

INCEPTION:
June 2000

BENCHMARK:
MSCI Europe Mid Cap Net
TR Index

STRATEGY ASSETS:
£778 million

LEAD PORTFOLIO MANAGER:
Martin Fahey, MBS, CFA

INVESTMENT OBJECTIVE

The strategy aims to provide long-term capital growth by investing primarily in the common shares of mid-capitalization corporations within European markets.

PORTFOLIO ADVANTAGE

- Lead portfolio manager has been investing in the asset class for more than 25 years and has deep understanding of the investable universe
- Combine indepth fundamental research, thematic views, and industry expectations to identify investments that have a strong probability of outperforming over the next 3-5 yrs
- Construct a risk controlled portfolio to ensure that majority of relative returns are driven through stock selection, resulting in high Active Share while industry and country exposures are monitored to coincide with thematic views

APPROACH

- Narrow the investment universe by market cap followed by proprietary screens by sector focusing primarily on factors based around earnings momentum, leverage and valuation
- Fundamental Analysis consists of identifying stock ideas through proprietary research (internal analysis) consisting of financial statement analysis, valuation modeling and meeting company management supplemented with sell-side analyst exchange
- Incorporate top down thematic trends at macroeconomic, sector and sub-sector levels
- Compare internal projections with both positive/negative sell-side estimates in order to gauge potential upside and identify potential investment risks
- Portfolio investments are typically made within the context of a 3-5 year time horizon and are continuously monitored for changes in company fundamentals, valuations and thematic changes

INVESTMENT PROCESS

MSCI Europe Mid Cap Universe



Initial Filters



- Weighted average market cap screen: max 60% above market cap of benchmark

Criteria

- ROE
- EV/EBITDA
- EV/Capital Employed
- P/B
- Leverage Ratios
- ROC Employed
- Dividend Yield
- FCF Yield



Fundamental Analysis

- Management focus
- Internal analyst discussion + sell-side
- Financial statement analysis
- Valuation modelling



Portfolio Construction

- Sector and Country constraints
- Individual positions <10%, +/- 4% of BM
- Aims to be fully invested, typically cash is less than 5%

Typically
50-80 Stocks



Investing involves risk. Please read the important disclosures under "Disclaimer" which contain more information about the significance and the limitations of the information on this page.

SECTOR ALLOCATION (Ex. Cash & Equivalents)

SECTOR	PORTFOLIO	BENCHMARK
Industrials	25.77%	22.78%
Financials	16.50%	12.85%
Consumer Discretionary	13.79%	12.83%
Health Care	12.24%	9.14%
Information Technology	10.29%	7.30%
Materials	7.59%	11.02%
Communication Services	4.92%	6.67%
Consumer Staples	2.95%	5.39%
Energy	2.65%	2.22%
Utilities	2.17%	4.88%
Real Estate	1.12%	4.92%
	100.00%	100.00%

GEOGRAPHIC ALLOCATION (Ex. Cash & Equivalents)

COUNTRY	PORTFOLIO	BENCHMARK
United Kingdom	18.09%	25.94%
France	16.46%	16.43%
Switzerland	11.61%	8.31%
Ireland	9.69%	1.29%
Germany	9.43%	13.10%
Netherlands	8.05%	3.91%
Denmark	5.62%	4.82%
Italy	4.69%	6.00%
Finland	4.09%	2.59%
Sweden	3.38%	8.26%
Austria	3.10%	1.65%
United States	3.09%	0.00%
Norway	1.35%	2.44%
Belgium	0.83%	2.69%
Chile	0.37%	0.00%
Spain	0.10%	2.09%
Portugal	0.06%	0.49%
Other	0.00%	0.00%
	100.00%	100.00%

WEIGHTINGS RELATIVE TO BENCHMARK

OVERWEIGHT	SECTOR	COUNTRY	ACTIVE WEIGHT
Uniphar PLC	Health Care	Ireland	+4.03%
ASM International NV	Info. Tech.	Netherlands	+2.43%
Diploma PLC	Industrials	United Kingdom	+2.19%
JD Sports Fashion PLC	Cons. Disc.	United Kingdom	+2.08%
NN Group NV	Financials	Netherlands	+1.88%

UNDERWEIGHT	SECTOR	COUNTRY	ACTIVE WEIGHT
Deutsche Wohnen SE	Real Estate	Germany	-0.95%
Sonova Holding AG	Health Care	Switzerland	-0.95%
Delivery Hero SE	Cons. Disc.	Germany	-0.94%
Epiroc AB	Industrials	Sweden	-0.94%
Zalando SE	Cons. Disc.	Germany	-0.93%

TOP TEN HOLDINGS

HOLDING	SECTOR	COUNTRY	WEIGHT
Uniphar PLC	Health Care	Ireland	4.0%
Capgemini SE	Info. Tech.	France	3.3%
ASM International NV	Info. Tech.	Netherlands	3.3%
NN Group NV	Financials	Netherlands	2.5%
JD Sports Fashion PLC	Cons. Disc.	United Kingdom	2.4%
Publicis Groupe SA	Comm. Services	France	2.4%
Teleperformance	Industrials	France	2.3%
DCC PLC	Industrials	United Kingdom	2.3%
Diploma PLC	Industrials	United Kingdom	2.2%
Ashtead Group PLC	Industrials	United Kingdom	2.2%
Total:			26.9%
Cash & Equivalents			3.6%

CHARACTERISTICS

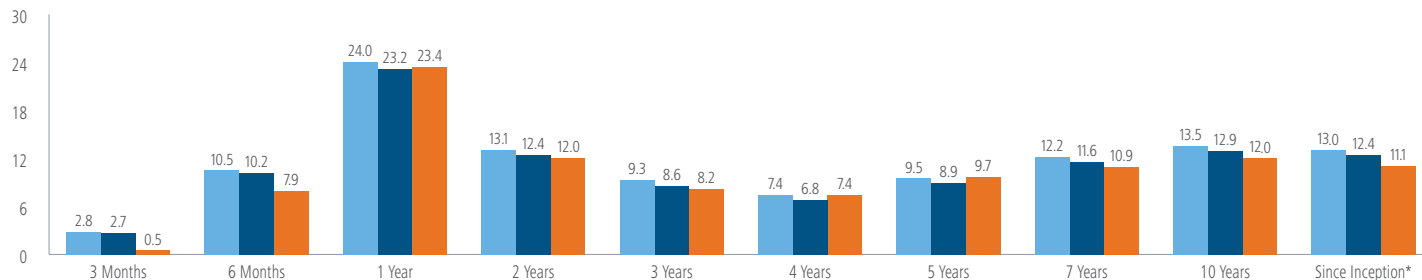
	PORTFOLIO	BENCHMARK
Price/Book	2.2	2.0
Forward Price/Earnings	16.8	17.1
Forward Dividend Yield	2.4	2.6
ROE	20.5	16.9
Active Share	70.3	N/A
Weighted Market Cap (GBP millions)	12,723	11,415
Turnover (1 year to December)	255.04%	N/A

RISK

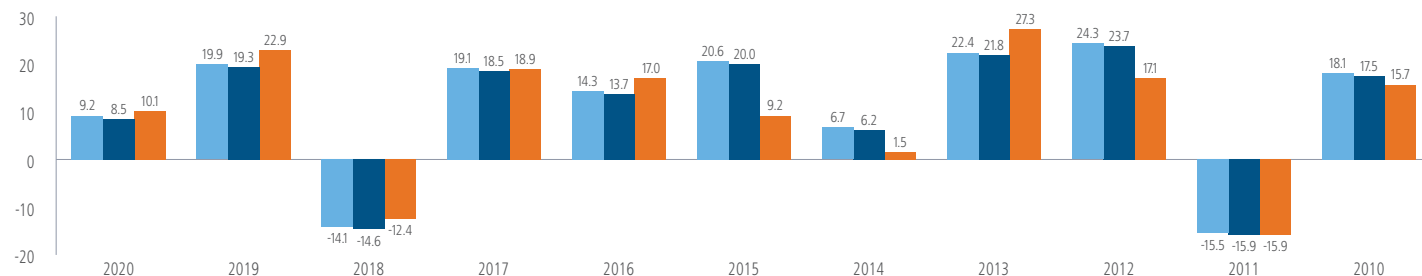
	PORTFOLIO	BENCHMARK
Standard Dev. (3-yr Trailing)	15.1	15.6
Beta (3-yr Trailing)	0.9	N/A
Sharpe Ratio (3-yr Trailing)	0.5	0.3
Tracking Error (3-yr Trailing)	4.4	N/A
Information Ratio (3-yr Trailing)	0.4	N/A

COMPOSITE PERFORMANCE (£)

COMPOUND ANNUAL RETURNS (%)



CALENDAR YEAR RETURNS (%)



■ Mackenzie European Mid Cap Equity (Gross) ■ Mackenzie European Mid Cap Equity (Net) ■ MSCI Europe Mid Cap Net TR Index

CONTRIBUTORS

TOP 5 CONTRIBUTORS

	SECTOR	COUNTRY	AVG. ACTIVE WEIGHT	CONTRIBUTION TO Q3 RETURNS
Uniphar PLC	Health Care	Ireland	3.84%	0.74%
ASM International N.V.	Information Technology	Netherlands	2.35%	0.45%
Zalando SE	Consumer Discretionary	Germany	-1.01%	0.25%
Dole Plc	Consumer Staples	NA	0.87%	0.25%
STMicroelectronics NV	Information Technology	France	1.18%	0.24%

DETRACTORS

TOP 5 DETRACTORS

	SECTOR	COUNTRY	AVG. ACTIVE WEIGHT	CONTRIBUTION TO Q3 RETURNS
Total Produce Plc	NA	Ireland	0.51%	-0.51%
Logitech International S.A.	Information Technology	Switzerland	1.34%	-0.38%
GN Store Nord A/S	Health Care	Denmark	1.15%	-0.25%
Rolls-Royce Holdings plc	Industrials	United Kingdom	-0.55%	-0.21%
flatexDEGIRO AG	Financials	Germany	0.42%	-0.17%

*Since Composite Inception on January 1, 2009

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Past performance does not guarantee or indicate future results. Information under "Composite and Benchmark Performance (GBP)" reflects the performance of the European Mid Cap Equity Composite, and does not necessarily reflect the performance that any particular account investing in the same or similar securities may have had during the period. The performance of other accounts is likely to differ from the performance shown for a variety of reasons, including, but not limited to: differences in market conditions, portfolio turnover and in the number, types, availability and diversity of securities that can be purchased; economies of scale, regulations and other factors applicable to the management of large separate accounts and funds; client-imposed investment restrictions; the timing of client investments and withdrawals; the deduction of taxes; tax considerations; and other factors. Information regarding portfolio characteristics relates to a representative account within the composite.

Gross and net returns do not include the deduction of custody fees. The returns assume the reinvestment of dividends, interest, and realized and unrealized capital gains and losses. Gross performance results also do not reflect the deduction of management fees and other fees and expenses. Net performance results reflect the deduction of the maximum standard fee 0.65% from January 1, 2020 and 0.50% until December 31, 2019 charged to institutional clients without considering breakpoints, calculated daily and invoiced quarterly, as well as the transaction costs and other fees and expenses, including certain taxes. Index returns do not reflect transaction costs or the deduction of other fees and expenses and it is not possible to invest directly in an index.

COMPLIANCE STATEMENT

Mackenzie Investments claims compliance with the Global Investment Performance Standards (GIPS®).

COMPOSITE DESCRIPTION

The European Mid Cap Equity Composite pursues long-term capital growth, while maintaining a commitment to protection of its capital by investing in European small and mid-capitalization equity securities. European Mid capitalization companies are defined as non-Canadian companies with market capitalization of less than US\$5 billion at the time of investment. The strategy follows a blended growth and value investment style.

BENCHMARK DESCRIPTION

The benchmark is the MSCI Europe Mid Cap Index, net of withholding taxes. The MSCI Europe Mid Cap Index captures mid cap representation across the 15 Developed Markets (DM) countries in Europe. With 242 constituents, the index covers approximately 15% of the free float-adjusted market capitalization across the European Developed Markets equity universe.

REPORTING CURRENCY

Valuations and composite performance are reported in Pounds. The composite includes Canadian dollar portfolios that have been converted to Pounds. Returns were converted at the end of each month based on the 4:00 PM spot rate on the last business day of the month as reported by StatPro to our system vendor CGI StarSource.

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