the underlying fund is invested

(as at June 30, 2012)



Top holdings within the underlying Fund

(As at June 30, 2012)

BlackRock Canadian Equity Index–A	34.96%
BlackRock CDN US Eq Idx Non–Tax D	15.13%
BlackRock CDN MSCI EAFE Equity Idx	14.34%
BlackRock Cdn Long Bond Index CI D	6.52%
iShares MSCI Emerg Mkt E.T.F.	6.02%
iShares DJ Real Estate E.T.F.	4.18%
iShares S&P/TSX Capped REIT	4.15%
iShares Glb Infrastruct E.T.F.	4.04%
iShares S&P 500 (CAD–Hedged)	3.49%
iShares MSCI EAFE (CAD–Hedged)	2.33%

Primary investment process

Index

UNDERLYING FUND → BlackRock CDN LifePath® 2040 Index

Objective The BlackRock LifePath® Index 2040 Fund is managed to provide investors with a single fund that is broadly diversified among Canadian and International stocks, bonds and alternative investments that automatically evolves to a more conservative asset mix over time to match their investment time horizon.

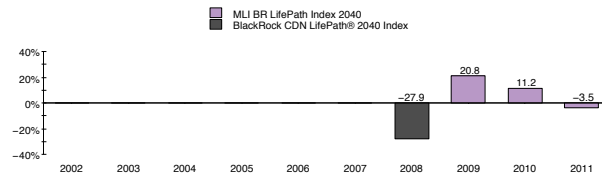
Managed by BlackRock Asset Management Canada Limited

Fund managers Cary Blake, CFA, Jim Chan, Dagmar Nikles, CFA and Kevin Gopaul

Inception date March 2007 **Total assets** \$324.4 million

Historical gross returns

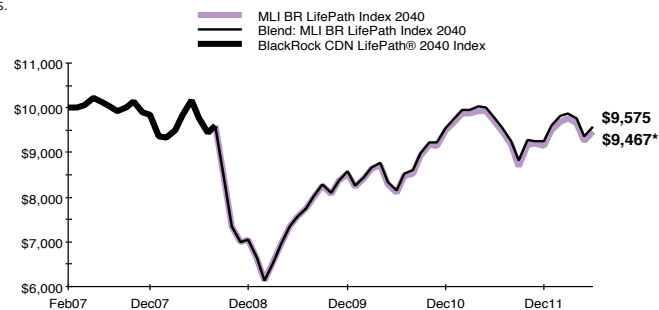
Gross rates of return are shown before investment management fees have been deducted. The solid area represents the gross returns of the Manulife Fund since its inception in September 2008. To provide further historical information, the shaded area represents the returns of the underlying fund for the 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, 2012)

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 BR LifePath Index 2040	-2.14%	8.14%	7.75%	-	-0.35%	Sep 2008
Blend: MLI BR LifePath Index 2040	-1.95%	8.30%	8.16%	-1.14%	-	

Rate of return expectation

The benchmark for this fund is adjusted quarterly. The benchmark as at January 1, 2012 is as follows:

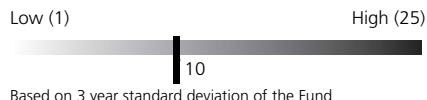
DEX Long Term Bond Index, 6.01%; S&P/TSX Capped Composite Index, 34.97%; S&P GSCI Commodity Index, 2.08%; S&P GSCI Commodity Index Hedged to CAD, 0.29%; S&P 500 Index, 16.63%; S&P 500 Hedged to CAD Index, 2.28%; Russell 2000 Index, 1.55%; Russell 2000 Hedged to CAD Index, 0.21%; MSCI EAFE Index, 14.79%; MSCI EAFE Hedged to CAD Index, 2.03%; MSCI Emerging Markets Index, 5.70%; S&P/TSX Capped REIT Index, 4.05%; Dow Jones U.S. Real Estate Index, 3.56%; Hedged Dow Jones U.S. Real Estate Index, 0.49%; S&P Global Infrastructure Index, 4.71%; Hedged S&P Global Infrastructure Index, 0.65%

Note: All rates of return are shown before investment management fees or taxes have been deducted.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Source: The Globe and Mail Inc.

Volatility meter



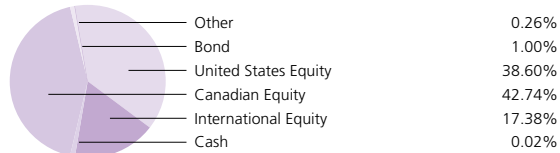
TARGET DATE

Code 2329

Manulife BlackRock LifePath Index 2045 Fund

How the underlying fund is invested

(as at June 30, 2012)



Top holdings within the underlying Fund

(As at June 30, 2012)

BlackRock Canadian Equity Index–A	38.77%
BlackRock CDN US Eq Idx Non–Tax D	17.54%
BlackRock CDN MSCI EAFE Equity Idx	16.13%
iShares MSCI Emerg Mkt E.T.F.	6.46%
iShares Glb Infrastruct E.T.F.	5.50%
iShares DJ Real Estate E.T.F.	4.05%
iShares S&P/TSX Capped REIT	3.97%
iShares S&P 500 (CAD–Hedged)	2.18%
iShares Rusl 2000 E.T.F.	1.82%
iShares MSCI EAFE (CAD–Hedged)	1.50%

Primary investment process

Index

UNDERLYING FUND → BlackRock CDN LifePath® 2045 Index

Objective The BlackRock LifePath® Index 2045 Fund is managed to provide investors with a single fund that is broadly diversified among Canadian and International stocks, bonds and alternative investments that automatically evolves to a more conservative asset mix over time to match their investment time horizon.

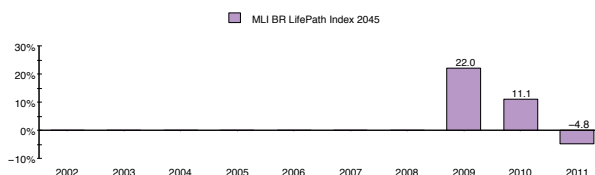
Managed by BlackRock Asset Management Canada Limited

Fund managers Cary Blake, CFA, Jim Chan, Dagmar Nikles, CFA and Kevin Gopaul

Inception date July 2008 **Total assets** \$176.3 million

Historical gross returns

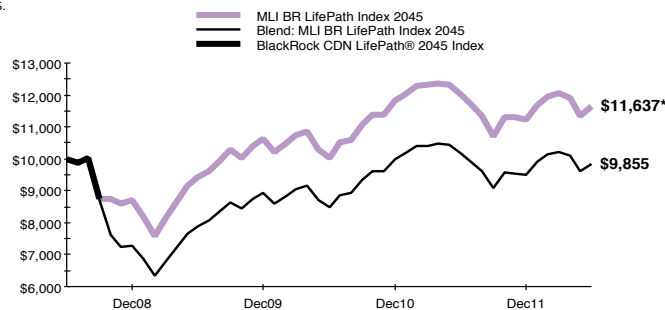
Gross rates of return are shown before investment management fees have been deducted. The solid area represents the gross returns of the Manulife Fund since its inception in September 2008. To provide further historical information, the shaded area represents the returns of the underlying fund for the 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, 2012)

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 BR LifePath Index 2045	-3.32%	7.67%	7.31%	–	7.86%	Oct 2008
Blend: MLI BR LifePath Index 2045	-3.22%	7.79%	7.73%	–	–	

Rate of return expectation

The benchmark for this fund is adjusted quarterly. The benchmark as at January 1, 2012 is as follows:

DEX Long Term Bond Index, 0.23%; S&P/TSX Capped Composite Index, 38.95%; S&P GSCI Commodity Index, 1.27%; S&P GSCI Commodity Index Hedged to CAD, 0.10%; S&P 500 Index, 18.45%; S&P 500 Hedged to CAD Index, 1.43%; Russell 2000 Index, 1.72%; Russell 2000 Hedged to CAD Index, 0.13%; MSCI EAFE Index, 16.41%; MSCI EAFE Hedged to CAD Index, 1.27%; MSCI Emerging Markets Index, 5.99%; S&P/TSX Capped REIT Index, 4.08%; Dow Jones U.S. Real Estate Index, 3.79%; Hedged Dow Jones U.S. Real Estate Index, 0.29%; S&P Global Infrastructure Index, 5.46%; Hedged S&P Global Infrastructure Index, 0.42%

Note: All rates of return are shown before investment management fees or taxes have been deducted.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Source: The Globe and Mail Inc.

VOLATILITY METER



GUARANTEED INTEREST ACCOUNTS

Manulife Guaranteed Interest Accounts

Volatility and risk

These accounts offer good returns and excellent investment security. Consider these accounts if you are an investor who needs guaranteed security for your investment and can commit to investments for a fixed period of time. There is no volatility associated with the return in this account and there is minimal risk as this is a guaranteed investment backed by the general assets of Manulife Financial.

HOW THESE ACCOUNTS WORK

Similar to Guaranteed Investment Certificates (GICs) offered by banks and trust companies, these accounts guarantee an interest rate from the date of contribution until maturity. At maturity, original investments and interest earned will reinvest for the same term unless you provide Manulife with different instructions.

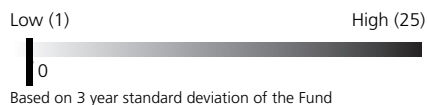
When contributions are invested in these accounts, they earn the current interest rate at the time of the deposit. That interest is credited to the account monthly and is compounded annually. Each contribution made to a GIA accumulates for the term selected at the guaranteed rate in effect on the date Manulife's head office receives the contribution. The GIA operates on a compound interest basis which means the guaranteed interest rate applies to both principal and accumulated interest.

The principal and interest are backed by the assets of Manulife Financial.

HOW THE GUARANTEED INTEREST ACCOUNT IS PROTECTED

Manulife Financial is a founding member of Assuris. With Assuris, consumers may be entitled to protection against the loss of their savings and retirement incomes if a member financial institution becomes insolvent. You can call Assuris at 1-800-268-8099 for details about maximum coverage guarantees.

Volatility meter

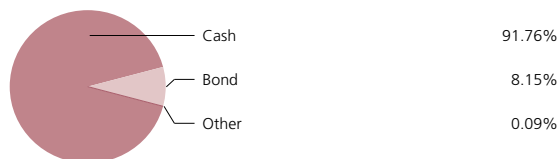


MONEY MARKET

Code 3132

Manulife Canadian Money Market Fund (MAM)

How the underlying fund is invested



Top holdings within the underlying Fund

(As at June 30, 2012)

Gov't of Canada, 0.00%, November 2012	12.43%
Gov't of Canada, 0.00%, January 2013	11.11%
Gov't of Canada, November 2012	6.55%
TD Bank, August 2012	5.36%
Province of Manitoba, September 2012	5.24%
Gov't of Canada, 0.00%, October 2012	5.15%
CIBC, 2.15%, January 2015	3.94%
Int'l. Bank for Recon. & Devel, 1.62%, October 2012	3.92%
Gov't of Canada, 0.00%, February 2013	3.92%
Province of Ontario, 2.30%, April 2013	3.92%

UNDERLYING FUND → MLI Cdn Money Market (MAM)

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 invests primarily in money market securities guaranteed by the Government of Canada, its provinces or municipalities, corporations and chartered banks.

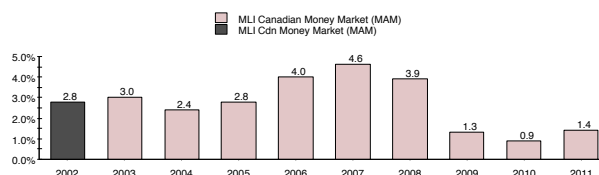
Managed by Manulife Asset Management Limited

Fund managers Faisal Rahman, CFA and Maralyn Kobayashi

Inception date January 1999 **Total assets** \$758.3 million

Historical gross returns

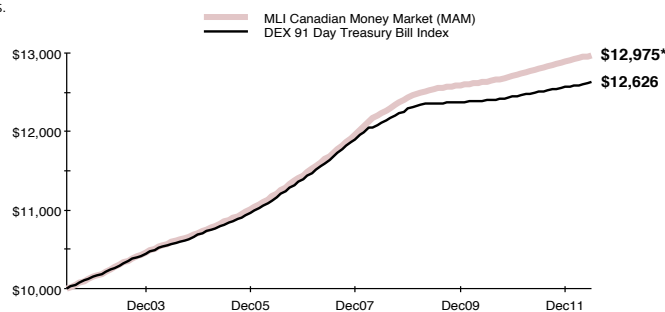
Gross rates of return are shown before investment management fees have been deducted. The solid area represents the gross returns of the Manulife Fund since its inception in July 2002. To provide further historical information, the shaded area represents the returns of the underlying fund for the period before the start date of the Manulife Fund.



* Only full calendar year returns are shown.

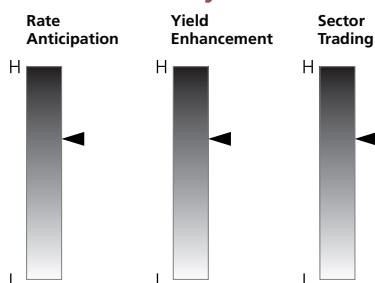
Overall past performance

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.

Fixed income style



Source: Manulife Investment Management Services

Annual compound returns (As at June 30, 2012)

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

	1-year	2-year	3-year	5-year	Since inception	Manulife inception date
MLI Canadian Money Market (MAM)	1.35%	1.32%	1.14%	2.11%	2.64%	Jul 2002
DEX 91 Day Treasury Bill Index	0.96%	0.93%	0.73%	1.65%	—	

Rate of return expectation

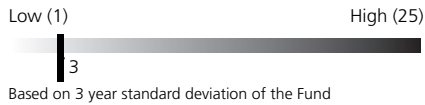
The Fund is expected to outperform the DEX 91 Day T-Bills.

Note: All rates of return are shown before investment management fees or taxes have been deducted.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Source: The Globe and Mail Inc.

Volatility meter

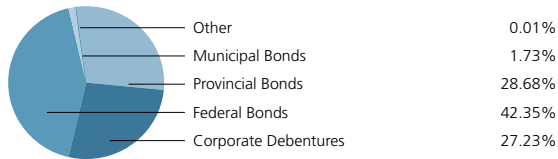


FIXED INCOME

Code 4191

Manulife Asset Management Canadian Bond Index Fund

How the underlying fund is invested



Top holdings within the underlying Fund

(As at June 30, 2012)

Gov't of Canada, 2.25%, August 2014	3.40%
Gov't of Canada, 1.50%, November 2013	2.03%
Gov't of Canada, 4.00%, June 2017	2.01%
Gov't of Canada, 1.00%, February 2014	1.74%
Gov't of Canada, 4.00%, June 2041	1.59%
Canada Housing Trust, 3.15%, June 2014	1.58%
Gov't of Canada, 3.75%, June 2019	1.55%
Canada Housing Trust, 2.75%, June 2016	1.53%
Gov't of Canada, 3.00%, June 2014	1.46%
Gov't of Canada, 5.75%, June 2033	1.44%

UNDERLYING FUND → MAM Cdn Bond Index Pld Fund

Objective The MAM Canadian Bond Index Pooled Fund is managed to provide a rate of return based on the performance of the DEX Universe Bond Index. This fund seeks to earn returns that replicate, as closely as possible, the DEX 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 DEX Universe Bond Index.

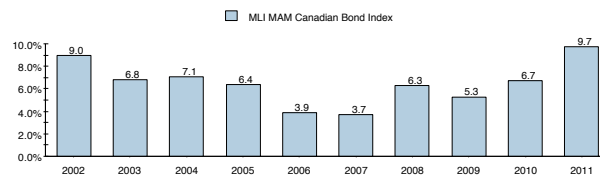
Managed by Manulife Asset Management Limited

Fund managers Terry Carr, CFA, Andrew Gretzinger, CFA and Hosen Marjaee, CFA

Inception date April 1999 **Total assets** \$925.8 million

Historical gross returns

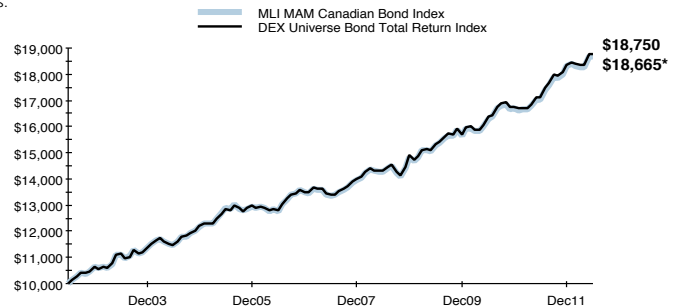
Gross rates of return are shown before investment management fees have been deducted. The solid area represents the gross returns of the Manulife Fund since its inception in October 2001.



* 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.

Primary investment process

Index

Annual compound returns (As at June 30, 2012)

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

	1-year	2-year	3-year	5-year	Since inception	Manulife inception date
MLI MAM Canadian Bond Index	9.51%	7.05%	6.93%	6.91%	6.28%	Oct 2001
DEX Universe Bond Total Return Index	9.50%	7.06%	7.00%	6.96%	-	

Rate of return expectation

Over the long term, the Fund is expected to track the performance of the DEX Universe Bond Total Return Index.

Note: All rates of return are shown before investment management fees or taxes have been deducted.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Source: The Globe and Mail Inc.

Volatility meter

Low (1) High (25)



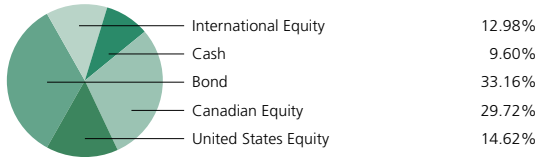
Based on 3 year standard deviation of the underlying fund

BALANCED

Code 5195

Multi-Managed Balanced Fund

How the underlying fund is invested



Top holdings within the underlying Fund

(As at June 30, 2012)

Beutel Goodman Balanced-D	50.00%
CI Signature Canadian Balanced	50.00%

UNDERLYING FUND -> Multi-Managed Balanced Fund

Objective The objective of the Multi-Managed Balanced Fund is the preservation of capital and to maximize portfolio returns through capital enhancement and investment income. It invests primarily in a mix of Canadian & foreign equities and fixed income securities. The Fund is not limited to how much it invests or keeps invested in each asset class. The mix may vary according to market conditions.

Managed by Manulife Financial

Fund managers Manulife Financial

Inception date December 2006 **Total assets** N/A

Historical gross returns

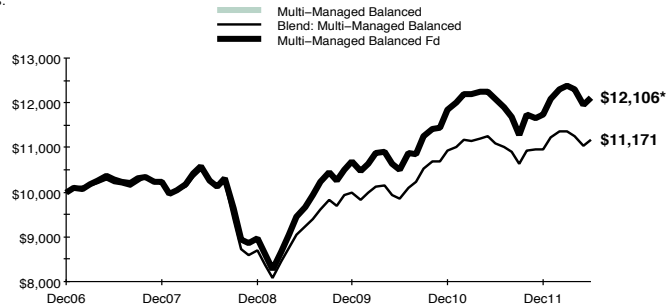
Gross rates of return are shown before investment management fees have been deducted. The solid area represents the gross returns of the Manulife Fund since its inception in July 2012. To provide further historical information, the shaded area represents returns from the two funds at a 50/50 weighting.



* 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, 2012)

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
Multi-Managed Balanced	-	-	-	-	-	Aug 2012
Blend: Multi-Managed Balanced	0.79%	6.48%	6.50%	1.81%	-	

Rate of return expectation

The Fund's performance is benchmarked against a blend of:

- 42.50% DEX Universe Bond Index
- 30.00% S&P/TSX TRI Index
- 12.25% S&P 500 TRI Index (\$ Cdn)
- 6.50% MSCI EAFE TRI Index (\$ Cdn)
- 6.25% S&P EPAC BMI (\$ Cdn)
- 2.50% DEX 91 Day T-Bill Index

Note: All rates of return are shown before investment management fees or taxes have been deducted.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Source: The Globe and Mail Inc.

Volatility meter

Low (1) High (25)



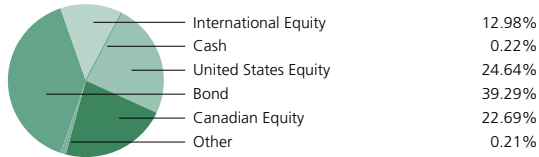
Based on 3 year standard deviation of the underlying fund

BALANCED

Code 2312

Manulife BlackRock Balanced Moderate Index Fund

How the underlying fund is invested



Top holdings within the underlying Fund

(As at June 30, 2012)

BlackRock Cda Universe Bond Idx-D	29.43%
BlackRock Canadian Equity Index-A	20.07%
BlackRock CDN US Eq Idx Non-Tax D	17.46%
BlackRock CDN MSCI EAFE Equity Idx	13.16%
iShares DEX Real Return Bond Index	9.86%
iShares MSCI Emerg Mkt E.T.F.	4.55%
iShares DJ Real Estate E.T.F.	2.65%
iShares S&P/TSX Capped REIT	2.62%

UNDERLYING FUND → BlackRock Balanced Moderate Index Fund

Objective The BlackRock Balanced Moderate Index DC Fund is managed to provide a single investment that is diversified among stocks and bonds, manage risk through diversification, no use of market timing, investment in index funds and provide opportunity for capital growth through a 60% allocation to stocks.

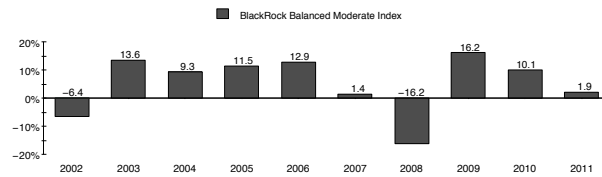
Managed by BlackRock Asset Management Canada Limited

Fund managers BlackRock Asset Management – Mgmt Team

Inception date July 1999 **Total assets** \$983.4 million

Historical gross returns

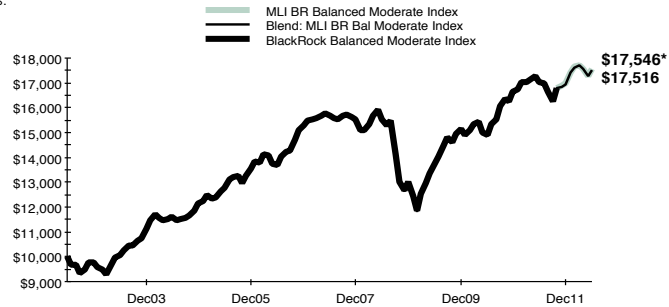
Gross rates of return are shown before investment management fees have been deducted. The shaded area represents the returns of the underlying fund for the period before the start date of the Manulife Fund.



* 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, 2012)

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 BR Balanced Moderate Index	-	-	-	-	4.40%	Nov 2011
Blend: MLI BR Bal Moderate Index	2.92%	8.52%	8.46%	2.24%	-	

Rate of return expectation

Over a four year period, the Fund is expected to track the performance of a benchmark comprised of the following indexes:

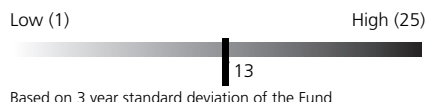
- 35.0% MSCI ACWI (\$Cdn), ex-Canada Index
- 30.0% DEX Universe Bond Index
- 20.0% S&P/TSX Capped Composite Index
- 10.0% DEX Real Return Bond Index
- 2.5% S&P/TSX REIT Index
- 2.5% Dow Jones Real Estate Index

Note: All rates of return are shown before investment management fees or taxes have been deducted.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Source: The Globe and Mail Inc.

Volatility meter

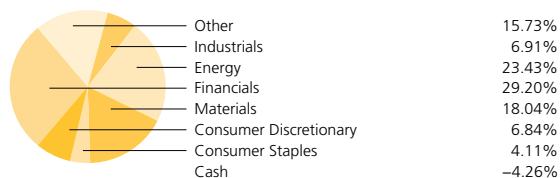


CANADIAN LARGE CAP EQUITY

Code 7011

Manulife Canadian Equity Fund

How the underlying fund is invested



Top holdings within the underlying Fund

(As at June 30, 2012)

MLI Canadian Equity (Genus)	40.24%
MLI Canadian Equity (Greystone)	33.76%
MLI Q Core Canadian Eq (CC&L)	11.76%
MLI Canadian Small Cap (Bolton)	7.74%
MLI Canadian Equity (Mawer)	6.44%

UNDERLYING FUND -> Manulife Canadian Equity (Pensions)

Objective Managed by team of Canada's top money managers, the Fund provides investors with a portfolio that is diversified by both the stocks it holds and its multiple managers' investment styles.

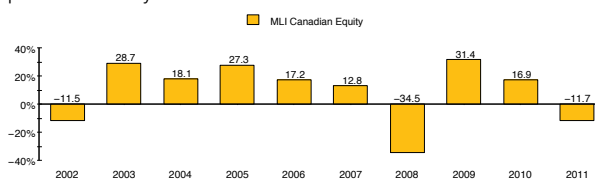
Managed by Manulife Financial

Fund managers Montrusco Bolton Inc. – Mgmt. Team, Greystone Mgd. Invest. – Mgmt. Team and Genus Capital Management – Mgmt. Team

Inception date January 1980 **Total assets** \$357.6 million

Historical gross returns

Gross rates of return are shown before investment management fees have been deducted. The solid area represents the gross returns of the Manulife Fund since its inception in January 1980.



* Only full calendar year returns are shown.

Primary investment process

Fundamental, Bottom-up

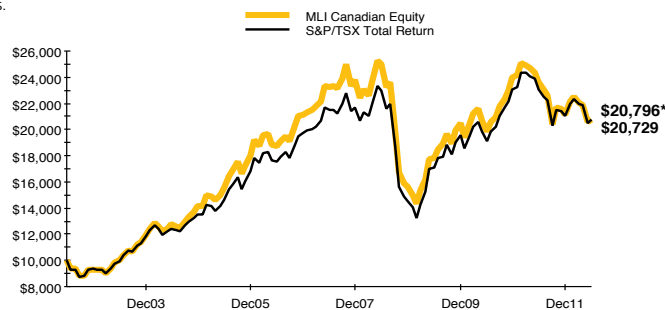
Equity style and capitalization

	Value	Core/Blend	Growth	
				Large
				Medium
				Small
		●		All Cap

Source: Manulife Investment Management Services

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, 2012)

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 Canadian Equity	-12.02%	2.30%	5.21%	-2.21%	9.97%	Jan 1980
S&P/TSX Total Return	-10.25%	4.15%	6.69%	-0.74%	-	

Rate of return expectation

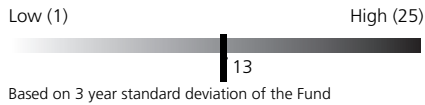
Over the long term, this Fund strives to outperform the S&P TSX Total Return Index.

Note: All rates of return are shown before investment management fees or taxes have been deducted.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Source: The Globe and Mail Inc.

Volatility meter

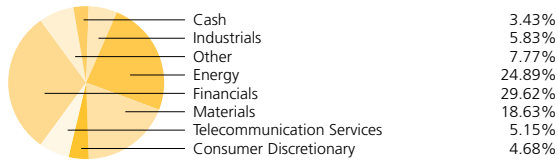


CANADIAN LARGE CAP EQUITY

Code 7132

Manulife Asset Management Canadian Equity Index Fund

How the underlying fund is invested



Top holdings within the underlying Fund

(As at June 30, 2012)

Royal Bank of Canada	5.27%
TD Bank	5.08%
Bank of Nova Scotia	4.22%
Suncor Energy	3.22%
Barrick Gold Corp.	2.69%
Potash Corp. of Saskatchewan	2.68%
Canadian National Railway	2.65%
Bank of Montreal	2.54%
BCE Inc.	2.28%
Enbridge Inc.	2.26%

UNDERLYING FUND → MAM Cdn Eq Index Pooled Fund

Objective The MAM Canadian Equity Index Pooled Fund seeks to track the total return of the S&P/TSX Composite Index through investments primarily in common stocks, Income Trusts, Royalty trusts, REITs of Canadian issuers which are listed on the S&P/TSX Composite Index. This is a passively managed fund.

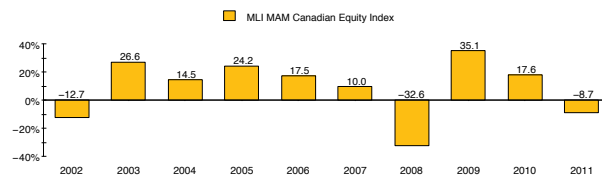
Managed by Manulife Asset Management Limited

Fund managers Carson Jen and Ram Narayan, CFA

Inception date January 1998 **Total assets** \$417.9 million

Historical gross returns

Gross rates of return are shown before investment management fees have been deducted. The solid area represents the gross returns of the Manulife Fund since its inception in January 1998.



* Only full calendar year returns are shown.

Primary investment process

Index

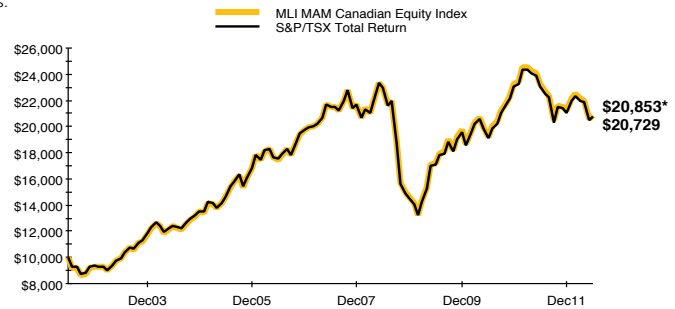
Equity style and capitalization

Value	Core/Blend	Growth	
			Large
			Medium
			Small
	●		All Cap

Source: Manulife Investment Management Services

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, 2012)

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 MAM Canadian Equity Index	-10.34%	4.13%	6.66%	-0.62%	6.28%	Jan 1998
S&P/TSX Total Return	-10.25%	4.15%	6.69%	-0.74%	-	

Rate of return expectation

Over the long term, the Fund is expected to track the performance of the S&P/TSX Total Return Index.

Note: All rates of return are shown before investment management fees or taxes have been deducted.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Source: The Globe and Mail Inc.

Volatility meter

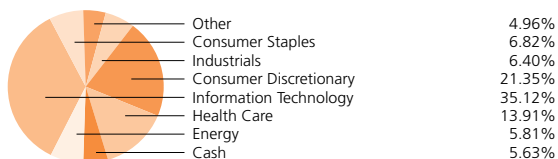


U.S. LARGE CAP EQUITY

Code 8196

Manulife U.S. Diversified Growth Equity Fund (Wellington)

How the underlying fund is invested



Top holdings within the underlying Fund

(As at June 30, 2012)

Apple	7.95%
Microsoft	4.37%
Cisco Systems	4.23%
IBM Corp.	3.41%
Coca-Cola	3.07%
Philip Morris International	2.59%
EMC Corp.	2.45%
UnitedHealth Group	2.16%
Amgen	2.12%
Exxon Mobil	1.99%

UNDERLYING FUND -> MLI U.S. Div Grwth Eq (Wellington)

Objective The Portfolio invests primarily in common stock, real estate securities, and depositary receipts. The objective of the Diversified Growth investment approach is to provide long-term total return. The Portfolio may hold significant positions in, or a significant portion of Portfolio assets may be invested in, securities that are not included in the Index.

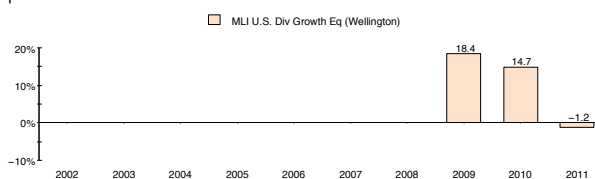
Managed by Manulife Financial

Fund managers Wellington Management Co. – Mgmt. Team

Inception date June 2008 **Total assets** \$503.7 million

Historical gross returns

Gross rates of return are shown before investment management fees have been deducted. The solid area represents the gross returns of the Manulife Fund since its inception in June 2008.



* Only full calendar year returns are shown.

Primary investment process

Fundamental, Bottom-up

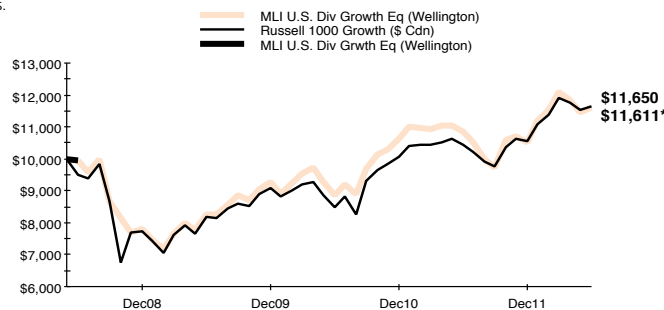
Equity style and capitalization

	Value	Core/Blend	Growth	
			●	Large
				Medium
				Small
				All Cap

Source: Manulife Investment Management Services

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, 2012)

This table shows the historical annual compound total return of the Fund compared with the Russell 1000 Growth (\$ Cdn).

	1-year	2-year	3-year	5-year	Since inception	Manulife inception date
MLI U.S. Div Growth Eq (Wellington)	7.12%	14.50%	11.96%	–	3.80%	Jun 2008
Russell 1000 Growth (\$ Cdn)	11.77%	17.13%	12.46%	2.00%	–	

Rate of return expectation

Over the long term, this fund is expected to outperform the Russell 1000 Growth Index (\$ Cdn).

Note: All rates of return are shown before investment management fees or taxes have been deducted.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Source: The Globe and Mail Inc.

Volatility meter

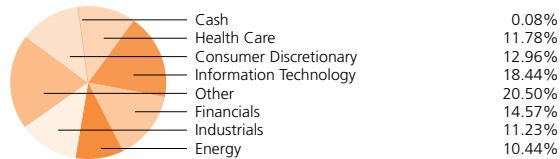


U.S. LARGE CAP EQUITY

Code 8322

Manulife BlackRock U.S. Equity Index Fund (Registered Plans Only)

How the underlying fund is invested



Top holdings within the underlying Fund

(As at June 30, 2012)

Apple	4.43%
Exxon Mobil	3.25%
Microsoft	1.86%
IBM Corp.	1.83%
General Electric	1.79%
AT&T Inc.	1.70%
Chevron Corp.	1.69%
Johnson & Johnson	1.51%
Wells Fargo & Co.	1.44%
Coca-Cola	1.43%

UNDERLYING FUND → BlackRock CDN US Eq Idx Non-Tax D

Objective The BlackRock U.S. Equity Index Fund seeks to achieve investment results that approximate the total return of the S&P 500 Index. To provide broad diversification and closely track the S&P 500 Index, the Fund invests very close to the actual index weights for each security in the index.

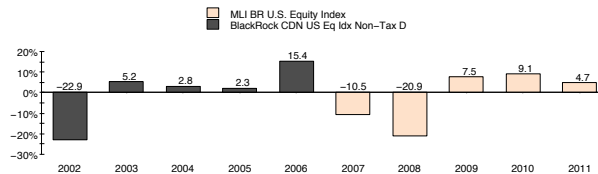
Managed by BlackRock Asset Management Canada Limited

Fund managers Ed Corallo, Shaun Ong, CFA, Marsha Jong, CFA and Jennifer Hsui, CFA

Inception date December 1998 **Total assets** \$3,429.3 million

Historical gross returns

Gross rates of return are shown before investment management fees have been deducted. The solid area represents the gross returns of the Manulife fund since its inception in October 2006. 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.

Primary investment process

Index

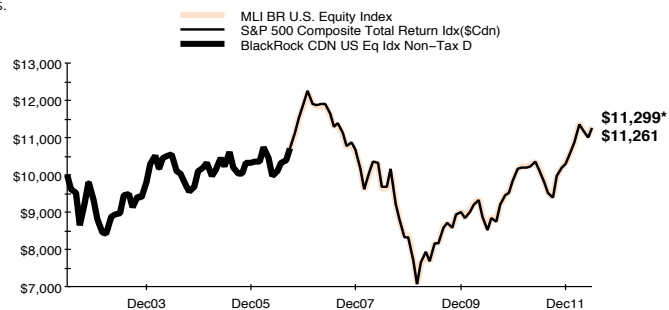
Equity style and capitalization

Value	Core/Blend	Growth	
	●		Large
			Medium
			Small
			All Cap

Source: Manulife Investment Management Services

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, 2012)

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 BR U.S. Equity Index	11.36%	14.99%	11.45%	-0.54%	0.96%	Oct 2006
S&P 500 Composite Total Return Idx(\$Cdn)	11.26%	14.99%	11.34%	-0.66%	-	

Rate of return expectation

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

Note: All rates of return are shown before investment management fees or taxes have been deducted.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Source: The Globe and Mail Inc.

Volatility meter



INTERNATIONAL EQUITY

Code 8162

MLI MFS MB International Equity Fund

How the underlying fund is invested



Top holdings within the underlying Fund

(As at June 30, 2012)

HSBC Holdings PLC	3.62%
Nestle S.A.	3.59%
Linde AG	3.08%
Bayer Ag Sponsored Adr	2.99%
Heineken NV	2.93%
Shin-Etsu Chemical Co	2.54%
Compass Group PLC	2.30%
Diageo PLC	2.25%
Pernod Ricard	2.17%
Air Liquide(L)	2.15%
Danone Group	2.13%
Lawson Inc.	2.12%
LVMH Moet Hennessy Louis Vuitton	2.05%
Denso Corporation	2.05%
Beiersdorf	1.96%

UNDERLYING FUND -> MFS MB International Equity

Objective The Fund aims to provide investors with long-term capital growth by investing in 40 to 50 stocks of large companies that are located outside of North America. Companies are chosen for their growth potential, where the expected earnings growth is faster than that for the overall market.

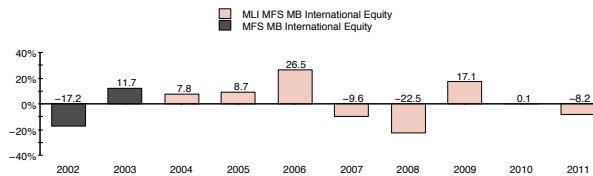
Managed by MFS McLean Budden Limited

Fund managers MFS McLean Budden – Mgmt. Team

Inception date January 1999 **Total assets** \$324.0 million

Historical gross returns

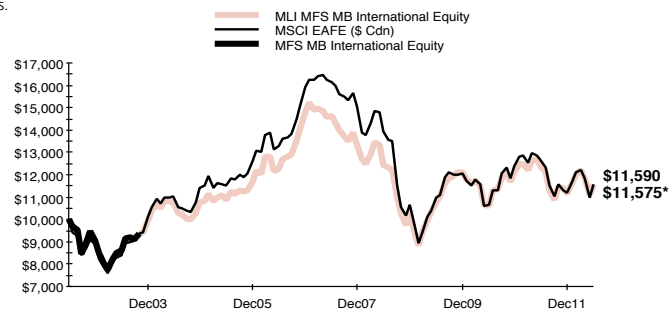
Gross rates of return are shown before investment management fees have been deducted. The solid area represents the gross returns of the Manulife Fund since its inception in November 2003. To provide further historical information, the shaded area represents the returns of the underlying fund for the 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, 2012)

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 MFS MB International Equity	-6.49%	4.41%	2.43%	-4.60%	2.50%	Nov 2003
MSCI EAFE (\$ Cdn)	-8.46%	4.39%	1.88%	-6.43%	-	-

Rate of return expectation

Over the long term, this fund is expected to outperform the MSCI EAFE Index.

Note: All rates of return are shown before investment management fees or taxes have been deducted.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Source: The Globe and Mail Inc.

Volatility meter



INTERNATIONAL EQUITY

Code 8321

Manulife BlackRock International Equity Index Fund

How the underlying fund is invested



Top holdings within the underlying Fund

(As at June 30, 2012)

Nestle S.A.	2.02%
HSBC Holdings PLC	1.62%
Vodafone Group PLC	1.43%
Novartis AG	1.32%
BP PLC	1.29%
Royal Dutch Shell PLC	1.26%
Roche Holdings	1.24%
GlaxoSmithKline PLC	1.17%
Toyota Motor Corporation	1.13%
BHP Billiton Limited	1.06%

UNDERLYING FUND → BlackRock CDN MSCI EAFE Equity Idx

Objective The BlackRock Daily EAFE Equity Index Fund's objective is to match the returns of the MSCI EAFE Index ("index") as closely as possible. BlackRock uses an indexing approach, where they own assets to match those of the index, in about the same names, weights, sectors, and countries.

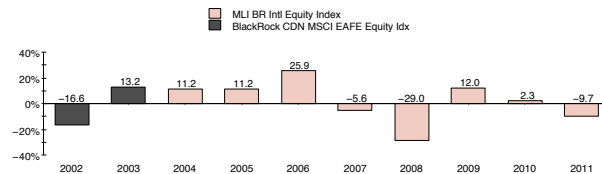
Managed by BlackRock Asset Management Canada Limited

Fund managers Ed Corallo, Joselle Duncan, CFA, Tim Wong, CFA and Creighton Jue, CFA

Inception date April 1999 **Total assets** \$1,238.6 million

Historical gross returns

Gross rates of return are shown before investment management fees have been deducted. The solid area represents the gross returns of the Manulife Fund since its inception in November 2003. 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.

Primary investment process

Index

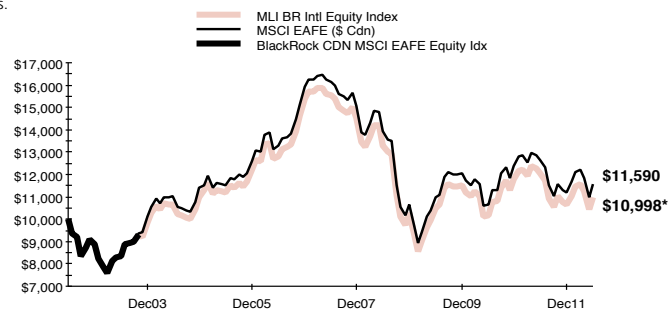
Equity style and capitalization

Value	Core/Blend	Growth	
			Large
			Medium
			Small
	●		All Cap

Source: Manulife Investment Management Services

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, 2012)

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 BR Intl Equity Index	-8.81%	4.03%	1.65%	-6.72%	1.94%	Nov 2003
MSCI EAFE (\$ Cdn)	-8.46%	4.39%	1.88%	-6.43%	-	

Rate of return expectation

Over the long term, this fund is expected to track the return and risk profile of the MSCI EAFE Index (\$ Cdn).

Note: All rates of return are shown before investment management fees or taxes have been deducted.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect the future values or returns in the Fund.

Source: The Globe and Mail Inc.

Glossary

Annual return

The rate of return earned over a specific 12-month period.

Annualized return

The rate of return earned over a given period expressed on an annual basis or as a return per year.

Asset class

A category of investment, which is defined by the main characteristics of risk, liquidity, and return. Common asset classes are Guaranteed Interest Account, Money Market, Canadian Bond, Canadian Balanced, Canadian Equity, U.S. Equity, International Equity, and Target Date.

Asset mix

The percentage of net assets invested in various classes of securities, as at a particular time. An asset mix can change at any time; for example, a balanced fund may have an asset mix of 50% equity, 45% bonds, and 5% short-term investments.

Benchmark

A benchmark is a standard against which similar investments are measured.

Bonds

Bonds are essentially loans or debt. A bond certificate is like an IOU. It shows the amount loaned (principal), the rate of interest to be paid on the loan and the date that the principal will be paid back (maturity date). Bonds can be issued by governments or corporations to raise money.

Common stocks

Owners of common stock in a company share in its success or failure. As part owners, they vote on important policy issues, such as selecting the board of directors. If the company prospers, they may get part of the profits in the form of dividends. Also, the value of the shares of the company may go up; common stock generally has the most potential for growth. However, that value also can drop if the company performs poorly, and if it goes bankrupt, common stockholders are the last to receive any payment.

Compound interest

Interest paid on both the original investment, as well as on the interest the investment accumulates.

Consumer Price Index (CPI)

An indicator that measures the rate of inflation, which is the rise in the cost of a fixed group of products and services such as housing, electricity, food, and transportation. An increase in the CPI signals an increase in the overall cost of living.

Defined Contribution Pension Plan (DC Pension Plan)

A type of pension plan where an employer contributes to an account in the employee's name. The amount the employee receives at retirement is the amount contributed and any investment gains or losses incurred. FortisAlberta employees participate in a Defined Contribution Pension Plan.

DEX 91-Day T-Bill Index

An index that tracks the performance of Canadian government 3-month T-Bills.

DEX Universe Bond Index

An index that tracks the Canadian bond market and is designed to be a broad measure of the Canadian investment-grade fixed income market.

Diversification

Spreading money across different kinds of investments could potentially moderate investment risk. It's the idea of not putting all your eggs in one basket. A diversified portfolio can help shield from large losses because, even if some securities falter, others may perform well. Diversification does not ensure a profit or guarantee against loss.

Dollar-cost averaging

The practice of investing a fixed dollar amount at regular intervals (such as bi-weekly) in a particular investment or portfolio, regardless of its share price.

Equity

Another term for stocks or stock investments.

Fixed Income Securities

Securities that pay a fixed rate of return by investing in government, corporate, provincial, or municipal bonds. These investments could offer an advantage when inflation is low, but are not likely to protect against the declining buying power of money during times of high inflation.

Fund manager

The person who selects the investments that meet the fund's investment objective.

A professional fund manager manages each fund in your DC Pension Plan and Group RRSP.

Gross return

The rate of return for a fund before Investment Management Fees and sales tax have been deducted.

Group Registered Retirement Savings Plan (Group RRSP)

Similar to an individual RRSP except that the employee deposits the contributions into an RRSP for you on a regular basis. Contributions for FortisAlberta employees are made either through payroll deduction, lump sum contribution, or the direction of employee benefit dollars.

Group segregated funds

A pooled investment fund – much like a mutual fund – that is established by a life insurance company and segregated from the general assets of the company. Group segregated funds are offered within group retirement and savings plans. Like most mutual funds, group segregated funds offer no guarantee of investment performance or return of amounts invested.

Guaranteed Interest Account (GIA)

A fund that earns a fixed interest rate from the date of deposit until the date of maturity. The interest rate is determined on the date of deposit and does not change.

Index (passive) fund

A fund that is managed to track the performance of a specified market index such as the S&P/TSX Composite. With an index fund, the manager does not attempt to anticipate which companies will provide better returns. Rather, they manage the fund to provide a return as close to the index as possible.

Inflation risk

The possibility that increases in the cost of living will significantly erode investment returns.

Investment Management Fee (IMF)

The fee collected by Manulife Financial to cover the cost associated with investment management and administrative expenses. The fee is deducted from the fund before calculation of unit values. These fees are sometimes referred to as the Management Expense Ratio (MER). IMFs within a group plan are generally lower than those of funds offered to individuals.

Management style

A fund manager can choose from a number of approaches when choosing individual securities within an asset class. There are two broad categories of fund management style: Active and Passive. Active management is simply an attempt to 'beat' the market as measured by a particular benchmark or index. Prevailing market trends, the economy, political and other current events, and company-specific factors (such as earnings growth) all affect an active manager's decisions.

Passive management is more commonly called 'indexing.' Indexing is an investment management approach based on investing in exactly the same securities, in the same proportions, as an index. This management style is considered 'passive' because portfolio managers don't make decisions about which securities to buy and sell – they simply copy the index by purchasing the same securities included in a particular stock or bond market index.

Member

Refers to a unit holder or participant in the DC Pension Plan or Group RRSP.

Money Market Funds

A mutual fund that purchases Treasury Bills, government securities, Guaranteed Investment Certificates, and other instruments with a year or less to maturity. Because of the secure nature of the purchases, investors often use a money market fund to temporarily hold money to be invested later.

MSCI EAFE Index®

A benchmark to measure international equity performance. It is comprised of 21 MSCI country indices, representing the developed markets outside of North America: Europe, Australia, and the Far East.

Net return

The rate of return of a fund after the Investment Management Fees and sales tax are deducted.

Plan sponsor

The organization that has arranged for its employees to participate in a group retirement program. FortisAlberta is the plan sponsor of the FortisAlberta Retirement Program. Manulife Financial assists FortisAlberta with its fiduciary responsibilities by performing administrative duties such as receiving and investing contributions into members' accounts, issuing quarterly statements, responding to members' inquiries, and providing decision-making tools to assist with members' investment decisions.

Portfolio

The various investments held by an individual or institution.

Registered Pension Plan (RPP)

An arrangement that provides pension benefits for an employee of a company. RPPs are registered with the Canada Revenue Agency. The employee and employer, or just the employer (as under the FortisAlberta DC Pension Plan), make contributions to this retirement plan until the employee leaves the company or retires. Contributions to the plan and gains on underlying assets are tax deferred, so the funds are taxed when they are withdrawn from the plan.

Registered Retirement Savings Plan (RRSP)

An account that lets you save money for your retirement. Money or investments you put into an RRSP reduce your taxable income.

You don't pay tax on the amount you contribute – or any income you earn on this money – until you withdraw the money from the plan. If you wait until you retire, when your income is lower, you pay lower taxes on the money you withdraw from an RRSP. While you don't have to wait for retirement to take money out of your RRSP, if you withdraw any money from your RRSP before you retire, you will have to pay tax on this amount.

Risk tolerance

An investor's ability to handle declines in the value of his or her portfolio.

S&P 500 Index

The Standard & Poor's (S&P) 500 index is comprised of 500 U.S. companies that account for 85% of the dollar value of all New York Stock Exchange (NYSE) stocks. It is a broader and more representative average than the Dow Jones Index, but both move together most of the time.

S&P/TSX Composite Index

With approximately 95% coverage of the Canadian equities market, it is the primary gauge or benchmark for Canadian-based, Toronto Stock Exchange (TSX) listed companies.

Securities

Another term for stocks, bonds, and short-term investments.

Treasury Bills (T-Bills)

Short-term government debt issued in denominations ranging from \$1,000 to \$1,000,000. T-Bills do not have interest payments, but are sold at a discount and mature at par (100% of face value). The difference between the purchase price and par at maturity represents the purchaser's income.

Underlying Fund Operating Expense (UFOE)

UFOEs are fees incurred and charged to the fund by the underlying fund manager, which cover services such as legal, audit, trustee, custodial, and valuation activities. Not all funds have UFOEs, but if a UFOE is applicable to a certain fund, it's charged and collected by the fund manager before the total fund value is reported to Manulife.

Vesting

Vesting refers to the entitlement of a pension plan member to the employer's contributions made to their pension account. As of January 1, 2012 all members of the FortisAlberta Retirement Program are immediately vested.

Volatility

The tendency of a fund's value to fluctuate up and down over time. The value of a fund with high volatility will go up and down more dramatically over time than the value of a fund with low volatility.

Additional Resources

The Retirement Savings Pathway (www.manulife.ca/FortisAlberta)

Program information

- Plan benefits
- Frequently Asked Questions

Fund information

Retirement planning information

- Gail Vaz-Oxlade webinars
- Investment Basics video

Forms

Glossary

Archived articles

Manage your account online

Access your account using your 9-digit customer number (found on your account statement) and your Personal Identification Number (PIN). Through the secure member website, you can

- Review account information
- Transfer savings between investments
- Provide instructions for the investment of your contributions
- Use Manulife's Steps Retirement Program® (Steps)

Steps is a useful retirement planning tool that can help you set a retirement savings goal, create a strategy to achieve it, and then track your progress towards meeting that goal. Log into your account to see your estimated retirement income any time and update your Steps goal when it's convenient for you.

Once logged into your account, visit your Learning Centre and enjoy these resources:

My Group Retirement Plan

The 'My Group Retirement Plan' section of the member secure site is designed to help you discover more about your FortisAlberta Retirement Program.

Access your plan member booklet and any other plan-specific material.

Financial Planning Resources

The 'Financial Planning Resources' section provides various education tools tailored to you, allowing you to explore different investing scenarios.

You have access to many calculator applications, such as a Personal Finance Calculator, Withdrawal Calculator, and a calculator to help you monitor your personal spending.

In the News

Read up on valuable news and publications to stay informed on all aspects of retirement and financial planning.

Access external websites such as Manulife's exclusive Gail Vaz-Oxlade site and Service Canada on this page.

Investing Made Simple

Make informed investment decisions with the help of the library of interactive tools and educational videos.

The Investment Basics video summarizes key terms and concepts.

Complete the Investor Strategy Worksheet to confirm your risk tolerance and determine the target asset mix for your investments.

Websites of interest:

Alberta Securities Commission –
www.albertasecurities.com

Investor Educator Fund Website –
www.getsmarteraboutmoney.ca

Service Canada – www.servicecanada.gc.ca

Canada Revenue Agency – www.cra-arc.gc.ca

Service and support

If you have questions about the FortisAlberta Retirement Program or need assistance, contact Manulife Financial.

By phone

Contact a bilingual Customer Service Representative or a Financial Education Specialist toll-free at **1-888-727-7766**.

Customer Service Representatives are available to answer your account inquiries Monday to Friday, from 6 a.m. to 6 p.m. MT.

Financial Education Specialists are available for assistance with investments and retirement planning Monday to Friday, from 7 a.m. to 3 p.m. MT.

For assistance when you are getting ready to retire, contact a Transition Solutions Specialists at **1-866-991-3056** Monday to Friday, from 7 a.m. to 3 p.m. MT.

By email

You can also email questions to a Customer Service Representative at **gromail@manulife.com**.

Email questions regarding options at retirement to **GSRS_Transition_Solutions@manulife.com**.

Online access

You can access your FortisAlberta Retirement Program account online any time

1. Go to the Retirement Savings Pathway (**www.manulife.ca/FortisAlberta**)
2. Select 'Access your account'
3. Enter your customer number and PIN

You can also access the Retirement Savings Pathway via the 'My Retirement' tab on E-Connect.

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FortisAlberta session (08/2012)

 **Manulife Financial**
| For your future™