

# Investment Management Services



## Notice

**Fund Manager** Manulife Asset Management

**Date** February 2016

### Notice

On January 29, 2015, a change to the composition of the Manulife Multi-Manager Canadian Large Cap Value Fund was implemented. The allocation to the Scheer Rowlett Canadian Equity Fund has been replaced with the Manulife Asset Management ('MAM') Canadian Large Cap Value Fund as a result of a reassessment of the Multi-Manager product suite, two years after the inception of the mandates.

### Products Affected

Manulife Multi-Manager Canadian Large Cap Value (GBRS)

### Impact

#### Asset Mix

Two years following the inception of the Manulife Multi-Manager Funds, IMS has worked with GRS to reassess all available options and ensure that the Multi-Manager Funds remain allocated to the best available options on the i-Watch® platform.

The Scheer Rowlett Canadian Equity Fund had accounted for one-third of the allocation to the Manulife Multi-Manager Canadian Large Cap Value Fund. The Fund suffered significant underperformance when compared to the TSX Composite in 2014 and again underperformed relative to peers in 2015. Despite this lagging performance, no serious concerns exist with the Scheer Rowlett Fund. Fund management has been diligent in maintaining its unique, relative value process throughout and the Fund has acted as a diversifying presence for the Multi-Manager mandate. The Fund's replacement with the MAM Canadian Large Cap Value Fund is solely a result of the strong conviction IMS has for the MAM mandate, and the desire to ensure the strongest available options remain present in the Multi-Manager funds.

The MAM Canadian Large Cap Value Fund has performed strongly relative to the S&P TSX Composite Index over long-term trailing periods and offers a distinct approach to value investing. This process is backed by a deep, stable team led by Alan Wicks. IMS maintains confidence in the MAM team's ability to consistently implement its process throughout the entire market cycle and the Fund's style acts as a strong complement for the two remaining allocations in the Multi-Manager Fund, the deep value strategy utilized by the Beutel Goodman Canadian Equity Fund and the fundamental value approach of the FGP Canadian Equity Fund.

### Closing Remarks

The Multi-Manager Funds were constructed to provide investors access to best-in-class portfolio managers that offer meaningful diversification benefits when used in an equal-weighted tandem. The Beutel Goodman Canadian Equity, FGP Canadian Equity, and MAM Canadian Large Cap Value combination that will make up the Manulife Multi-Manager Canadian Large Cap Value Fund going forward upholds those ideals by providing investors access to three strong investment managers, utilizing differing but complementary approaches, that together will provide a high conviction value style exposure to Canadian equity investing.

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