i-watch
INVESTMENT WATCH

by The Manufacturers Life Insurance Company

Notice

i-Watch Rating System:

- 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

Date	February 28, 2025
Fund Manager	MFS Investment Management
i-Watch Status	**In Good Standing**

Product(s) Impacted:

Manulife MFS International Equity Fund II (8681)
Manulife Multi-Manager International Equity Fund (8014)
Manulife Multi-Manager Balanced Fund (5012)

Summary

- On February 13, 2025, MFS announced that Harry Purcell will join the portfolio management team of the MFS International Equity Fund on May 1, 2025. Concurrently, they also announced that current PM Daniel Ling intends to retire effective June 30, 2026.
- Adding Purcell to the PM team more than a year in advance of Ling's retirement is a prudent step to allow for a long transition period whereby Purcell can adjust to his new duties and slowly take on Ling's responsibilities.
- There is no change to the i-Watch Status at this time. Global Manager Research (GMR) will monitor the transition and update clients again next year following Ling's retirement.

Commentary

On February 13, 2025, MFS announced that Harry Purcell will join the portfolio management (PM) team for the MFS International Equity Fund (the Fund) effective May 1, 2025. Purcell will join current co-PMs Daniel Ling and Filipe Benzinho in managing the Fund. Purcell joined MFS as an experienced research analyst in 2012 and has been a PM on the MFS Emerging Markets Equity strategy since 2017. Purcell will relinquish his PM duties on the Emerging Markets Equity strategy when he joins the International Equity fund on May 1.

This announcement was made alongside the news that current co-PM Daniel Ling will be retiring effective June 30, 2026, after a 26-year career. Ling has been a PM on the Fund since 2009. Following Ling's departure in 2026, the Fund will be co-managed by current PM Filipe Benzinho and Harry Purcell. Benzinho joined MFS in 2009 and has been a PM on the Fund since 2016.

In addition to being available as a standalone option on the i-Watch platform, the Fund is also a component fund in both the Manulife Multi-Manager International Equity Fund (approx. 33% of the fund) and Multi-Manager Balanced Fund (approx. 5% of the fund).

Impact

The addition of Purcell as a successor PM so far in advance of Ling's retirement is a prudent step that helps alleviate some of the concerns around the departure of a long tenured PM like Ling. There will be plenty of time for Purcell to adjust to the role and slowly take on Ling's responsibilities over time. It is further reassuring that Purcell comes in with 8 years of experience as a PM on the Emerging Markets Equity strategy, and prior to that spent many years of experience as a research analyst at MFS. All of these factors are positives that you don't always see when a long time PM retires. That said, the departure of Ling next year will be a significant loss of expertise and experience given his long tenure as a PM. The fact that Benzhino will remain on the PM team and is well experienced in his own right helps to offset some concern around the loss of experience.

The investment philosophy, process, and style of the Fund are not expected to change as a result of the PM team changes. Purcell's approach to portfolio management and security selection is aligned with the high quality, growth-at-a-reasonable price approach of the Fund and its current team.

In the coming months GMR will look to meet with the PM team to get a deeper understanding of Purcell's background, the details of the transition plan, and generally learn more about how familiar Purcell already is with the Fund. GMR will then continue to monitor the situation closely and receive regular updates leading up to and after Ling's retirement.

Closing Remarks

Daniel Ling's retirement in 2026 will signify a noteworthy loss of experience for the Fund. That said, strong succession planning in the form of Harry Purcell's addition to the team so far in advance of Ling's retirement date to facilitate a robust transition plan is a well-advised move. Purcell's depth of experience as both a PM and research analyst at MFS, and the continued presence of Filipe Benzinho after Ling's retirement are also positive factors that help to offset some of the concerns around Ling's upcoming retirement. For now, there are no immediate concerns with the fund. GMR will be following the transition closely leading up to the retirement of Ling and issue a new assessment in June 2026 at the time of Ling's retirement.

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