

## Video transcript for Manulife Yield Opportunities Fund with Terry Carr

**Logo on screen: Three vertical lines stand parallel in the shape of the letter 'M'.**

Text On Screen: Manulife Investment Management.

Portfolio Insights.

**Featuring:**

**Philip Petursson. Chief Investment Strategist, Manulife Investment Management.**

**Terry Carr. Chief Investment Officer for Canadian Fixed Income, Manulife Investment Management.**

**Philip and Terry sit next to each other against a bright white background. Phil wears a blue blazer over a checkered shirt while Terry wears a grey blazer over a light blue shirt.**

Philip: Terry, before we begin, congratulations on winning the three year Lipper Award in the Global Fixed Income Balanced category for the Manulife Yield Opportunities Fund. Do you have any thoughts on that?

**Logo on screen: A blue diamond stands upright. Text on screen: Winner of the 2019 Lipper Fund Awards Canada. Disclaimer: From Lipper Fund Awards, Copyright 2019 Refinitiv. All rights reserved. Used by permission and protected by the Copyright Laws of the United States. Printing, copying, redistribution, or retransmission of this Content without express written permission is prohibited.**

Terry: Well first, thank you, Philip. We're so appreciative of winning. We're so appreciative of our clients that supported us and trusted us with their money. And really, it's about delivering

on a promise, delivering returns, and mitigating risk, and I think the fund just did a great job over the last few years delivering on that.

**Philip and Terry sit upright, turned slightly towards each other.**

Philip: So, Terry, talk to us about the process that you employ to deliver consistent income for your clients.

Terry: Well essentially, we've built a great team that focuses on multiple asset classes that deliver high income, and the idea is to balance risk and return to hit our return objectives, and at the same time not have significant volatility.

Philip: What you're offering or what you've been able to achieve over the years is to deliver almost equity-like returns, if not equivalent equity-like returns, with very low volatility, your fixed income-like volatility.

**Terry gestures with his hands as he speaks.**

Terry: It certainly is, but I would add maybe predictable high income isn't necessarily what we would associate with equities. But that's really what we're trying to deliver and the key way we've done it is using corporate data instruments, whether they're investment grade corporate blue chip bonds, whether it's below investment grade high yield, at certain points in the cycle, floating rate, bank loans, preferred shares, using really a full

kit to try to deliver it, and essentially the way we've done it in a more predictable or smoother fashion is lowering the equity weight to a minimum to hit our broad targets while elevating the weight of those types of instruments to deliver consistent high income over time and those instruments generally happen to be lower volatility, so there's a smoother result. That's really what we're trying to do.

Philip: Terry, Manulife has offices around the world, as such we have fixed income capabilities around the world, and expertise around the world, how does that benefit the management of the Manulife Yield Opportunities Fund?

Terry: It benefits us tremendously, first of all it's a global strategy, so we're open for ideas from around the world, we have great partners, great colleagues, a huge presence obviously in the U.S. through our Boston colleagues, but additionally in Europe, a very big presence in Asia. That allows us really to tap into that expertise and really, what we've done as an organization, as an asset manager, is make sure everybody's talking, make sure we're sharing ideas, make sure we're looking at those ideas and looking at correlated risks to see is there a better way to put on our posture in a different part of the world with a different asset class. The fact that we're a global organization with all those capabilities works really truly to our benefit and our clients' benefit.

**Text on screen:**

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**Logo on screen: A blue diamond stands upright.**

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**Logo on screen: The Manulife Investment Management logo pushes onto the centre of the screen and changes from white to green. It's three vertical lines stand parallel, in the shape of the letter 'M'. A glare briefly appears behind the logo. Text on screen: Manulife Investment Management.**