



i-Watch Rating System:

- No concern(s)
- Moderate concern(s) requiring frequent and close monitoring
- Serious concern(s) that require a full review and may lead to removal from the fund platform

Date March 31, 2026

Fund Manager Manulife Investment Management

i-Watch Status ● **In Good Standing**

Product(s) Impacted:

Manulife Canadian Mortgage Fund (4660)
Manulife Canadian Mortgage Investment Fund (component within Asset Allocation suite)
(Collectively the “Funds”)

Summary

- After reviewing the Funds following their placement on the Closely Monitored List (CML) in March 2023 due to elevated portfolio manager turnover, GMR has upgraded both Funds to In Good Standing.
- Despite multiple PM transitions in prior years, execution continuity was maintained through the Real Estate Finance Group and a consistent mortgage co-investment framework. Portfolio positioning remained aligned with stated policies and the Funds continued to meet objectives.

Commentary

Global Manager Research (GMR) placed the Funds on the Closely Monitored List (CML) in March 2023 following a series of portfolio manager transitions that introduced elevated key-person risk. This monitoring period began with the appointment of Carina Wong as Portfolio Manager, succeeding Richard Baillie and Tony Mastroianni of the Manulife General Account team.

Subsequent turnover extended the period of uncertainty. Following Carina Wong’s departure in August 2024, Jason Wong was appointed as successor, with Jessica Lee (Manulife’s CIO of Real Estate Credit) providing additional support. In January 2025, Manulife announced that Jason Wong was no longer with the organization, and Adam Palmer was appointed as Portfolio Manager alongside Jessica Lee. Given the number of portfolio manager changes over a short period, GMR maintained a downgraded view while assessing (i) the steps taken to mitigate further turnover and (ii) Adam Palmer’s ability to execute the day-to-day portfolio management responsibilities.

Despite the management transitions, GMR observed that execution continuity was maintained. The Real Estate Finance Group within the General Account team continued to lead deal sourcing, origination, due diligence, and ongoing monitoring, while the portfolio managers for the Funds focused on day-to-day flows and co-investing in approved mortgages alongside the General Account. Importantly, the Funds remained positioned in line with stated policies

throughout the period of heightened turnover.

The Manulife Canadian Mortgage Fund remains an actively managed fixed income mandate invested in a diversified portfolio of mortgages secured by income-producing Canadian real estate (including office, retail, industrial, and residential assets), while maintaining a short-duration profile.

Performance over short-, medium- and long-term periods has continued to exceed the benchmark, primarily reflecting the strategy's yield advantage, as mortgage holdings typically generate higher interest rates than traditional short-term bonds.

Following ongoing dialogue with Adam Palmer, GMR is comfortable that turnover has stabilized. Palmer appears actively engaged in oversight, and GMR views his background as an appropriate fit for managing the Funds going forward. Portfolio exposures are aligned to the investment approach, objectives continue to be met, and concerns related to personnel instability have subsided.

Closing Remarks

The Funds' placement on the CML was driven by repeated portfolio manager transitions that raised governance and execution-risk concerns. Through the review period, however, the underlying mortgage platform and investment process demonstrated continuity. With concerns resolved, GMR upgraded the Manulife Canadian Mortgage Fund and the Manulife Canadian Mortgage Investment Fund to In Good Standing.



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