MACKENZIE
Investments

Uncovering Alpha With Small & Mid Caps

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Mackenzie Growth Team

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Mackenzie Growth Team

Team members work like analysts and think like portfolio managers

Investment team

Phil Taller MBA, CFA

- SVP, Portfolio Manager
- Head of Mackenzie Growth Team
- Industry start: 1991

Sonny Aggarwal MBA, CFA

- VP, Portfolio Manager
- Industry start: 2000

John Lumbers CFA

- VP, Portfolio Manager
- Industry start: 2011

What do we manage?

Mackenzie Small-Mid Cap Growth Fund

Total holdings	35
Weighted avg. mkt cap	$7.3 Bn

Mackenzie Mid Cap Opportunities Fund

Total holdings	29
Weighted avg. mkt cap	$15.5 Bn

16 unique small-mid cap holdings

Average market cap $3.3 billion

10 unique mid cap opps holdings:

Average market cap $24.4 billion

Source: Mackenzie Investments, as of April 30, 2023.

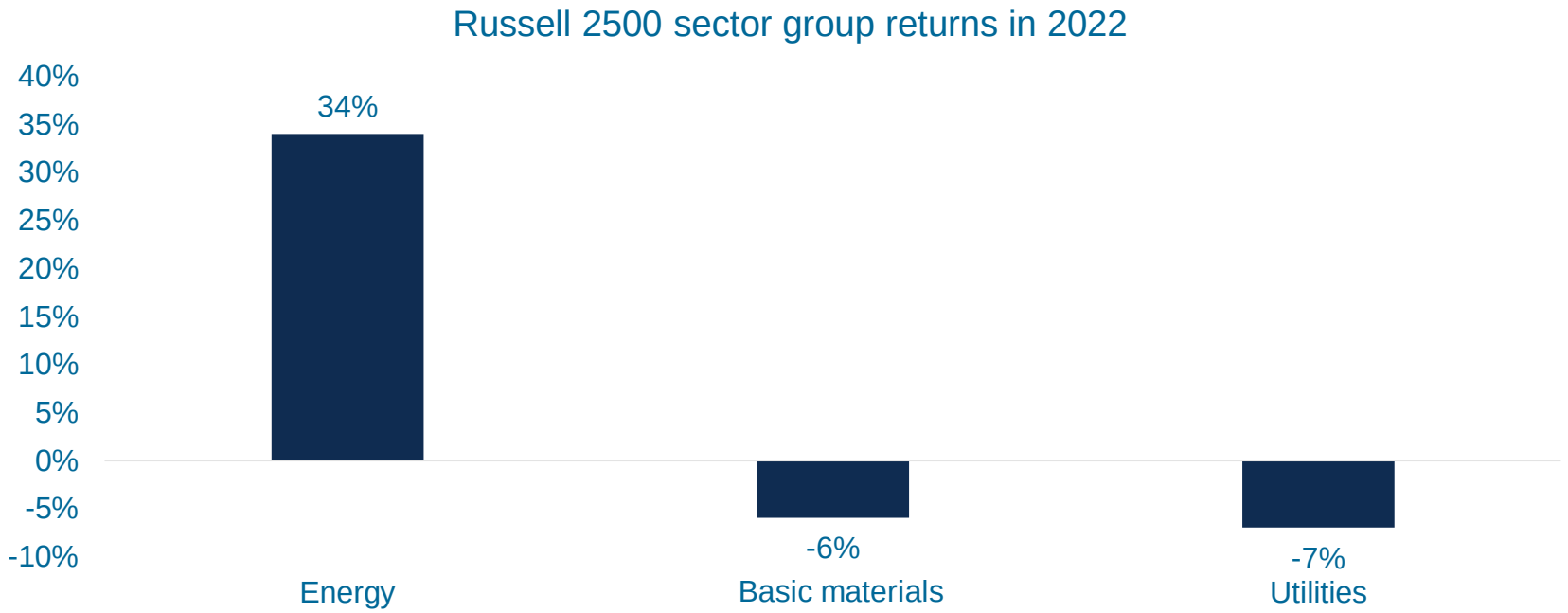
What happened last year?

What we own

Kept strategic focus in:

- Technology
- Health care
- Non-cyclical industrials

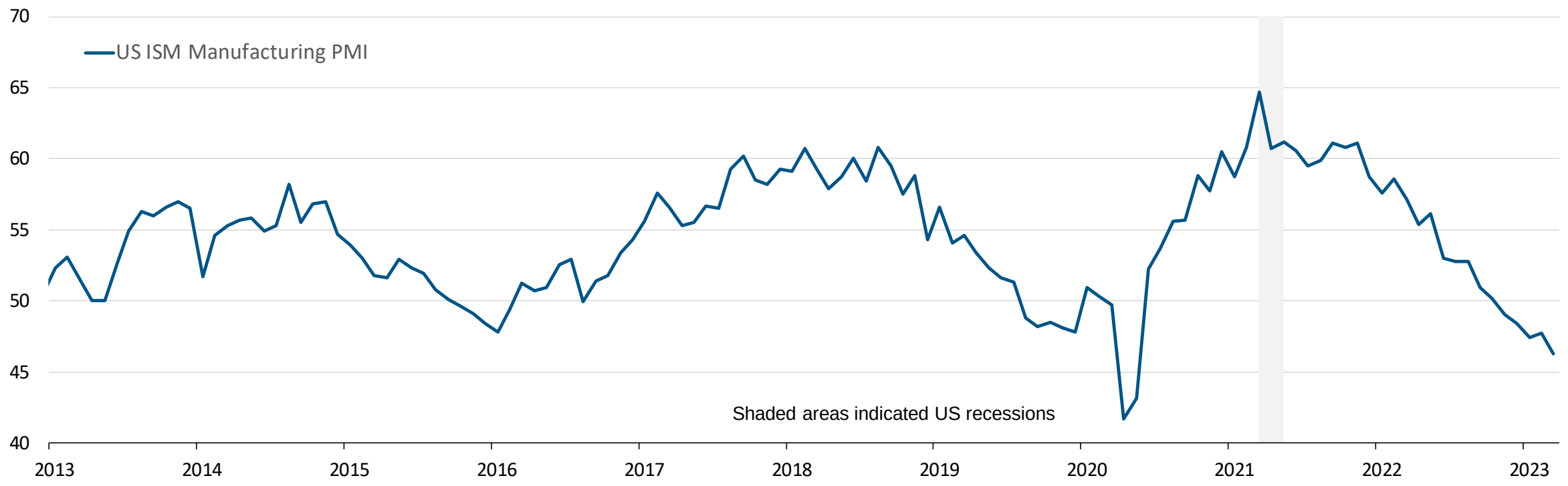
What we don’t own



Source: Bloomberg for calendar year 2022. In USD.

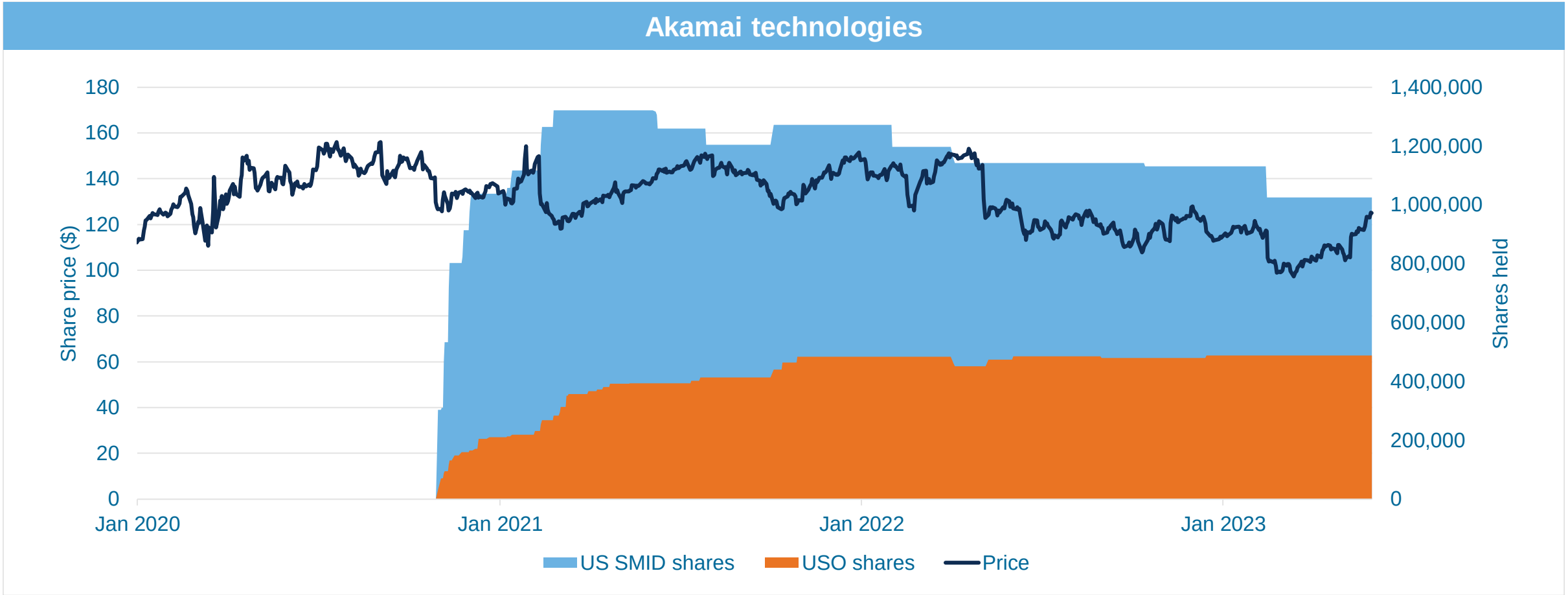
An uneven volatile recovery – the world reopening after COVID-19

Rapid fluctuations in PMIs create dislocations in the market



Source: Institute for Supply Management, as of March 30, 2023.

Slowly but surely



Source: Mackenzie Investments as at May 31, 2023.

Global diversification for Canadians

Sector	S&P/TSX Composite Index	Mackenzie US Mid Cap Opportunities Fund	Mackenzie US Small-Mid Cap Growth Fund	Relative weight to our funds
Financials	30.04	8.30	4.51	23.64
Energy	17.29	0.00	0.00	17.29
Materials	12.65	0.00	0.00	12.65
Utilities	4.52	0.00	0.00	4.52
Communication services	4.39	0.00	0.00	4.39
Consumer staples	4.31	0.00	4.46	2.08
Real estate	2.44	0.00	2.15	1.37
Consumer discretionary	3.63	12.26	7.95	-6.48
Industrials	14.08	27.58	27.35	-13.39
Information technology	6.30	26.22	25.03	-19.33
Health care	0.35	21.02	25.91	-23.12

Source: Mackenzie Investments as of April 30, 2023. S&P/TSX Composite Index represents Canadian large cap exposure.

Transformative power of AI

Our portfolios are full of businesses that own their data or analyze other companies' data

Progressive – Snapshot: predictive analytics to adjust a customer's premiums based on their driving behaviour.

Alteryx, EXL and Genpact – Data analyzing companies – they don't own the data but do the analytics.

iRhythm – Zio: has the only FDA-cleared, deep learned algorithm that's as accurate as human, expert-level interpretation.

Black Knight – AVIA: Harness the power of mortgage AI.

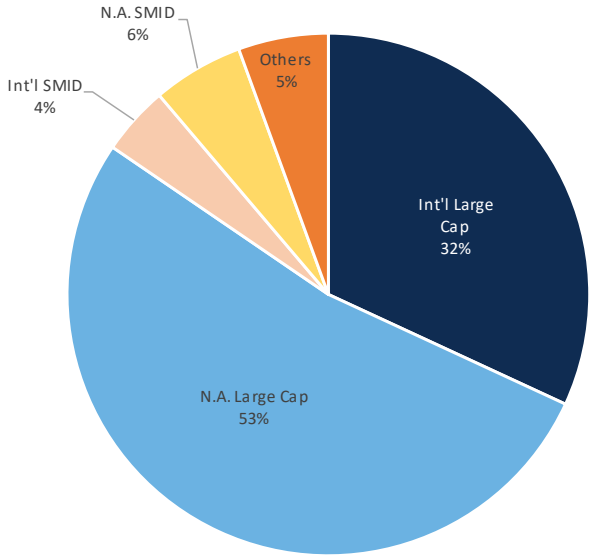
Equifax – credit knowledge, employment income, loans.

Costar – Commercial real estate market analytics.

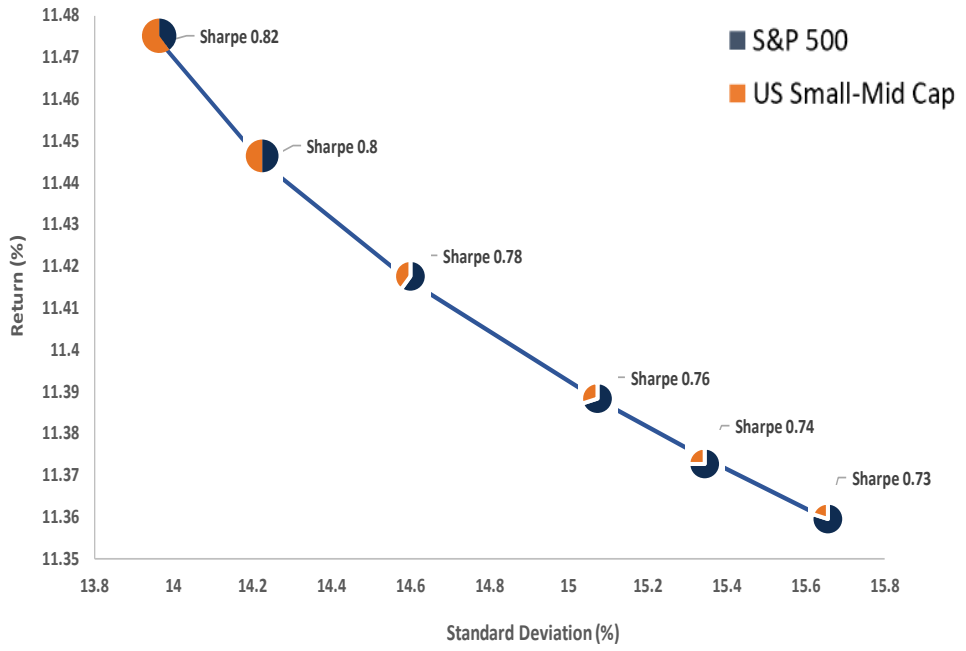
SMID space continues to be an overlooked opportunity

Significant disconnect in allocation to SMID caps. Adding 50% of US SMID fund enhances risk adjusted returns over the long term

Equity allocation breakdown



Efficient frontier – S&P 500 and Mack US SMID Fund



Sources: Left: Simfund as of April 30, 2023. Right: Morningstar, Dec 31, 2004 – Dec 31, 2022.

Disclaimer

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Standard deviation is a measure of historical risk; future risk may be different.
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

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