MACKENZIE Institute

Event series

Due Diligence

Portfolios RE: Constructed with Mackenzie

For advisor use only

MACKENZIE Institute

Event series **Due Diligence**

Panel: There’s no place like home

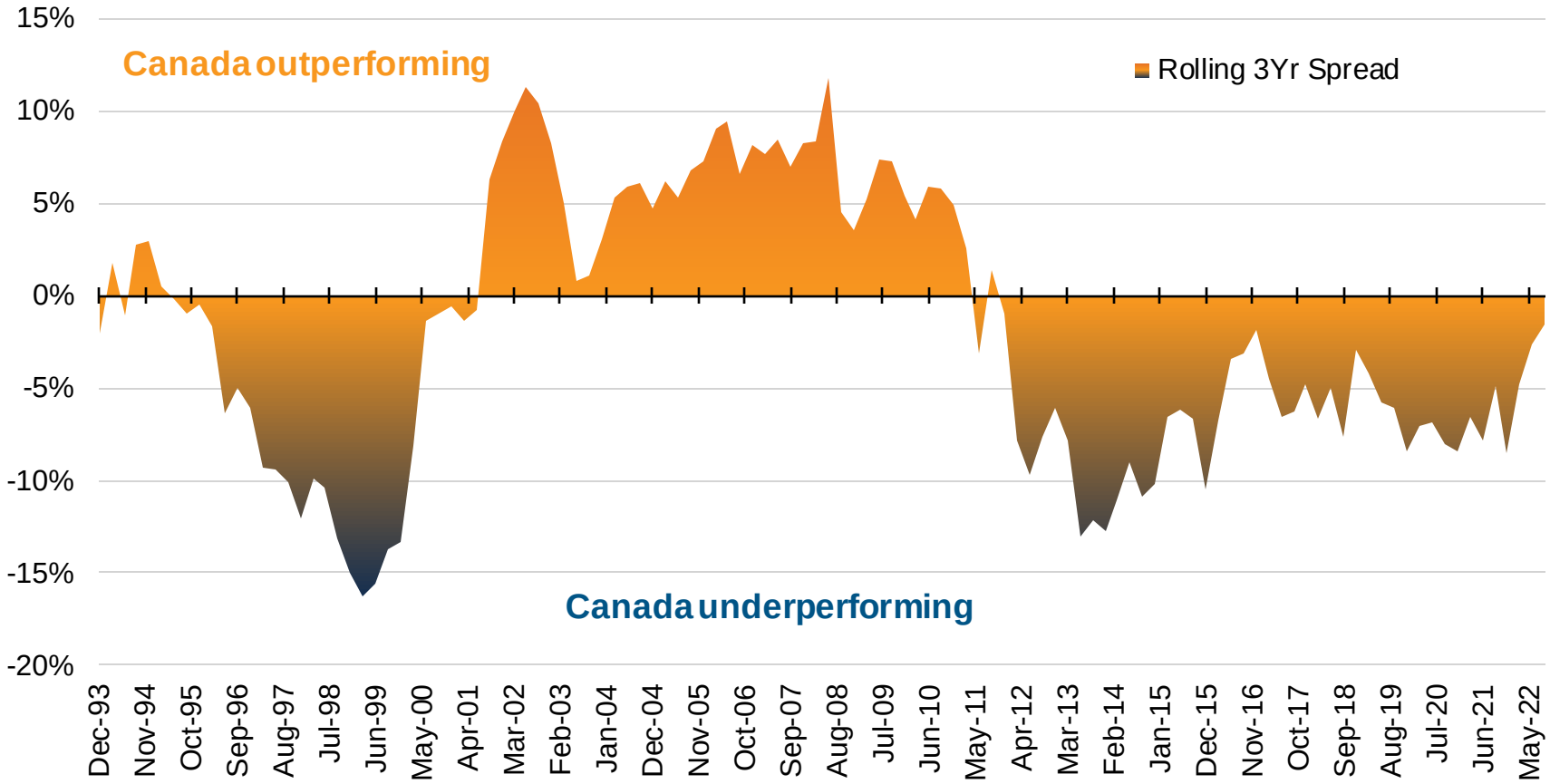
William Aldridge, MBA, CFA
Senior VP, Portfolio Manager

Tim Johal, CFA
VP, Portfolio Manager

MACKENZIE Investments

Time to reconsider Canada

S&P TSX vs S&P 500





Source: Bloomberg, June 30, 1990 to September 30, 2022

MACKENZIE Investments

Why Mackenzie Canadian Equity Fund?



Canadian portfolio for all markets

We pursue outperformance in all market conditions. A portfolio that represents the best of Canada.



Disciplined portfolio construction

Focused on managing risk relative to the benchmark.



Rigorous fundamental analysis

Stock selection and position sizing determined by relative returns to intrinsic value – focused on upside potential and downside risk.



An all-cap strategy

Employed as a key tool to manage market valuation and sentiment over the cycle.

MACKENZIE Investments

Built for success



1 Nail the fundamentals

- Rigorous analysis
- Cash(Flow) is King
- ESG from the start

2 Build for success

- Focus on price we pay
- Key in on intrinsic value
- Diversify across sectors

3 Patience is a virtue

- Timing is everything
- Constant oversight
- Filter out the noise

4 Ready to act

- Stay humble
- Thoughtfully opportunistic
- Low turnover

Performance

	YTD	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Mackenzie Canadian Equity Fund – Series F	**-5.9%**	**1.6%**	**15.1%**	**9.7%**	**8.0%**	**8.7%**
S&P/TSX composite TR	-11.1%	-5.4%	10.1%	6.6%	6.5%	7.3%
Morningstar Canadian Equity Peer Group	-10.1%	-4.6%	10.3%	5.6%	5.3%	7.1%
Percentage of peers beaten	87	91	89	96	96	88



Portfolio vs. peer group

	Below	At	Above
3-year return			●
5-year return			●
10-year return			●

Portfolio vs. peer group

	Below	At	Above
3-year volatility	●		
5-year volatility	●		
10-year volatility	●		

Source: Mackenzie Investments. As of September 30, 2022, in CAD (periods over 1 year are annualized),

MACKENZIE Investments

We have conviction in dividend investing…

We believe that investing in **quality, dividend-paying** companies with an attractive **margin of safety** will deliver strong, risk-adjusted returns over a market cycle.

Mackenzie Canadian Dividend Fund
Style & philosophy that drives outperformance



Value-oriented

- Demand margin of safety
- Rigorous bottom-up process with economic and secular considerations
- Return relative to risk is key



Quality focused

- Reduce risk of value trap
- Greater probability of return to long-term average valuation
- Improved risk management as less volatile and more predictable
- ESG Considerations



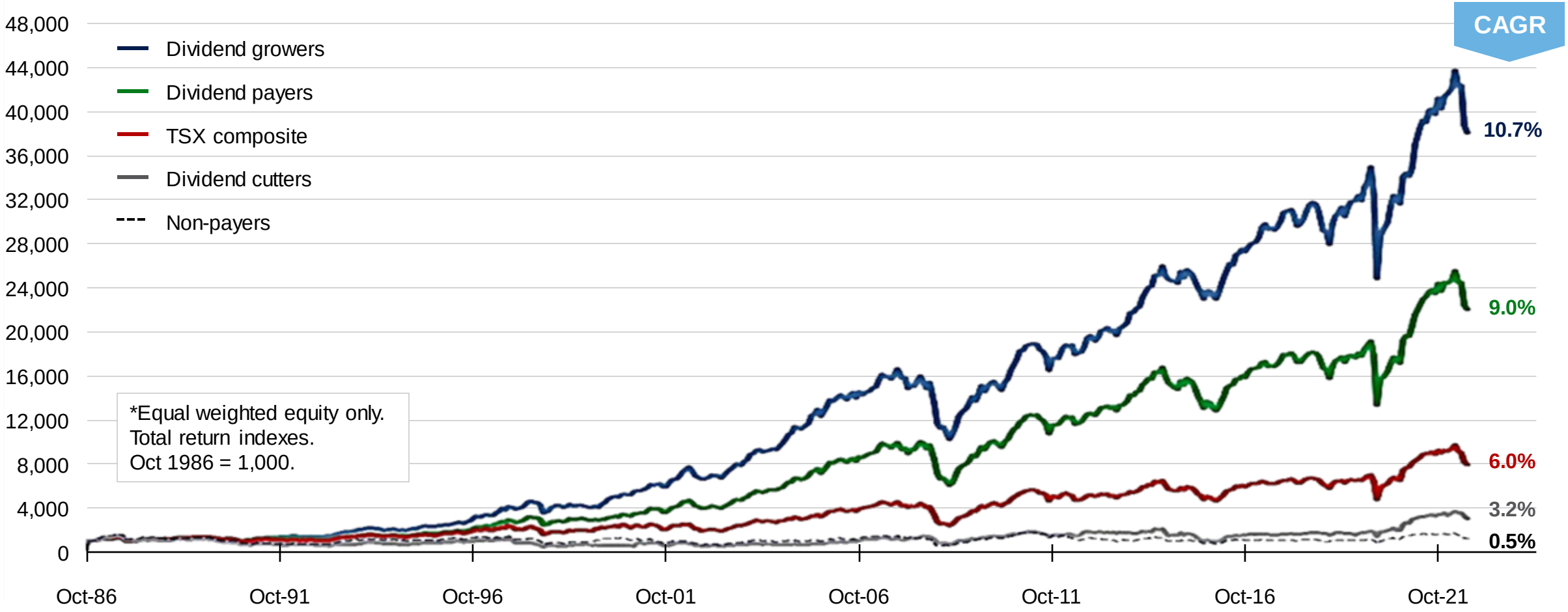
Dividend paying

- Companies that pay and grow dividends have delivered better returns over longer term
- Evaluate dividend-level, sustainability and growth

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Dividend growers offer the best long-term performance

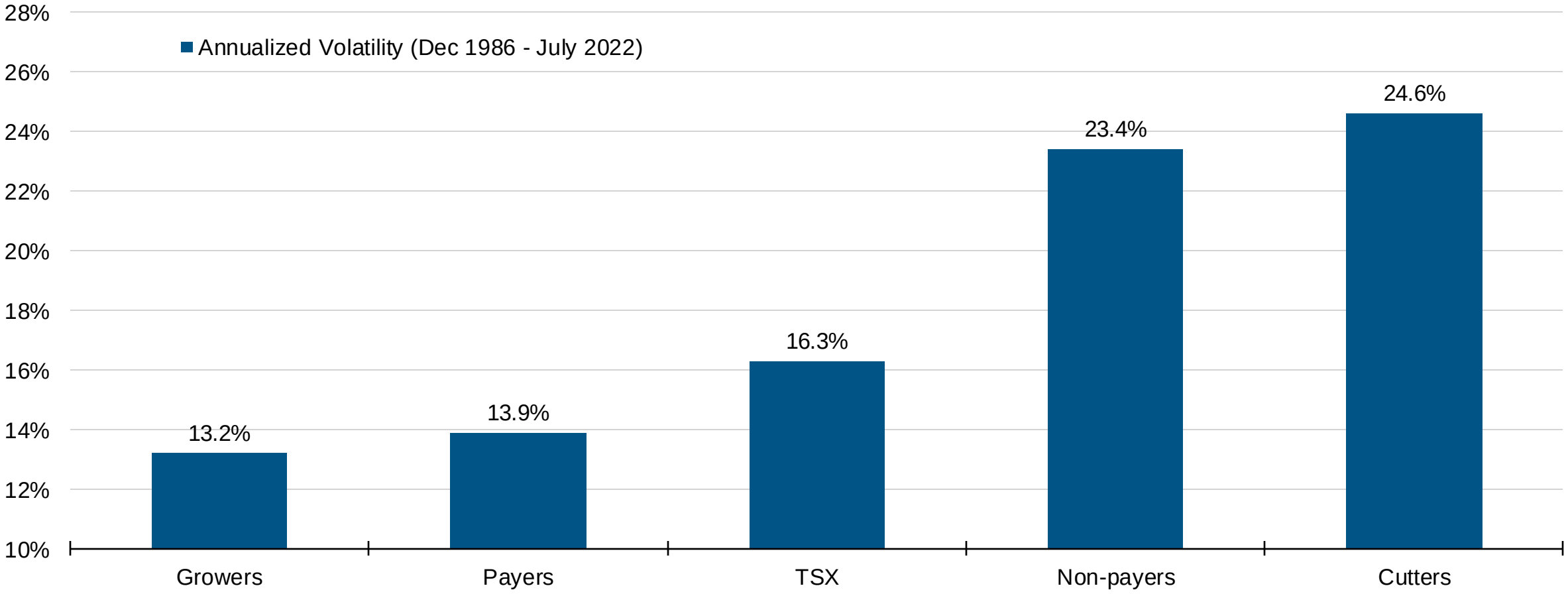
Canadian dividend performance



Source: RBC Capital Markets Quantitative Research, Mackenzie Investments

…and with the lowest volatility

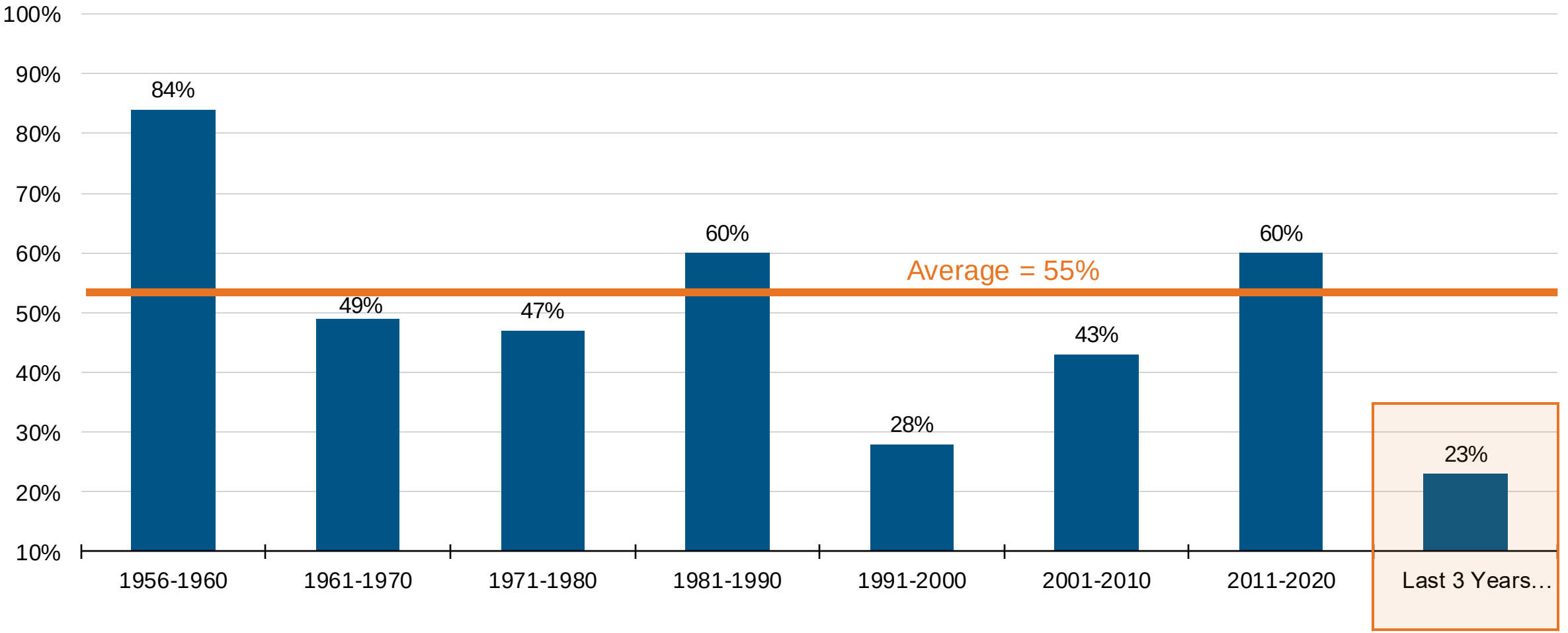
Canadian dividend annualized volatility



Source: RBC Capital Markets Quantitative Research, Mackenzie Investments

Dividends likely to be significant part of total returns again

S&P/TSX dividend contribution to total return



Source: RBC Capital Markets Quantitative Research, Mackenzie Investments. Analysis begins Jan 31, 1956.

MACKENZIE Investments

Performance

	YTD	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Mackenzie Canadian Dividend Fund – Series F	**-5.7%**	**0.9%**	**14.4%**	**6.2%**	**6.3%**	**8.0%**
80% TSX Div + 20% MSCI World Performance	-7.9%	-0.7%	12.4%	7.6%	7.4%	9.0%
Morningstar Canadian Equity Peer Group	-7.6%	-1.4%	13.0%	5.4%	5.2%	6.7%
Percentage of peers beaten	76	78	63	61	70	76



Portfolio vs. peer group

	Below	At	Above
3-year return			●
5-year return			●
10-year return			●

Portfolio vs. peer group

	Below	At	Above
3-year volatility	●		
5-year volatility	●		
10-year volatility	●		

Source: Mackenzie Investments. As of September 30, 2022, in CAD (periods over 1 year are annualized),

Appendix

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Event series Due Diligence

Mackenzie Canadian Equity Fund

Appendix

MACKENZIE Investments

Our philosophy for durable performance

We believe that we can achieve **consistent returns** by investing at a **discount to intrinsic value**, focusing on **relative value** and seeking **sustainable cash flow**



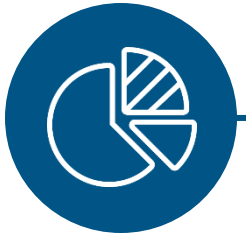
Value is relative

Value is in the eye of the beholder



All cap strategy

Tactically allocating across the market cap spectrum



Diversified portfolio

Diversified across sectors and styles



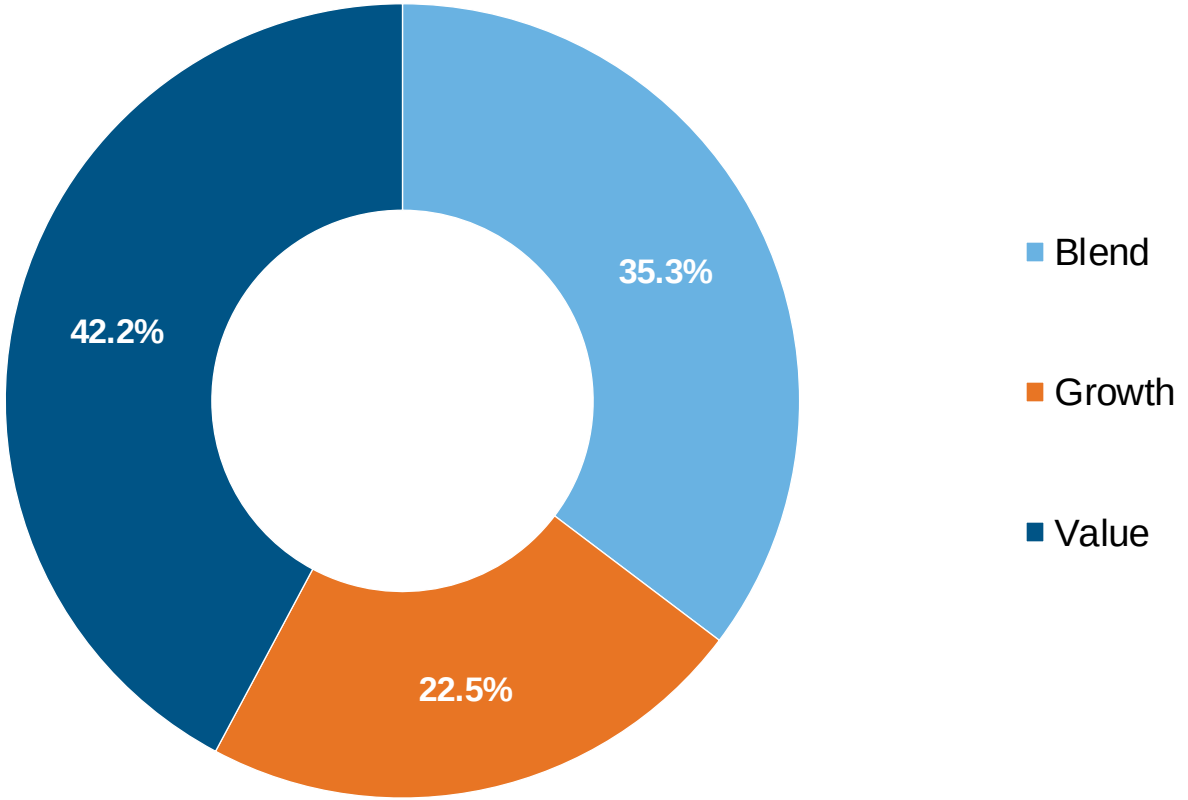
Low turnover

Patient entry and exit minimizes timing risk

ESG integration & engagement from beginning to end

MACKENZIE Investments

Finding relative value in all markets



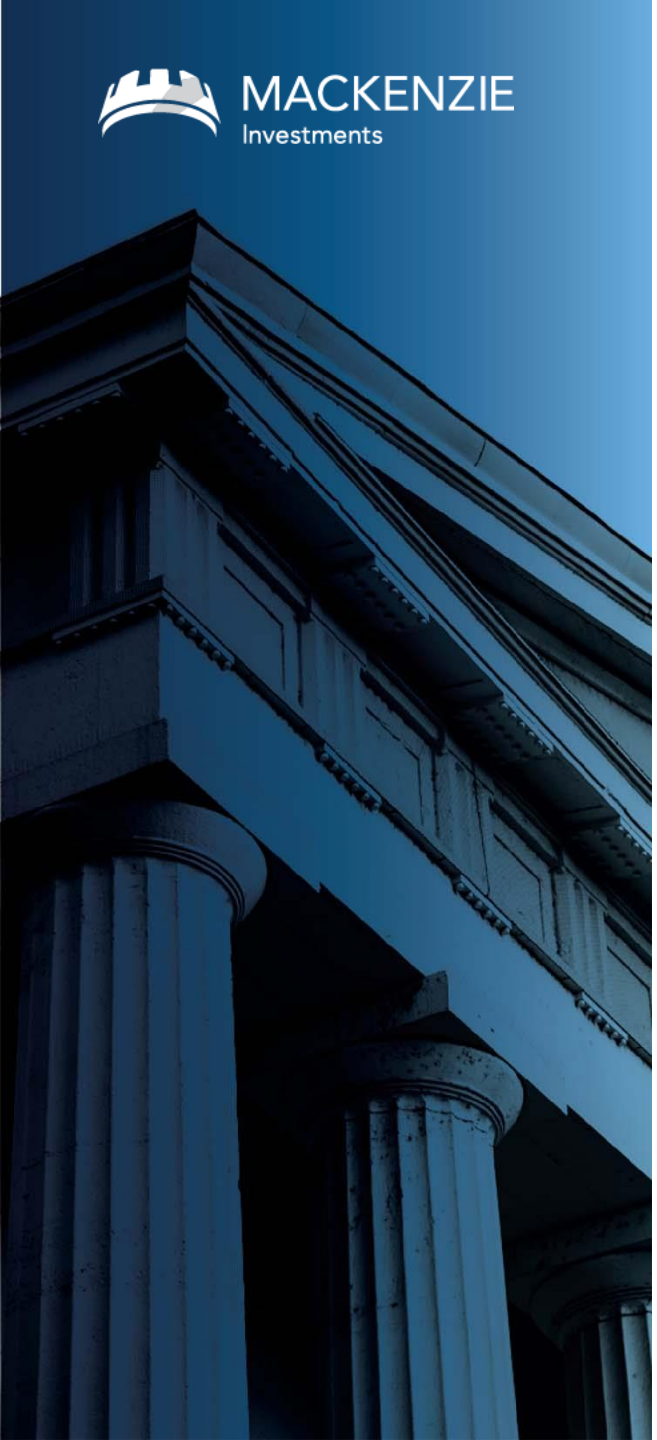
Source: Morningstar September 30, 2022 represents holdings from July 31, 2022 with two-month reporting lag

MACKENZIE Investments

Disciplined and diversified

Sector	Mackenzie Canadian Equity (%)	S&P/TSX Composite Index (%)	Relative weight (%)
Consumer Staples	8.8	4.1	4.7
Consumer Discretionary	5.9	3.5	2.4
Real Estate	3.3	2.5	0.8
Financials	31.8	31.5	0.3
Health Care	0.4	0.4	0.0
Utilities	4.4	5.0	-0.6
Information Technology	4.2	5.3	-1.1
Materials	9.9	12.0	-2.0
Industrials	10.7	13.0	-2.3
Communication Serv.	2.0	4.9	-2.9
Energy	12.5	17.7	-5.2
Cash	1.9	–	
ETFs	4.2	–	

Source: Mackenzie Investments. As of September 30, 2022



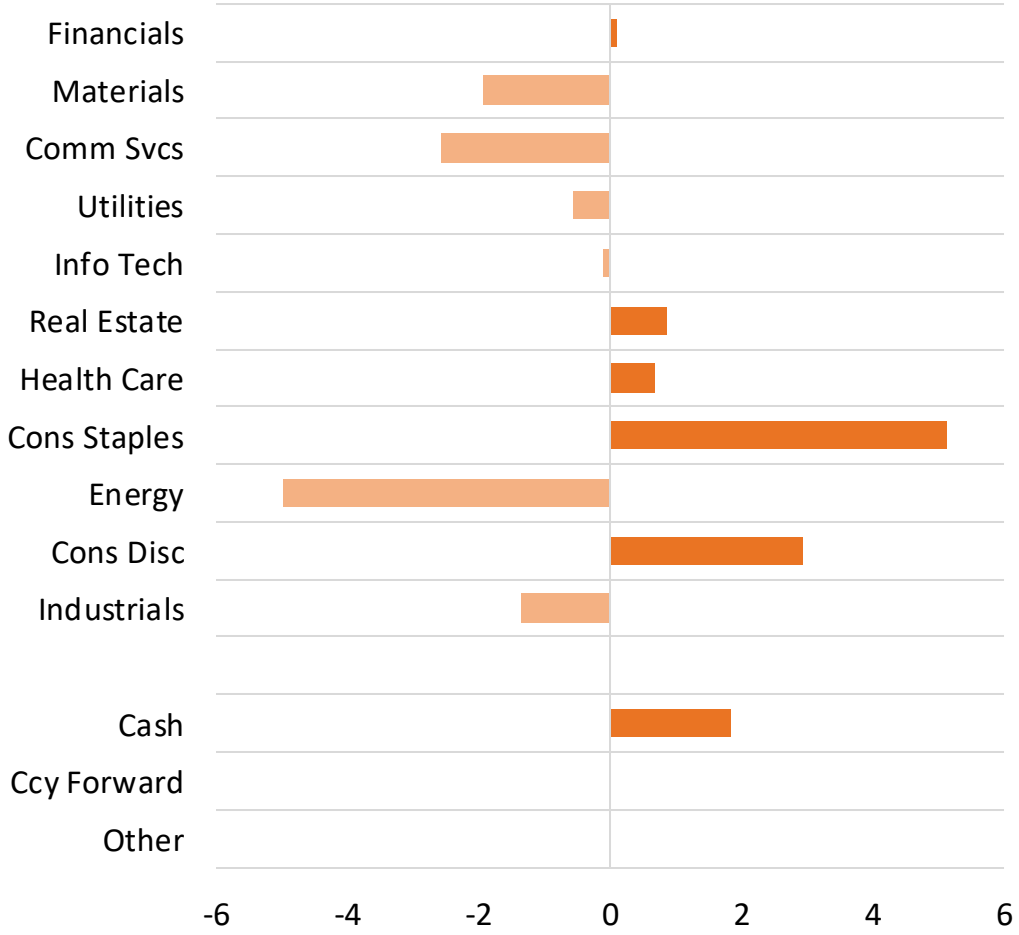
Major holdings

Security	Industry	Weight
Royal Bank of Canada	Diversified Banks	7.1%
Toronto-Dominion Bank/The	Diversified Banks	6.5%
Mackenzie US Large Cap Equity Index ETF	ETFs	4.2%
Canadian National Railway Co	Railroads	3.9%
Canadian Pacific Railway Ltd	Railroads	3.8%
Canadian Natural Resources Ltd	Oil & Gas Exploration & Prod.	3.6%
Bank of Montreal	Diversified Banks	3.6%
Alimentation Couche-Tard Inc	Food Retail	3.2%
Suncor Energy Inc	Integrated Oil & Gas	2.6%
Loblaw Cos Ltd	Food Retail	2.3%

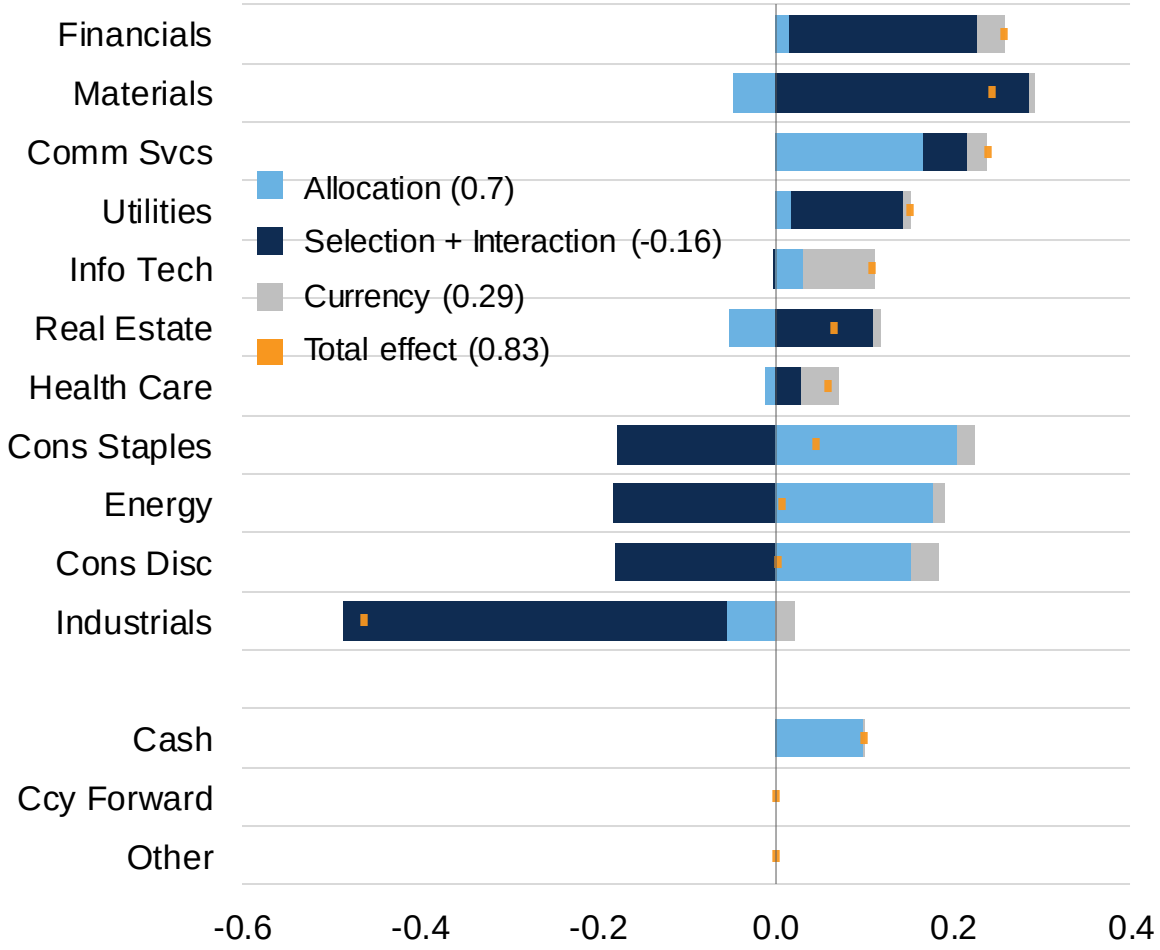
Source: Mackenzie Analytics, as of September 30, 2022.
Note: The major holdings of the Fund may, but do not necessarily, represent the largest holdings of the Fund. Rather, the major holdings are selected for their overall significance in evaluating the investment portfolio.

Sector attribution 3-months

Average relative weight



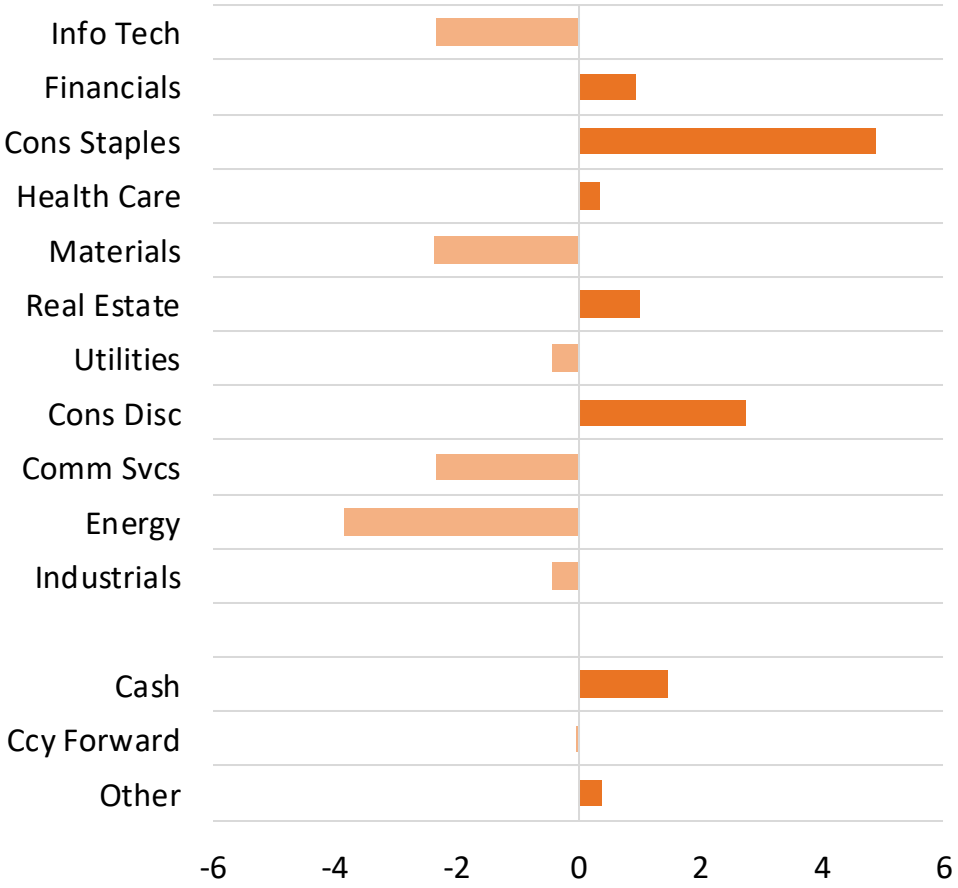
Portfolio attribution



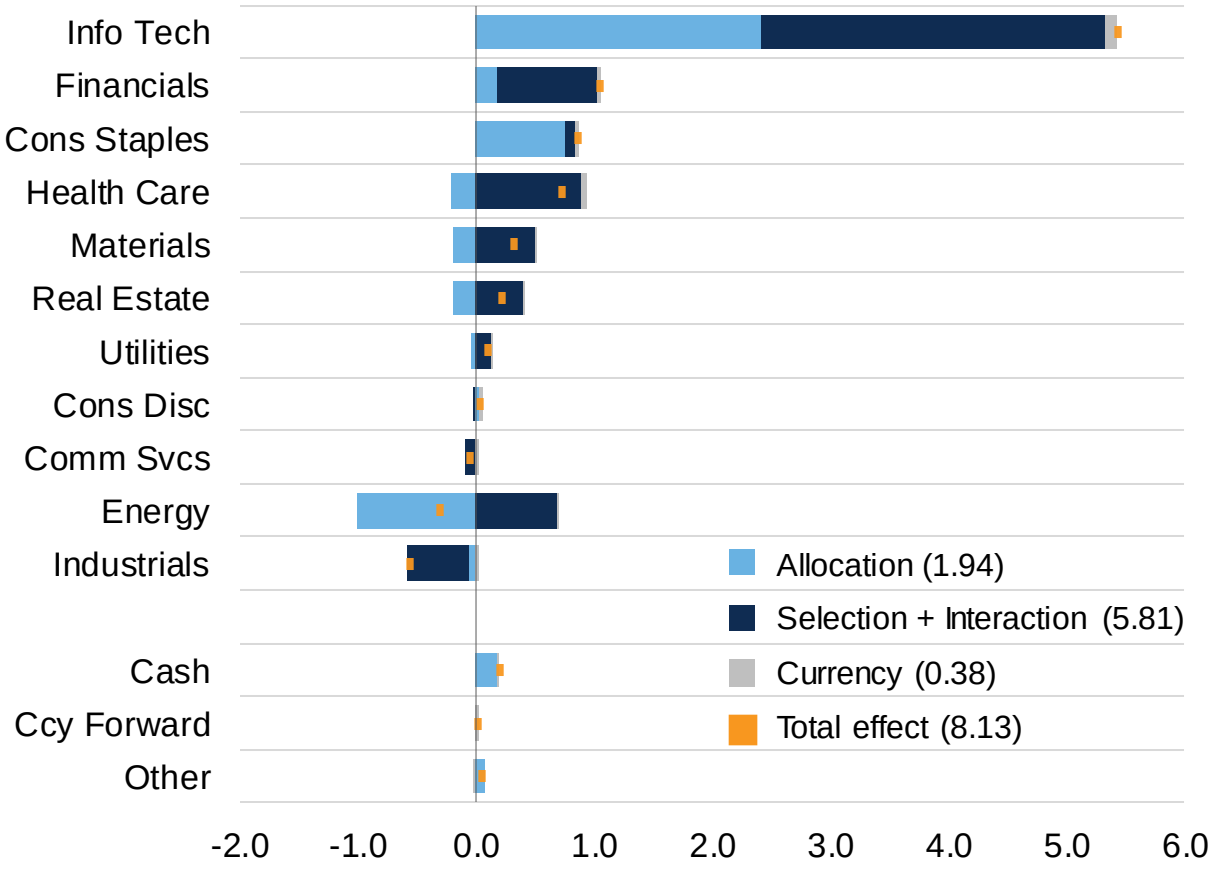
Source: Mackenzie Analytics, as of September 30, 2022. Benchmark: S&P/TSX Composite TR

Sector attribution 1-year

Average relative weight

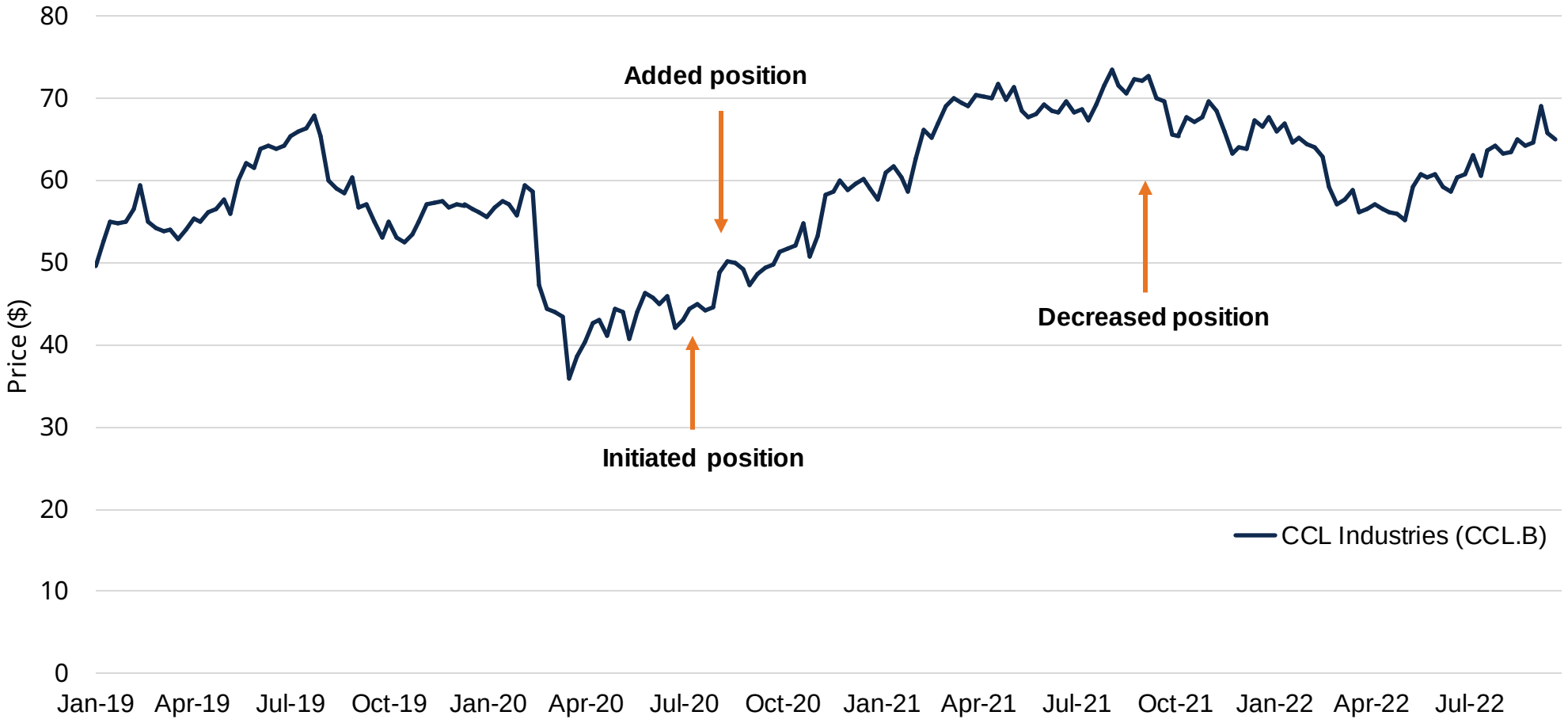


Portfolio attribution



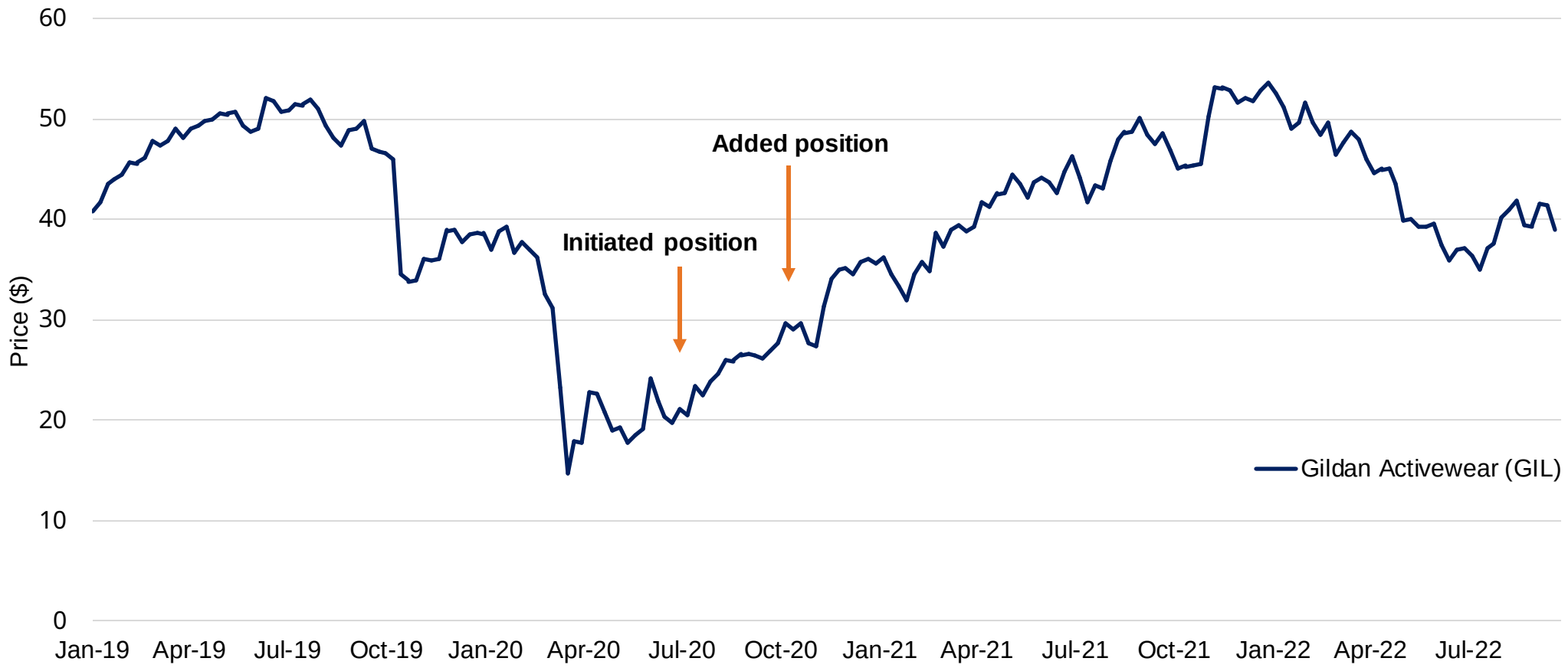
Source: Mackenzie Analytics, as of September 30, 2022. Benchmark: S&P/TSX Composite TR

Employing value discipline: CCL Industries



Source: Mackenzie Analytics, as of September 30, 2022.

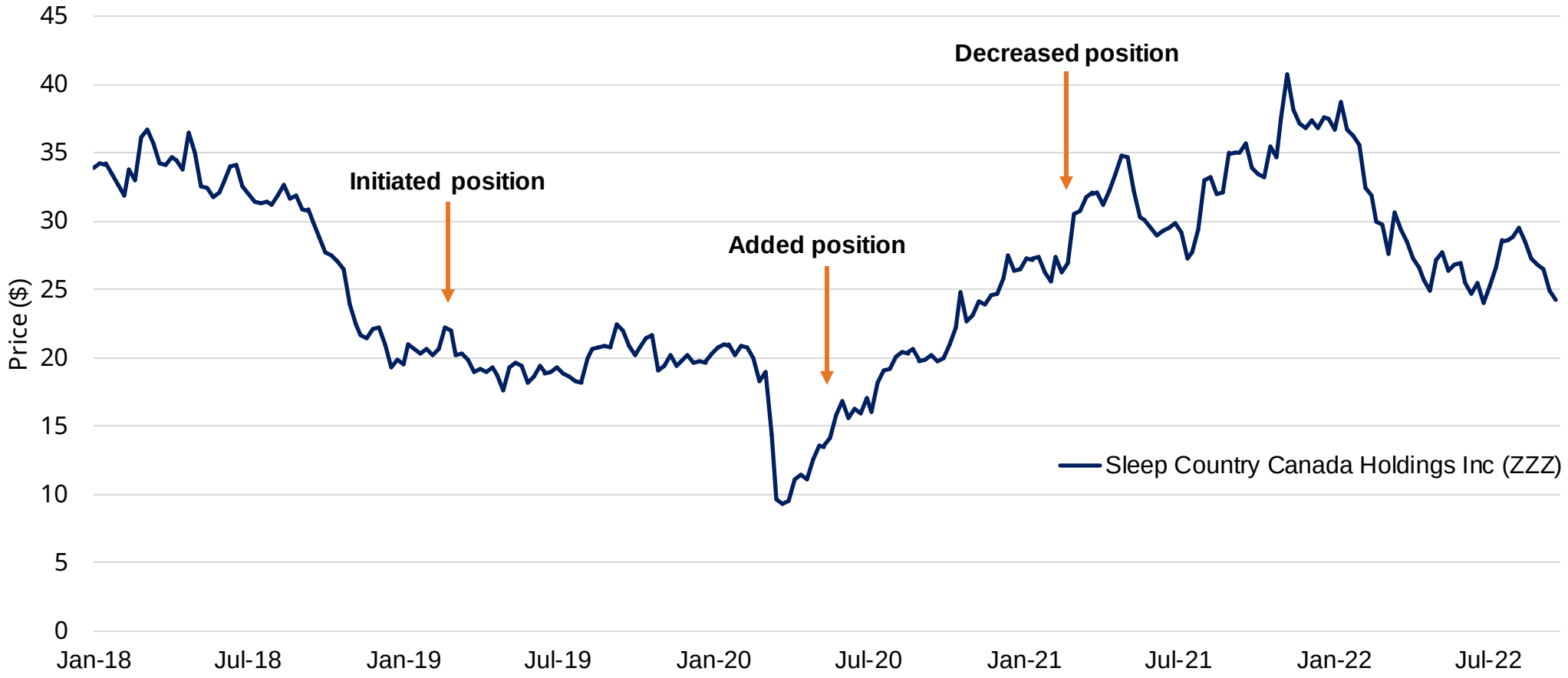
Employing value discipline: Gildan Activewear



Source: Mackenzie Analytics, as of September 30, 2022.

MACKENZIE Investments

Employing value discipline: Sleep Country



Source: Mackenzie Analytics, as of September 30, 2022.

Bios



William Aldridge, MBA, CFA

Senior Vice President, Investment Management

William Aldridge, Senior Vice President, is a Portfolio Manager and Team Co-Lead on the Mackenzie North American Equities Team.

William's career in the investment industry began in 2002. He joined Howson Tattersall Investment Counsel in 2006, and the company became part of Mackenzie Investments in 2008. Prior to 2006, William was an Equity Analyst at a Canadian independent broker-dealer covering real estate, transportation and special situations.

William has a BSc from the University of British Columbia, an MBA from the Richard Ivey School of Business and is a CFA charterholder.

Bios



Anthony Del Vecchio, CFA, CIPM
Director, Investment Research

Anthony Del Vecchio is an Investment Analyst for the Mackenzie North American Equities Team.

Anthony brings nine years of finance and investment management experience to the team. Prior to joining Mackenzie Investments, he worked as an Investment Analyst for a leading Canadian Financial services company, focusing on Canadian small cap equities.

Anthony received his Bachelor of Commerce (Honours) degree with majors in Finance and Marketing from the University of Manitoba. He is a CFA charterholder and holds the Certificate in Investment Performance Measurement (CIPM) designation.

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Event series Due Diligence

Mackenzie Canadian Dividend Fund

Appendix

MACKENZIE Investments

Investment style & philosophy

1 Bottom-up focus

- Company and stock specific
- Macro factors
- Secular factors

2 Time horizon 1-3 years

- Advantage over increasingly short-term focused market
- Length of time horizon measured against margin of safety

3 Adjust for Risk

- Portfolio weights adjusted based on return relative to risk
- Consideration of ESG Factors



MACKENZIE Investments

Investment process

Canadian investment universe
Dividend-Paying, >$1B cap
Large Caps + Mid Caps
200+ Companies

1

Initial screening
Apply valuation metrics
Focus on free cashflow
Screen for quality
Evaluate margin of safety

2



3

Selection process: 30-50 stocks
Absolute and relative valuations
Macro & Secular considerations
PE, EV/EBITDA, P/FCF, Dividend Yield
Discounted Cash Flow and Dividend Discount Modeling
Assessment of quality & ESG factors
Expected return adjusted for risk
Portfolio construction objectives

4

Monitoring
Company management meetings
Valuation models updated regularly
Daily meetings
Sell discipline
Quarterly CIO portfolio review:
Performance, risk, factor analysis

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Risk management

PORTFOLIO CONSTRUCTION

- Position sizing limits allocation to individual holdings: 10% max weight & active risk of 5%
- Position size is relative to quality and risk versus reward assessment
- Diversify and monitor sector exposures relative to benchmark and peers
- Review portfolio characteristics such as relative valuation, dividend yield, market capitalization, active risk, factor exposures and largest contributors to risk
- Consider company level risk: balance sheet, FCF, management quality, competitive positioning
- Primarily bottom up but do consider macro and secular risks

DAILY / WEEKLY MONITORING

- Morning meetings – ideas shared and challenged, recent developments
- Valuation screens run on watch list to determine buy or sell opportunities
- Compliance monitoring of portfolio guidelines & pre-trade clearance for all trades
- Sell discipline
- Ongoing assessment of ESG factors

QUARTERLY MONITORING

- CIO review of risk report from the Risk Management & Quantitative Analysis team
- Review includes holdings-based factor exposures, style bias, sector/country/factor attribution

MACKENZIE Investments

ESG integration

Integration

- We believe that integration of ESG factors into the investment process plays a role in portfolio risk-reduction. ESG factors are considered in valuation and analysis.
- Assessment of total portfolio ESG and GHG emissions characteristics and risks.
- Broader market adoption of ESG factors increasingly leading to alpha opportunities
- May invest in companies that do not have attractive ESG ratings due to timelines and quality of the ratings.
- May invest in companies with lower ratings that are on material path to improvement.

Engagement

- Active engagement with Company boards and management teams encouraging appropriate disclosure and consideration of ESG issues into the governance, strategy and management of the Company.
- Focus on climate risks, diversity goals and governance.
- Team logs all ESG engagements, discussions and developments
- Two team members sit on Climate Champions committee

Inputs

- Team research including financial modelling , determination of intrinsic value, modelling of future regulations, review of company disclosure and meetings with company management
- Sustainalytics ESG ratings and controversy scores/reports are reviewed for prospective investments and to assess portfolio ESG characteristics
- SASB Materiality Map – identify key risks
- GHG emission data from Bloomberg and company disclosures
- Proxy voting based on team's research and Glass Lewis' sustainable voting framework
- UN Principles for Responsible Investment

Sector weights

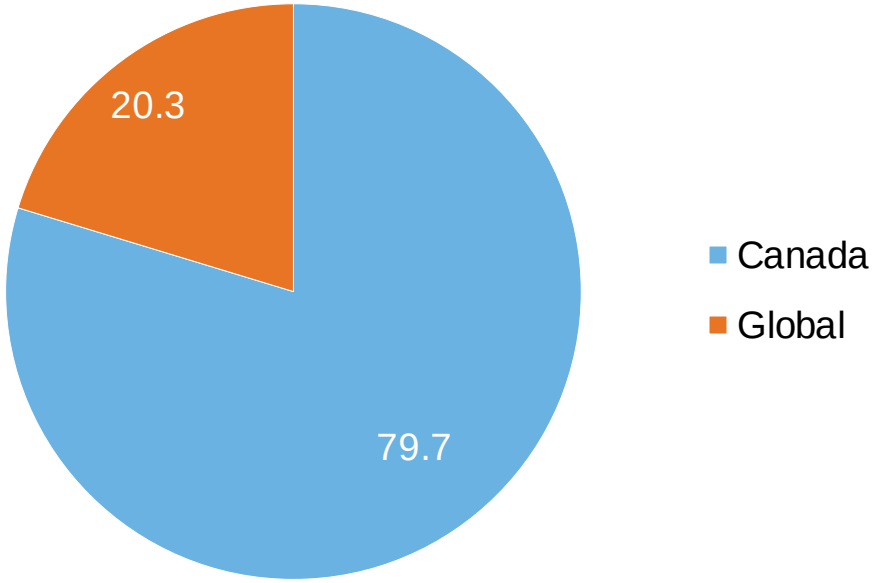
Sector	Mackenzie Canadian Dividend Fund (%)	80% TSX Div + 20% MSCI World (%)	Relative weight (%)
Financial Services	35.0	29.7	5.3%
Communication Services	6.7	5.6	1.1%
Healthcare	3.9	2.9	1.0%
Utilities	5.8	4.9	0.9%
Technology	5.4	5.8	-0.4%
Consumer Defensive	4.7	5.1	-0.5%
Energy	15.0	15.6	-0.6%
Real Estate	1.8	2.7	-0.9%
Consumer Cyclical	3.5	5.1	-1.6%
Basic Materials	6.9	10.0	-3.0%
Industrials	8.9	12.6	-3.7%
Cash	1.3	--	
Mutual Funds & ETFs	1.2	--	

Source: Mackenzie Portfolio Analytics, September 30, 2022

MACKENZIE Investments

Portfolio positioning

Fund geographic exposure

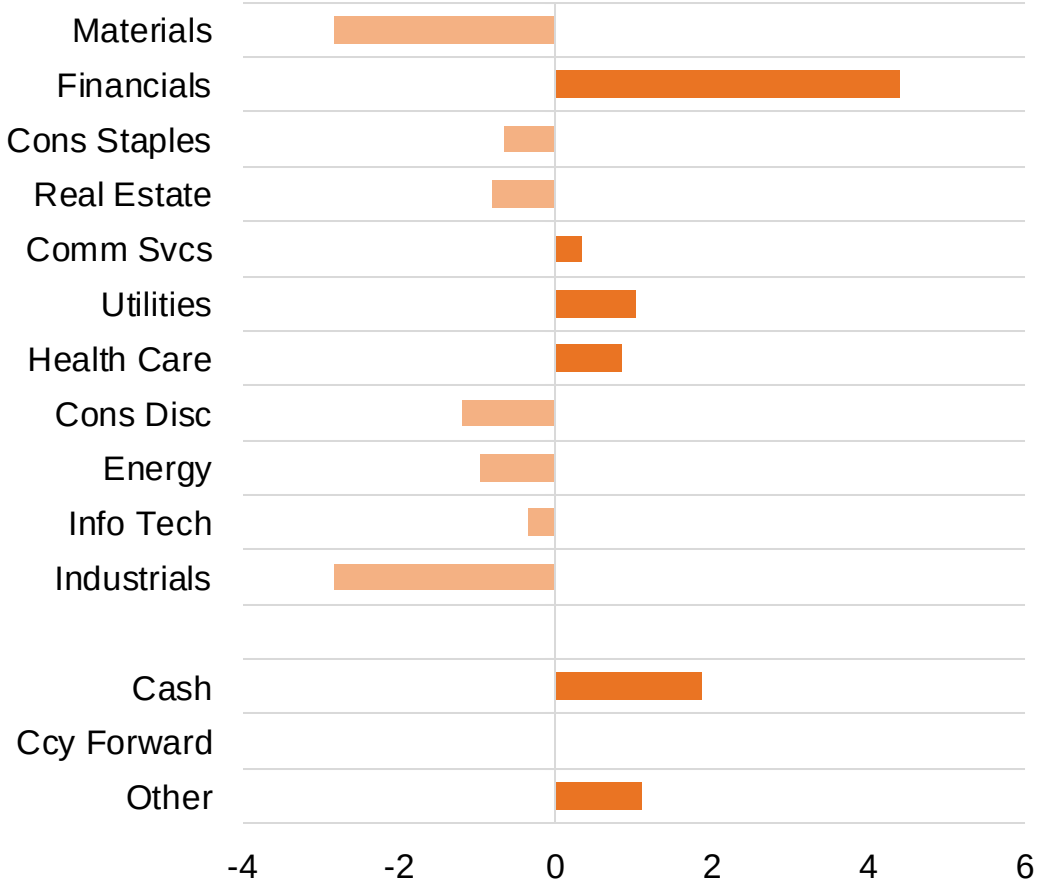


	Mackenzie Canadian Dividend Fund	S&P / TSX Composite Dividend Index
Portfolio Indicated Yield	3.51%	3.15%
Canada Indicated Yield	3.79%	3.15%

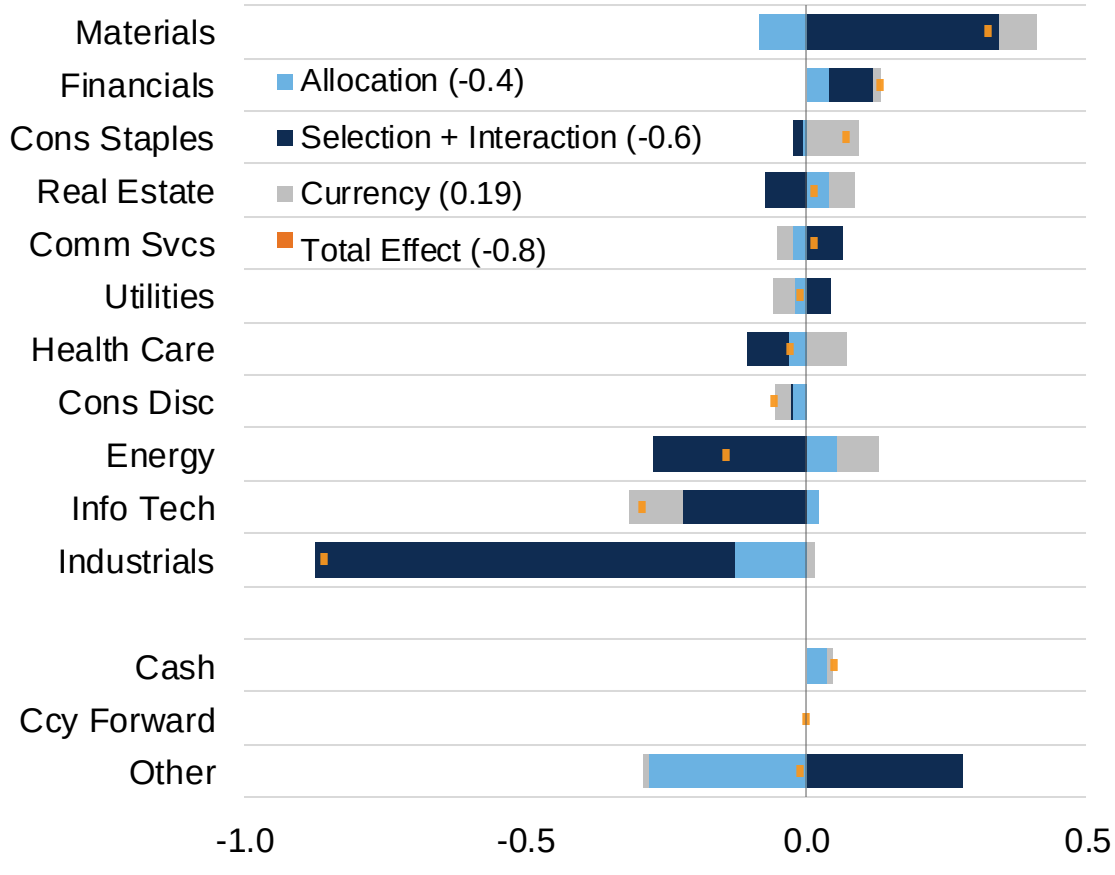
Source: Mackenzie Portfolio Analytics, September 30, 2022. Geographic exposures excluding cash and cash equivalents.

3 months – Sector attribution

Average relative weight



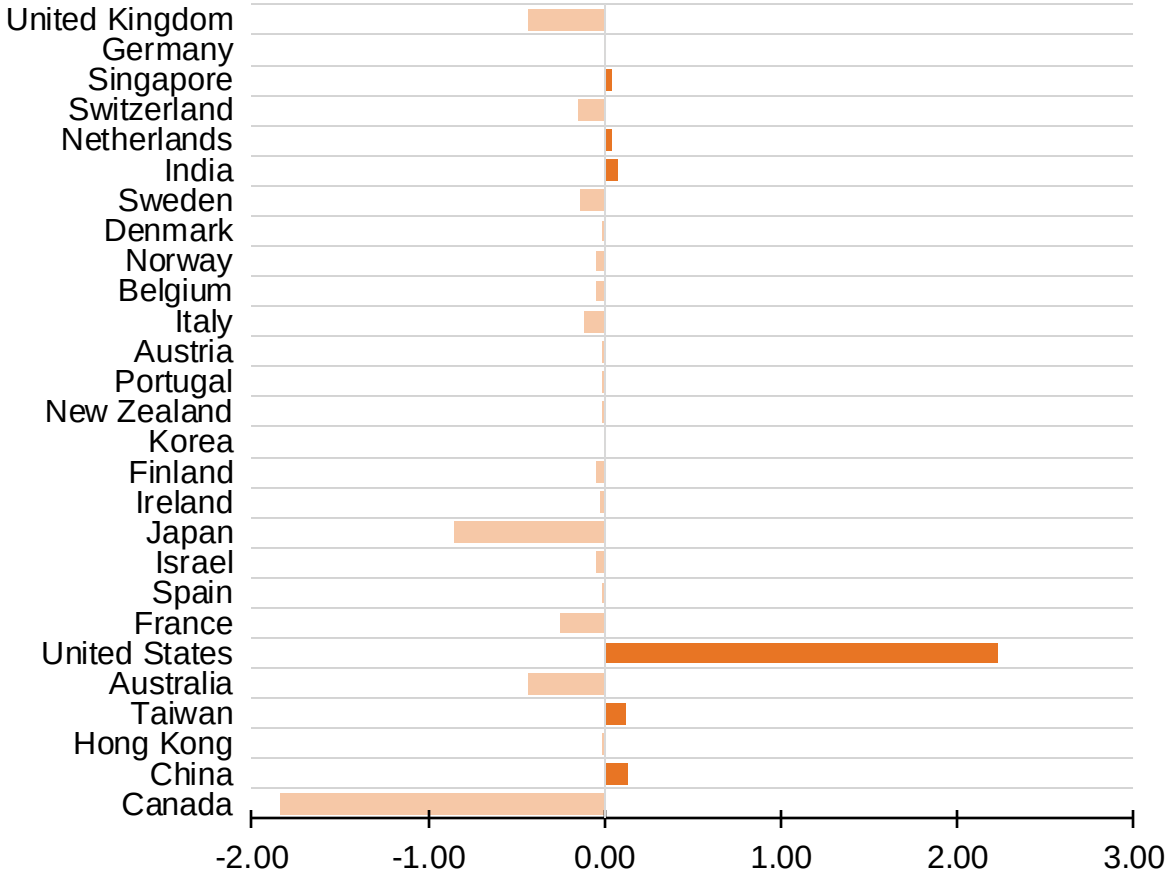
Portfolio attribution



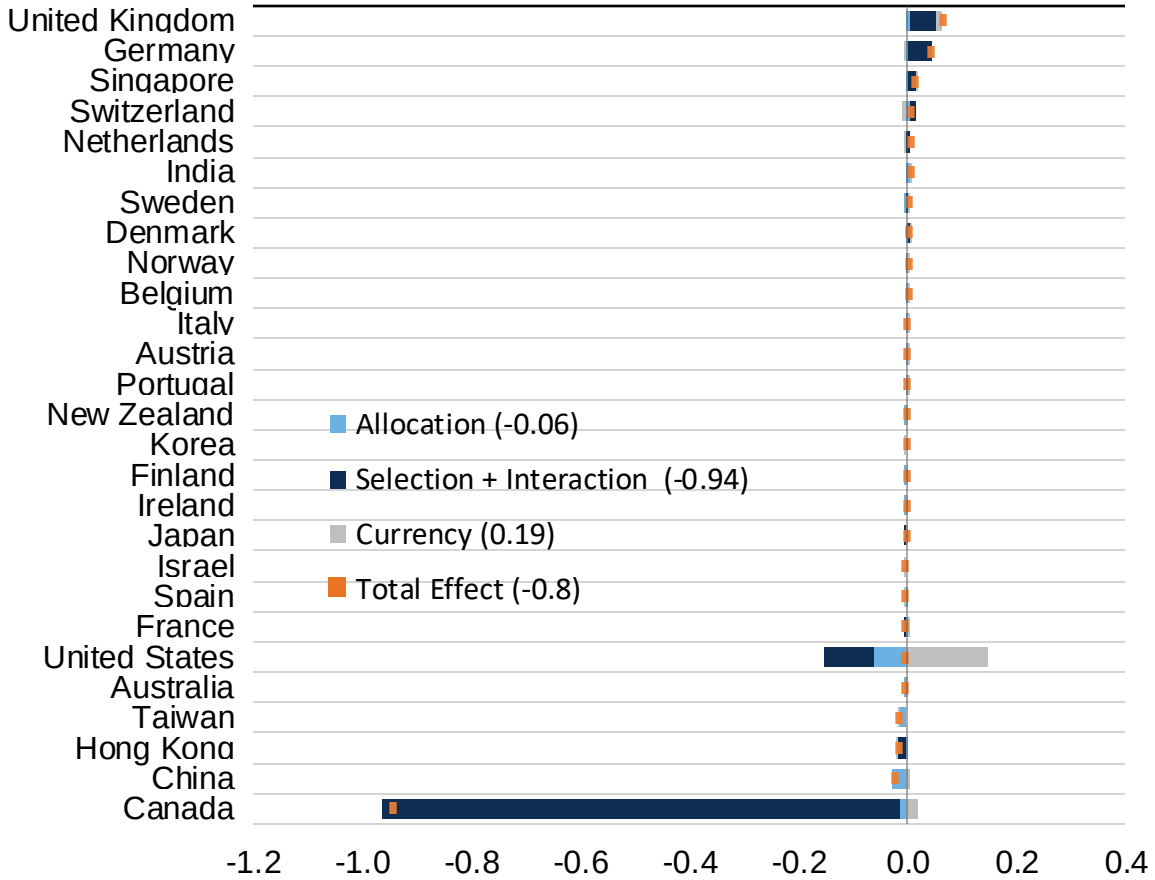
Source: Mackenzie Portfolio Analytics. As of September 30, 2022. In CAD, Gross of Fees. Benchmark: 80% S&P/TSX Dividend+20% MSCI World

3 months – Country attribution

Average relative weight



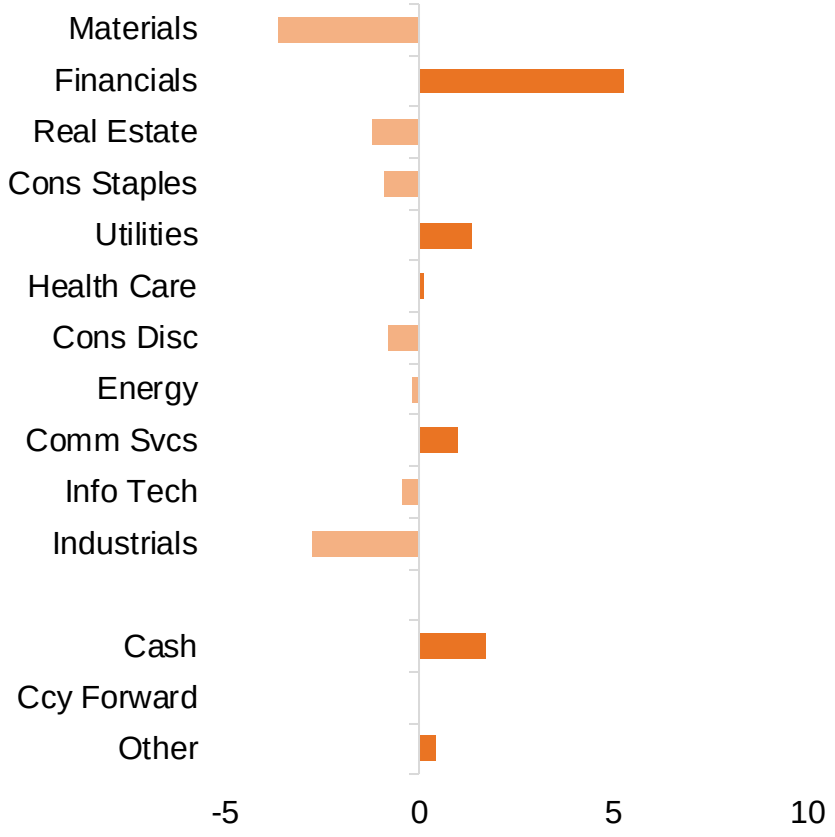
Portfolio attribution



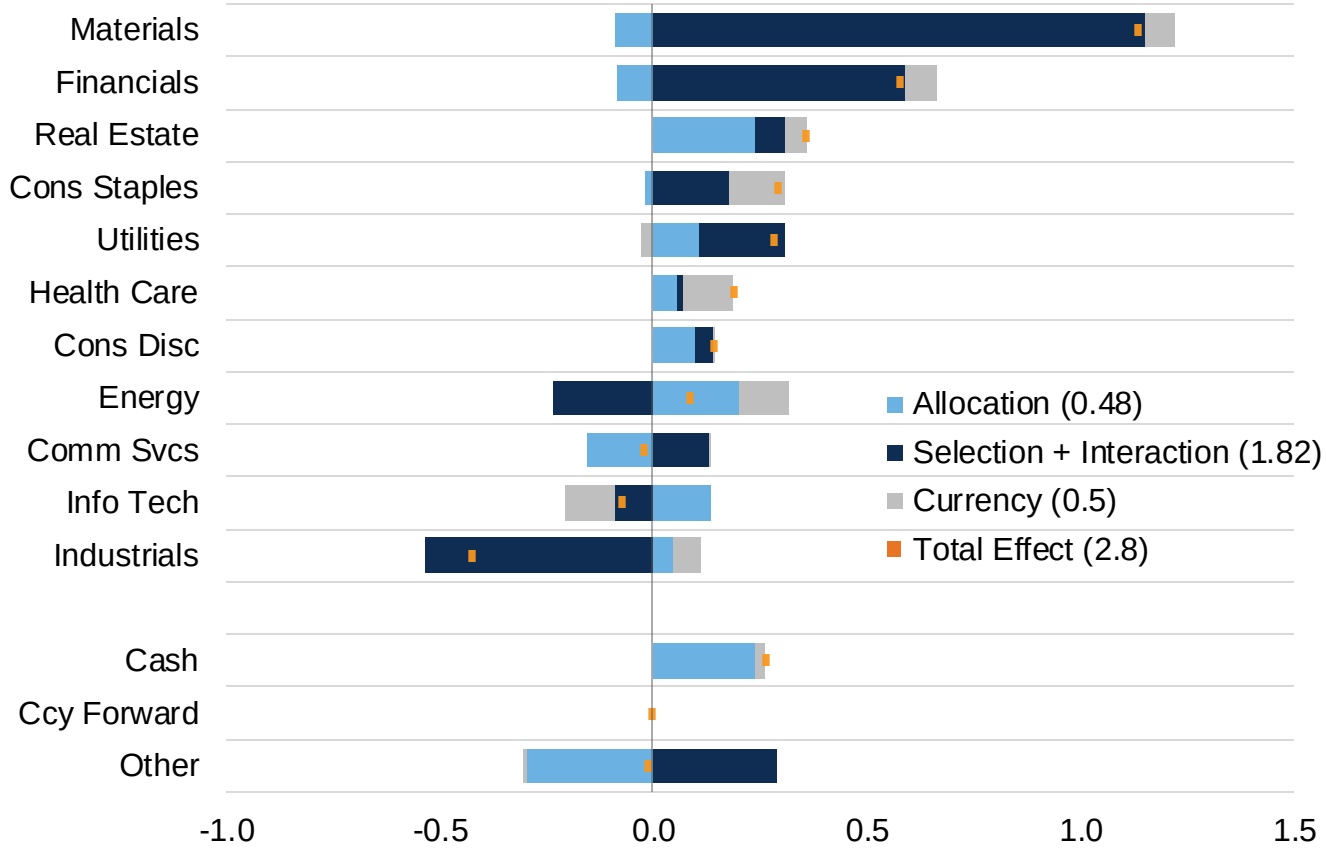
Source: Mackenzie Portfolio Analytics. As of September 30, 2022. In CAD, Gross of Fees. Benchmark: 80% S&P/TSX Dividend+20% MSCI World

1 year – Sector attribution

Average relative weight



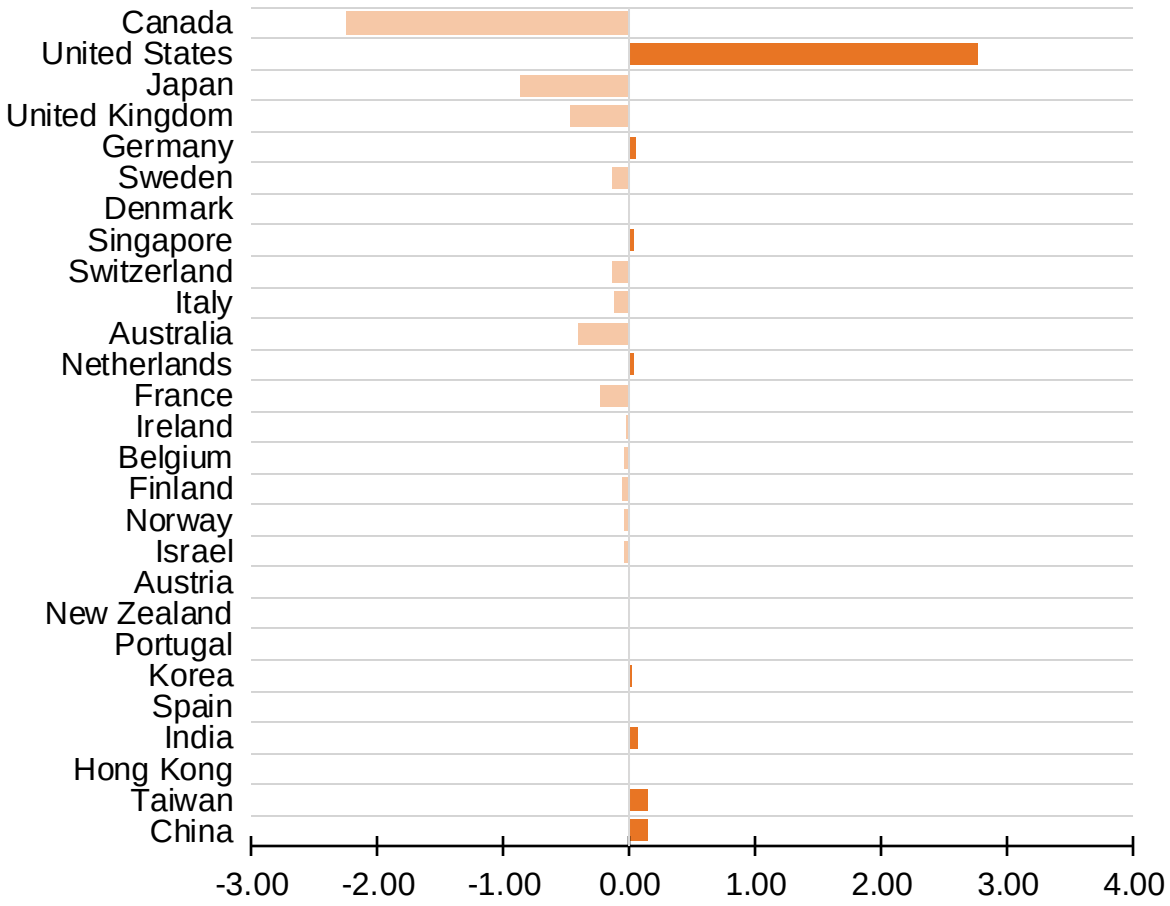
Portfolio attribution



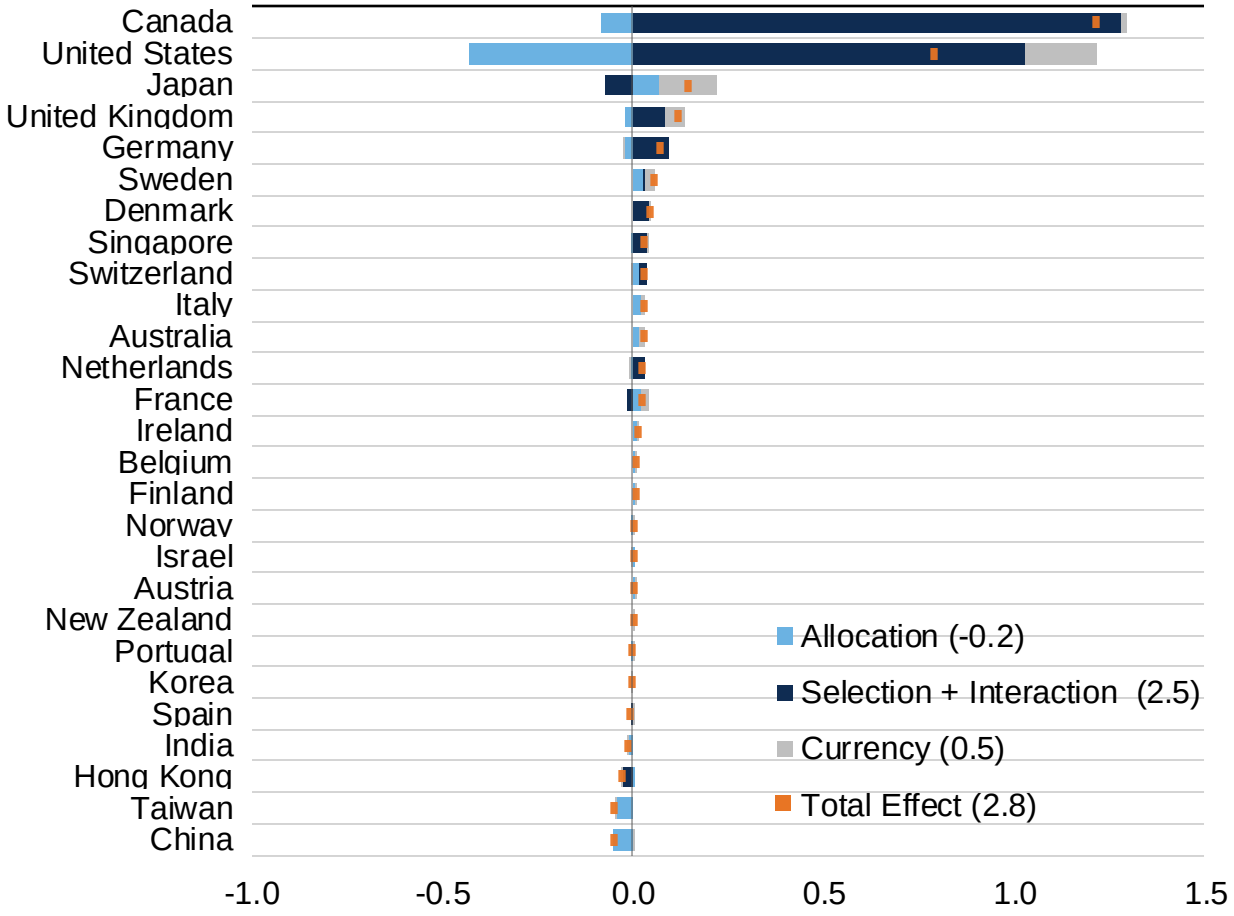
Source: Mackenzie Portfolio Analytics. As of September 30, 2022. In CAD, Gross of Fees. Benchmark: 80% S&P/TSX Dividend+20% MSCI World

1 year – Country attribution

Average relative weight



Portfolio attribution



Source: Mackenzie Portfolio Analytics. As of September 30, 2022. In CAD, Gross of Fees. Benchmark: 80% S&P/TSX Dividend+20% MSCI World

MACKENZIE Investments

Top 10 positions

Security	Sector	Country	Portfolio ending weight
Royal Bank of Canada	Financials	Canada	7.24
Toronto-Dominion Bank	Financials	Canada	5.49
Bank of Montreal	Financials	Canada	3.81
Sun Life Financial Inc.	Financials	Canada	3.58
Intact Financial Corporation	Financials	Canada	3.40
TC Energy Corporation	Energy	Canada	3.35
TELUS Corporation	Communication Services	Canada	3.35
Enbridge Inc.	Energy	Canada	2.94
Bank of Nova Scotia	Financials	Canada	2.84
Canadian National Railway Company	Industrials	Canada	2.73
Total			**38.73**

Source: Mackenzie Portfolio Analytics. As of September 30, 2022.

MACKENZIE Investments

Top 10 overweight positions

Security	Sector	Country	Portfolio ending weight
Sun Life Financial Inc.	Financials	Canada	3.58
Intact Financial Corporation	Financials	Canada	3.40
TELUS Corporation	Communication Services	Canada	3.35
CCL Industries Inc. Class B	Materials	Canada	2.05
Royal Bank of Canada	Financials	Canada	7.24
TC Energy Corporation	Energy	Canada	3.35
Manulife Financial Corporation	Financials	Canada	2.68
Bank of Montreal	Financials	Canada	3.81
Open Text Corporation	Information Technology	Canada	1.30
CAE Inc.	Industrials	Canada	0.95
Total			**31.70**

Source: Mackenzie Portfolio Analytics. As of September 30, 2022.

MACKENZIE Investments

Top 10 underweight positions

Security	Sector	Country	Portfolio ending weight
Canadian Imperial Bank of Commerce	Financials	Canada	—
Waste Connections, Inc.	Industrials	Canada	—
BCE Inc.	Communication Services	Canada	0.45
Constellation Software Inc.	Information Technology	Canada	—
Franco-Nevada Corporation	Materials	Canada	—
Cenovus Energy Inc.	Energy	Canada	—
National Bank of Canada	Financials	Canada	—
Barrick Gold Corporation	Materials	Canada	0.41
Dollarama Inc.	Consumer Discretionary	Canada	—
Tourmaline Oil Corp.	Energy	Canada	—
Total			**0.86**

Source: Mackenzie Portfolio Analytics. As of September 30, 2022.

MACKENZIE Investments

Bios



Tim Johal, CFA
Vice President, Portfolio Manager

Tim Johal, Vice President, Investment Management is a Portfolio Manager on the Mackenzie North American Equities Team.

Tim's career in the investment management industry began in 2000. Prior to joining Mackenzie Investments, Tim held a Portfolio Manager role at a leading Canadian Financial services company with a focus on North American equity investing. Over his 21 years of experience in the industry, Tim has developed deep understanding of the Canadian equity market, particularly within the financial services sector.

Tim has a Bachelor of Commerce (Honors) degree, with a major in Finance, from the University of Manitoba. He is also a CFA charterholder.



Dean Highmoor, CFA, CMT
AVP, Investment Research

Dean Highmoor brings 18 years of finance and investment management experience to our North American Equity Team.

Dean currently provides analyst coverage for the Material, Canadian Financial Services, Energy, Pipelines and Utilities sectors. Prior to joining Investors Group, Dean was a mid-cap analyst at Great-West Life Investment Management for 3 years and a Commercial Banker with TD for 4 years in credit and relationship management roles.

Dean grew up on a family farm in rural Manitoba and is a graduate of the University of Saskatchewan with a Bachelor of Commerce degree. He also holds the Chartered Financial Analyst and Chartered Market Technician designations.

Bios



Scott Fletcher, CFA, MBA

Director, Investment Research

Scott Fletcher brings 9 years of investment industry experience and 5 years of investment management experience to the North American Equities Team.

Scott is currently a provides analyst coverage for the Communication Services, Consumer Discretionary, Consumer Staples, Industrials, Technology and Real Estate sectors. Prior to joining Investors group in 2016, Scott's previous industry experience includes working for a mutual fund dealer, holding roles in compliance, product development, and investment advice.

Scott has earned a Masters of Business Administration (MBA) from the Rotman School of Management at the University of Toronto and has a Bachelor of Commerce (Honours) from McMaster University. Scott is also a CFA charterholder.

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