Talking investments with Paul Boyne – Manulife Global Dividend Fund

The Manulife global dividend fund has three key characteristics. We wanna generate a reasonable capital return for investors, we wanna generate a good yield and we want that yield to grow.

Now as we look at companies across the world, in all geographies, in all market caps, we're trying to identify businesses that generate excess cash.

Now our average holding periods are long and we trust management to deploy that capital wisely, but we like the discipline that's been placed on management by being forced to return some element of that cash to us.

Obviously from an investor perspective having an economic rent on their investment while they're waiting for that investment to mature is advantageous.

Our investment process starts with idea generation, both informal and formal. Most of our work then, is done in fundamental research.

Meeting with management teams, reading annual reports, building models and ultimately determining both at a fair value of what a company is, as well as the risk associated with it.

From that we then build a por, the portfolio. When we're looking for ideas, we're looking for companies with absolute return potential, where the risk is limited in our opinion.

We're looking for decent yields with also that management of growing those dividends for us and that way we're achieving the objectives of the underlying fund.

Ideas are generated through both informal and formal means. Informal can take the, it can be completely presentations, it can be talking to brokers, uh, reading the newspaper, etcetera.

Formal idea generation essentially is driven by screening. Uh, we try to take the world down to a manageable subset by identifying companies that have the right characteristics for us.

We also are aware of what companies are held by colleagues, across Manulife asset management, um, and again use that simply as idea generation and do our own research from that.

For every company we invest in, we specifically focus on what the downside risk is. It is not enough, in my opinion, for us to talk about a company in terms of its upside potential, if we do not frame the, the valuation argument in terms of what the risk is.

We try to identify, if we’re wrong, where are we most likely to be wrong, and what is the implication for value if that occurs. And every stock that we invest in, we know, we believe, the downside risk associated with a stock is.