

Mackenzie International Dividend Fund

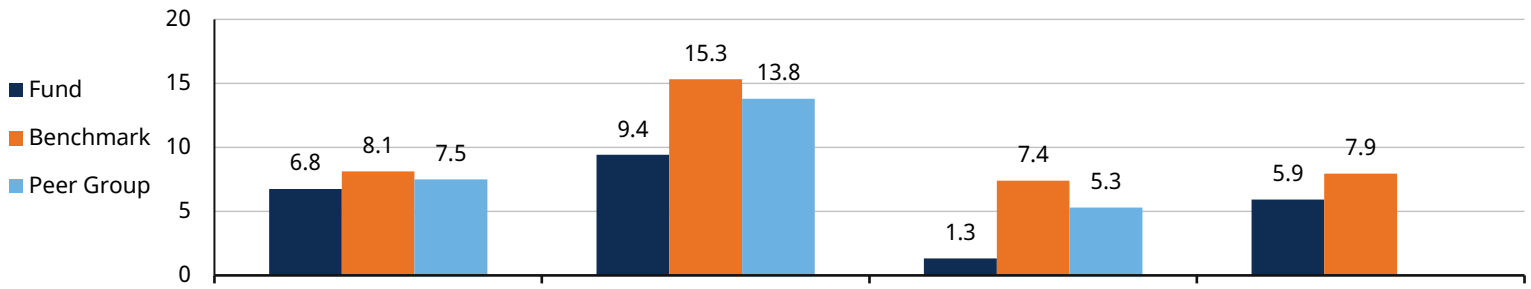
Strategy snapshot

Inception date	10/15/2019
AUM (millions in CAD)	510.3
Benchmark	MSCI EAFE
Lead portfolio manager	Ome Saidi
Investment exp. since	2007
Target # of holdings	20-35

Strategy Overview

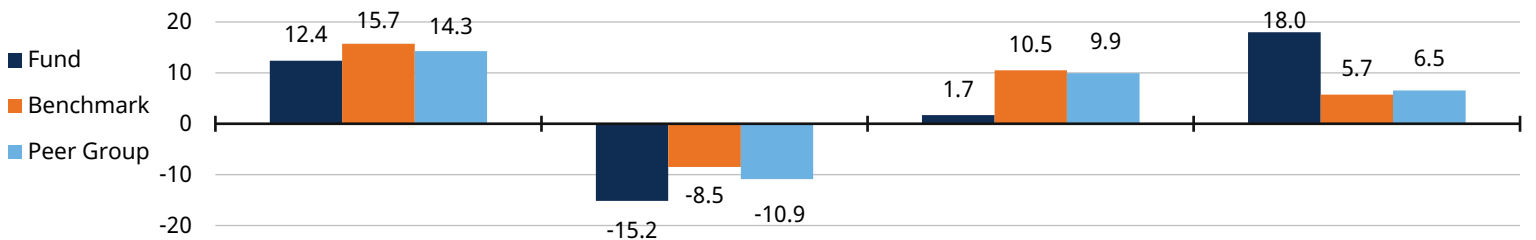
- Enhance portfolio construction with international businesses that have diverse revenue sources by geography, allowing for exposure to regions in different economic cycles.
- Focus on high-quality, dividend-paying companies with higher returns on invested capital.
- Access proven expertise to navigate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

Trailing returns %



	3 Mth	1 Yr	3 Yr	SI
Excess Returns	-1.4	-5.9	-6.1	-2.0
% of peers beaten	37	21	11	-

Calendar returns %



	2024	2022	2021	2020
Excess Returns	-3.2	-6.8	-8.8	12.2
% of peers beaten	27	26	5	89

Portfolio characteristics

	Portfolio	Benchmark
# of holdings	37	768
% top 10 holdings	43.6	15.4
Weighted average market cap	198,461.0	136,181.9
EPS growth (FY E)	14.2	15.9
Dividend yield	1.7	2.8
FCF margin	16.0	12.7
P/E Trailing 12M	23.2	15.5
P/E (forecast)	19.6	14.8
Net debt/EBITDA	0.2	1.3
ROE (latest FY)	17.1	14.2

Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	12.6	12.4
Sharpe Ratio	-0.1	0.4
Tracking Error	4.8	-
Information Ratio	-1.3	-
Alpha	-5.8	-
Beta	0.9	-
Upside Capture (%)	80.2	-
Downside Capture (%)	112.0	-

Regional breakdown

Region	Weight	Relative weight
International	91.4	-8.6
Emerging Markets	9.9	9.9

Sector allocation

Sector	Weight	Relative weight
Communication Services	1.0	-3.1
Consumer Discretionary	13.3	0.9
Consumer Staples	13.9	5.3
Energy	2.6	-1.5
Financials	19.0	-0.3
Health Care	11.3	-1.4
Industrials	18.3	1.5
Information Technology	15.6	6.2
Materials	6.2	-1.0
Real Estate	-	-2.3
Utilities	-	-3.1

Country allocation

Country	Weight	Relative weight
Japan	19.2	-4.4
France	17.8	5.7
Germany	17.1	8.4
Netherlands	13.7	8.6
United Kingdom	6.3	-8.2
Denmark	6.3	2.7
Other	19.6	-1.3

Currency exposure

Region	Gross	Benchmark
CAD	-1.3	-
USD	3.6	0.8
Other	97.7	99.2

Top 10 holdings

Security name	Country	Sector	Weight
Hannover Rueck SE	Germany	Financials	5.3
SAP SE	Germany	Information Technology	5.0
Safran SA	France	Industrials	5.0
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	5.0
Sony Group Corporation	Japan	Consumer Discretionary	4.3
Novo Nordisk A/S Class B	Denmark	Health Care	4.0
Seven & I Holdings Co., Ltd.	Japan	Consumer Staples	4.0
Deutsche Boerse AG	Germany	Financials	3.8
Adyen NV	Netherlands	Financials	3.8
Air Liquide SA	France	Materials	3.5

Security level contributors and detractors

	Security	Average Relative weight (%)	Allocation Effect (%)	% contribution to return
Contributors	Safran SA	4.5	0.9	1.4
	SAP SE	3.8	0.7	1.3
	Taiwan Semiconductor Manufacturing Co., Ltd.	4.7	0.9	1.2
Detractors	Sony Group Corporation	3.9	-0.5	-0.4
	Amadeus IT Group SA Class A	2.0	-0.6	-0.4
	HDFC Bank Limited	2.5	-0.7	-0.4

Sector attribution relative to the benchmark

	Sector	Average Relative weight (%)	Allocation Effect (%)	Selection Effect (%)
Contributors	Information Technology	5.8	0.5	1.0
	Utilities	-3.2	0.4	0.0
	Health Care	-2.1	0.1	0.0
Detractors	Consumer Discretionary	1.8	0.2	-2.6
	Financials	0.4	0.0	-0.7
	Energy	0.4	-0.2	-0.1

Commentary

The Fund returned 6.8% during Q1-2024 and has now returned 5.9% since inception. This compares to the MSCI EAFE Index (CAD) which returned 8.6% and 7.6% over the same time periods.

Almost all sectors had positive returns this quarter (in CAD), with Utilities (-3.0%) and Consumer Staples (-0.9%) standing out as the only sectors with negative returns. Information Technology (+16.7%) and Consumer Discretionary (+13.4%) were the best performing sectors.

Stock selection in the Information Technology and Consumer Staples sectors contributed to relative performance over the quarter. Stock selection in the Consumer Discretionary and Financials sectors detracted from relative performance.

Safran has had a very strong share price performance year to date. It enjoyed strong business momentum in 2023, that accelerated in H2-23, and continued into Q1. The company has high growth with strong visibility. It continues to ramp up production of its flagship LEAP engine, reducing one of the key sources of uncertainty that existed. Simultaneously, it is benefiting from other players' mishaps, including that of the rival GTF engine. The strength of General Electric's GE Aerospace spin-off also brought attention to Safran. GE and Safran cooperate through the CFM International Joint Venture. This JV is the crown jewel of GE Aerospace (it is the most attractive thing it does), yet Safran's valuation doesn't reflect what GE investors are pricing for this business. GE held a capital markets day following its spinout where it highlighted the attractive outlook for the LEAP. While the growth was known to be attractive, GE shared for the first time that the whole LEAP program, both Original Equipment and After Market, will be profitable in 2025.

Taiwan Semiconductor (TSMC) benefitted from the excitement surrounding AI, as it provides a critical role in the development and manufacturing of AI semiconductor chips. This enthusiasm combined with the strong guidance they provided during their Q4 results helped drive the shares.

Amadeus was a detractor in Q1. Its share price reflects concern about potential disintermediation. Shareholders (ourselves included!) were frightened by a press report that the company was executing a very large acquisition. This acquisition, denied by the company, would have been unwelcome and the textbook definition of "diworsification." While the allegation looks to be untrue, the market is still spooked. In a very strong travel environment, we expected Amadeus to have performed better than it has from an operating point of view as its two main competitors are missing in action due to poor financial strength, with inadequate offerings and an inability to invest. It has done well especially considering how it navigated COVID.

Commodities giant **Glencore plc** underperformed along most other mining producers given weak macroeconomic indicators coming out of China, which is still an important driver of share short-term share sentiment. FY23 results and 2024 guidance was a mixed bag as near-term industrial production growth projections were muted, offset by lower net unit costs across their copper, nickel, zinc and coal assets. The 2025 coal-company spin-off and new copper projects coming online will strengthen the medium-term outlook. Furthermore, the very fact that companies such as Glencore find it difficult to grow production is supportive of our view that long-term supply constraints will support much higher underlying commodity prices.

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. The investment strategy remains consistent, focusing on high-quality companies with superior financial metrics and appropriate valuations. Amidst ongoing technological, geopolitical, and macroeconomic risks, the portfolio is relatively well-positioned to navigate these uncertainties.

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 March 31, 2024, 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-, 5- and 10-year periods as of March 31, 2024. 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 - 624; three years - 573 ; five years - 517 ; ten years - 272 .

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