



FAIRWAY INVESTMENT GRADE INCOME FUND

Investment Objective

The Investment Objectives of the fund are to provide Unitholders with stable monthly distributions, while mitigating the impact of significant interest rate increases on the value of the portfolio, and preserving and enhancing the NAV per Unit.

MFC Global Investment Management

Monthly Commentary for the Period Ending April 30, 2005

Interest rates declined across the yield curve in April, with short-term yields lower by 19 basis points, 10-year Canada bonds lower by 16 basis points and long Canadas lower by 12 basis points. The yield curve steepened during the month, with the 2's – 30 curve steeper by 7 basis points and the 10's – 30 steeper by 5 basis points. The Bank of Canada left rates unchanged at its meeting in April. The Canadian bond market underperformed the U.S. market, with the 10-year spread moving from -16 basis points to -8 basis points.

The decline in yields was driven primarily by a general slowdown in economic activity. The initial release of U.S. GDP registered a surprisingly low 3.1% when market expectations were in the 3.7% range. Labour statistics continue on the weaker side, both in Canada and the U.S. Inflation data is showing an uptrend, both at the producer and consumer level. Corporate spreads widened in April, with the Credit Index out by 4.5 basis points. Spreads began to move out late in the first quarter as a result of the sell-off in General Motors and its impact on the rest of the credit markets.

It is anticipated that the U.S. Federal Reserve will continue with its measured pace of rate increases over the near-term. Upcoming inflation and employment data will be closely watched, with any signs of a strengthening economy or inflationary pressures leading to potentially higher interest rates.



John Hancock Advisers LLC

Monthly Commentary for the Period Ending April 30, 2005

During April, the Fairway Investment Grade Income Fund performed well in a difficult market.

While the fixed-income markets in April initially opened with a continuation of March's downturn – with bonds selling off on fears of rising interest rates and inflation – it quickly reversed with Treasuries, bonds, and preferreds rallying, after it was released that American firms added a paltry 110,000 jobs to payrolls in March. This was the slowest pace in eight months, and about half of what economists had expected. The weak employment report reversed the fears investors had about rising rates and inflation, as they felt economic growth had cooled. We believe this employment report was the catalyst for the bond market rally, which lasted for a good part of the month.

April was a healthy month for the preferred marketplace, as approximately \$2 billion in new preferred securities were issued, and callout and redemption activity remained high. About half of the new issuances were floating rate preferreds. That said, with higher interest rates, fewer issues are becoming callable.

Within the market, autos continued to languish as GM's debt was cut to a notch above junk by Moody's, Ford cut its earnings estimates, and analysts downgraded their estimates on the sector.

During April, utility preferreds performed well, as they recovered faster than just about any other sector of the market. This was due to the fact that there was a lack of supply, and investors continued to be attracted to the sector's defensive nature in the marketplace.

Today, the preferred marketplace continues to be fairly valued to slightly overvalued.

During April, all the funds were fully invested in the market.



FAIRWAY INVESTMENT GRADE INCOME FUND (FGF.UN)

Top 10 Holdings

as of April 30, 2005

MFC Global
Investment Management

John Hancock
JOHN HANCOCK ADVISERS

	% Of Mkt Value
FPC Capital I PRF	2.86%
USB Capital VI PRF	2.36%
Virginia Power Capital Trust II PRF	2.12%
FPL Group Capital Turst I PRF	2.01%
Bell Canada 5.0% Feb/15/2017 MTN	1.96%
CU Inc 5.10% Nov/18/2014 MTN	1.95%
YPG Holdings Inc 5.71% Apr/21/2014	1.94%
Great Plains Energy Inc PRF	1.94%
Sun Life Assurance 6.15% Jun/30/2022	1.85%
Nexen Inc PRF	1.82%

Portfolio Details

as of April 30, 2005

