

Important Notes :

1. Manulife Global Fund – USD Income Fund (Manulife USD Income Fund or the “Fund”) invests primarily in fixed income securities and fixed income related securities denominated in U.S. Dollar of issuers globally. In meeting its investment objective, the Fund may invest more than 30% of its net assets in issuers located in the United States, which may involve geographical concentration, collateralized/secured products, sovereign debt, convertible securities, subordinated debt, high-yield bonds, liquidity, credit downgrade, interest rate, credit and rating of investment risks and risks associated with investments in debt instruments with loss-absorption features (including Contingent Convertible Debt Securities).
2. The relevant distributing class of the Fund does not guarantee distribution of dividends, the frequency of distribution, and the amount/rate of dividends. Dividends may be paid out of income, realized capital gains and/or out of capital of the Fund in respect of Inc share class(es). Dividends may be paid out of realized capital gains, capital and/or gross income while charging all or part of their fees and expenses to capital (i.e. payment of fees and expenses out of capital) in respect of MDIST (G) and R MDIST (G) share class(es). Dividends paid out of capital of the Fund amount to a return or withdrawal of part of the amount of an investor’s original investment or from any capital gains attributable to that original investment, and may result in an immediate decrease in the net asset value per share in respect of such class(es) of the Fund.
3. The Fund intends to use financial derivative instruments (“FDIs”) for investment, efficient portfolio management and/or hedging purposes. The use of FDIs exposes the Fund to additional risks, including volatility risk, management risk, market risk, credit risk and liquidity risk.
4. Investment involves risk. The Fund may expose its investors to capital loss. Investors should not base on this material alone to make investment decisions and should read the offering document for details, including the risk factors, charges and features of the Fund and its share classes.

Manulife USD Income Fund

Q&A with Fund Manager

September 2024



Jeffrey Given, CFA

US-based senior portfolio manager, and co-head of MIM’s U.S. core and core-plus fixed-income team.

Prior to joining the portfolio management team, Jeffrey was focused on research and trading in mortgage-backed securities within the Manulife fixed-income teams.



Joseph Bozoyan

US-based portfolio manager on the Global Credit Team at Manulife Investment Management.

Previously a managing director and senior investment analyst on Manulife’s Intrinsic Value Team.

Q: How did the market perform in August 2024?

A: U.S. bonds¹ posted positive returns for the fourth consecutive month in August. An unexpectedly weak employment report, including the highest unemployment rate since October 2021, and a continued deceleration in the 12-month inflation rate increased expectations that the U.S. Federal Reserve (Fed) will cut short-term interest rates at its next policy meeting in September. Fed Chairman Powell affirmed this view late in the month, suggesting a rate cut was imminent. Not all the economic news was negative—consumer spending exceeded expectations, and second-quarter economic growth was revised up to a 3.0% annualized rate.

U.S. bond yields fell across the board for the month, with shorter-term yields declining the most in anticipation of a September Fed rate cut. Sector performance was uniformly positive, led by high-yield and investment-grade corporate bonds and government agency residential mortgage-backed securities. Shorter-term sectors, such as asset-backed securities and commercial mortgage-backed securities (MBS), underperformed for the month.

Q: What has been driving the Fund’s performance in August 2024?

A: The Fund posted a positive return² in August 2024. The portfolio’s performance was driven by its overweight allocation and security selection in opportunistic credit, which were the leading contributors. The portfolio also benefited from security selection in subordinated notes, also called baby bonds, and preferred stock, which has benefitted due to its longer duration profile and positive convexity. However, the portfolio’s investment-grade corporate bond allocation was a slight detractor as it underperformed the overall market. Additional detractors include the portfolio’s allocation in Agency and non-agency MBS.

While maintaining a defensive stance, we have strategically increased our Agency MBS exposure. We focus on non-cyclical and utilities within investment-grade credit, emphasizing improving quality and concentrating on shorter and intermediate maturities. Financials remain attractive from a relative value perspective.

Q: What is your investment outlook for the rest of 2024?

A: Although the Fed has removed some uncertainty regarding an impending first interest rate cut, any future Fed moves will depend on economic data. In recent months, economic results have been mixed, with softness in some segments, such as the labor market, and strength elsewhere. We continue to position the strategy defensively in corporate credit, though with an eye toward relative value opportunities at the individual security level. The strategy also remains materially overweight in government agency residential mortgage-backed securities, which continue to offer attractive values. Despite the bond market rally over the past several months, we are comfortable maintaining a slightly longer duration for the fund, with an emphasis on the intermediate-term maturity sector.

1. Source: Bloomberg, as of August 31, 2024. U.S. bonds measured by Bloomberg US Agg Bond TR USD Index (the Fund’s benchmark). Past performance is not indicative of further performance.
2. Source: Manulife Investment Management, as of August 31, 2024. Fund performance applies only to AA (USD) class. All the performance figures are on NAV to NAV basis, in base currency with dividend reinvested. Performance of AA (USD) MDIST (G) class: 1.87% (1 month); 4.74% (3 months); 5.05% (6 months); 4.39% (year to date); 8.17% (1 yr), -2.53% (3 year annualized), -0.04% (5 year annualized), 1.29% (10 year annualized), 3.41% (since inception annualized). AA (USD) class performance information for past five calendar years: 4.98% (2023); -14.49% (2022); -1.10% (2021); 7.84% (2020); 8.90% (2019). Inception date: January 29, 2007. Investment involves risk. Past Performance is not indicative of future performance.

Unless otherwise stated, all information sources are from Bloomberg, Manulife Investment Management, as of August 31, 2024. The information in this material may contain projections or other forward-looking statements regarding future events, targets, management discipline or other expectations, and is only as current as of the date indicated. There is no assurance that such events will occur, and may be significantly different than that shown here.

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