

Portfolio Managers

Sub-advised by MFC Global Investment Management (Canada)

Key Reasons to Invest

- Monthly income: The Fund pays a regular distribution of \$0.05 per unit per month (a total of \$0.60 per unit per year).
- Focused investing (10-20 businesses) permits a greater understanding of each holding, reducing risk while enhancing returns.
- Diversification by sector and sub-sector increases the number of potential investment opportunities while reducing volatility.

Fund Codes

CDN \$			US \$			Switches & Redemptions only ²	
FE	DSC	LL	FE	DSC	LL	SC CDN\$ ³	SC US\$ ³
722	222	242	-	-	-	221	-

²Fund codes in this column relate to units purchased prior to August 16, 2000.

³"Sales Charge" option available for switches and redemptions only.

Fund Details

Assets Under Management (as at November 30, 2009)	\$136.0 million
Introduction Date	September 7, 2004
Management Fee	Mutual Fund Units - 2.00%
Management Expense Ratio	2.42% ¹

¹Annualized as of June 30, 2009.

Returns Summary (as at November 30, 2009)

	3 mo*	6 mo*	1 yr	3 yrs	5 yrs	10 yrs	15 yrs	20 yrs	Since Intro	YTD
CDN \$	2.0%	7.8%	9.7%	(5.3%)	2.2%	-	-	-	3.4%	19.9%

* - Simple Rates of Return.

Summary of Investment Portfolio Top 25 Investments⁴ (as at September 30, 2009)

EQUITIES	% of net assets
Shaw Communications Inc. - Class B	9.3%
Suncor Energy, Inc.	8.9%
CML HealthCare Income Fund	8.7%
The Toronto-Dominion Bank	8.6%
Rogers Communications Inc. - Class B	8.1%
Canadian Oil Sands Trust	7.0%
Great-West Lifeco Inc.	6.0%
TELUS Corporation	5.3%
Sun Life Financial Inc.	4.4%
George Weston Limited	4.4%
Loblaw Companies Limited	3.4%
BCE Inc.	2.1%
Canadian Tire Corporation, Limited - Class A	0.8%
Total	77.0%
CASH & CASH EQUIVALENTS¹	26.1%
Total	103.1%

⁴ Where a fund holds less than 25 holdings, all investments have been disclosed. There may be other assets and liabilities which are not included, and therefore the summary does not add up to 100%. In cases where the total exceeds 100%, this means that there are liabilities in the fund not reflected in the Top 25. Typical liabilities of a fund include redemptions payable to unitholders or amounts due to brokers for investment purchases.

Total net asset value **\$143,960,571**
(as at September 30, 2009)

Portfolio Composition (as at September 30, 2009)

INVESTMENT AREA	
Cash & Other Assets	23.0%
Financials	19.0%
Energy	15.9%
Telecommunication Services	15.5%
Consumer Discretionary	10.1%
Health Care	8.7%
Consumer Staples	7.8%
GEOGRAPHIC REGION	
Canada	77.0%
Cash & Other Assets	23.0%

¹ Cash & Cash Equivalents refers to cash on hand plus any evidence of indebtedness having a remaining term to maturity of 365 days or less that is issued or fully guaranteed by a prescribed government or Canadian financial institution. Cash & Other Assets refers to cash on hand plus all other assets and liabilities in the fund excluding portfolio investments.

The investment portfolio may change due to ongoing portfolio transactions of the investment fund. Quarterly updates are available within 60 days of each quarter end by visiting www.aic.com or contacting Manulife AIC Client Services at 1-800-263-2144.

2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Net Asset Value Per Unit (as at November 30) (\$)									
8.72	8.56	11.29	12.32	12.28	10.55	-	-	-	-
Calendar Year Return (as at December 31) (%)									
NA	(27.0)	(4.7)	7.5	20.2	NA	NA	NA	NA	NA
Annual Distributions (\$) ⁵ Amount includes all monthly distributions paid.									
0.5500 ⁵	0.6000 ⁵	0.6000 ⁵	0.6000 ⁵	0.7796 ⁵	0.1900 ⁵	-	-	-	-

All returns are historical annual compounded total returns as at November 30, 2009 including changes in unit/share value and distributions reinvested and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Commissions, trailing commissions, management fees and expenses may be associated with mutual fund investments. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. There can be no assurance that a money market fund will be able to maintain its net asset value per security at a constant amount or that the full amount of an investment in the fund will be returned to the investor. Mutual fund securities are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. Please read the prospectus before investing.

Latest Commentary - September 30, 2009

Effective October 13, 2009, MFC Global Investment Management became Portfolio Adviser of this Fund. Prior to this date, Portland Investment Counsel Inc. (formerly AIC Investment Services Inc.) was Portfolio Adviser. As the Commentary covers the majority of the time period that Portland Investment Counsel Inc. was Portfolio Adviser, the views expressed herein are those of Portland Investment Counsel Inc.

Performance Contributors

Major contributors to the Fund's positive performance during the third quarter were investments in Great-West Lifeco Inc. ("Great-West"), The Toronto-Dominion Bank and Sun Life Financial Inc. ("Sun Life"). The share prices of these financial services companies continued to rise as market concerns about financials abated. As well, all three companies maintained their dividends and have healthy dividend yields.

The positive Fund performance during the quarter was very broadly based. Other contributors, for example, included oil companies Suncor Energy, Inc. and Canadian Oil Sands Trust, as commodity prices rose in tandem with a strengthened outlook for world economic growth. Thomson Reuters PLC ("Thomson Reuters") advanced as its business has proven resilient during the recession, and as the company announced the merger of its U.K. shares, which had formerly traded at a discount to its North American shares. Canadian Tire Corporation, Limited ("Canadian Tire") shares also rose, as the outlook for Canadian retail sales brightened, while the units of CML Healthcare Income Fund generated a strong return, including a high distribution yield.

Performance Detractors

Detractors to Fund performance during the quarter included the investment in Nexen Inc. ("Nexen"), whose share price was adversely affected by start-up issues at its Long Lake oil sands project, and by contract uncertainty in Nigeria. As well, in 2009, the Fund has taken positions in Shaw Communications Inc. ("Shaw Communications") and Rogers

Communications Inc. ("Rogers Communications"), and they were both relatively flat during the quarter. As discussed more fully in the Portfolio Positioning section, we believe stable businesses such as these currently offer attractive prospective returns and low risk, and we're confident about their long-term prospects.

More importantly, the Fund's cash level at September 30, 2009 was 22.9%. While the Fund's cash helped mitigate declines in the market turmoil that prevailed from September 2008 to March 2009, it has recently detracted from relative performance, given the robust equity market returns of the last six months. We continue to be patient in allocating this capital to meet the twin objectives of preservation of capital and above-average growth of capital over the long term.

Market Outlook

Regarding the equity markets, two negative factors are that price-earnings ratios are now above their long-term averages, as well as certain measures of investor sentiment being at or near euphoric levels. Both of these indicators suggest that a near-term correction in equity markets is possible.

Conversely, positive factors include equities remaining attractively priced relative to low yields on cash and other fixed income alternatives. Equity market capitalization is still modestly below its long-term average relative to gross domestic product, and there's still an above-average level of cash in money market funds, indicating buying power.

Regarding the economy, we believe the recent recession will be similar to the early 1990s with lingering effects which will likely be better in Canada (because of our commodity strength) and worse in the U.S. (because of its fiscal deficits). Putting it all together, we believe equity market returns over the next several years are likely to be

much more muted than we've seen during the last six months, but still positive and attractive compared to fixed income alternatives.

Portfolio Positioning

Recent equity market strength has been concentrated in economically sensitive sectors, such as energy and materials, and in highly leveraged businesses, such as financials. The Fund has taken advantage of this strength to considerably reduce its investments in these sectors on favourable terms.

For example, we completely sold the Fund's prior investments in Nexen and Thomson Reuters, and decreased our investments in Sun Life, Great-West and Canadian Tire. Conversely, the share prices of certain businesses that were perceived as safe havens during the credit crisis recently have lagged the stock market considerably. Examples include consumer staples, telecommunications and cable television companies.

We believe investments in these businesses offer both the prospect of higher than average returns over the next several years, with lower than average risk. We've been positioning the Fund accordingly, and have taken meaningful positions in cable TV company Shaw Communications, wireless company Rogers Communications, food retailer Loblaw Companies Limited and its parent George Weston. We expect to make further investments along similar lines, and expect the Fund to be substantially fully invested by the end of 2009.

Fund Hedging \$US (as at September 30, 2009)

AIC Dividend Income Fund has no US\$ holdings.

ADDITIONS	DELETIONS	TOP 3 WEIGHTING CHANGES
<ul style="list-style-type: none"> • Loblaw Companies Limited • Rogers Communications Inc. - Class B • Suncor Energy, Inc. • George Weston Limited 	<ul style="list-style-type: none"> • Nexen Inc. • Petro-Canada • Thomson Reuters PLC 	<ol style="list-style-type: none"> 1. Sun Life Financial Inc. 2. Canadian Tire Corporation, Limited - Class A 3. The Toronto-Dominion Bank

Certain statements included in this document constitute forward-looking statements, including those identified by the expressions "anticipate," "believe," "plan," "estimate," "expect," "intend" and similar expressions to the extent they relate to the Fund. The forward-looking statements are not historical facts, but reflect the Portfolio Manager's current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. The Portfolio Manager has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, except as required by securities legislation.

Certain research and information about specific holdings in the Fund, including any opinion, is based upon various sources believed to be reliable, but it cannot be guaranteed to be current, accurate or complete. It is for information only, and is subject to change without notice.

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