

Mackenzie International Dividend Fund

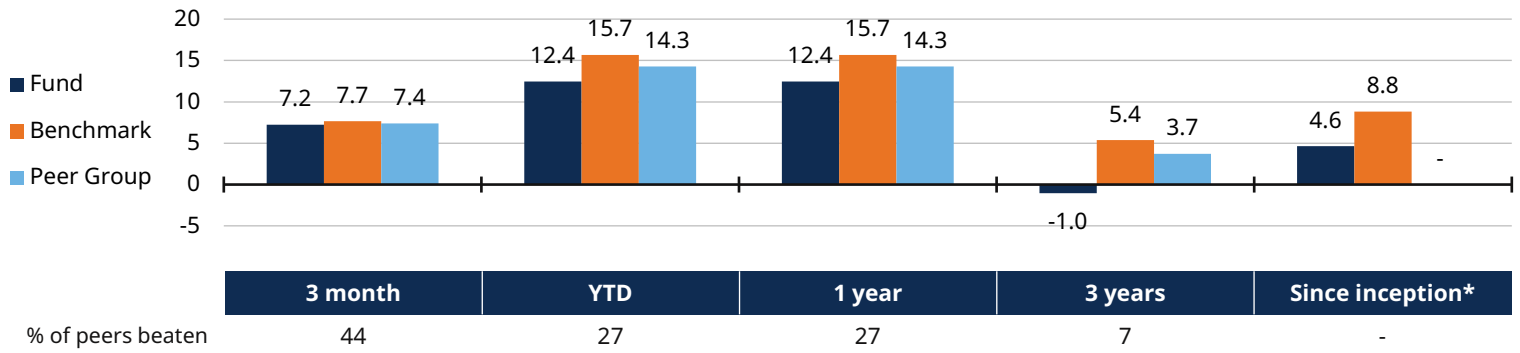
Strategy snapshot

Inception date	10/15/2019
AUM (millions in CAD)	505.4
Benchmark	MSCI EAFE
Lead portfolio manager	Ome Saidi
Investment exp. since	2007
Target # of holdings	20-35

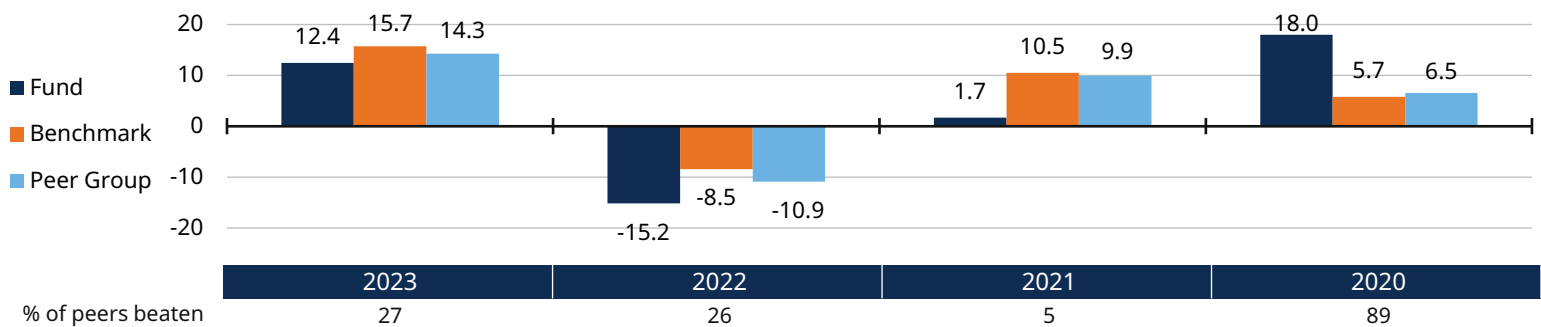
Strategy Overview

- Enhance portfolio construction with international businesses that have diverse revenue sources by geography, allowing for exposure to regions in different economic cycles.
- Focus on high-quality, dividend-paying companies with higher returns on invested capital.
- Access proven expertise to navigate the complexities of international markets with the Mackenzie Global Equity & Income Team.

Trailing returns %



Calendar returns %



Portfolio characteristics

	Portfolio	Benchmark
# of holdings	34	783
% top 10 holdings	43.9	14.7
Weighted average market cap	168,970.2	118,146.3
EPS growth (FY E)	11.7	5.2
Dividend yield	2.0	3.1
FCF margin	15.7	11.7
P/E Trailing 12M	18.8	13.3
P/E (forecast)	18.0	13.7
Net debt/EBITDA	0.2	1.5
ROE (latest FY)	18.3	14.7

Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	11.6	12.3
Sharpe Ratio	-0.3	0.3
Tracking Error	7.1	-
Information Ratio	-0.9	-
Alpha	-5.5	-
Beta	0.8	-
Upside Capture (%)	60.1	-
Downside Capture (%)	91.1	-

Regional breakdown

Region	Weight	Relative weight
International	88.4	-11.6
Emerging Markets	9.6	9.6
United States	2.1	2.1

Sector allocation

Sector	Weight	Relative weight
Communication Services	1.0	-3.2
Consumer Discretionary	14.2	2.4
Consumer Staples	12.7	3.4
Energy	6.1	1.7
Financials	18.8	-0.1
Health Care	12.4	-0.4
Industrials	15.8	-0.6
Information Technology	13.6	5.0
Materials	5.5	-2.3
Real Estate	-	-2.5
Utilities	-	-3.5

Country allocation

Country	Weight	Relative weight
Japan	19.4	-3.0
Germany	18.4	9.8
France	14.8	2.7
Netherlands	13.2	8.5
Switzerland	7.1	-2.9
Denmark	5.1	1.8
Other	22.1	-16.8

Currency exposure

Region	Gross	Benchmark
CAD	-0.1	-
USD	3.7	0.7
Other	96.4	99.3

Top 10 holdings

Security name	Country	Sector	Weight
Deutsche Boerse AG	Germany	Financials	5.1
Hannover Rueck SE	Germany	Financials	5.0
Sony Group Corporation	Japan	Consumer Discretionary	4.7
Safran SA	France	Industrials	4.7
SAP SE	Germany	Information Technology	4.5
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	4.2
Heineken Holding N.V.	Netherlands	Consumer Staples	4.0
Shell Plc	United Kingdom	Energy	4.0
Seven & I Holdings Co., Ltd.	Japan	Consumer Staples	4.0
Brenntag Societas Europaea	Germany	Industrials	3.7

Security level contributors and detractors

	Security	Average Relative weight (%)	Allocation Effect (%)	% contribution to return
Contributors	SAP SE	4.0	0.39	0.8
	Deutsche Boerse AG	4.4	0.41	0.7
	Adyen NV	1.6	0.59	0.7
Detractors	DSV A/S	2.1	-0.36	-0.3
	Alibaba Group Holding Limited Sponsored ADR	2.2	-0.41	-0.3
	Schlumberger N.V.	2.9	-0.55	-0.5

Sector attribution relative to the benchmark

	Sector	Average Relative weight (%)	Allocation Effect (%)	Selection Effect (%)
Contributors	Health Care	-1.6	0.12	0.76
	Financials	-0.9	0.01	0.94
	Information Technology	4.3	0.45	-0.05
Detractors	Industrials	-0.6	-0.02	-0.59
	Energy	2.3	-0.22	-0.08
	Materials	-2.4	-0.14	-0.13

Commentary

The Fund returned 7.2% during Q4-2023 and has now returned 4.6% since inception. This compares to the MSCI EAFE Index (CAD) which returned 7.7% and 6.4% over the same time periods.

Almost all sectors had positive returns this quarter, with Energy standing out as the only area with negative returns (-2.2%). Information Technology (+18.3%) and Materials (+14.2%) were the best performing sectors. After Energy, the Consumer Staples and Health Care sectors were the worst performing (+2.6% and +2.3% respectively).

Stock selection in the Financials and Health Care sectors contributed to relative performance over the quarter. Selection in the Industrials sectors detracted from relative performance. An overweight position in the Energy sector was also a detractor.

SAP SE, Deutsche Bourse, and Adyen N.V. were the top contributors over the quarter.

SAP benefited from a general market rally, and an even stronger rally in the Software and Information Technology sectors. SAP has been held in the portfolio since inception and it continues to execute a transition to the cloud. Prior to 2023, its cloud business was developing successfully but it was only reflected in very strong operational KPIs, while financial results lagged. A critical inflection point was reached in Q4 2022 and Q1 2023, where financials started to reflect the business development and operational reality. This forced the market to pay attention and won over skeptical market participants with a 'wait until we see it in the financials results' approach. The FY performance of +48% reflects value created over several years as well as a simpler more market friendly narrative. As explained in our Q1 commentary, no more 'leap of faith' required.

Schlumberger N.V., Alibaba Group, and DSV A/S were the top detractors over the quarter.

Schlumberger was a detractor in Q4 and was down in the period. This was in line with weak commodity prices. Brent peaked on Sept 27th at USD\$96.55 then fell to finish the year at \$77.04, down -20%. This dragged on the performance of the Energy sector (-9.0%) and the Oil Services sector (-11.3%). However, the company affirmed their FY23 guidance at the end of Q3, with strong revenue and profit growth, higher free cash generation and expectations of significant shareholder returns through dividends and share buybacks. It reported Q4 results, showing a very strong year. In Q4, revenue grew 18%, and profit margins expanded. The company is positioned for an acceleration of both their international operations and their digital services. The former benefits from a multiyear growth cycle; the latter is structural. North America and Subsea were weaker in 2023, but in Q4, SLB was able to outperform a declining North American rig count. SLB increased its dividend 10% to a 2.3% dividend yield, and reiterated their plans for more shareholder returns through buybacks.

The team believes that in periods of elevated volatility, it is most important to focus on what can be controlled. In the team's view, this involves investing in leading companies that generate high returns on their capital base, have strong cash flow and are in a position to improve their market share in times of uncertainty. In response to higher levels of inflation and market volatility, the team continued to identify holdings for the portfolio in a diversified collection of companies that have the ability to raise prices without reducing demand for their products and/or that have business models with a competitive advantage.

Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns as of December 31, 2023 including changes in share value and reinvestment of all distributions and does not take into account sales, redemption, distribution, or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated.

Index performance does not include the impact of fees, commissions, and expenses that would be payable by investors in the investment products that seek to track an index.

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Standard deviation provides a measure of the variability of returns that have occurred relative to the average return. The higher the standard deviation, the greater is the range of returns that has been experienced. Standard deviation is commonly used as a measure of risk.

Percentile rankings are from Morningstar Research Inc., an independent research firm, based on the Morningstar Canada Fund International Equity category, and reflect the performance of the Mackenzie International Dividend Fund F for the 3 month, 1-, 3 -year periods as of December 31, 2023. The percentile rankings compare how a fund has performed relative to other funds in a particular category and are subject to change monthly. Canada Fund International Equity funds for the Mackenzie International Dividend Fund F for each period are as follows: one year – 634; three years – 582; five years – 1,422; 10 years – 262.

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