i-watch
INVESTMENT WATCH

by The Manufacturers Life Insurance Company

Notice

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	Franklin Templeton
i-Watch Status	**Increased Scrutiny**

Product(s) Impacted:

Manulife Franklin Global Growth Equity Fund (8508)

Summary

- The Manulife Global Manager Research team (GMR) maintains a downgraded rating and will continue monitoring the Franklin Global Growth Equity Fund (the Fund) on the Closely Monitored List (CML).
- This follows the retirement of veteran co-portfolio manager Don Huber at the end of June 2026.
- Huber's retirement comes during an extended period of portfolio management turnover, and the strategy continues to work through performance-related concerns that drove the initial rating downgrade.

Commentary

The Franklin Global Growth Fund was downgraded in March 2025 due to meaningful turnover on the portfolio management team and persistent performance concerns. In Q4 2024, co-lead PM Yan Lager departed from the firm. Don Huber was subsequently added back to the strategy as a portfolio manager, alongside Patrick McKeegan as co-lead. The strategy has also been navigating broader leadership transitions within the Franklin Global Equity Group.

Franklin confirmed that Don Huber retired effective June 30th, 2026. This retirement is occurring alongside additional departures stemming from a voluntary retirement initiative, including a technology analyst (Nam Hoang) and cyclicals analyst (Jim Battaglia). Franklin indicated that succession planning has been underway for several years, with coverage and responsibilities transitioned internally (including Samantha Mathews taking on increased portfolio management responsibilities and planned analyst backfills/reassignments).

Franklin also described a series of process and risk-management enhancements intended to improve idea generation, refresh portfolio opportunities, and strengthen portfolio construction oversight. These include changes to early-stage research documentation, increased new idea generation, more formalized sector reviews, and enhanced centralized risk oversight (daily reporting, quarterly reviews, and a soft cap on single-name contribution).

Impact

GMR views Huber's retirement as an additional key-person event that extends the period of transition risk for a strategy that has not yet re-established consistent relative performance. While Franklin has outlined succession steps and process enhancements, GMR believes the strategy remains in a "prove-it" phase.

The most important factor remains whether the team can translate process refinements into improved execution and a more stable performance profile, without unintentionally increasing turnover or altering the strategy's risk posture in a way that is inconsistent with client expectations. Simultaneous retirements across both portfolio management and analyst roles elevate operational and implementation risk over the near term, even with planned handoffs.

Closing Remarks

GMR will maintain the Fund's downgraded rating and keep it on the Closely Monitored List as the management team works through retirement-related transitions and initiatives to improve performance. Over the next 12 months, GMR will focus on (i) clarity of decision rights and responsibilities post-Huber, (ii) stability of analyst coverage and accountability, and (iii) whether performance and portfolio outcomes improve in a manner consistent with the strategy's stated objectives.