

Investment Management Services



Notice

Fund Manager Manulife Asset Management

Date June 2016

Notice

Effective May 31, 2016, Allison Mendes has left Manulife Asset Management ('MAM') and the investment industry for personal reasons. Ms. Mendes held the role of Managing Director and Senior Portfolio Manager with the MAM Canadian Large Cap Growth Equity team.

The Large Cap Growth Equity team will continue to be led by Shauna Sexsmith, Senior Managing Director and Senior Portfolio Manager. The team is further comprised of Noman Ali, Managing Director and Senior Portfolio Manager, and investment analysts Igor Gladyr and Taras Mintenko. The team intends to hire a new analyst which will keep the team's membership at five investment professionals.

Products Affected

MAM Canadian Large Cap Growth Fund (GBRS, MMF, Seg/IWM, IIC, MSIL)

Impact

People

MAM's Large Cap Growth Equity team is led by Shauna Sexsmith, Senior Managing Director and Senior Portfolio Manager. Ms. Sexsmith has been managing the mandate since 1999 as a sub-advisor at Altamira, prior to joining Manulife in 2002. She has 29 years of investment industry experience.

Allison Mendes served as a Senior Portfolio Manager on the team and brought 18 years of investment experience to the role. In her absence, team members Noman Ali, Igor Gladyr and Taras Mintenko will continue to support Ms. Sexsmith. Mr. Ali is a Senior Portfolio Manager with 21 years of investment experience, while Mr. Gladyr and Mr. Mintenko are investment analysts each with 8 years of experience. The team intends to hire a new analyst which will keep the team's membership at five investment professionals.

Overall, IMS has no serious concerns with the capabilities of the investment management team following Ms. Mendes' departure.

Investment Process and Philosophy

The Large Cap Growth Equity team believes that long-term outperformance comes from bottom-up selection of stocks of companies with excellent growth characteristics that are benefitting from strong long-term investment trends and from top-down sector allocation determined by economic and market trends.

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The team implements its process by first identifying investment themes that capture secular trends. Next, top down analysis of economic and market factors, as well as global events and geopolitical issues, contribute to the determination of sector weights. Bottom-up analysis is conducted to identify companies exhibiting superior growth characteristics and high quality business attributes.

Closing Remarks

IMS met with the Large Cap Growth Equity team, including Ms. Mendes, to assess any potential impact to the strategy as a result of Ms. Mendes' departure. We view Ms. Mendes' resignation as unfortunate given her contributions as a senior member of the team and from a team succession planning standpoint.

However, our conviction with the mandate remains intact given the continuity in leadership on the team. Ms. Sexsmith has been at the helm of the strategy since 1999 and has successfully executed her process with just one senior member by her side in past instances. Ms. Mendes also provided the team with several months' notice which presumably helped in ensuring a smoother transition of responsibilities.

IMS will be monitoring the team's progress toward the hiring of a new analyst and resultant changes in coverage but expects that the team will be sufficiently resourced to carry out their process.

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