

Investment Management Services



Alert

Fund Manager CI Harbour Advisors

Date April 2016

Alert

Due to recent personnel and process changes to the CI Harbour Fund in April 2016, IMS has placed the Fund 'on-Watch'.

Products Affected

Manulife CI Harbour Fund (GRS, Seg, IIC)

People

As mentioned in the Alert issued on April 5, 2016, Roger Mortimer and Ryan Fitzgerald will co-lead Harbour Advisors going forward. Mr. Fitzgerald joined Harbour Advisors in April 2016 following the departures of former lead portfolio manager Stephen Jenkins and three investment analysts. The managers are currently supported by a team of four investment analysts and there are plans to hire three additional investment analysts in the near future. The investment team will continue to employ a global sector specialization structure. Mr. Mortimer, who joined Harbour Advisors in October 2013, will continue to be the lead manager of the CI Harbour Growth and Income Fund.

Process

The Fund had followed a bottom-up security selection process that focused on quality, easy-to-understand businesses with promising futures under Mr. Jenkins' management which had led to a more pro-cyclical holdings base.

Mr. Fitzgerald's bottom-up value investment philosophy fits well with Harbour Advisors' conservative value approach to the management of its funds. Mr. Fitzgerald is expected to gradually transition the Fund from its pro-cyclical bias to more defensive positioning in the coming months.

Closing Remarks

IMS recently met with Ryan Fitzgerald and Roger Mortimer to discuss the recent departures from Harbour Advisors, and the near term plans for the team, process and Fund.

In addition to the departure of Stephen Jenkins who had been with the firm since 1997, there have been considerable changes to Harbour Advisors in the last two and a half years, which include the retirement of Harbour Advisors' founder Gerry Coleman and the appointment of Roger Mortimer as the lead PM of the Harbour Growth and Income Fund. IMS gained some comfort with the new management team following meeting with Mr. Fitzgerald, however concerns in regards to the lack of resources available to the manager at this time and the team's ability to hire multiple analysts who are compatible with the team's culture remain, and require further monitoring.

IMS is encouraged with the future direction of the team and process as communicated by Harbour Advisors but IMS will require additional time to assess how the addition of new team members and process changes will impact the Fund. Given these significant changes, IMS has placed the Harbour Fund 'on-Watch'.

For Advisor / GBRS Client Use Only - *not for use with the public*. The i-Watch® Alert and i-Watch® Notice are Manulife Investment Management Services ('IMS') publications. The information contained herein is neither all-inclusive nor guaranteed by IMS and is subject to change as market and other conditions warrant. This report is for information purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any individual investment. No part of this publication may be reproduced in any manner without the prior written consent of IMS and / or The Manufacturers Life Insurance Company (Manulife).

Manulife, the Block Design, the Four Cubes Design, Strong Reliable Trustworthy Forward-thinking, Investment Watch, on-Watch, i-Watch® and the i-Watch® logo are the registered trademarks of The Manufacturers Life Insurance Company (Manulife) and are used by it, and by its affiliates under license.

