



HANCOCK TIMBER RESOURCE GROUP

A COMPANY OVERVIEW



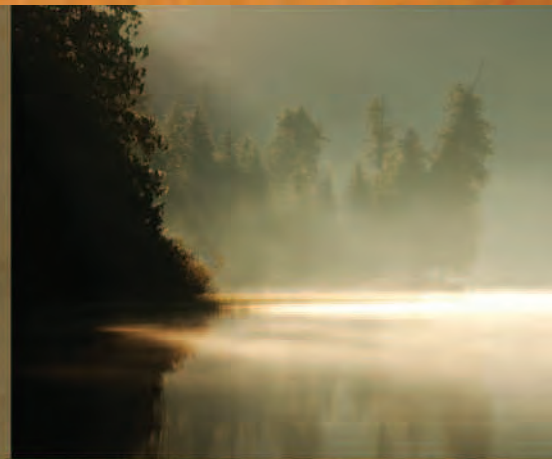
An MFC Global Investment
Management Company



Our Firm



Hancock Timber Resource Group (HTRG), founded in 1985, is the world's largest manager of timberland investments for private equity investors. Our firm develops and manages globally diversified timberland portfolios for investors including pension funds, insurance companies, taxable corporations, foundations, endowments and family offices.



Our investment strategy focuses on completing large timberland acquisitions by matching the needs of our investors with those of major timberland owners, forest products companies and other financial partners. We were the first investment manager to offer a geographically diversified timberland fund, and the first to offer a private timberland REIT for institutional investors. We continue to pursue additional timberland investments throughout the world, with an emphasis on high-quality plantations. We currently invest in the major timber producing regions of the US, Canada, Australia, New Zealand and Brazil.

Hancock Timber Resource Group is a division of Hancock Natural Resource Group, Inc., a registered investment advisor and wholly owned subsidiary of Manulife Financial Corporation (NYSE: MFC). We offer several different investment structures, and as of December 31, 2008, we managed USD 8.5 billion in timberland assets.



Investment Philosophy

Geographic Diversification of HTRG Timberland Assets (as of 12/31/08)



- US South: 47%
- US West: 22%
- US North: 5%
- New Zealand: 17%
- Australia: 7%
- Brazil: 1%
- Canada: 1%

For more than 20 years, timberland has demonstrated strong financial results, especially for investors holding well-diversified portfolios. In addition to its track record of attractive returns and tax advantages, timberland offers a sense of security that many organizations value. Our basic investment philosophy is to design and build diversified, market-weighted global timberland investment portfolios. Tree species, markets and products vary by region. As a result, returns from various regions are not highly correlated, so a diversified portfolio is more likely to deliver targeted returns than is a single-region portfolio. Multiple investments also diversify away the idiosyncratic risk of individual acquisi-

tions. Our approach to portfolio design improves the risk efficiency of an investor's timberland program.

Looking ahead, we see four major trends in the timberland sector: a shift from natural forests to plantations, continued growth in timber demand, expanded technical innovation and changes in the structure of the forest industry. These longer term trends set the stage for our portfolio design and timber management program. Our active management and adaptive planning process incorporates regular price forecasting updates, risk assessments and portfolio adjustments. We strive to take advantage of favorable trends, and immunize portfolios from the risks of unfavorable trends.

Portfolio Management

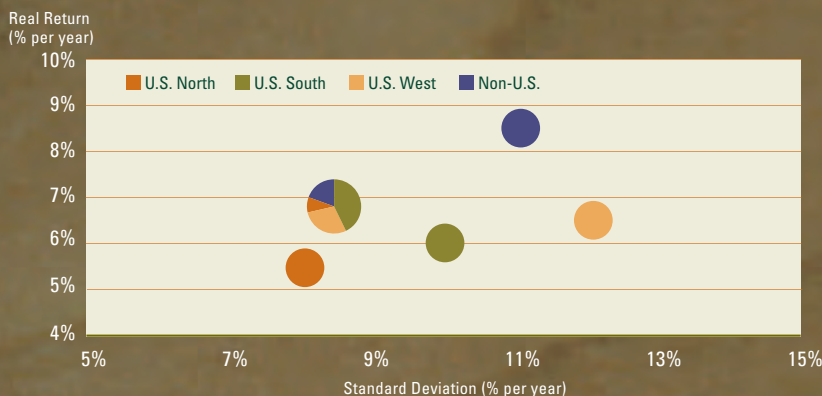
We actively manage our portfolios using a disciplined approach to acquisitions, portfolio management and dispositions. Our portfolio management process begins with understanding investment objectives. Once an investment policy is established, we design a portfolio that is consistent with that policy, acquire appropriately sized and appropriately located properties, and actively manage the portfolio to maximize total returns.

Our principal portfolio management tools, which we believe are the most sophisticated in the business include; a) regular portfolio assessments, b) “required rate of return” analysis for each property and c) the hold/sell analysis.

- **Portfolio Assessment** accumulates information for each property and the portfolio as a whole, including projections of total return, cash flow, market value and inter- and intra- regional diversification over time. The assessment compares these measures to the investment objectives, and recommends any adjustments needed to ensure that the portfolio is in line with the investment policy.
- **Required Rate of Return Analysis** assesses the rate of return that is required to compensate the investor for the specific risks associated with owning that property, given such factors as; location, markets, property liquidity, etc.

- **Hold/Sell Analysis** utilizes key financial market and timber growth indicators to determine whether or not to continue to hold a property. A simple “buy-and-hold strategy” does not take advantage of the inefficiencies that characterize timberland markets.

Relative Risk and Return Profile for Timberland Portfolios*



*Relative risk and return are based on HTRG historic and publicly available information. Risk reflects the volatility of return over time within regions. Return is a total return based on “real” (actual adjusted for inflation) return. Past performance is not a guarantee of future results; potential for profit as well as loss exists.



Acquiring Timberland

Institutional investors have played a major role in restructuring the forest industry over the last 20 years. Financial challenges within the traditional forest products company sector, combined with the increasing demand for high quality timberland investments by institutional investors has resulted in the on-going shift in timberland ownership. In the future, other large, non-forest industry landowners will likely become more active sellers as timberland ownership transitions away from the industrial sector. In some parts of the world, the public sector plays a major role in developing timber plantation estates. The recent trend toward privatization has resulted in additional timberland investment opportunities.

Hancock Timber Resource Group has an extensive track record in closing timberland transactions. Since our founding, we have completed 68 acquisitions in 5 countries and 21 states.

The deals ranged in size from USD 1.4 million to more than USD 1.5 billion from 37 separate sellers. Although we acquire properties of all sizes, we specialize in large, complex transactions. In 2008, we completed two significant transactions in the primary timber growing regions in the US – Oregon, Arkansas, Louisiana, and Texas – totaling over 1.0 million acres. As a result, Hancock Timber Resource Group, on behalf of our

clients, is one of the largest timberland owners in the US as well as the largest private owner of timberland plantations in Australia and New Zealand.

We seek to structure transactions that meet or exceed investor expectations while providing good value for sellers. Importantly, we are recognized by the industry as being a reliable buyer, having successfully closed every transaction (68) for which we have signed a purchase and sale agreement.



Managing Forests Sustainably

We manage over 4.5 million acres (1.8 million hectares) of timberland with the goal of maximizing returns for our investors while benefiting local communities and the environment. We invest wisely in the latest tree growing technology and pursue environmental values that include carbon sequestration, wetland mitigation, and biodiversity.

We market our timber to buyers willing to pay the highest price. When prices are cyclically low, we may postpone timber sales. Sale of non-timber products such as recreation access, wind energy sites, gravel and other minerals can also be important income sources.

We call this investor-focused approach to property management 'Hancock Forestry®'. To implement Hancock Forestry®, we utilize in-house forest managers. We believe that in-house forest management:

- Significantly reduces costs for investors
- Aligns the interests of investors and property managers
- Delivers value-enhancing forest management

HTRG's forest management is independently certified as being in conformance with the Sustainable Forestry Initiative® (SFI®) standards on all properties managed in North America and the Forest Stewardship Council® (FSC®) standards on over 1.2 million acres (0.5 million hectares) in Australia and New Zealand. These certification programs include performance measures against social and environmental standards that integrate the growing and harvesting of trees with the protection of wildlife, plants, soil and water quality.

We preserve land of high conservation value through our Sensitive



Lands Program. By partnering with conservation groups to protect land better suited for public or conservation ownership, this program has created value and reduced environmental operating risk by protecting more than 338,000 acres (136,800 hectares) of forestland.



Recent Environmental Activities, Sales and Awards

- **Tiger Quoll Preservation Project:** Together with the Wonyip Landcare Group, we are working to protect the Tiger Quoll, a carnivorous marsupial mammal native to Australia which is listed as threatened. The project aims to assist in the survival and migration of this rare and threatened animal.
- **Village Creek:** HTRG worked with The Conservation Fund to preserve 3,670 acres (1,500 hectares) in southeast Texas in an effort to establish a conservation/greenway corridor along Village Creek to protect its watershed in perpetuity. These lands include both natural hardwood and pine and will eventually transition over to the National Park Service and become a part of the Big Thicket National Preserve.
- **Cores and Links:** An agreement to protect approximately 19,700 acres (8,000 hectares) known as the "Cores and Links" has resulted in an important and historic outcome for both the environment and forest industry in Gippsland, Australia. Since 1988, over 9,300 acres (3,800 hectares) of Eucalyptus plantation and native vegetation have been permanently protected in the Strzelecki Ranges.



Tiger Quoll



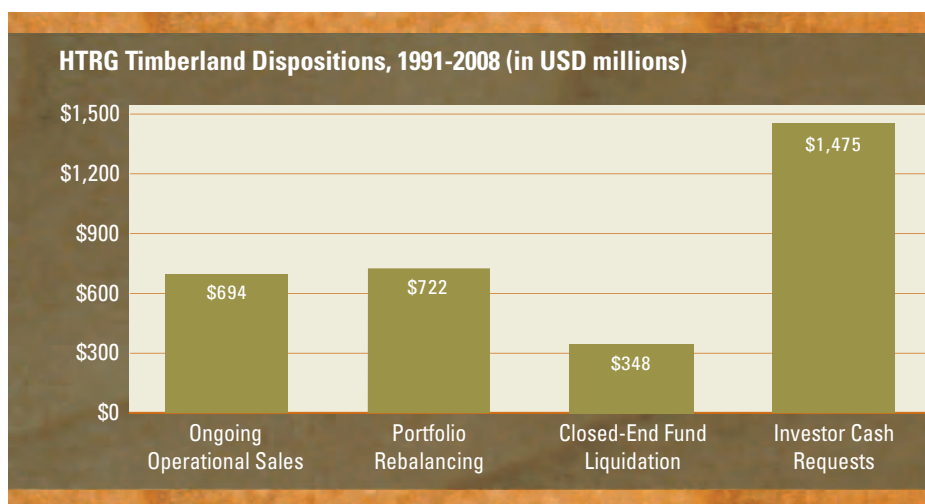
Exiting Your Investment

In addition to careful acquisition and solid forest management, effective timberland investing requires timely disposition of timberland assets to generate returns for investors.

We have sold more than USD 3.2 billion in timberland properties for our investors. Nearly half of these sales resulted from our active portfolio management program. If the asset value of a property has risen to the point where cash flows no longer generate an attractive return based on the investor's objectives, we seek to sell part, or all, of that property. The buyers of our properties include forest product companies, other timberland investment organizations, loggers, private individuals, government organizations as well as numerous conservation groups.

This active portfolio management has not only historically increased returns, but reduced portfolio risk. As of year-end 2008, we have been able to realize a premium over the appraised value. The premiums are especially significant for sales that we

initiate as part of our active asset management. In addition, in cases where investors have elected to withdraw funds for various reasons, we have successfully liquidated entire portfolios over relatively short periods of time without sacrificing value.



Past performance is not a guarantee of future results; potential for profit as well as for loss exists.

Investing in Leading Edge-Research

Timber and timberland trade in inefficient markets where outstanding knowledge is a competitive advantage. We believe that successful, disciplined timberland investing depends on high-quality forest economics research. Our firm is widely recognized as a leader in this area.

We have gained this distinction through our:

- Experienced in-house research staff
- Large proprietary data base of timber and timberland values in the key timber-producing regions of the world
- Regular access to leading external research on timberland investment
- Frequent interaction with commercial and investment banking

communities, and participation in industry-related conferences

- Sponsorship and participation in university and other industry-based forestry and economic research cooperatives

Because of our original research in timberland investment economics, we regularly interact with the leading academics in this field, and frequently receive information from these sources prior to public release or formal publication.

Twice a year, our research group forecasts timber prices for the major timber-producing regions of the world. These timber price forecasts support our acquisition and dispositions as well as our projections of timberland investment performance.

Our regularly published research includes:

- **Hancock Timberland Investor** - research newsletter
- **Research Reports** - longer discussions of general topics and quantitative analysis of specific issues
- **Research Briefs** - summaries of topical in-house research and current news

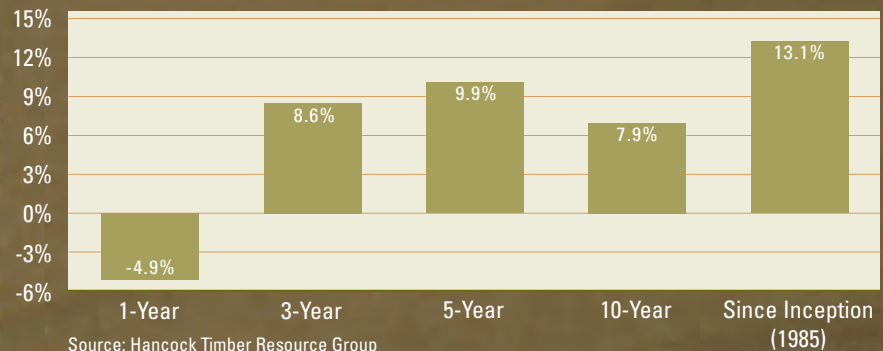
In addition to our economics research, we also support biological research on a variety of topics that relate to increasing timber yield or improving the sustainability of forestry investments. We are a member of all the major regional tree-breeding cooperatives where we acquire seedlings with the best available genetics for the sites we are planting. Much of our research can be accessed through our website, www.hancocktimber.com.



The Hancock Timber Resource Group Difference



HTRG's Returns*



Source: Hancock Timber Resource Group

*After fees; for periods ending 12/31/08

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Excellent Historical Returns

The result of our integrated investment strategies is reflected in the strong returns we have generated for our investors over time.

Organization and Depth of Resources

Our investment team includes the people that conducted some of the first quantitative economics research on timberland investment. Between our investment management and property management businesses, we have a balanced combination of expertise in forestry, investment management and finance including many individuals with MBAs, Ph.D.s and the CFA designation. With our personnel actively managing over 100 separate properties operating across seventeen (17) states and five (5) countries, our integrated platform allows us to readily identify market

changes and accurately benchmark risk-adjusted performance between regions, all of which creates a unique foundation for better informed investment decisions.

Tools of the Trade

As the timberland investment world continues to evolve, we have continued to expand our proprietary investment, portfolio and pricing models. Whether it is Monte Carlo simulation, land record keeping, accounting or compliance review, our program is designed to provide comfort to our investors that their assets are secure as we strive to meet their long-term investment objectives with the appropriate level of risk.

Looking Ahead

Despite cyclical changes in regional markets, we believe that the key fundamental attributes of the timber


asset class will remain true — low risk (as measured by low volatility with low correlation with returns from other asset classes) and positive correlation with inflation, especially unanticipated inflation. Our strategy of developing geographically diversified timberland portfolios has stood the test of time by providing meaningful improvements in the performance of a mixed-asset portfolio. With over 23 years of helping to build the asset class, we have developed a working knowledge, foundation and infrastructure that allow us the opportunity to innovatively create value for our investors by identifying and capitalizing on future opportunities.

To learn more about the Hancock Timber Resource Group, visit our website at www.hancocktimber.com.






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