



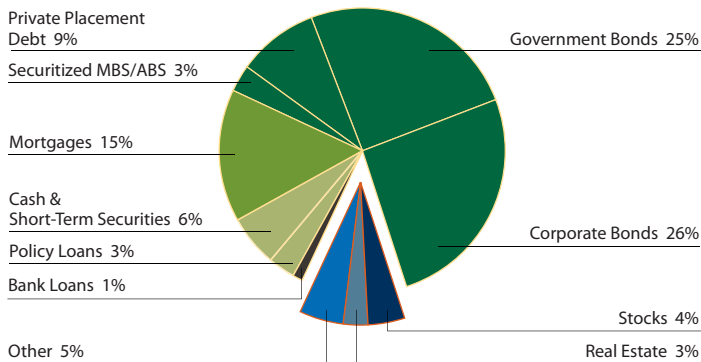
Our Investment Portfolio: High Quality and Diversified

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.

Highly Diversified Asset Mix

C\$225.9 billion

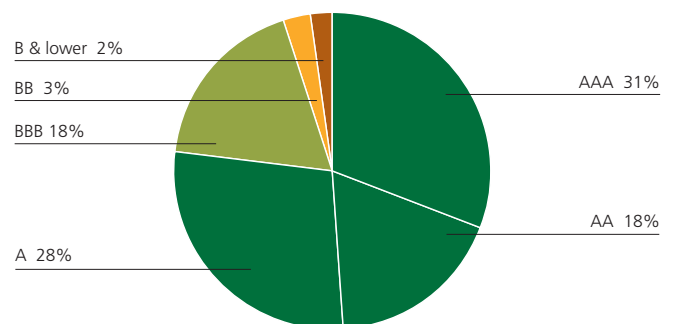
Fixed Income Non-Fixed Income



- 88% of the total portfolio is Fixed Income, of which 96% is Investment Grade
- 12% Non-Fixed Income, well diversified by asset class and geography; stocks and real estate largely unlevered with only modest leverage used in other classes such as infrastructure and private equity

High Quality Public and Private Bonds

C\$140.5 billion



- 95% of Public and Private Bonds are investment grade
- 77% are rated A or higher
- 29% of Below Investment Grade holdings are Asian sovereign holdings matched against liabilities in countries in which we conduct business

Our invested assets total C\$225.9 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 77% 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 higher potential recoveries on default.

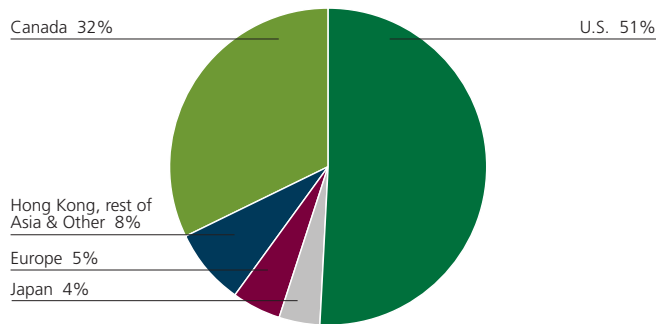
“Our prudent investment approach has historically allowed us to achieve superior returns while reducing risk through diversification. We have recently invested cash in longer term treasuries enhancing current yields, reducing interest rate sensitivity and further improving the average credit quality of our fixed income portfolios.”

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

All figures in accordance with International Financial Reporting Standards “IFRS”.
All data based on Carrying Value unless otherwise noted; quoted as at September 30, 2011.

High Quality Geographical Asset Mix

C\$225.9 billion



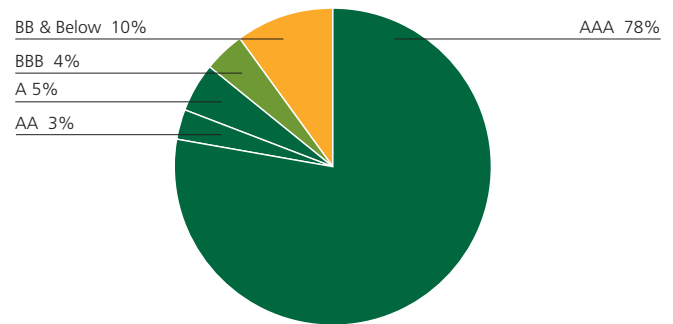
Presented based on location of issuer

- Assets in Greece, Italy, Ireland, Portugal and Spain limited to <0.2% of total invested assets
- 44% of Asian assets (including Japan) represent sovereign issuers

We currency match our assets with our liabilities, so most of the Asian holdings are local currency bonds backing local currency liabilities. The European holdings are largely US\$ issues backing US\$ liabilities.

High Quality Securitized Holdings

C\$6.3 billion, representing 2.8% of Total Invested Assets

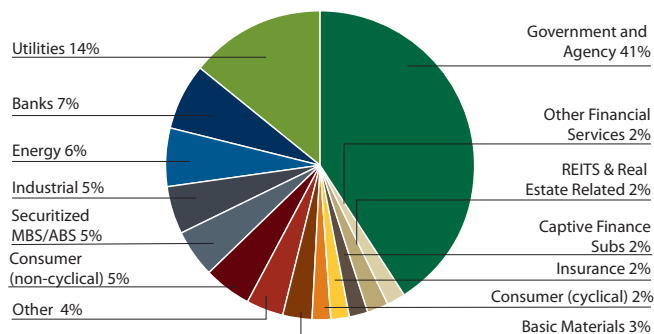


- 86% rated A or better, with 78% rated AAA
- Of the CMBS holdings rated AAA, approximately 98% are in the most senior class
- 89% of CMBS and 80% of RMBS originated in 2005 or prior
- ABS holdings highly rated and diversified by sector

Our Structured Credit portfolio totals C\$6.3 billion, or 2.8% of total invested assets. Of this, C\$3.9 billion are commercial mortgage-backed securities (CMBS), C\$0.4 billion are residential mortgage-backed securities (RMBS), and C\$2.0 billion are other asset-backed securities (ABS). Approximately 70% of the portfolio's originations are concentrated in the years 2005 and prior, 90% of the portfolio is investment grade related, demonstrating the high quality of these holdings.

Highly Diversified Public and Private Bonds

C\$140.5 billion, representing 62% of Total Invested Assets



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

Our bond portfolio is highly diversified by industry sector and geography. It includes private placements of approximately C\$20 billion, or 14% of our total bond portfolio, which are a great source of diversification by name, industry and geography.

“Our private placement debt portfolio helps further diversify the fixed income portfolio by name and by industry as it provides opportunities not available in the public markets. Private placements also typically contain protective covenants not generally available in the public bond market.”

Scott Hartz

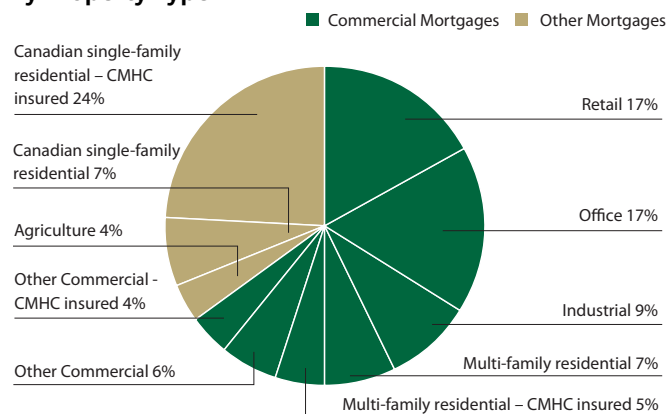
Executive Vice President - General Account Investments

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High Quality Direct Mortgage Portfolio

C\$34.8 billion, representing 15% of Total Invested Assets

By Property Type

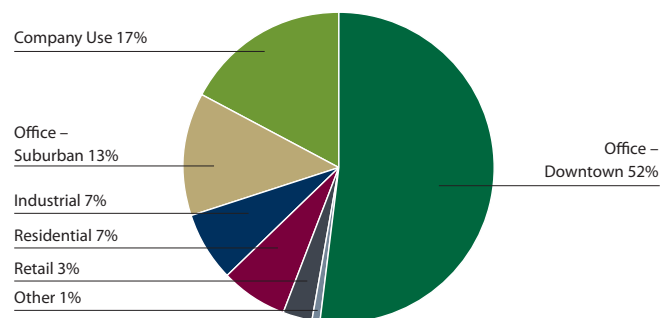


- Diversified by geography
 - 59% of portfolio is based in Canada, with remainder in the U.S.
- C\$11.3 billion or 32% of total mortgage portfolio is insured by CMHC¹

High Quality Commercial Real Estate Holdings

C\$7.3 billion, representing 3.3% of Total Invested Assets

Fair Value, By Type



- Virtually no leverage
- Average occupancy rate of 92.6%
- Average lease term of 5.5 years
- Diversified by geography
 - 55% of portfolio in the U.S., 39% in Canada, with remainder in Asia

Non-CMHC Insured Commercial Mortgages^{1,2}

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

	CANADA	U.S.
Loan-to-Value Ratio ³	62%	65%
Debt-Service-Coverage ³	1.47x	1.57x
Average Duration	3.0 years	5.1 years
Average Loan Size	C\$4.8M	C\$10.4M
Loans in Arrears ⁴	0.00%	0.16%

¹ CMHC is Canada Mortgage and Housing Corporation, Canada's national housing agency.

² Excludes Manulife Bank commercial mortgage loans.

³ DSC and LTV are based on re-underwritten cash flows.

⁴ Arrears defined as over 90 days past due in Canada and over 60 days past due in the U.S.

We have C\$22.5 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\$20.2 million).

Our Canadian residential mortgage portfolio includes high quality residential mortgages issued by Manulife Bank of Canada, with 76% insured by CMHC.¹

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

Holdings (C\$ Millions)

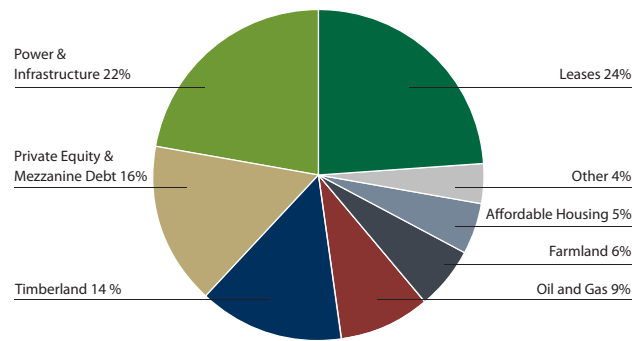
	FAIR VALUE	OCCUPANCY RATES
Toronto	\$1,921	98%
Washington	1,104	99%
Boston	897	98%
Los Angeles	664	95%
Chicago	467	74%
Atlanta / Orlando	453	93%
Japan	431	90%
San Francisco	400	93%
Calgary / Edmonton	314	96%
Ottawa / Montreal	289	96%
Vancouver	208	96%
Kitchener / Waterloo	159	100%
Asia (excl. Japan)	36	100%

Our commercial real estate portfolio, at C\$7.3 billion, represents 3.3% 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 stable growth and highly diverse economies in North America and Asia. With an average occupancy rate of 92.6% and an average lease term of 5.5 years, we are well positioned to manage through challenging economic conditions.

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Diversified Alternative Assets

C\$10.9 billion, representing 4.8% of Total Invested Assets



- Provides good fit for long duration liabilities
- Provides diversification benefits
- Strong historic returns

We have a carrying value of C\$10.9 billion in alternative assets, representing 4.8% of our total invested assets.

Our alternative assets have historically provided us with superior returns and diversification relative to traditional equity and bond markets. The longer term nature of these assets is a good fit for our long duration liabilities, and results in higher risk adjusted returns which eliminates the need to pursue riskier fixed income strategies.

Other Notable Items

- Financials fixed income net exposure¹ of C\$15.0 billion is well diversified by geography, sub-sector and name
- Gross unrealized losses limited to C\$1.3 billion or 1.0% 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\$0.4 billion or 0.3% of fixed income portfolio
 - The potential impact to shareholders' pre-tax earnings for Fixed Income securities trading at less than 80% of cost for greater than 6 months is limited to C\$200 million¹
- Monoline insurance net exposure¹ of C\$476 million in wrapped bonds but we place no reliance on the guarantees
- Limited net exposure¹ to:
 - RMBS (C\$519M)
 - European bank hybrids (C\$176M)
 - Greece, Italy, Ireland, Portugal, and Spain:
 - No sovereign or financial sector exposure to Greece, Portugal, or Spain
 - Banks and financials (C\$34M)
 - Sovereign debt (C\$14M)
- 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)

¹ Excludes par and pass-thru and reflects the cumulative impact of downgrades on reserves. Presented based on location of issuer.

“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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