

Investment Management Services



Alert

Fund Manager Third Avenue Management

Date November 2015

Notice

Third Avenue has announced that Co-Portfolio Manager Michael Lehmann has departed Third Avenue to pursue other opportunities. Mr. Lehmann had been Co-PM and involved in the daily management of the Manulife Global Focused Fund since November 2011. Third Avenue has announced that Chip Rewey III, who oversees all Value & Small-Cap Strategies at Third Avenue, will be Co-PM of the Fund going forward with Vic Cunningham. Mr. Rewey joined the firm in 2014.

Products Affected

Manulife Global Focused Fund (Seg, MF)

Organization and People

In recent years, Third Avenue Management has struggled with management turnover, poor performance and a significant decrease in firm assets under management.

The Global Focused Fund was previously managed by Co-PM Ian Lapey in conjunction with Michael Lehmann until August 2013. Mr. Lapey transitioned from the Global Focused Fund to manage the Value Fund before leaving the firm in Spring 2014. Mr. Lehmann joined Third Avenue in 1998 and had been involved in the management of concentrated portfolios for the value equity, small cap, real estate and international strategies.

Philosophy and Process

Third Avenue employs a bottom-up fundamental research approach to their deep value investing philosophy. The manager aims to purchase companies that have attractive growth prospects and trade at a significant discount to intrinsic value.

Closing Remarks

Given the decrease in firm assets, the length and magnitude of underperformance in the Manulife Global Focused Fund over recent years, the Fund was placed on Increased Scrutiny in early 2014. As a result of this recent and material departure, IMS has significant concerns over the management and performance of this Fund and is recommending the Fund be placed on-Watch.

Please note that this Fund is scheduled to be replaced via sub-advisor change with the Standard Life Global Equity Fund effective January 2016. IMS has the Standard Life Global Equity Fund rated 'In-Good Standing' and has no concerns with this forthcoming change.

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