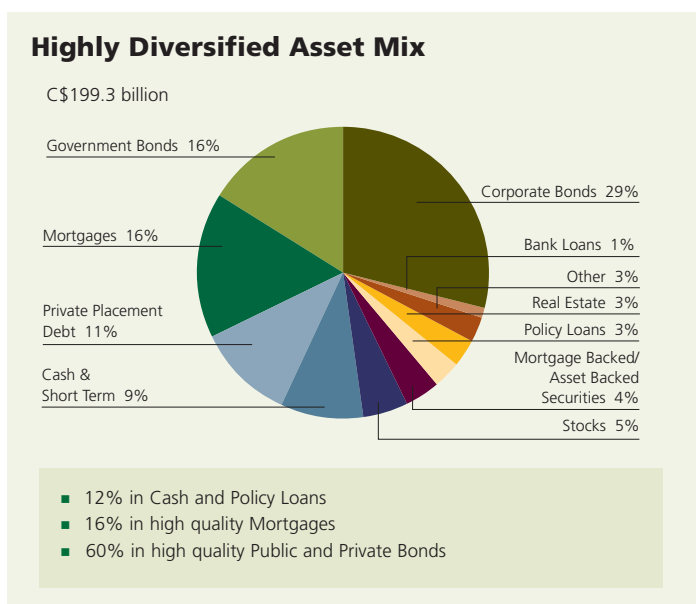


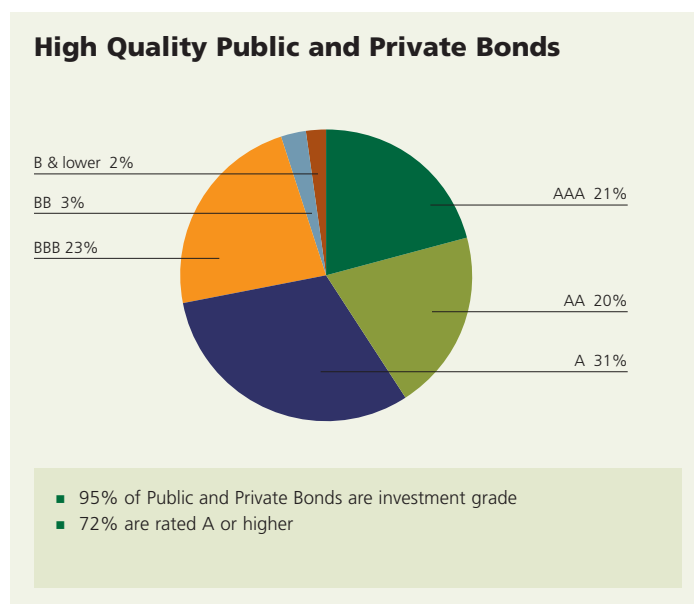


Our Investment Portfolio: High Quality and Diversified

At Manulife Financial, our investment philosophy is rooted in a bottom-up approach to developing an asset mix that matches the needs of our underlying liabilities. We don't limit our portfolio to fixed income investments, but hold a blend of assets that drive superior returns and risk reduction for our stakeholders. We use this disciplined approach across all our segments, and we will not chase yield in the riskier end of the fixed income market. This philosophy has resulted in a well diversified, high quality investment portfolio.



Our invested assets total C\$199.3 billion and include a variety of asset classes that are highly diversified by geography and sector. This diversification has historically produced superior returns while reducing overall risk.



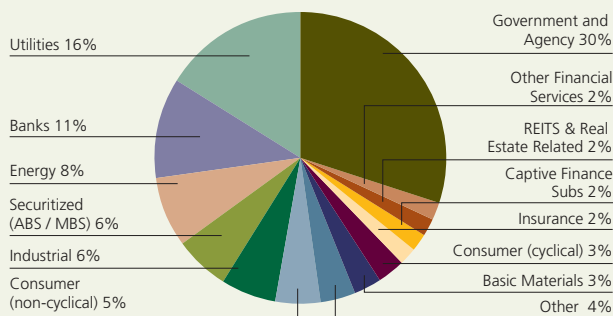
Our fixed income securities portfolio is of high quality with 72% rated A or higher and below investment grade holdings are limited to 5% of the portfolio. Our private placements further benefit from covenants and collateral which provide for better credit protection and potential recoveries on default.

“Our prudent investment approach has historically allowed us to achieve superior returns while reducing risk through diversification. We deliberately improved our credit quality in anticipation of this economic downturn, allowing our investment portfolio to remain well positioned for a challenging credit cycle.”

Warren A. Thomson
 Senior Executive Vice President and Chief Investment Officer

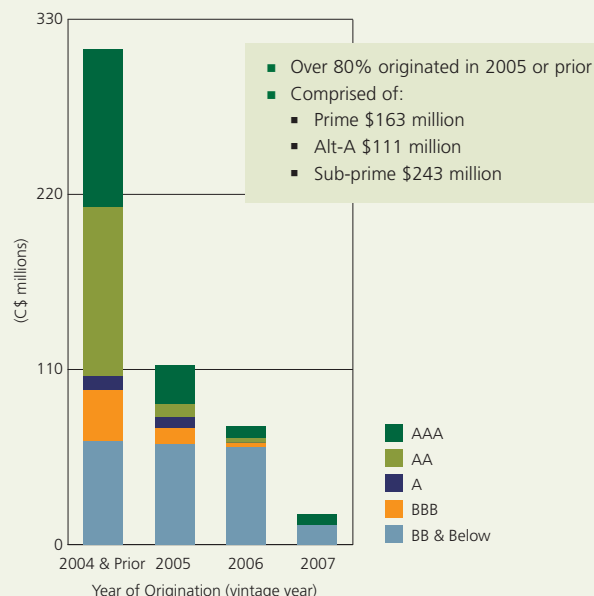
All data based on Carrying Value unless otherwise noted; quoted as at June 30, 2010.

Highly Diversified Public and Private Bonds C\$119.2 billion, representing 60% of Total Invested Assets



- Diversified across 13 sectors
- Over 45% of issuers are outside of the U.S.
- No single position represents more than 1% of invested assets (excluding government holdings)

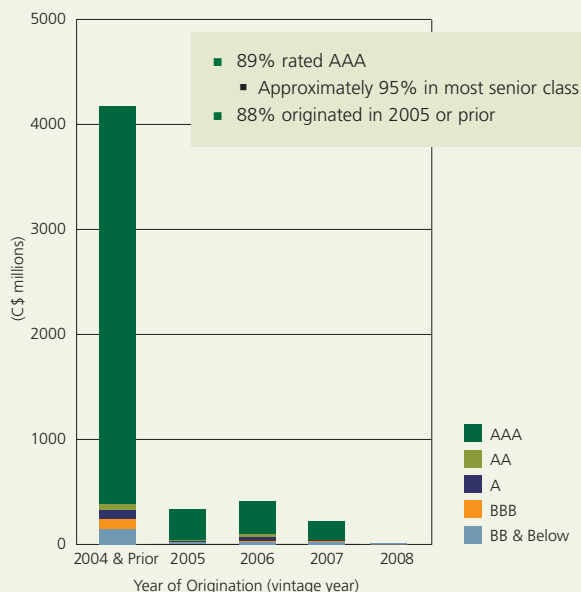
Limited RMBS Holdings C\$0.5 billion, representing 0.3% of Total Invested Assets



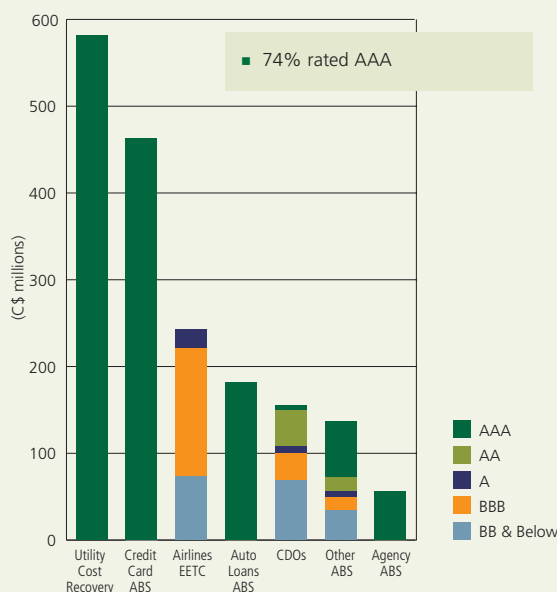
Our bond portfolio is highly diversified by industry sector and geography. It includes private placements of approximately C\$23 billion, or 19% of our total bond portfolio, which are a great source of diversification by name, industry and geography.

Our overall RMBS holdings are limited to C\$0.5 billion, or 0.3% of our invested assets, with originations concentrated in years 2005 and prior and reflect internal credit ratings which are more conservative when compared to external credit ratings.

Seasoned High Quality CMBS Holdings C\$5.2 billion, representing 2.6% of Total Invested Assets



High Quality & Diversified ABS Holdings C\$1.8 billion, representing 0.9% of Total Invested Assets



Our commercial mortgage-backed securities total C\$5.2 billion, or 2.6% of our total invested assets. The vintages and ratings demonstrate the high quality of this portfolio.

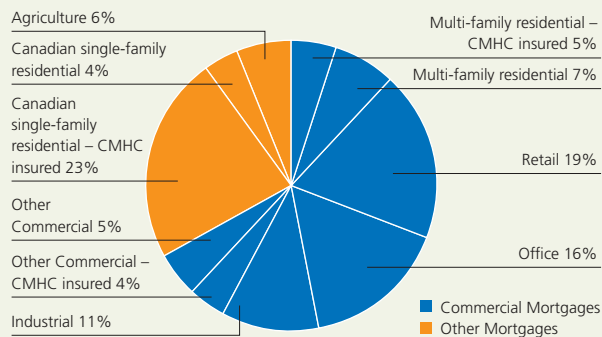
Our asset-backed securities are highly rated and diversified by sector. Representing 0.9% of our invested assets, the majority of our holdings are rated AAA.

All data based on Carrying Value unless otherwise noted; quoted as at June 30, 2010.

High Quality Direct Mortgage Portfolio

C\$31.8 billion, representing 15.9% of Total Invested Assets

By Property Type



- Diversified by geography
 - 58% of portfolio is based in Canada, with remainder in the U.S.
- C\$10.1 billion or 32% of total mortgage portfolio is insured by CMHC¹

Conventional Commercial Mortgages

Conservatively underwritten with low loan-to-value and high debt-service-coverage ratios

	CANADA	U.S.
Loan-to-Value Ratio ²	65%	64%
Debt-Service-Coverage Ratio ²	1.52x	1.58x
Average Duration ²	3.3 years	4.9 years
Average Loan Size ²	C\$4.4M	C\$9.5M
Loans in Arrears ³	0.61%	0.24%

- ¹ CMHC is Canada Mortgage and Housing Corporation, Canada's national housing agency
- ² Excludes CMHC insured loans and Manulife Bank Commercial loans. DSC and LTV are based on re-underwritten cash flows
- ³ Arrears data includes CMHC loans, but excludes all Manulife Bank loans. Arrears defined as over 90 days past due in Canada and over 60 days past due in the US. Canadian arrears are all CMHC loans

We have C\$21.4 billion in commercial mortgages which have been conservatively underwritten and continue to have low loan-to-value and high debt-service-coverage ratios. We are heavily diversified by property type and we avoid risky segments of the market such as hotels, construction loans and second liens. Further, we have few loans in arrears (C\$76 million in total), some of which are insured by CMHC.¹

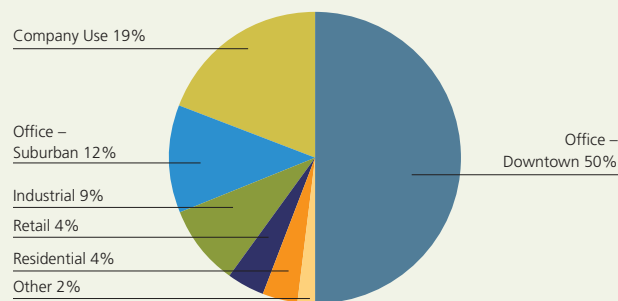
Our Canadian residential mortgage portfolio includes high quality residential mortgages issued by Manulife Bank of Canada, with 84% insured by CMHC.¹

Our agriculture loans are well diversified by business type and geography.

High Quality Commercial Real Estate Holdings

C\$6.3 billion, representing 3.1% of Total Invested Assets

Market Value, By Type



- Virtually no leverage
- Average occupancy rate of 91.9%
- Average lease term of 5.6 years
- Diversified by geography
 - 51% of portfolio in the U.S., 43% in Canada, with remainder in Asia and Japan

Notable Holdings

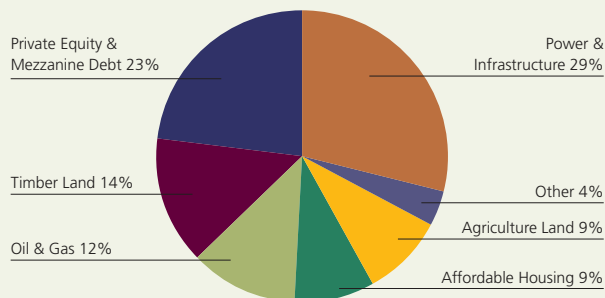
	MARKET VALUE	OCCUPANCY RATES
Toronto	\$ 1,436	97%
Washington	945	99%
Boston	728	99%
Chicago	496	75%
Los Angeles	530	95%
Atlanta	379	93%
Calgary / Edmonton	291	96%
Ottawa / Montreal	262	89%
Vancouver	240	98%

Our commercial real estate portfolio, at C\$6.3 billion, represents 3.1% of our total invested assets. This is a high quality portfolio, with virtually no leverage and mostly premium urban office towers, concentrated in cities with high growth and highly diverse economies. With an average occupancy rate of 91.9% and an average lease term of 5.6 years, we are well positioned to manage through challenging economic conditions.

All data based on Carrying Value unless otherwise noted; quoted as at June 30, 2010.

Diversified Alternative Assets

C\$5.9 billion, representing 3.0% of Total Invested Assets



- Strong historic returns
- No hedge fund holdings

We have a carrying value of C\$5.9 billion in alternative assets, representing 3.0% of our total invested assets.

Our alternative assets have historically provided us with superior returns and diversification to traditional equity and bond markets. They enhance yields and provide a good fit for our long duration liabilities.

Other Notable Items

- Financials fixed income net exposure¹ of C\$17.1 billion is well diversified by geography and sub-sector
- Gross unrealized losses limited to C\$1.4 billion or 1% of our fixed income portfolio
 - Gross unrealized losses for Fixed Income securities trading at less than 80% of cost for greater than 6 months of C\$0.7 billion or less than 1% of fixed income portfolio
 - The potential impact to shareholders' net income for Fixed Income securities trading at less than 80% of cost for greater than 6 months is limited to C\$443 million¹
- Monoline insurance net exposure¹ of C\$625 million in wrapped bonds but we place no reliance on the guarantees
- Limited net exposure¹ to:
 - RMBS (C\$730M)
 - European bank hybrids (C\$329M)
 - Sovereign debt of "PIIGS" nations (C\$79M)
- No exposure to hedge funds
- We never wrote Credit Default Swap (CDS) protection
- We never add credit or liquidity risk to our securities lending programs
- We avoided sophisticated and complex instruments that are performing poorly in the current market (SIV, CPDO, HELOC, Synthetic Securities, etc)

¹Excludes par and pass-thru and reflects the impact of downgrades on reserves

"We have always followed a very prudent investment approach – avoiding complexity, setting limits, diversifying, and applying a healthy dose of skepticism in all our credit decisions – and this philosophy serves us well today, as it has in the past."

Donald A. Guloien
President and Chief Executive Officer

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