

Dear Investor:

I am very pleased to provide you with the annual report issued by the Independent Review Committee (the “IRC”) of the publicly offered investment funds (the “Funds”) managed by Manulife Mutual Funds, a division of Manulife Asset Management Limited (the “Manager”). This is the IRC’s fourth annual report to investors of the Funds given under the requirements of National Instrument 81-107 (“NI 81-107”), the securities rule that governs independent review committees in Canada.

The work of the IRC continued, over the last year, to be governed by NI 81-107. Under this National Instrument, the IRC is mandated both to review mutual fund *conflict of interest matters* that have been identified and referred to the IRC by the Manager and also to provide, as applicable, the IRC’s approval or recommendation in the *conflict of interest matters* that have been referred to it. In this regard, it is important to keep in mind that for the purposes of this National Instrument, a *conflict of interest matter* is a situation where a reasonable person would consider the Manager (or an entity related to it), to have an interest that may conflict with the ability of the Manager to act in good faith and in the best interests of the Funds. It should also be noted that securities regulators have specified certain situations that are, by definition, *conflicts of interest*. The IRC’s overarching focus in addressing each conflict situation is to determine whether the Manager’s proposed action achieves a fair and reasonable result for the applicable Fund or Funds.

I and the other members of the IRC look forward to continuing to work in the best interests of the Funds.

March 17, 2011

“R. W. Law”

R. W. Law
Chair of the IRC

MANULIFE ASSET MANAGEMENT LIMITED

Independent Review Committee for
Manulife Mutual Funds
Manulife Closed-End Funds
AIC Corporate Funds

Report to Securityholders for the period ended December 31, 2010

MANULIFE ASSET MANAGEMENT LIMITED

REPORT OF THE INDEPENDENT REVIEW COMMITTEE TO SECURITYHOLDERS OF THE
MANULIFE MUTUAL FUNDS, MANULIFE CLOSED-END FUNDS AND AIC CORPORATE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2010

In this document:

- *AIC Corporate Fund* or *AIC Corporate Funds* includes each of Manulife U.S. Opportunities Class (formerly AIC American Focused Corporate Class), Manulife Advantage II Class (formerly AIC Advantage II Corporate Class), Manulife Canadian Focused Class (formerly AIC Canadian Focused Corporate Class), Manulife Diversified Canada Class (formerly AIC Diversified Canada Corporate Class), Manulife Global Focused Class (formerly AIC Global Focused Corporate Class), Manulife Monthly High Income Class (formerly AIC Canadian Balanced Corporate Class), Manulife Total Yield Class (formerly AIC Total Yield Corporate Class), Manulife Global Infrastructure Class (formerly Brookfield Redding Global Infrastructure Corporate Class) and Manulife Global Real Estate Class (formerly AIC Global Real Estate Corporate Class)
- *Closed-End Fund* or *Closed-End Funds* includes one or more of Copernican International Financial Split Corp., Copernican World Financial Infrastructure Trust, AIC Global Financial Split Corp., Copernican World Banks Split Inc., Oil Sands Sector Fund or Markland AGF Precious Metals Corp.
- *Fund* or *Funds* refers to one or more Manulife Funds, Closed-End Funds or AIC Corporate Funds listed on the final page of this document
- *IRC* refers to the Independent Review Committee of the Funds established pursuant to NI 81-107
- The *Manager* refers to Manulife Mutual Funds, a division of Manulife Asset Management Limited (an indirect wholly-owned subsidiary of Manulife Financial). Effective August 19, 2010, Elliott & Page Limited changed its name to Manulife Asset Management Limited
- *Manulife Financial* refers to Manulife Financial Corporation, a TSX-listed holding company
- *NI 81-107* refers to National Instrument 81-107 - *Independent Review Committee for Investment Funds*
- *SEAMARK* refers to SEAMARK Asset Management Ltd. (Prior to January 15, 2010, Manulife Financial held 31.06% of the voting securities of SEAMARK. After January 15, 2010, Manulife Financial's interest was below 10%.)

Unless otherwise indicated, the information set out in this report covers the period beginning January 1, 2010 and ending December 31, 2010, the financial year-end for the Funds (inclusively, the "Period").

Members of the IRC

Name	Residence	Member of IRC Since
Robert W. Law (Chair)	Toronto, Ontario	May 1, 2007 ¹
Robert S. Robson	Toronto, Ontario	May 1, 2007
William J. L. Swirsky	Toronto, Ontario	May 1, 2009

¹ Mr. Law also sits on the independent review committee of the Webb Asset Management Funds managed by Webb Asset Management Canada, Inc.

The members of the IRC also act as the independent review committee for other mutual funds sold to the public and managed by the Manager and/or affiliates of the Manager, and as a committee which reviews related party transactions made by the Manager and/or affiliates of the Manager on behalf of a number of investment portfolios managed by the Manager and/or affiliates of the Manager for private investors. Each member of the IRC receives compensation from such other public mutual funds and the Manager and/or affiliates of the Manager.

The members of the IRC are not associates or employees of Manulife Financial, SEAMARK, the Manager, or any other entity related to the Manager and are independent of all such companies and entities. According to NI 81-107, a member of an independent review committee is considered to be independent “if the member has no material relationship with the manager, the investment fund, or an entity related to the manager,” where a material relationship means “a relationship which could reasonably be perceived to interfere with the member’s judgment regarding a conflict of interest matter.”

In accordance with NI 81-107, the IRC considers and provides approvals or recommendations to the Manager of the Funds on conflict of interest matters referred to the IRC by the Manager. The Manager is required under NI 81-107 to identify conflicts of interest inherent in its management of the Funds and refer such matters to the IRC for consideration.

The IRC provides its approvals or recommendations to the Manager in relation to the Manager’s conflicts of interest relevant to the Funds with a view to the best interests of the Funds.

Compensation of the IRC

For the year ended December 31, 2010, the aggregate compensation paid by the Funds to the IRC was \$81,193, excluding GST. This amount was first allocated equally among the Funds (other than the Manulife Dollar-Cost Averaging Fund) and, secondly, pro rata among the different series of securities of each Fund on the basis of assets under management. The Manulife Dollar-Cost Averaging Fund’s share of the IRC compensation is borne by the Manager in accordance with the Simplified Prospectus of that fund.

No indemnities were paid to members of the IRC by the Funds during the Period.

As at the date of this report, each member of the IRC receives an annual retainer of \$20,000 (\$25,000 for the Chair) and \$1,750 (\$2,250 for the Chair) for each meeting of the IRC that the member attends, plus any expenses for each meeting. These amounts are allocated among the Funds and the other mutual funds sold to the public and managed by the Manager.

At least annually, the IRC reviews and sets its own reasonable compensation and expense reimbursement for its members giving consideration to the following factors, among any other factors the IRC considers relevant: the number, nature and complexity of the Funds for which the IRC acts; the nature and extent of the workload of each member of the IRC, including the commitment of time and energy that is expected from each member; relevant industry surveys and best practices; the Manager's recommendations; and, generally, the best interests of the Funds.

Holdings of Securities

a. The Funds

As at December 31, 2010, the percentage of units of each Fund or series of units of the Funds beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 10%.

b. The Manager

As at December 31, 2010, no member of the IRC beneficially owned, directly or indirectly, any series or class of voting or equity securities of the Manager.

c. Service Providers

As at December 31, 2010, the percentage of securities of each class of voting or equity securities of Manulife Financial Corporation or of any other company or entity providing services to the Manager or the Funds beneficially owned, directly or indirectly, in aggregate, by all members of the IRC was, in each case, less than 0.01%.

Conflicts of Interest

The Manager has identified and brought to the attention of the IRC for its review and recommendation or approval, as applicable, the conflict of interest matters listed in the paragraphs below. As a result of its review and consideration, the IRC issued standing instructions with respect to each conflict of interest matter other than for the fund mergers mentioned below.

On August 10, 2010, the Manager sought and received the approval of the IRC for each of the following tax-deferred mergers:

Terminating Fund	Continuing Fund
Manulife Canadian Stock Fund (formerly AIC Canadian Equity Fund)	Manulife Canadian Value Fund
Manulife Balanced Fund (formerly AIC	Manulife Monthly High Income Fund

Terminating Fund	Continuing Fund
Canadian Balanced Fund)	
Manulife Global Balanced Fund (formerly AIC Global Balanced Fund)	Manulife Global Opportunities Balanced Fund
Manulife Dividend Income Fund (formerly AIC Dividend Income Fund)	Manulife Dividend Fund
Manulife Global Fixed Income Fund (formerly AIC Global Fixed Income Fund)	Manulife Strategic Income Fund
Manulife Global Bond Fund (formerly AIC Global Bond Fund)	Manulife Strategic Income Fund
Manulife Canadian Money Market Fund (formerly AIC Money Market Fund)	Manulife Money Fund
Manulife Leaders Income Portfolio	Manulife Leaders Balanced Income Portfolio
Manulife Growth & Income Fund	Manulife Monthly High Income Fund
Manulife Core Balanced Fund	Manulife Monthly High Income Fund

These mergers were completed on November 19, 2010.

On August 10, 2010, the Manager sought and received the recommendation of the IRC to proceed with each of the following taxable mergers:

Terminating Fund	Continuing Fund
Manulife Global Wealth Management Fund (formerly AIC Global Wealth Management Fund)	Manulife Global Advantage Fund (formerly AIC Global Advantage Fund)
Manulife American Small to Mid Cap Fund (formerly AIC American Small to Mid Cap Fund)	Manulife U.S Mid-Cap Fund
Manulife Global Dividend Fund	Manulife Global Dividend Income Fund (formerly AIC Global Premium Dividend Income Fund)
Manulife U.S. Value Fund	Manulife U.S. Opportunities Fund (formerly AIC American Focused Fund)

The approval of the securityholders of each of the Terminating Funds in respect of the taxable mergers was sought and received at special meetings held on October 13, 2010. Regulatory approval for these mergers was also received on October 5, 2010. These mergers were completed on November 19, 2010.

On August 10, 2010, the Manager sought and received the approval of the IRC to proceed with each of the following tax-deferred mergers:

Terminating Fund	Continuing Fund
Manulife Value Class (formerly AIC Value Corporate Class)	Manulife U.S. Opportunities Class (formerly AIC American Focused Corporate Class)
Manulife U.S. Large Cap Value Class	Manulife U.S. Opportunities Class (formerly AIC American Focused Corporate Class)

Terminating Fund	Continuing Fund
Manulife U.S. Mid-Cap Value Class	Manulife U.S. Opportunities Class (formerly AIC American Focused Corporate Class)

The approval of the securityholders of the Continuing Fund was sought and received at special meetings held on October 13, 2010. These mergers were completed on October 23, 2010.

On August 10, 2010, the Manager also sought and received the recommendation of the IRC to proceed with the amalgamation of AIC Corporate Fund Inc. and Manulife Investment Exchange Funds Corp. into an amalgamated entity called Manulife Investment Exchange Funds Corp. The amalgamation was completed on October 23, 2010.

With the exception of Cross Trading and Deposits in Manulife Bank, the Manager relied on the following approvals and standing instructions of the IRC during the Period. During the year ended December 31, 2010, although standing instructions for Cross Trading and Deposits in Manulife Bank were in place, the Manager did not rely on either standing instruction throughout the year. The standing instructions require the Manager to comply with its related policies and procedures and to report on a specified basis to the IRC.

Approvals and Standing Instructions

- ✓ **Related Party Transactions** - Prior to January 15, 2010, Manulife Financial held 31.06% of the voting securities of SEAMARK. After January 15, 2010, Manulife Financial's interest was below 10%. As such, it is no longer considered a "related party" under securities legislation.
- ✓ **Deposits in Manulife Bank**
- ✓ **Deposits in Manulife Trust Company** - This standing instruction came into effect November 16, 2010.
- ✓ **Cross Trading** (incorporates the more limited practice of Inter-Fund Trading as defined in NI 81-107)

During the Period the Manager relied on positive recommendations and standing instructions of the IRC with respect to the conflict of interest matters addressed by the following policies and procedures. In each case, the standing instruction requires the Manager to comply with its related policies and procedures and to report on a specified basis to the IRC.

Recommendations and Standing Instructions

- ✓ **Proxy Voting** was amended on November 16, 2010 to reflect the corporate name change of the Manager.
- ✓ **Trade Allocation** was amended on November 16, 2010 to reflect the corporate name change of the Manager.

- ✓ **Allocation of Fund Expenses** – This standing instruction was amended on November 16, 2010 to reflect best and common practices following the integration of two families of funds and to reflect the corporate name change of the Manager.
- ✓ **Soft Dollar Arrangements** - This standing instruction was revised on May 18, 2010 to reflect amendments to National Instrument 23-102 with respect to soft dollar arrangements and again on November 16, 2010 to reflect the corporate name change of the Manager.
- ✓ **Code of Ethics** – This standing instruction came into effect February 16, 2010. It was amended on November 16, 2010 to reflect the corporate name change of the Manager.
- ✓ **Personal Trading Code** – This standing instruction came into effect February 16, 2010. It was subsequently replaced by the Code of Ethics and Business Conduct policy and standing instruction on August 10, 2010. It was amended November 16, 2010 to reflect the corporate name change of the Manager.
- ✓ **Fairness Policy** – This standing instruction came into effect February 16, 2010. As of May 17, 2010, the existing standing instructions for Cross-Trades and Trade Allocation encompassed the conflicts of this policy so the standing instruction was no longer required.
- ✓ **Fundamental Changes Policy** – This standing instruction came into effect February 16, 2010 and was updated on August 10, 2010. It was amended on November 16, 2010 to reflect the corporate name change of the Manager.
- ✓ **Conflicts of Interest Policy** – This standing instruction came into effect February 16, 2010. It was rescinded by the IRC at the request of the Manager on November 16, 2010 as the Manager is complying at all material times with the Rule and securities laws.
- ✓ **Investment Conflicts Policy** – This standing instruction came into effect February 16, 2010. It was rescinded by the IRC at the request of the Manager on May 17, 2010 as this potential conflict is covered by a global corporate policy.
- ✓ **Fair Valuation Policy** – This standing instruction came into effect February 16, 2010 and was revised on August 10, 2010. It was amended again November 16, 2010 to reflect the corporate name change of the Manager.
- ✓ **Fund Errors Policy**– This standing instruction came into effect February 16, 2010 and was revised on August 10, 2010. It was amended again November 16, 2010 to reflect the corporate name change of the Manager.
- ✓ **Frequent Trading Policy** – This standing instruction came into effect February 16, 2010 and was updated August 10, 2010. It was amended again November 16, 2010 to reflect the corporate name change of the Manager.
- ✓ **Procedure for Presenting Conflicts** – This standing instruction came into effect February 16, 2010. It was rescinded by the IRC at the request of the Manager on May 17, 2010 as the Manager deemed it not to be a conflict of interest matter subject to IRC review.
- ✓ **Outsourcing Policy** – This standing instruction was rescinded by the IRC at the Manager's request on May 18, 2010 as this potential conflict is covered by a global corporate policy.

The IRC is not aware of any instance where the Manager acted in a conflict of interest matter referred to the IRC for which the IRC did not give a positive recommendation or its approval.

The IRC is also not aware of any instance where the Manager acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its recommendation, approval or standing instruction.

At least annually, the IRC reviews and assesses the adequacy and effectiveness of the policies and procedures of the Manager and the related standing instructions of the IRC relating to conflicts of interest matters relevant to the Funds. The next review will take place on or before November, 2011.

The Funds covered in this report include:

MANULIFE FUNDS

Manulife Managed Solutions

Manulife Leaders Balanced Income Portfolio
(formerly Value Leaders Balanced Income Portfolio)
Manulife Leaders Balanced Growth Portfolio
(formerly Value Leaders Balanced Growth Portfolio)
Manulife Leaders Opportunities Portfolio
(formerly Value Leaders Growth Portfolio)
Manulife Simplicity Conservative Portfolio
Manulife Simplicity Moderate Portfolio
Manulife Simplicity Income Portfolio
Manulife Simplicity Balanced Portfolio
Manulife Simplicity Global Balanced Portfolio
Manulife Simplicity Growth Portfolio
Manulife Simplicity Aggressive Portfolio

Manulife Opportunities Funds

Manulife Canadian Opportunities Fund
Manulife European Opportunities Fund
Manulife Global Opportunities Balanced Fund
Manulife Growth Opportunities Fund
Manulife U.S. Opportunities Fund (formerly AIC American Focused Fund)
Manulife Yield Opportunities Fund

Manulife Focused Funds

Manulife Advantage Fund (formerly AIC Advantage Fund)
Manulife Advantage Fund II (formerly AIC Advantage Fund II)
Manulife American Advantage Fund (formerly AIC American Advantage Fund)
Manulife Canadian Focused Fund (formerly AIC Canadian Focused Fund)
Manulife Diversified Canada Fund (formerly AIC Diversified Canada Fund)
Manulife Global Advantage Fund (formerly AIC Global Advantage Fund)
Manulife Global Focused Fund (formerly AIC Global Focused Fund)

Manulife Value Funds

Manulife Canadian Equity Value Fund
Manulife Canadian Value Fund
Manulife Dividend Fund
Manulife Global Dividend Income Fund
(formerly AIC Global Premium Dividend Income Fund)
Manulife Global Monthly Income Fund
Manulife International Dividend Income Fund
(formerly Copernican International Dividend Income Fund)
Manulife Monthly High Income Fund
Manulife Small Cap Value Fund

Manulife Value Fund (formerly AIC Value Fund)

Manulife Growth Funds

Manulife Canadian Balanced Growth Fund
Manulife Canadian Core Fund
Manulife Canadian Equity Fund
Manulife Canadian Growth Fund
Manulife Canadian Large Cap Growth Fund
Manulife Sector Rotation Fund
Manulife U.S. Diversified Growth Fund
Manulife U.S. Mid-Cap Fund

Manulife Select Funds

Manulife Canadian Balanced Fund
Manulife Canadian Equity Index Fund
Manulife Diversified Investment Fund
(formerly Manulife Mawer Diversified Investment Fund)
Manulife Global Small Cap Fund (formerly Manulife Mawer Global Small Cap Fund)
Manulife International Equity Index Fund
Manulife Tax-Managed Growth Fund (formerly Manulife Mawer Tax-Managed Growth Fund)
Manulife U.S. Equity Fund (formerly Manulife Mawer U.S. Equity Fund)
Manulife U.S. Equity Index Fund

Manulife Income Funds

Manulife Bond Fund (formerly AIC Bond Fund)
Manulife Canadian Bond Fund (formerly Manulife Mawer Canadian Bond Fund)
Manulife Canadian Bond Plus Fund
Manulife Canadian Fixed Income Fund
Manulife Canadian Universe Bond Fund
Manulife Corporate Bond Fund
Manulife Dollar-Cost Averaging Fund
Manulife Floating Rate Income Fund
Manulife Investment Savings Fund
Manulife Money Fund
Manulife Preferred Income Fund (formerly AIC Preferred Income Fund)
Manulife Short Term Bond Fund
Manulife Strategic Income Fund

Manulife Specialty Funds

Manulife Emerging Markets Fund
Manulife Global Infrastructure Fund (formerly Brookfield Redding Global Infrastructure Fund)
Manulife Global Natural Resources Fund
Manulife Global Real Estate Fund (formerly AIC Global Real Estate Fund)

CLOSED-END FUNDS

Copernican International Financial Split Corp.
Copernican World Financial Infrastructure
Trust
AIC Global Financial Split Corp.
Copernican World Banks Split Inc.
Oil Sands Sector Fund
Markland AGF Precious Metals Corp.

AIC CORPORATE FUNDS**Manulife Opportunities Funds**

Manulife U.S. Opportunities Class (formerly
AIC American Focused Corporate Class)

Manulife Focused Funds

Manulife Advantage II Class (formerly AIC
Advantage II Corporate Class)
Manulife Canadian Focused Class (formerly
AIC Canadian Focused Corporate Class)
Manulife Diversified Canada Class (formerly
AIC Diversified Canada Corporate Class)
Manulife Global Focused Class (formerly AIC
Global Focused Corporate Class)

Manulife Value Funds

Manulife Monthly High Income Class
(formerly AIC Canadian Balanced
Corporate Class)

Manulife Income Funds

Manulife Total Yield Class (formerly AIC Total
Yield Corporate Class)

Manulife Specialty Funds

Manulife Global Infrastructure Class (formerly
Brookfield Redding Global Infrastructure
Corporate Class)
Manulife Global Real Estate Class (formerly
AIC Global Real Estate Corporate Class)

On December 22, 2010 Manulife U.S. Small Cap
Fund was terminated.

Manulife U.S. Money Market Fund (formerly
AIC U.S. Money Market Fund) was terminated
on November 19, 2010.