

# Due Diligence

Portfolios **RE:** Constructed  
with **Mackenzie**

# Due Diligence

Portfolios **RE:** Constructed  
with **Mackenzie**

## Mackenzie Monthly Income Portfolios

Nelson Arruda, MFin, MSc, CFA  
Senior Vice President, Portfolio Manager  
Multi-Asset Strategies Team Co-lead

# New risks retirees face

1

Inflation and market (capital)



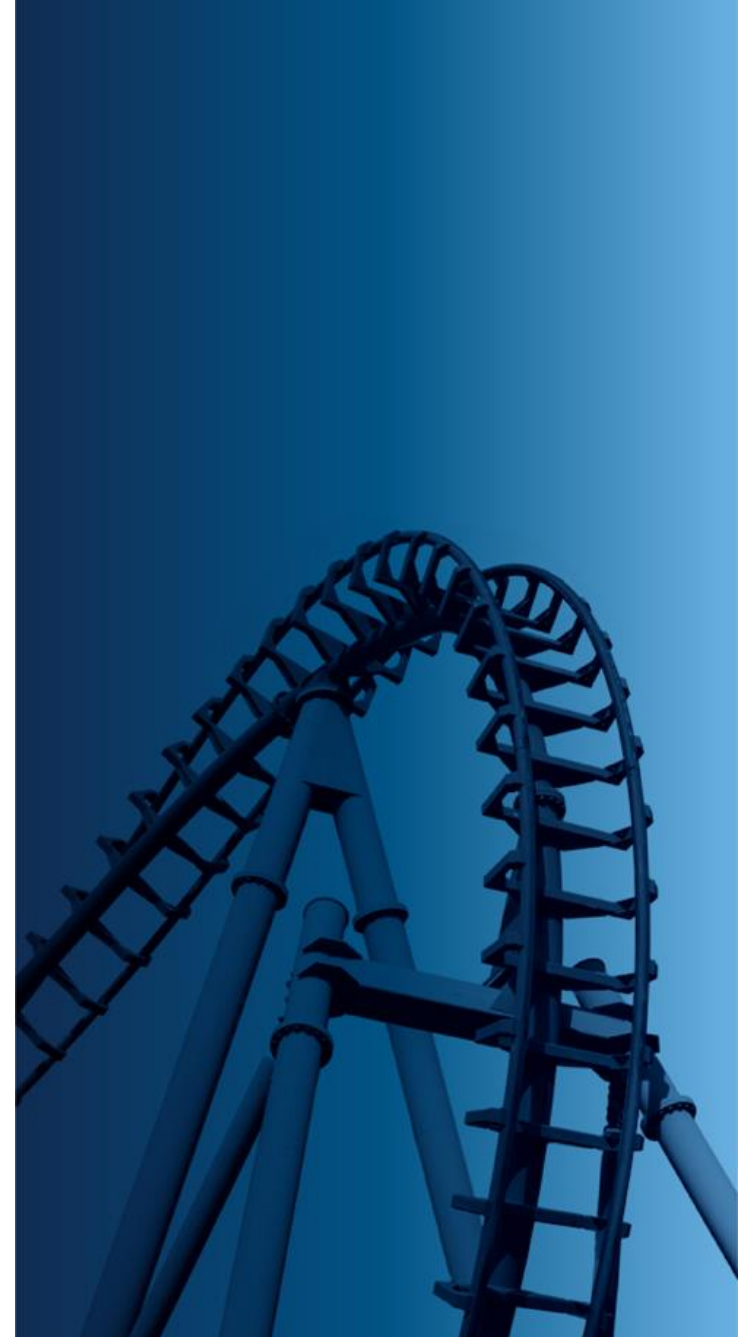
2

Sequence of returns (timing)

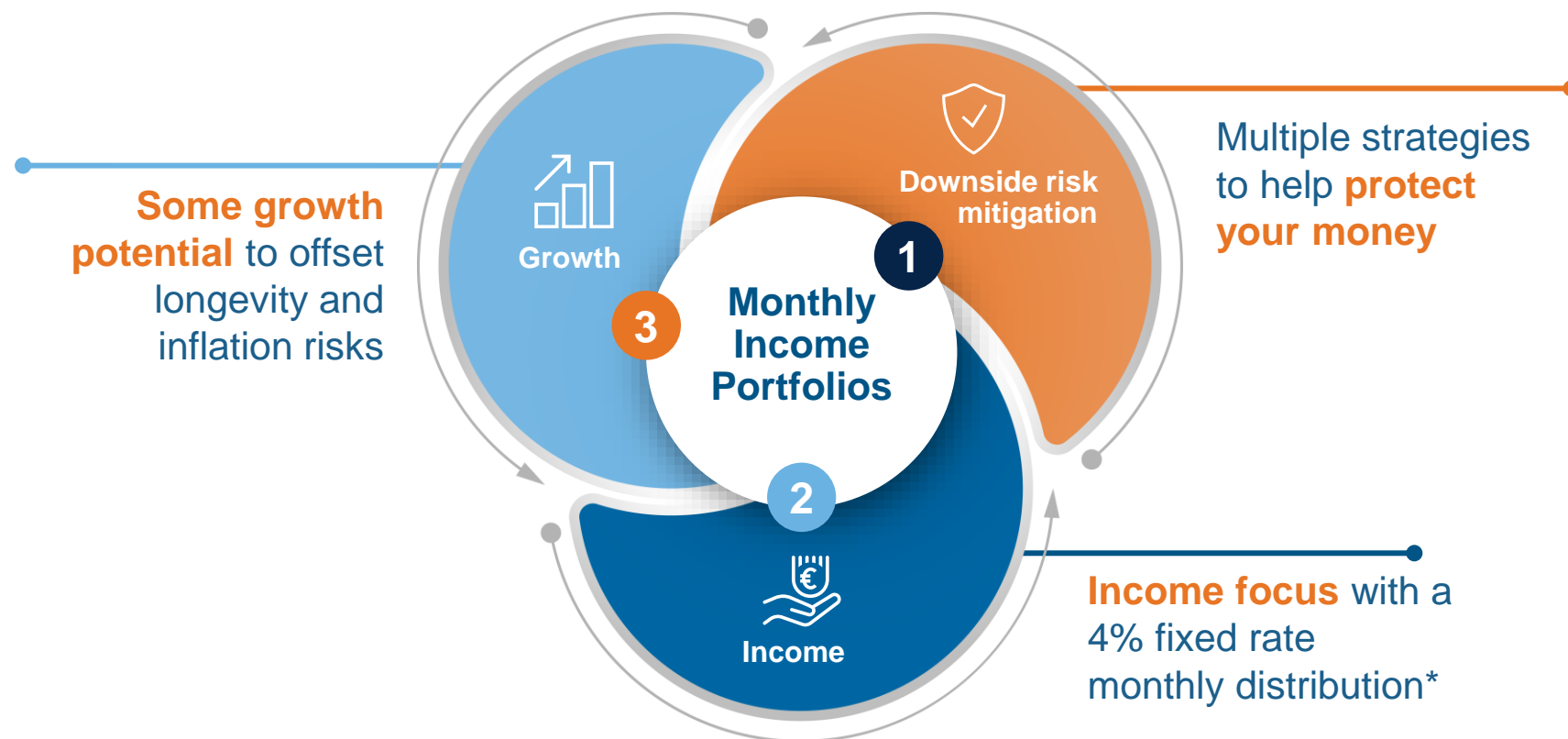


3

Longevity (outlasting)

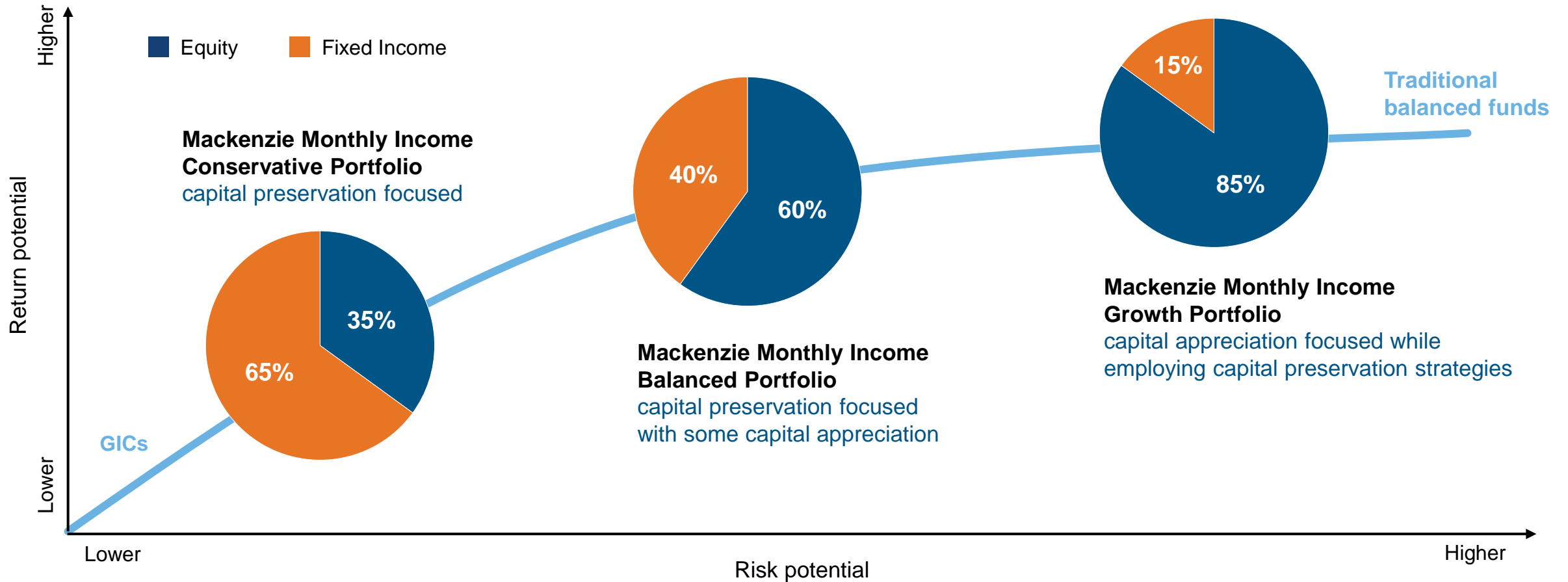


# Three objectives



\*Distribution consists of dividends, coupon income, capital gains and return of capital when needed.

# Three options



# Mackenzie Income Portfolios use multiple levels of risk mitigation

## Implicit RISK MANAGEMENT



Diversification across asset classes, regions



Tactical movements in the Mackenzie Unconstrained Fixed Income Fund



Strategic USD overweight

## Explicit RISK MANAGEMENT



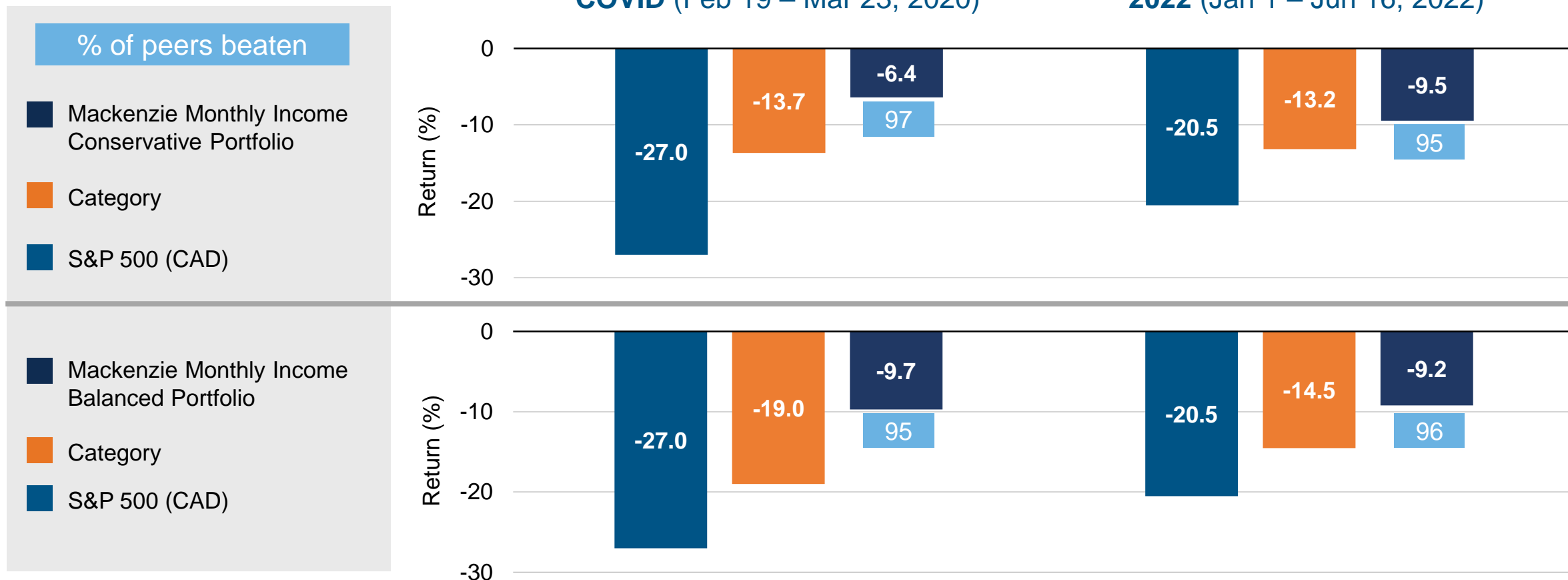
Options

- Equities: Continuous collar strategy
- Fixed Income: Puts with tactical management

# Less extreme outcomes than market

Market condition	Expected portfolio performance	Our average competitors
Strong, rising equity market	+	++
Large, rapid equity market downturn	-	--

# Substantially less drawdown during extreme market stress



Source: Morningstar. Mackenzie fund returns are series F

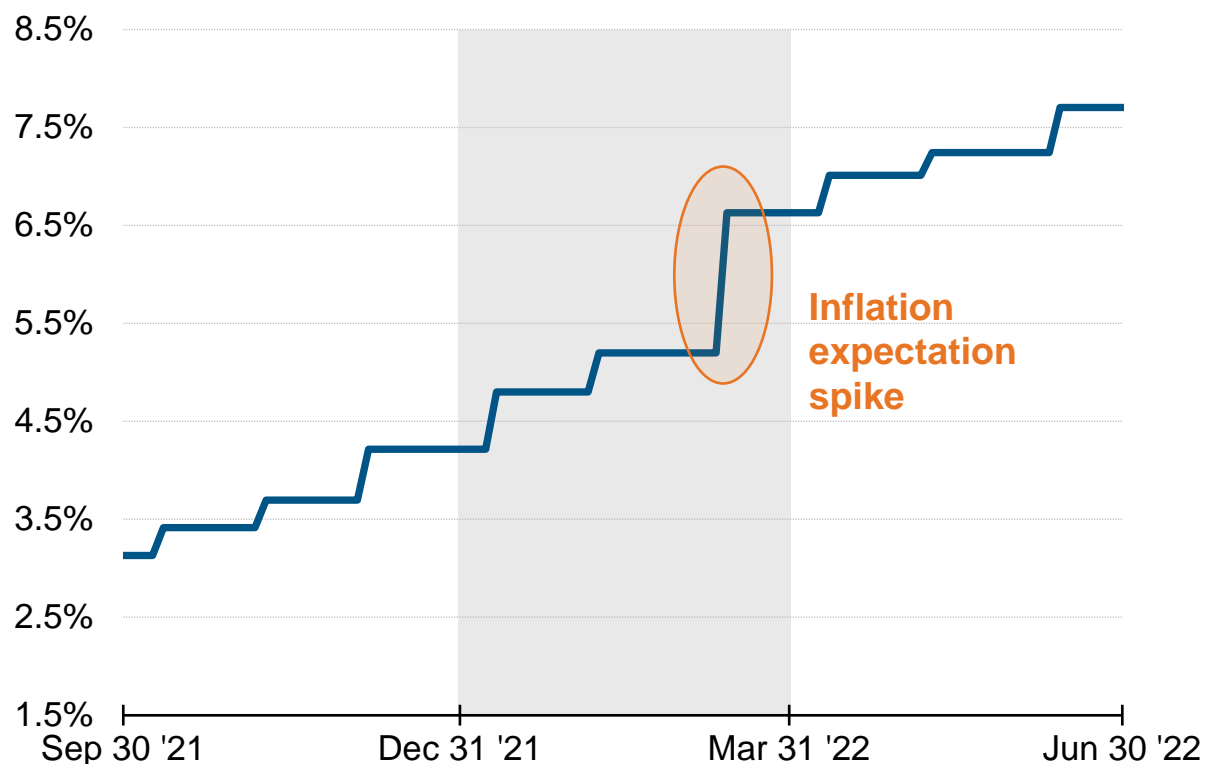
Note 1: Mackenzie Monthly Income Conservative Portfolio Category = Global Fixed Income Balanced; Mackenzie Monthly Income Balanced Portfolio = Global Neutral Balanced Category

Note 2: Mackenzie Monthly Income Growth Portfolio data not shown due to a history of less than 1 year



# Downside risk mitigation in action: 2022, a tale of two fears: Q1 – inflation

## 2022 US inflation forecast (%)



Source: Consensus Economics, average CPI forecasts as of June 30, 2022

2022 Q1	Drawdown	
	Fund	Peer group*
ICE BofA Canada Broad Market Bond Index	<b>-6.8%</b>	—
S&P 500	-5.7%	—
Mackenzie Monthly Income Conservative Port, series F	<b>-3.7%</b>	-5.1%
Mackenzie Monthly Income Balanced Port, series F	<b>-2.8%</b>	-5.0%

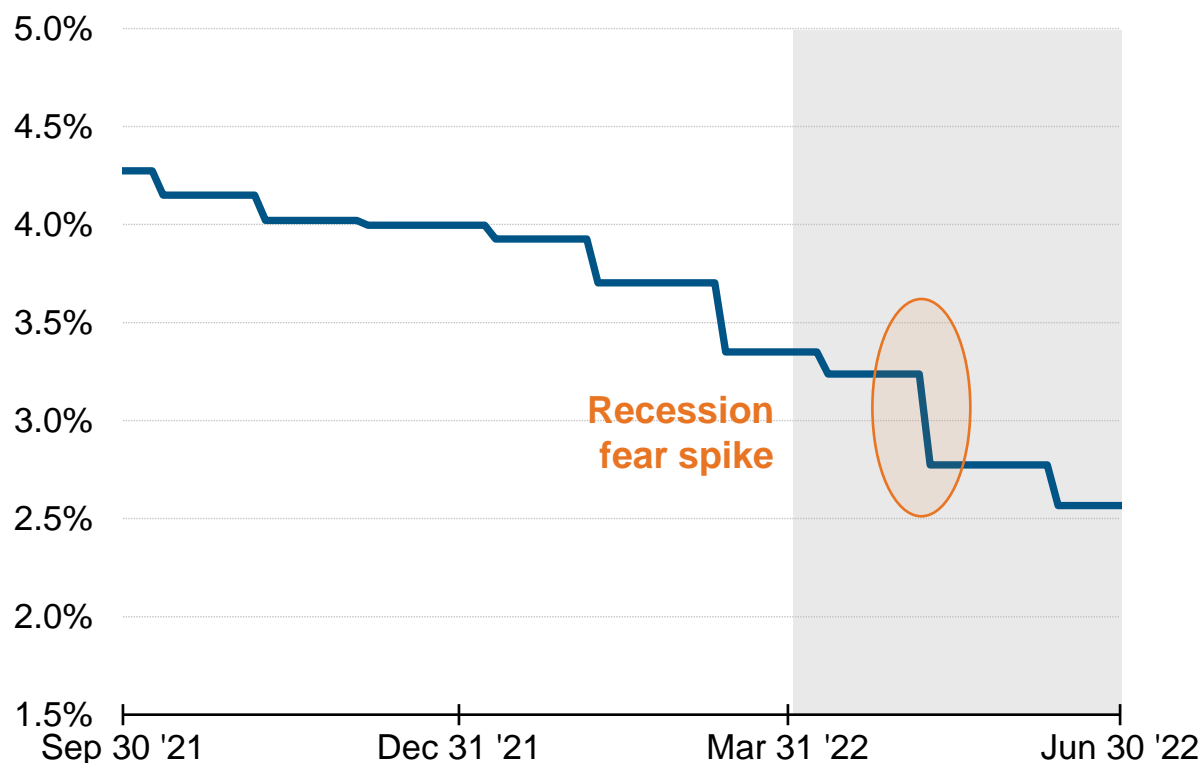
Source: Morningstar, Mackenzie Investments.

\*Peer Group selected: Balanced – Canada Fund Global Neutral Balanced, Conservative – Canada Fund Global Fixed Income Balanced.

Note: Mackenzie Monthly Income Growth Portfolio data not shown due to a history of less than 1 year.

# Downside risk mitigation in action: 2022, a tale of two fears: Q2 – recession

## 2022 US growth forecast (%)



Source: Consensus Economics, average GDP forecasts as of June 30, 2022

For advisor use only

2022 Q2	Drawdown	
	Fund	Peer group*
ICE BofA Canada Broad Market Bond Index	-5.5%	—
S&P 500	<b>-13.4%</b>	—
Mackenzie Monthly Income Conservative Port, series F	<b>-5.9%</b>	-7.7%
Mackenzie Monthly Income Balanced Port, series F	<b>-6.5%</b>	-9.2%

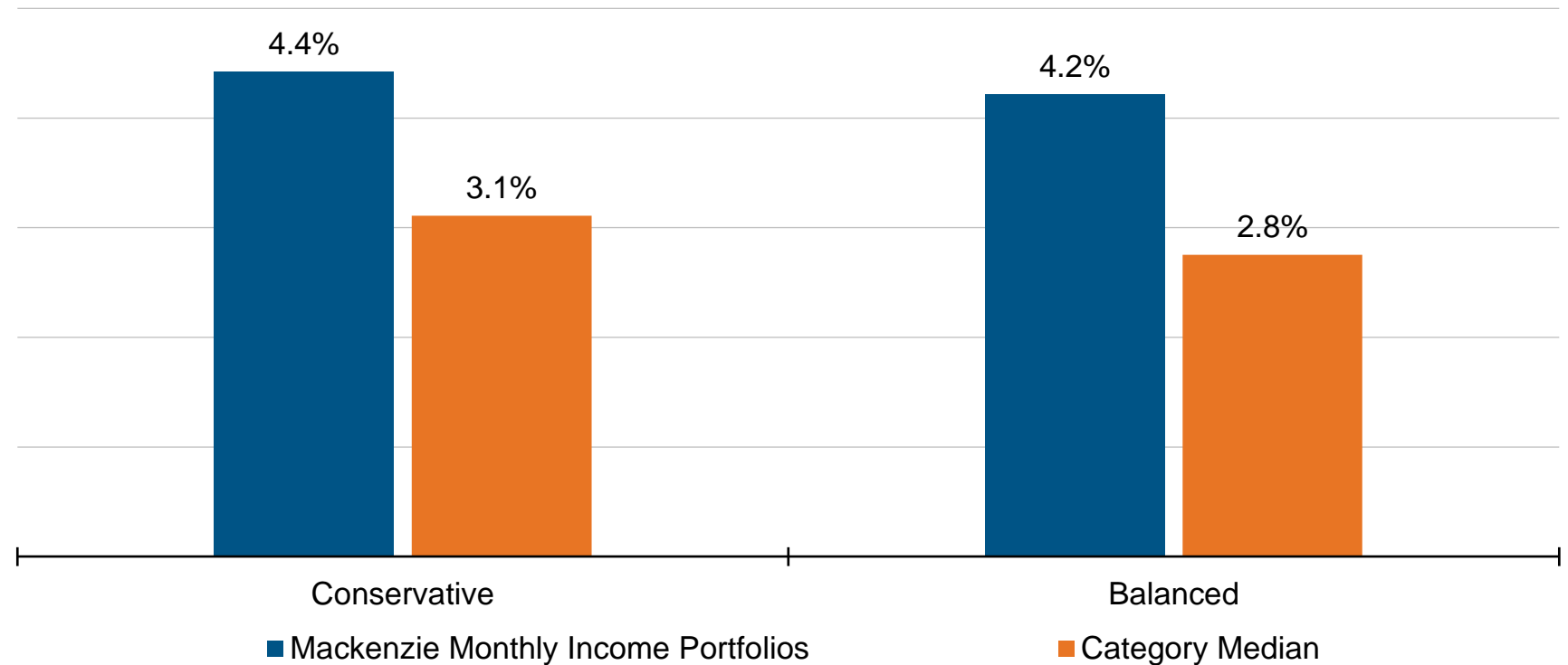
Source: Morningstar, Mackenzie Investments.

\*Peer Group selected: Balanced – Canada Fund Global Neutral Balanced, Conservative – Canada Fund Global Fixed Income Balanced.

Note: Mackenzie Monthly Income Growth Portfolio data not shown due to a history of less than 1 year.

# Monthly Income Portfolios aim to produce higher income levels

## Internal portfolio yield



Source: Mackenzie, Morningstar, Bloomberg, at August 25, 2022.

Category portfolio yields are estimates. The fund yield = Equity Allocation \* Equity Dividend Yield + Bond Allocation \* Yield to Maturity.

Category Medians: Mackenzie Monthly Income Conservative Portfolio – Global Fixed Income Balanced; Mackenzie Monthly Income Balanced Portfolio – Global Neutral Balanced

# Performance

Series F performance	Return <sup>1</sup>					5 Yr		
	YTD	1 yr	3 yr	5 yr	SI <sup>2</sup>	Std dev	Max drawdown	Sharpe ratio
Mackenzie Monthly Income Conservative Port	-8.3%	-7.4%	0.8%	2.5%	3.1%	<b>4.4</b>	<b>-9.4</b>	<b>0.56</b>
Global Fixed Income Balanced Category	-10.8%	-10.4%	0.1%	1.6%	1.6%	6.2	-12.3	0.26
% peers beaten	96	97	81	84	89			
Mackenzie Monthly Income Balanced Port	-7.9%	-6.2%	2.5%	3.6%	4.5%	<b>5.4</b>	<b>-9.1</b>	<b>0.66</b>
Global Neutral Balanced Category	-11.8%	-10.8%	2.1%	3.3%	3.7%	8.1	-14.0	0.40
% peers beaten	94	93	59	60	69			
Mackenzie Monthly Income Growth Port <sup>3</sup>	—	—	—	—	—	—	—	—
Global Equity Balanced Category								
% peers beaten	—	—	—	—	—	—	—	—

Source: Mackenzie Investments, Morningstar, at August 31, 2022

Notes:

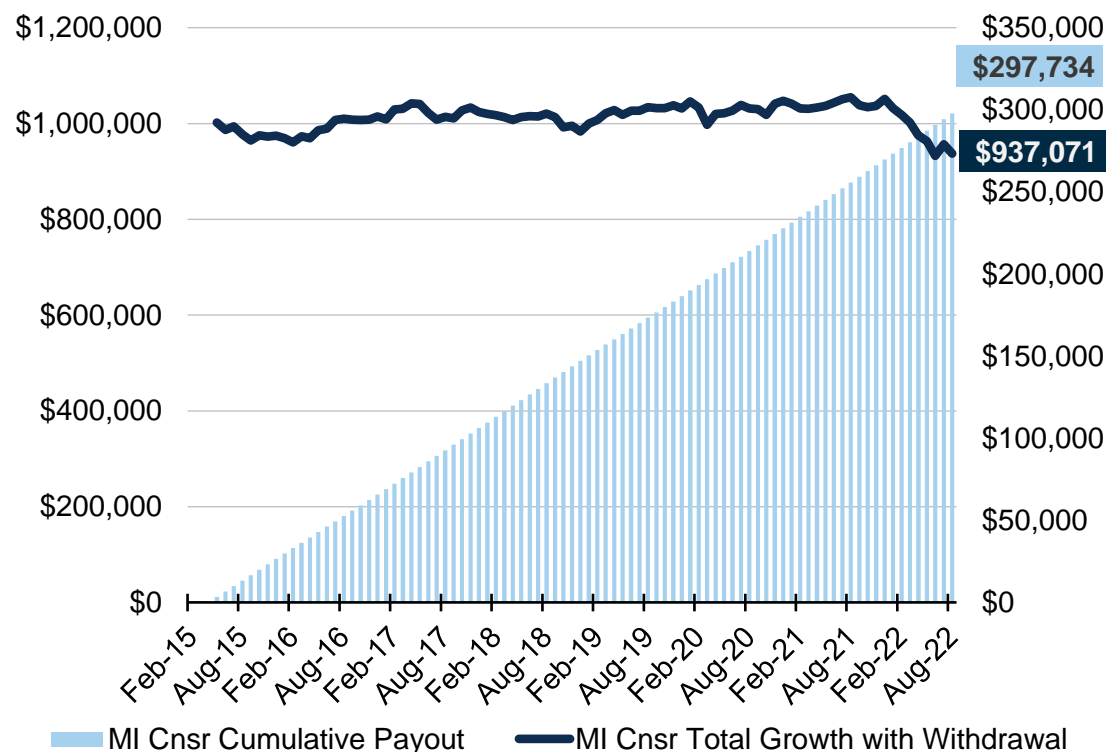
1. Annualized returns for periods greater than 1 year.

2. Since inception dates: Mackenzie Monthly Income Conservative Portfolio – Apr 21, 2015; Mackenzie Monthly Income Balanced Portfolio – Jan 13, 2015; Mackenzie Monthly Income Growth Portfolio – Oct 19, 2021

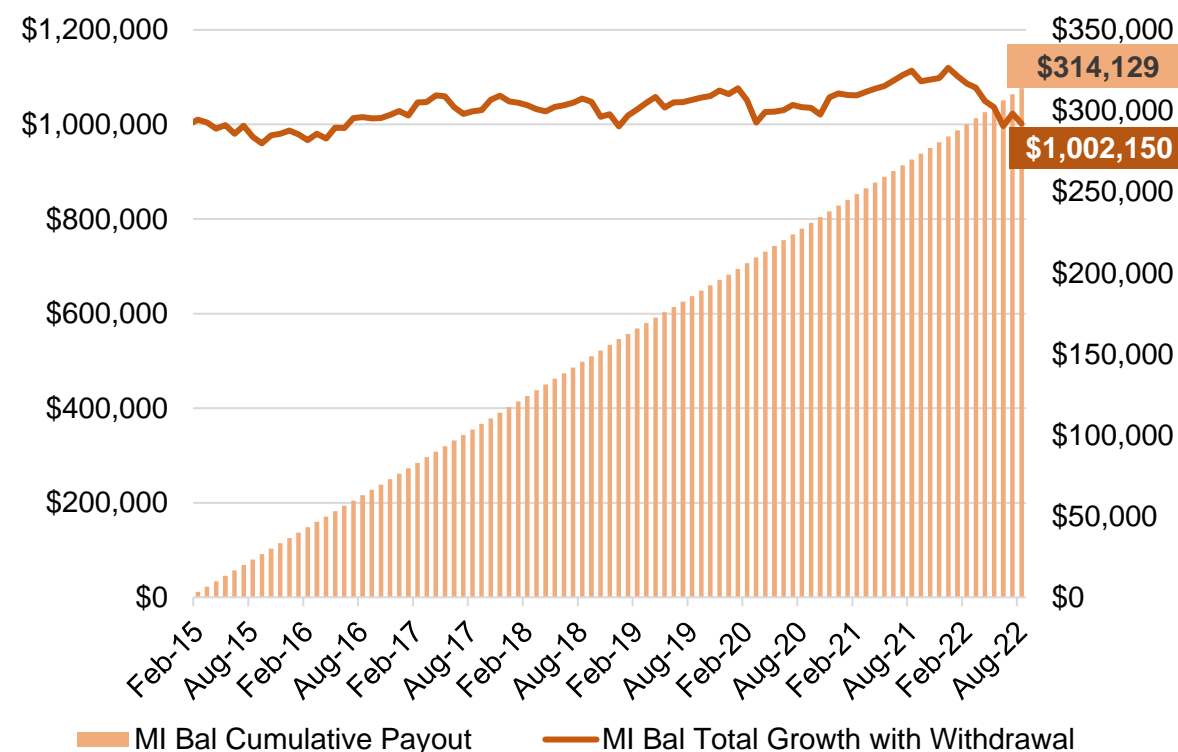
3. Performance is not available for funds with a history of less than one year

# Sample investor experience with Monthly Income Portfolios

## Monthly Income Conservative



## Monthly Income Balanced



Source: Morningstar, as of August 31, 2022

Calculated using series F historical monthly returns since inception. Mackenzie Monthly Income Conservative Portfolio – May 1, 2015; Mackenzie Monthly Income Balanced Portfolio – Feb 1, 2015



Inflation



Market  
volatility



Clients

# RE: Think



FOR ADVISOR USE ONLY. No portion of this communication may be reproduced or distributed to the public as it does not comply with investor sales communication rules. Mackenzie disclaims any responsibility for any advisor sharing this with investor.

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 return[s] as of August 31, 2022 including changes in unit value and reinvestment of all [dividends or distributions] and do 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.

This document may contain forward-looking information which reflect our or third-party current expectations or forecasts of future events. Forward-looking information is inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed herein. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors, interest and foreign exchange rates, the volatility of equity and capital markets, business competition, technological change, changes in government regulations, changes in tax laws, unexpected judicial or regulatory proceedings and catastrophic events. Please consider these and other factors carefully and not place undue reliance on forward-looking information. The forward-looking information contained herein is current only as of May 2022. There should be no expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.

The payment of distributions is not guaranteed and may fluctuate. The payment of distributions should not be confused with a fund's performance, rate of return or yield. If distributions paid by the fund are greater than the performance of the fund, your original investment will shrink. Distributions paid as a result of capital gains realized by a fund, and income and dividends earned by a fund are taxable in your hands in the year they are paid. Your adjusted cost base will be reduced by the amount of any returns of capital. If your adjusted cost base goes below zero, you will have to pay capital gains tax on the amount below zero.

The content of this deck (including facts, views, opinions, recommendations, descriptions of or references to, products or securities) is not to be used or construed as investment advice, as an offer to sell or the solicitation of an offer to buy, or an endorsement, recommendation or sponsorship of any entity or security cited. Although we endeavour to ensure its accuracy and completeness, we assume no responsibility for any reliance upon it