

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 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.

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

July 19, 2011

**“R. W. Law”**

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R.W. Law  
Chair of the IRC

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MANULIFE ASSET MANAGEMENT LIMITED

Independent Review Committee for  
Manulife Corporate Classes

Report to Securityholders for the period ended April 30, 2011

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MANULIFE ASSET MANAGEMENT LIMITED

REPORT OF THE INDEPENDENT REVIEW COMMITTEE TO SECURITYHOLDERS OF THE  
MANULIFE CORPORATE CLASSES

FOR THE YEAR ENDED APRIL 30, 2011

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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)
- *Fund* or *Funds* refers to one or more Manulife Corporate Classes 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*

Unless otherwise indicated, the information set out in this report covers the period beginning May 1, 2010 and ending April 30, 2011, the financial year-end for the Funds (inclusively, the “Period”). The AIC Corporate Funds changed their financial year end from December 31st to April 30th. As such, all information in this report relating to an AIC Corporate Fund is from January 1, 2011 to April 30, 2011.

***Members of the IRC***

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

<sup>1</sup> 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, 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 April 30, 2011, the aggregate compensation paid by the Funds to the IRC was \$52,374.51, excluding GST or HST. This amount was first allocated equally among the Funds and, secondly, pro rata among the different series of securities of each Fund on the basis of assets under management.

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.

During 2011, the IRC reviewed its compensation. In determining the appropriate level of compensation and reimbursement of expenses for its members, the IRC considers the following factors:

1. the number, nature and complexity of the Funds;

2. the nature and extent of the workload of each member of the IRC, including the frequency of meetings required and the commitment of time and energy that is expected from each member;
3. industry best practices, including industry averages and surveys on IRC compensation;
4. the responsibilities of, and the potential liabilities faced by, the members of the IRC;
5. the best interests of the Funds;
6. the results of its annual assessment of compensation and effectiveness; and
7. the recommendations of Manulife Asset Management Limited.

### *Holdings of Securities*

#### **a. The Funds**

As at April 30, 2011, the percentage of shares of each Fund or series of shares 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 April 30, 2011, 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 April 30, 2011, 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 to proceed with each of the following tax-deferred mergers:

<b>Terminating Fund</b>	<b>Continuing Fund</b>
Manulife Value Class (formerly AIC Value Corporate Class)	Manulife U.S. Opportunities Class (formerly AIC American Focused Corporate Class)

MANULIFE ASSET MANAGEMENT LIMITED

REPORT OF THE INDEPENDENT REVIEW COMMITTEE TO SECURITYHOLDERS OF THE  
MANULIFE CORPORATE CLASSES

FOR THE YEAR ENDED APRIL 30, 2011

<b>Terminating Fund</b>	<b>Continuing Fund</b>
Manulife Canadian Money Market Class (formerly AIC Money Market Corporate Class)	Manulife Short Term Yield Class
Manulife Global Core Class	Manulife Global Opportunities Class
Manulife Total Global Equity Class (formerly Manulife SEAMARK Total Global Equity Class)	Manulife Global Opportunities Class
Manulife U.S. Large Cap Value Class	Manulife U.S. Opportunities Class (formerly AIC American Focused Corporate Class)
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.

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 April 30, 2011, 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** - It may be a potential conflict under securities regulations where the Funds invest in a related party to the Manager or the Fund. The standing instruction allows the Funds to purchase, hold or sell securities issued by Manulife Financial, a related party to the Manager and the Funds. This standing instruction was amended on November 16, 2010 to reflect the corporate name change of the Manager.
- ✓ **Deposits in Manulife Trust Company** – It may be a potential conflict under securities regulations where the Funds invest in a related party to the Manager or the Fund. The standing instruction allows the Funds to purchase, hold or sell deposit instruments issued by Manulife Trust Company, which is a wholly-owned subsidiary of Manulife Financial a related party to the Manager and the Funds. This standing instruction came into effect on November 16, 2010.
- ✓ **Deposits in Manulife Bank** – It may be a potential conflict under securities regulations where the Funds invest in a related party to the Manager or the Fund. The standing instruction allows the Funds to deposit cash with Manulife Bank of Canada which is a wholly-owned subsidiary of Manulife Financial a related party

- to the Manager and the Funds. This standing instruction was amended on November 16, 2010 to reflect the corporate name change of the Manager.
- ✓ **Cross Trading** (incorporates the more limited practice of Inter-Fund Trading as defined in NI 81-107) - A cross trade is a transaction where the Manager manages both sides of a trade. Cross trades involve a trade of a security between funds either managed by the same or different individual investment advisors of the Manager. This standing instruction was amended on November 16, 2010 to reflect the corporate name change of the Manager.

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** - Voting securities may create a potential conflict when proxies are not voted in the best interests of the Funds. Policies and Procedures of the Manager have been implemented to ensure the voting rights in respect of the securities held by the Funds are voted in the best interests of the Funds. This standing instruction was amended on November 16, 2010 to reflect the corporate name change of the Manager.
- ✓ **Trade Allocation** - Trade allocation may create a potential conflict of interest where the Manager could allocate trades in a manner that benefits itself instead of a Fund or in a manner that benefits one particular client to the detriment of others. This standing instruction was amended on November 16, 2010 to reflect the corporate name change of the Manager.
- ✓ **Allocation of Fund Expenses** - There may be a potential conflict of interest in allocating fund expenses because the Manager may benefit one Fund over another or allocate expenses to Funds that the Manager should rather absorb. This standing instruction was amended on November 16, 2010 to reflect best practices following the integration of two families of funds and to reflect the corporate name change of the Manager.
- ✓ **Soft Dollar Arrangements** - The use of soft dollars may create a potential conflict of interest where the acceptance of services by the Manager from brokers to execute portfolio transactions for the Funds may benefit the Manager. This standing instruction was revised on May 18, 2010 to reflect amendments to NI 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** - There may be a potential conflict of interest, whether actual or perceived, when the Manager's decision may conflict with the interest of the Funds. This standing instruction came into effect on February 16, 2010. It was

- amended on November 16, 2010 to reflect the corporate name change of the Manager.
- ✓ **Personal Trading Code** – There is a potential conflict of interest in trading by employees, officers and directors of the Manager in securities where the Manager may also be trading on behalf of one or more of the Funds. This standing instruction came into effect on February 16, 2010. It was subsequently replaced by the Code of Ethics and Business Conduct Policy and standing instruction on August 10, 2010.
  - ✓ **Fairness Policy** – There may be a potential conflict of interest in allocating investment opportunities to certain funds instead of in accordance with the Trade Allocation Policy. This standing instruction came into effect on February 16, 2010. As of May 17, 2010, the standing instructions for both Cross-Trades and Trade Allocation policies address this potential conflict.
  - ✓ **Fundamental Changes Policy** – There may be a potential conflict of interest where some fundamental changes may benefit the Manager instead of the Funds. This standing instruction came into effect on 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** – There may be a potential conflict of interest, whether actual or perceived, where the Manager's decision may conflict with the interest of the Funds. This standing instruction came into effect on February 16, 2010. It was rescinded by the IRC at the request of the Manager on November 16, 2010 as the Manager complies at all material times with securities laws.
  - ✓ **Investment Conflicts Policy** – There may be a potential conflict of interest where insiders of the Manager omit to publicly disclose their interest in securities held in the Funds. This standing instruction came into effect on February 16, 2010. It was rescinded by the IRC at the request of the Manager on May 17, 2010 since the Manager is subject to Manulife Financial's Code of Business Conduct and Ethics and Manulife Financial's Insider Trading and Reporting policies.
  - ✓ **Fair Valuation Policy** – Valuing assets of a fund where no active market quote exists for the securities may create a potential conflict of interest. For example, this may result in the net asset value of the fund being overstated, which may result in increased management fees paid to the Manager. Also, overstating the net asset value of the fund could cause the fund's performance to appear better than it otherwise would have, which could potentially increase sales. This standing instruction came into effect on February 16, 2010 and was revised on August 10, 2010. It was amended again on November 16, 2010 to reflect the corporate name change of the Manager.
  - ✓ **Fund Errors Policy** – There may be a potential conflict of interest when correcting Funds' securities trades, securityholder transactions and NAV errors in the Funds which may benefit the Manager. This standing instruction came into effect on 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** – There may be a potential conflict of interest where frequent trading activity of an investor may affect the remaining shareholders of the Funds. This standing instruction came into effect on February 16, 2010 and was updated August 10, 2010. It was amended again on November 16, 2010 to reflect the corporate name change of the Manager.
- ✓ **Procedure for Presenting Conflicts** – This procedure outlines the process of identifying and presenting conflicts to the IRC. This standing instruction came into effect on February 16, 2010. It was rescinded by the IRC at the request of the Manager on May 17, 2010 as the Manager complies at all material times with securities laws.
- ✓ **Outsourcing Policy** – There may be a potential conflict of interest where third party affiliates to the Manager provide services to the Funds which may benefit only the Manager. This standing instruction was rescinded by the IRC at the Manager's request on May 18, 2010 since the Manager is subject to Manulife Financial's Outsourcing 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.

MANULIFE ASSET MANAGEMENT LIMITED

REPORT OF THE INDEPENDENT REVIEW COMMITTEE TO SECURITYHOLDERS OF THE  
MANULIFE CORPORATE CLASSES

FOR THE YEAR ENDED APRIL 30, 2011

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The Funds covered in this report include:

**Manulife Opportunities Funds**

Manulife Canadian Opportunities Class  
Manulife Global Opportunities Class  
Manulife Growth Opportunities Class  
Manulife U.S. Opportunities Class (formerly  
AIC American Focused Corporate Class)\*  
Manulife Yield Opportunities 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 Canadian Value Class  
Manulife Canadian Large Cap Value Class  
Manulife International Value Class  
Manulife Monthly High Income Class  
(formerly AIC Canadian Balanced  
Corporate Class)\*

**Manulife Growth Funds**

Manulife Canadian Core Class  
Manulife Canadian Equity Class  
Manulife Global Leaders Class

**Manulife Select Funds**

Manulife Canadian Investment Class (formerly  
Manulife Mawer Canadian Equity Class)  
Manulife Global Equity Class (formerly  
Manulife Mawer Global Equity Class)  
Manulife World Investment Class (formerly  
Manulife Mawer World Investment Class)

**Manulife Income Funds**

Manulife Short Term Yield Class  
Manulife Strategic Income Class  
Manulife Structured Bond Class  
Manulife Total Yield Class (formerly AIC Total  
Yield Corporate Class)\*

**Manulife Specialty Funds**

Manulife China Class (formerly Manulife  
China Opportunities Class)  
Manulife Global Infrastructure Class (formerly  
Brookfield Redding Global Infrastructure  
Corporate Class)\*  
Manulife Global Real Estate Class (formerly  
AIC Global Real Estate Corporate Class)\*

Manulife Japan Class (formerly Manulife Japan  
Opportunities Class)

**\* Denotes an AIC Corporate Fund. Each AIC  
Corporate Fund changed its financial year  
end from December 31<sup>st</sup> to April 30<sup>th</sup>. As  
such, all information in this report relating to  
an AIC Corporate Fund is from January 1,  
2011 to April 30, 2011.**