



**Duncan Anderson, CFA, CBV**  
Managing Director & Senior Portfolio Manager  
Manulife Asset Management Limited

Derek Saliba: Tell us about the new Manulife Value Balance Fund.

Duncan Anderson: The Manulife Value Balance Fund is a global balance fund that's focus is total return by investing in global securities both on the equities and fixed income side.

DS: So, Duncan, what excites you about this new fund?

DA: There are three things that actually excite us. The first is that it's a highly flexible mandate. The second is that all decisions will be based upon a bottom-up approach focused on valuation. And the third is that we will be looking at risk in an aggregated view.

DS: You mentioned flexibility. Would you mind elaborating a bit on the flexibility you have with this product?

DA: Sure. So you can think about flexibility essentially as unconstrained. There's really only one soft constraint on this portfolio and that is either fixed income or cash will be between 10 and 60 per cent at any given point in time.

What this allows us to do is this allows us maximum opportunity and flexibility when looking for investments across the globe.

DS: With all that flexibility, how are you allocated today?



- DA: Sure. With all the flexibility, we are currently allocated about 27 per cent in cash and fixed income, and the remaining 73 per cent in equities. In the equities side, we are primarily in developed countries, with the largest weightings being in the United States, the United Kingdom and Canada.
- DS: With those international holdings, how do you approach currency?
- DA: We actively manage currency. Just like we have buy and sell targets on our securities, we have buy and sell targets on currencies as well, and what we do is we embed any downside that we think we have in the currency into the local valuations of the securities that we hold. Therefore, the currency decision becomes more implicit as opposed to explicitly choosing the direction of the currency.
- DS: You mentioned 'we'. Who else are you working with in managing this portfolio?
- DA: These are the same two teams that have worked together successfully on many other mandates for Manulife mutual funds. Two of the better-known ones are the Manulife Monthly High Income Fund and the Manulife Yield Opportunities Fund. The two teams are the Canadian Value Team at Manulife Asset Management, led by the senior portfolio manager Alan Wicks, and on the fixed income side, Terry Carr leads up the Canadian Fixed Income Desk at Manulife Asset Management.
- DS: Thank you, Duncan. You're watching Manulife Mutual Funds *3 Minutes with Duncan Anderson*.

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