Manulife

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President and CEO

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Dear Valued Planholder:

Recent events involving two high profile pre-need companies have understandably created apprehensions on the part of existing planholders of other pre-need companies.

As news reports will indicate, you will note that the companies that have had serious financial problems are those who have actively marketed the traditional type of educational plans, sometimes referred to as open-ended educational plans. A key feature of such plans is the fully guaranteed (hence, open ended) nature of their benefits, equivalent to the actual amount of tuition fees collected by the school and based on the school category indicated in their plan. Because of the deregulation and rapid increase in tuition fees since the early 1990's, liabilities under such plans have gone out of control.

You will be pleased to know, however, that CMG Plans (then) and Manulife Financial Plans have never introduced traditional education plans into its product roster. We have completely refrained from marketing any such types of plans because of the inherent risks in such product types. Rather, what we have marketed and continue to market today are the "fixed-value" educational plans whose benefits payable are well defined and for which adequate trust fund reserves are maintained to assure planholders that the company will be able to meet its liabilities as and when these fall due.

I have enclosed a recent communication material to our agents and clients about the status of Manulife Financial Plans, particularly our financial standing and the value of our trust fund assets vis-à-vis our liabilities under our in force plans. You will be pleased to know that as of end December 2004, the value of our trust fund assets, pegged at P2.4 Billion, is P257M in excess of the computed actuarial reserve liabilities. The bulk (over 98%) of these assets are invested in highly liquid government securities, none in real estate, and with a very small portion thereof, if any, invested in a few, very stable blue chip stocks.

The above should provide you the assurance, security and confidence that Manulife has maintained sufficient trust fund assets to draw from to cover future liabilities as they fall due. I hope this explanation eases any concerns that you might have.

With operations in the Philippines spanning nearly a hundred years, Manulife has withstood numerous economic upheavals in this country and has come out of every single one of them unscathed. Manulife's invested assets in the Philippines exceed P14-B to date, making it one of the most stable financial services organizations in the Philippines.

Manulife Financial Plans and its parent, Manulife Philippines, are wholly-owned subsidiaries of the Manulife Financial Corporation (MFC), Canada's largest publicly traded company and one of the world's leading financial services organizations. MFC is actively traded in the stock markets of New York, Toronto, Hong Kong and the Philippines.

Should you have any questions, you may call us at 884-7000, e-mail us at phcustsrv@manulife.com or fax us at 884-2558.

Very truly yours,

Manulife Financial Plans
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