



i-Watch Rating System:

Date July 9, 2025

Fund Manager Montrusco Bolton Investment Inc.

i-Watch Status ● **Increased Scrutiny**

- 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

Product(s) Impacted:

Manulife Montrusco Bolton Canadian Small Cap Equity

Summary

- On June 17, 2025, Montrusco Bolton Investment Inc. ('MB') announced that Kimberly Cheong, Co-Portfolio Manager ('PM') for the MB Canadian Small Cap Equity Fund ('the Fund'), would depart the firm on July 4, 2025.
- Ms. Cheong's fundamental research and PM responsibilities will be shared by the remaining of the MB Canadian Equity Team ('the Team'), currently including 2 PMs and 3 research analysts.
- GMR placed the Fund under Increased Scrutiny in July 2025 to monitor whether Ms. Cheong's departure will have any material impact on the Team's ability to consistently execute their investment process.

Impact

Ms. Cheong has 18 years of investment experience including 16 years with MB. She became Co-PM for the Fund in 2016 and co-managed the Fund with Head of the Team and PM John Goldsmith since December 2017.

When Ms. Cheong took a one-year temporary leave in early 2023, PM Simone Simonian was added to the Fund as a Co-PM to work alongside Mr. Goldsmith. Meanwhile, Ms. Cheong's fundamental research responsibilities, primarily in the Industrials, Technology and Consumers Discretionary/Staples sectors, were assumed by Mr. Simonian and two other research analysts.

Upon her return in March 2024, Ms. Cheong didn't fully re-assume her previous research coverage, and her primary focus was on re-assessing underperforming holdings and analyzing new ideas while co-managing all three Canadian equity mandates under the Team's management, alongside Mr. Goldsmith and Mr. Simonian.

Following Ms. Cheong's departure, the Team feels confident that they can continue to apply their fundamental investment process with the current resources, and there is no plan to add new resources.

On a separate note, MB added a second Canadian Small Cap Equity strategy in May 2025, which was previously managed by Marc Lecavalier and Patrick Lauziere at Fiera Capital. Accordingly, Mr. Lecavalier and Mr. Lauziere joined MB as PM and Assistant PM, and they will

continue to manage this Canadian-focused small cap equity strategy with a mid-cap tilt and US exposures. Going forward, both teams will work independently but plan to collaborate and share expertise given their similar investment style but different portfolio construction approach.

Closing Remarks

The MB Canadian Equity Team applies a solid team approach to their fundamental research and portfolio construction activities. With experienced PMs and long-tenured analysts, GMR does not expect Ms. Cheong's departure to have an immediate impact on the Team's ability to carry out their day-to-day portfolio management activities.

However, we view Ms. Cheong's departure as a significant loss given her extensive experience in the small cap space and her proactive approach, which are particularly valuable as the Team has been shifting their portfolio construction approach over the past two years amid a performance challenge since 2022.

In addition, the new Canadian small cap capabilities brought by Mr. Lecavalier may impose additional uncertainty for the existing Canadian Equity Team in terms of the Team's resources and investment process.

GMR has been closely monitoring the Fund's positioning and performance over the past three years to ensure they remain in line with their quality growth investment style amid changing portfolio exposures. Given the additional uncertainties described above, the Fund is placed under Increased Scrutiny and will remain on GMR's Closely Monitored List.



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