



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 4/30/2024

Fund manager Lazard Asset Management

i-Watch status ● **Increased Scrutiny**

Product(s) affected

Manulife Lazard Global Small-Cap Equity Fund (8931)

Summary

- 1 Portfolio Management Changes: Sebastien Pigeon & Sean Gallagher have been appointed co-lead portfolio managers of the fund, replacing Janice Davies & Ed Rosenfeld.
- 2 Numerous team changes and the fund's long-term performance is cause for moderate concern.
- 3 The fund continues to be rated as under Increased Scrutiny.

Commentary

Global Manager Research (GMR) has been informed of PM and team changes to Manulife Lazard Global Small-Cap Equity Fund (the Fund). Sebastien Pigeon joins Lazard Asset Management from Columbia Wanger Asset Management as a PM/Analyst in March 2024. Together with Sean Gallagher, Lazard's Global Head of Small Cap Equity, they have been appointed as co-Lead PMs for the Fund, replacing Janice Davies and Ed Rosenfeld. Rosenfeld remains in the Global Small Cap team as a PM/Analyst and retains his other roles as lead PM for Lazard's European and International Small Cap strategies. Davies will transition to take on the role of lead PM for Lazard's US Large Cap strategies.

The change in PM will not affect the Fund's existing Increased Scrutiny rating, which continues to reflect GMR's concerns about the Fund's long-term performance and team changes.

Impact

Gallagher joined as Lazard's Global Head of Small Cap Equity in December 2023. He was most recently Founder and Chief Investment Officer of Connacht Asset Management, a firm specializing in US small and mid-cap equities. Prior to launching Connacht, Gallagher was a Partner at Goldman Sachs Asset Management (GSAM), spending nearly 18 years in various leadership roles, including as CIO of GSAM's Value Equity Business, and later as Co-CIO of GSAM's US Equity team.

Pigeon has over 20 years of experience in the investment industry and brings a depth of knowledge to our team. He previously worked at Columbia Wanger as a Portfolio Manager for their European Equity Fund and has also worked at Driehaus Capital Management and BNP Paribas. Over the years, Pigeon has developed a deep expertise in small cap European and International equities.

Apart from the two co-lead PMs, Lazard also added several members to the Small Cap Equity team over the second half of 2023, creating a deep and experienced team. Michael Kelly joined the team as a Small Cap equity research analyst from Credit Suisse in July 2023. In December 2023, also transferring from Connacht, Scott Kolar joined the US Small Cap Equity team as a lead PM, and Brendan McGoldrick joined as a dedicated small-cap equity research analyst. All three new members will contribute to the Fund in their various capacity.

GMR recognize that these strategic additions, albeit abrupt, are part of Lazard's continuous efforts since June 2023 to bolster the Small Cap Equity platform by adding focused resources to the team. The silver lining is that there is no loss of experience resulting from the changes in responsibilities, and together with new resources, the team should help ease Pigeon and Gallagher's transition into the new role.

Closing remarks

The fund currently retains its Increased Scrutiny rating as GMR continues to assess the implications of the changes in responsibilities and the introduction of new team members. GMR will continue to monitor the fund closely to ensure that there are no significant changes to the investment process and portfolio characteristics of the fund.



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