



### i-Watch Rating System:

**Date** November 30, 2023  
**Fund Manager** Manulife (Multi-Manager)  
**i-Watch Status** ● **Increased Scrutiny**

- 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

### Product(s) Impacted:

Manulife Balanced Fund (5011)

---

### Notice: Downgrade to multiple component funds

In August 2023 the Global Manager Research team (GMR) added the CIBC Universe Bond Fund to the Closely Monitored List (CML) following the retirement of portfolio manager Patrick O'Toole on June 30th, 2023. Subsequently in November 2023, the Wellington US Diversified Growth Fund was also added to the CML after it was announced that co-portfolio manager John Boselli would be retiring effective December 31st, 2023. Both funds are under Increased Scrutiny on the CML.

As a result, GMR is placing the Manulife Balanced Fund (the Fund) under Increased Scrutiny as the CIBC and Wellington component funds account for more than 40% of the Fund. The Fund is under Increased Scrutiny to reflect the need to monitor whether the changes to the two component funds will have any potential impact on the Fund.

---

### Impact

The Fund is a multi-manager fund currently made up of six sub-funds. The neutral strategic allocation to each component fund is shown below:

Jarislowsky Fraser Canadian Diversified – 33.33%  
CIBC Universe Bond – 33.33%  
Mawer Canadian Equity – 13.00%  
Wellington US Diversified Growth Equity – 10.00%  
Boston Partners International Equity – 10.00%  
\*CC&L Q Core Canadian Equity – 0.34%  
*\*Allocation slated to be removed*

The small CC&L Q Core Canadian Equity allocation will be removed in coming months. This fund was added to provide an additional Canadian equity option following the Mawer fund's closure to new inflows. The Mawer fund has since been re-opened and therefore the CC&L fund no longer has a role in the Fund. The removal of the CC&L fund is not considered a significant change to the Fund and is not a factor in the decision to downgrade the Fund to Increased

## Scrutiny.

The CIBC Universe Bond Fund is being added to the CML due to the departure of PM Patrick O'Toole. O'Toole's departure was expected and well communicated by CIBC, having first been announced in 2022. GMR's view is that O'Toole's departure will not materially impact the investment approach, portfolio positioning, or performance expectations of the Fund. O'Toole's de facto successor, Adam Ditkofsky, has been a co-portfolio manager with O'Toole for the last eight years. The CIBC Fixed Income team has historically shown a strong ability to smoothly execute on succession planning following the retirements of other key members of the team. However, O'Toole's skillset and experience will be difficult to replace. GMR finds it prudent to closely monitor this fund to ensure no unexpected issues arise. The original i-Watch Alert for O'Toole's departure was published in August 2023 and can be referenced for further detail.

The Wellington US Diversified Growth Fund is being added to the CML due to co-portfolio manager John Boselli's upcoming retirement at the end of this year. Current co-portfolio manager Tim Manning will continue to manage the strategy as the sole PM after Boselli's departure. Manning first joined the strategy as a co-portfolio manager in January 2022. Manning brings 20 years of investing experience and will have the support of an expanded Quality Growth team and broader support from resources across Wellington. GMR will closely monitor this strategy to assess the impact of Boselli's departure, though his retirement is not expected to lead to any significant changes to the investment philosophy or process. The i-Watch Alert for Boselli's departure was published alongside this note and can be referenced for further detail.

### **Closing Remarks**

GMR does not have significant concerns with either the departure of O'Toole from CIBC or Boselli from Wellington. However, given the large allocation the two component funds account for in the overall Fund, GMR is placing the Fund under Increased Scrutiny. Each of the component funds will be monitored, and any changes to these funds will be assessed for how they may ultimately impact the Fund.



#### **The Manufacturers Life Insurance Company (Manulife)**

Group Retirement products and services are offered through The Manufacturers Life Insurance Company (Manulife). Manulife, Manulife & Stylized M Design, and Stylized M Design are trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates under license. The i-Watch® Alert and i-Watch® Notice are Manulife Global Manager Research ('GMR') publications. The information contained herein is neither all-inclusive nor guaranteed by GMR and is subject to change as market and other conditions warrant.

© 2023 The Manufacturers Life Insurance Company. All rights reserved. Accessible formats and communication supports are available upon request. Visit [Manulife.ca/accessibility](https://www.manulife.ca/accessibility) for more information. Manulife, PO Box 396, Waterloo, ON N2J 4A9.