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 July 9, 2025

Fund Manager Jarislowsky Fraser Global IM

i-Watch Status **Increased Scrutiny**

Product(s) Impacted:
Manulife Jarislowsky Fraser Bond Fund (under Increased Scrutiny since Q1 2025)
Manulife Jarislowsky Fraser Balanced Fund (under Increased Scrutiny since Q2 2024)

Summary

- On July 3, 2025, Jarislowsky Fraser Global Investment Management ('JF') announced that effective immediately, Marc-Andre Gaudreau, Senior Portfolio Manager ('PM') and Head of the Special Credit Team at Scotia Global Asset Management (SGAM), became Head of JF's Fixed Income Team (the Team).
- Mr. Gaudreau also joined JF's Investment Strategy Council to participate in asset allocation decisions for the JF Balanced Fund.
- Portfolio Manager Antoine Potter, who was leading the Team since former Head Chris Kresic's retirement in March 2025, had departed from the firm.
- GMR will closely monitor how Mr. Potter's departure and the leadership change will impact the Team's resources and investment process. Both the JF Bond Fund and the JF Balanced Fund remain under Increased Scrutiny.

Impact

Potential changes to the Team's resources

- Since joining JF in 2016, Mr. Potter had worked closely with Mr. Kresic to build up the Team, which currently has five credit research analysts.
- Mr. Potter's departure is sudden given that he had been long expected to succeed Mr. Kresic and was formally named sole PM for the Bond Fund and a member of JF's Investment Strategy Council on April 1, 2025.
- Based on GMR's discussion with Mr. Gaudreau, he will lead both the Team and the Special Credit Team in the coming months. During this transition period, the Team will continue to focus on their Canadian core mandates, and the Special Credit Team, comprising of 8 members, will continue to manage a variety of Dynamic funds that offer various exposures across the entire credit spectrum.
- Given the potential overlap of credit research capabilities and JF's plan to bring the two teams together in the future, further changes to the Team's resources would not be unexpected.

Potential changes to the Team's investment process

- Mr. Potter has more than 20 years of investment experience, focusing primarily on investment grade Canadian core mandates. He had been instrumental in enhancing the Team's investment process to focus on risk-adjusted returns and downside protection. This disciplined risk management approach has helped the JF Bond Fund to deliver moderate yet consistent outperformance through different market conditions.
- Mr. Gaudreau has more than 30 years of industry experience and has managed a wide range of credit-focused strategies for over 20 years. While his portfolio management experience started with Canadian core mandates, he has primarily focused on special credit strategies at SGAM including absolute returns, credit opportunities and high yield mandates across the Canadian and the U.S. markets.
- As Head of the Team, Mr. Gaudreau will assume day-to-day portfolio management responsibilities for the JF Bond Fund. Given his extensive experience and established investment process, GMR expects Mr. Gaudreau to apply his own portfolio construction and risk management approach to the JF Bond Fund, which will likely lead to changes to the Fund's risk and return profile and performance pattern.

Closing Remarks

GMR placed the JF Bond Fund under Increased Scrutiny in March 2025 to ensure the Team can consistently execute their investment process under Mr. Potter's leadership.

With Mr. Potter's departure and Mr. Gaudreau assuming the Team's leadership and portfolio management responsibilities, GMR expects changes to the Team's resources and investment process in the coming months.

We will closely monitor how these potential changes will impact on the JF Bond Fund's portfolio positioning and risk/return profile as well as on the Balanced Fund's asset allocation. The Funds' rating remains under Increased Scrutiny, and we will communicate further should further concerns arise.