

i-Watch Rating System:

Date February 21, 2025

Fund Manager BlackRock Asset Management

i-Watch Status ● **In Good Standing (Under Review)**

- 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 BlackRock LifePath® Index Funds (2321, 2325-2333)

Summary

- BlackRock has made changes to the portfolio management team of the LifePath funds:
Old PM Team: Chris Chung, Lisa O'Connor, Greg Savage, Paul Whitehead.
New PM Team: Chris Chung, Michael Pensky, Peter Tsang.
- While the personnel changes are significant, BlackRock emphasizes a team approach to managing these portfolios, and key team leaders remain in place. At this time there's no major concerns that a change in the named portfolio management team will have a meaningful impact on the investment process or execution.
- The Fund's i-Watch status is In Good Standing, pending further review of the changes.

Commentary

Effective January 21st, 2025, BlackRock made changes to the named portfolio management (PM) team for the LifePath Index suite of funds. The old PM team of: Chris Chung, Lisa O'Connor, Greg Savage, and Paul Whitehead has been shuffled to remove O'Connor, Savage, and Whitehead. In their place, Michael Pensky and Peter Tsang will join Chung as named PMs on the funds. The changes are a result of some internal reorganization at BlackRock as they install information barriers between their index equity and non-index equity teams. The PMs coming off the strategy remain with the firm.

Impact

Based on an early assessment of the PM changes, the impact to the LifePath portfolios should be limited, and there should be no philosophy or process changes to the strategies as a result. BlackRock emphasizes a team approach to managing these portfolios, and leadership has remained stable with Chung staying on the PM team in his role as the Head of Lifecycle Portfolio Management. Chung's focus will continue to be on guiding the strategic direction of the funds, influencing the research agenda, investment design, and overseeing implementation. O'Connor had worked closely with Chung with a primary focus on leveraging asset allocation insights from across the team to help set the strategic asset allocation.

Michael Pensky, CFA, Managing Director, is a portfolio manager on the Global Tactical Asset Allocation (GTAA) team within BlackRock's Multi-Asset Strategies & Solutions (MASS) team. He has worked closely with the Retirement Solutions team and fellow PM Chris Chung since 2016. Peter Tsang, CAIA, Director, has been involved in implantation of the LifePath portfolios since 2009. Pensky and Tsang can be viewed as filling the execution and daily management roles that have been vacated by Savage and Whitehead following their removal. Specifically, Tsang will be focused on cash flow management and rebalancing activities of the LifePath funds in his role on BlackRock's ETF and Index Investment (EII) Index Equity team. Pensky will also help foster increased collaboration on research and innovation between the GTAA team and the Global Retirement Solutions (GRS) team.

Ultimately, it comes back to BlackRock's team approach to managing these portfolios. There have been no changes to the key leaders within BlackRock's GRS team, and key PM Chris Chung remains at the helm. They are further supported by the 40-member strong GRS team and retain the broader support of the MASS team.

Closing Remarks

While early indications suggest that things should continue to operate smoothly, GMR will be keeping a close eye on these funds to ensure they continue to adhere to their stated objective and investment process with the new PM team in place. The funds retain their current i-Watch Status of In Good Standing for the time being, pending further review of the changes.



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