i-watch
INVESTMENT WATCH

by The Manufacturers Life Insurance Company

Alert

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	July 15, 2026
Fund Manager	MFS Investment Management
i-Watch Status	**Increased Scrutiny**

Product(s) Impacted:

Manulife MFS International Equity Fund II (8681)

Summary

- Global Manager Research (GMR) has downgraded the MFS International Equity Fund II and added it to the Closely Monitored List (CML) following the announcement that Daniel Ling will retire from MFS and relinquish portfolio management responsibilities effective June 30, 2026.
- MFS implemented a succession plan by adding Harry Purcell to the portfolio management team in May 2025. Purcell is expected to continue co-managing the strategy with Filipe Benzhino following Ling's departure.

Commentary

MFS has advised that Daniel Ling, a long-tenured co-portfolio manager on the international equity strategy (PM since 2009), retired effective June 30, 2026. Ling's departure represents a meaningful change given his role in portfolio construction, final buy/sell decision making, and risk management.

MFS mitigated this key-person event through an orderly transition plan. Harry Purcell joined the strategy as a portfolio manager effective May 1, 2025, providing more than a year of overlap with Ling. Purcell joined MFS in 2012 and previously served as a portfolio manager on an emerging markets strategy (PM since 2017). Following Ling's retirement, the strategy will be co-managed by Felipe Benzhino (co-manager of this strategy since 2016) and Purcell.

The strategy continues to benefit from MFS' broader, team-oriented investment platform. Portfolio managers are supported by a centralized research organization of more than 100 analysts, including an equity research team with 60 analysts (34 focused on non-US equities) organized across eight global sectors. The platform is supplemented by credit analysts and quantitative research resources that support risk management and cross-capital-structure insights.

Impact

GMR believes MFS' team-managed structure and depth of the research platform provide important continuity, and the early addition of Purcell is a constructive step that should help facilitate an orderly transition of responsibilities. That said, Ling's retirement remains a notable governance event given his long track record on the strategy and the role he has played in final decision-making.

GMR expects the strategy's underlying philosophy and process (fundamental, quality-oriented investing with valuation discipline) will remain intact. The primary uncertainty is execution risk during the transition period, including how the new co-manager structure of Benzhino and Purcell establishes an effective decision making cadence and maintains consistency in portfolio risk posture, sell discipline, and active positioning.

Closing Remarks

GMR views Daniel Ling's retirement as a material personnel change that warrants closer monitoring. While a well-telegraphed succession plan and broader platform resources lessens risks to investors, GMR has downgraded the Fund and placed it on the CML to monitor (i) the effectiveness of the fund management team's transition and (ii) the team's execution in the quarters following Ling's departure. GMR will provide additional updates as warranted by developments.