

i-Watch Rating System:

Date March 20, 2026
Fund Manager Franklin Templeton
i-Watch Status ● **In Good Standing**

- 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 Templeton Global Bond Fund
Manulife Global Bond Fund (Templeton)

Summary

- The Manulife Templeton Global Bond Fund (the “Fund”) will be removed from the i-Watch platform. Global Manager Research (“GMR”) believes that the Fund’s macro-driven approach and volatile performance profile is not suitable for investors.
- The Manulife CQS Multi Asset Credit Fund (“MAC”) is a viable replacement. MAC offers a more mandate-aligned, income-oriented credit strategy focused on downside risk mitigation and disciplined risk management across market cycles.

Commentary

The Manulife Templeton Global Bond Fund is an unconstrained global sovereign bond and currency strategy. While the Fund’s flexibility can enhance diversification in certain environments, its investment process and underlying exposures have increasingly diverged from conventional fixed income mandates. The strategy is managed independently of its benchmark and has consistently maintained large off-benchmark positions, resulting in meaningfully higher volatility and tracking errors.

From a portfolio construction perspective, the elevated risk profile has been driven by distinctive country and foreign exchange allocations, as well as active duration positioning. Peers and widely followed benchmarks tend to allocate to developed markets and maintain stable interest-rate exposure. In contrast, the Fund has typically carried substantial allocations to Emerging Markets, with interest rate and currency exposures varying materially over market cycles.

The Fund’s performance profile has also been uneven, exhibiting a “boom or bust” pattern where periods of strong results have been offset by episodes of outsized underperformance and steep drawdowns. This return-to-risk profile is not aligned with core bond investor objectives and has reduced GMR’s confidence in the strategy’s consistency through varying market environments.

Conversely, the Manulife CQS Multi Asset Credit Fund is designed to deliver income-driven, risk-adjusted returns across market cycles through a flexible, global multi-asset credit strategy. The Fund’s return objective is supported by an emphasis on downside risk mitigation and a fundamental research process that seeks to avoid defaults and navigate periods of economic and geographic uncertainty.

MAC provides diversified global credit exposure with capital allocated across asset classes, sectors, and geographies as opportunities evolve. Key exposures may include Senior Secured Loans, High Yield Issuances, Investment Grade Corporate Credit, Asset-Backed Securities, and Convertible Bonds

on a global basis. Overall, the portfolio is expected to maintain an investment grade credit rating.

MAC's investment approach is centered on diversification and risk management. Relative to the Manulife Templeton Global Bond Fund, GMR expects MAC to be more resilient across a range of market environments and provide investors with a superior return-to-risk profile.

Closing Remarks

GMR's recommendation to remove the Manulife Templeton Global Bond Fund is ultimately about mandate fit and reliability of outcomes. We do not believe a strategy that periodically delivers outsized gains by taking large, unconstrained macro and currency risks is appropriate for clients seeking core global fixed income exposure. In GMR's view, MAC offers a more repeatable framework for compounding returns over time, seeking to be paid for taking diversified credit risk while working to avoid concentrated macro outcomes.



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