

INCEPTION:
September 2012¹

BENCHMARK:
MSCI World Total Return Index

STRATEGY ASSETS:
€794 million

LEAD PORTFOLIO MANAGER:
Paul Musson, CFA

STRATEGY OVERVIEW

We seek to provide long-term capital growth by investing in high quality, larger capitalization companies from anywhere in the world with a focus on maximizing risk-adjusted returns

We seek to create a portfolio with the following attributes:

- Low volatility relative to benchmark that seeks to achieve superior risk/return attributes
- Low correlation to benchmark providing improved diversification
- High conviction portfolio with higher concentration of holdings

APPROACH

- Labor intensive, bottom-up investment approach focused on identifying high quality businesses around the world
- Intensive fundamental analysis of the company's competitive position, management strengths, expected profitability and financial position
- Once high quality companies are identified, proprietary valuation models determine appropriate entry prices for positions
- Portfolio will often not resemble the composition of its benchmark and due to its strict high quality criteria will have an emphasis on developed markets
- Target 35-55 securities from equity markets around the globe and typically with market capitalizations above US\$3 billion
- Constrained vehicle seeks to be fully invested. Maximum 10% cash weight

INVESTMENT PROCESS

Global Equity Universe



Initial Filters

3000 Stocks

- Liquidity requirements: average daily trading value of US\$ 30 million



Screening

900 Stocks

- Free Cash Flow > 50% of net earnings
- Net Debt/EBITDA < 3
- ROC > 10%
- ROE > 10%



Fundamental Analysis

- Labour intensive
- Analysts must be able to "understand" the company and its financials
- Uncover the quality of the business
- Rank names from A- to A+

200 Stocks



Fundamental Analysis II

- Labour intensive
- Examine each name starting with A+
- Full models built for high quality names
- Target entry price determined
- Repeat for A and A-

35-55 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.

¹ Mackenzie Investments (the "Firm") has been managing Global Large Cap Quality Growth Constrained assets since September 2012. The Firm claims compliance with GIPS® starting January 1, 2008 and has been independently verified for the period of January 1, 2008 to December 31, 2018..

SECTOR ALLOCATION (Ex. Cash & Equivalents)

SECTOR	PORTFOLIO	BENCHMARK
Consumer Staples	21.49%	6.89%
Information Technology	18.18%	22.53%
Health Care	14.27%	12.61%
Industrials	12.25%	10.32%
Financials	11.44%	13.69%
Consumer Discretionary	10.98%	12.13%
Communication Services	8.73%	9.13%
Materials	2.66%	4.12%
Energy	0.00%	3.20%
Real Estate	0.00%	2.70%
Utilities	0.00%	2.69%
	100.00%	100.00%

GEOGRAPHIC ALLOCATION (Ex. Cash & Equivalents)

COUNTRY	PORTFOLIO	BENCHMARK
United States	51.26%	67.66%
United Kingdom	13.41%	4.18%
Germany	5.72%	2.65%
Japan	4.98%	7.04%
Switzerland	4.40%	2.77%
Australia	3.95%	2.02%
China	3.75%	0.00%
Hong Kong	3.20%	0.86%
Netherlands	3.05%	1.41%
Canada	2.94%	3.24%
Spain	1.75%	0.69%
Taiwan	0.69%	0.00%
South Korea	0.61%	0.00%
Sweden	0.27%	1.07%
Other	0.00%	6.41%
	100.00%	100.00%

WEIGHTINGS RELATIVE TO BENCHMARK

OVERWEIGHT	SECTOR	COUNTRY	ACTIVE WEIGHT
Admiral Group PLC	Financials	United Kingdom	+3.33%
Danaher Corp	Health Care	United States	+2.57%
Costco Wholesale Corp	Cons. Staples	United States	+2.41%
Becton Dickinson and Co	Health Care	United States	+2.20%
Colgate-Palmolive Co	Cons. Staples	United States	+2.18%

UNDERWEIGHT	SECTOR	COUNTRY	ACTIVE WEIGHT
Apple Inc	Info. Tech.	United States	-4.08%
Amazon.com Inc	Cons. Disc.	United States	-2.57%
Facebook Inc	Comm. Services	United States	-1.40%
Tesla Inc	Cons. Disc.	United States	-1.10%
NVIDIA Corp	Info. Tech.	United States	-0.89%

TOP TEN HOLDINGS (Ex. Cash & Equivalents)

HOLDING	SECTOR	COUNTRY	WEIGHT
Alphabet Inc	Comm. Services	United States	4.2%
Reckitt Benckiser Group PLC	Cons. Staples	United Kingdom	3.8%
Admiral Group PLC	Financials	United Kingdom	3.4%
Procter & Gamble Co/The	Cons. Staples	United States	3.3%
Seven & i Holdings Co Ltd	Cons. Staples	Japan	3.0%
Microsoft Corp	Info. Tech.	United States	2.9%
Koninklijke Philips NV	Health Care	Netherlands	2.9%
Danaher Corp	Health Care	United States	2.9%
Compass Group PLC	Cons. Disc.	United Kingdom	2.9%
Brookfield Asset Management Inc	Financials	Canada	2.8%
Total:			32.1%
Cash & Equivalents			3.9%

CHARACTERISTICS

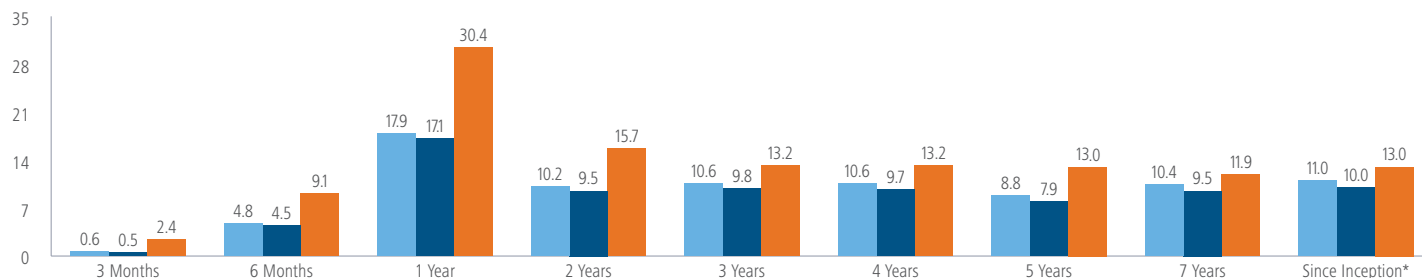
	PORTFOLIO	BENCHMARK
Price/Earnings	24.3	21.4
Price/Book	3.7	3.0
Price/Sales	2.6	2.3
Debt/Equity	128.0	138.3
Net Debt/EBITDA	1.2	1.3
ROC	17.0	16.0
ROE	24.7	29.3
Dividend Yield	1.9	1.7
Turnover (1 year)	37.47%	N/A
Median Market Cap (EUR millions)	85,216	14,468
Weighted Market Cap (EUR millions)	217,510	295,138

RISK

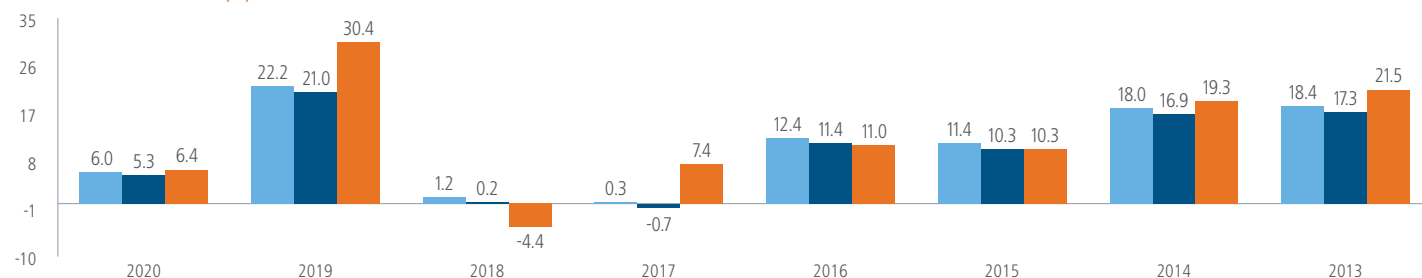
	PORTFOLIO	BENCHMARK
Standard Dev. (3-yr Trailing)	11.7	15.3
Alpha (3-yr Trailing)	0.8	N/A
Beta (3-yr Trailing)	0.7	N/A
Sharpe Ratio (3-yr Trailing)	0.8	0.7
Tracking Error (3-yr Trailing)	6.3	N/A
Information Ratio (3-yr Trailing)	-0.4	N/A

COMPOSITE PERFORMANCE (€)

COMPOUND ANNUAL RETURNS (%)



CALENDAR YEAR RETURNS (%)



■ Mackenzie Global Large Cap Quality Growth Constrained (Gross) ■ Mackenzie Global Large Cap Quality Growth Constrained (Net) ■ MSCI World TR Index

CONTRIBUTORS

TOP 5 CONTRIBUTORS

	SECTOR	COUNTRY	AVG. ACTIVE WEIGHT	CONTRIBUTION TO Q3 RETURNS
Danaher Corporation	Health Care	United States	2.58%	0.32%
Costco Wholesale Corporation	Consumer Staples	United States	2.27%	0.28%
Oracle Corporation	Information Technology	United States	1.74%	0.25%
Brookfield Asset Management Inc. Class A	Financials	Canada	2.72%	0.15%
Accenture Plc Class A	Information Technology	United States	1.77%	0.14%

DETRACTORS

TOP 5 DETRACTORS

	SECTOR	COUNTRY	AVG. ACTIVE WEIGHT	CONTRIBUTION TO Q3 RETURNS
Alibaba Group Holding Ltd.	Consumer Discretionary	China	2.02%	-0.86%
Tencent Holdings Ltd.	Communication Services	China	1.84%	-0.47%
Reckitt Benckiser Group plc	Consumer Staples	United Kingdom	3.52%	-0.37%
CK Hutchison Holdings Ltd	Industrials	Hong Kong	2.09%	-0.31%
Koninklijke Philips N.V.	Health Care	Netherlands	2.67%	-0.27%

*Since Composite Inception on October 1, 2012

Past performance does not guarantee or indicate future results. Mackenzie Portfolio Analytics Group is responsible for calculating the non-benchmark information shown above. That information, which does not constitute formal investment guidelines/restrictions, is subject to change from time to time and over time.

CONTRIBUTORS TO PERFORMANCE

- From a sector perspective, selection within materials contributed to relative performance.
- At a regional level, stock selection in United States, Canada, and Australia contributed to relative performance.
- The largest active contributors were Danaher Corporation, Costco Wholesale Corporation, and Oracle Corporation.
- Danaher is a high-quality business that we've owned for over two decades is. It was featured here last quarter and saw its share price move higher again this quarter. The core life science and diagnostics businesses continue to enjoy a strong demand environment supported by robust biotechnology R&D and an increased standard of health care globally. Danaher is executing well, putting the customer at the core of strategic decisions, and using the Danaher Business System to focus on financial metrics and drive free cash flow.
- Another long-term holding and frequent contributor that requires no introduction is Costco. The company was able to show strong growth on top of what was a challenging comparison in the prior year. While Costco's top-line growth may slow as the world recovers from COVID, we believe Costco is well positioned over the long-term due to its unique business model and phenomenal culture centered on offering value to its members. The value focus will enable growth in new geographies through warehouse expansion, as well as help to increase spend per member as Costco penetrates new categories and bolsters its e-commerce offerings.
- Oracle's share price moved higher as the company reported a quarter that demonstrated its continued business model transition. Unlike Costco, Oracle is a more controversial holding for Ivy, a function of its maniacal leader Larry Ellison, the contentious nature of large-scale enterprise software, its product focused culture (as opposed to customer focused) and its aggressive share repurchase programs. In contrast to another software holding Microsoft, which decided to transition its business model and approach to customers earlier, Oracle has been slow to adapt its business and culture. As a result, growth has been disappointing, and the share has traded at a depressed valuation for years. Oracle has acknowledged this and has begun to gradually evolve its approach somewhat mirroring the path taken by its multi-decade foe. Although we don't expect the same degree of cultural change or product success as at Microsoft, Oracle's infrastructure and ERP (enterprise resource planning) offerings are world class, both with substantial growth runways. Of late the market has shown more appreciation for Oracle's growth prospects decreasing the expected return as its stock price increased. We have reduced our position accordingly.

DETRACTORS FROM PERFORMANCE

- Stock selection in consumer discretionary and industrials detracted the most from performance. Also detracting from performance was the mandate's overweight to consumer staples and the security selection in that sector. From a geographic perspective, the mandates exposure to China, Japan and the Netherlands detracted the most from performance.
- Cash weighting in the portfolio detracted from relative performance as the benchmark achieved a positive return during the period.
- The largest detractors were Alibaba Group Holding Ltd., Tencent Holdings Ltd., Reckitt Benckiser Group and Philips N.V.
- Alibaba and Tencent were meaningful detractors to performance during the quarter, due largely to the Chinese government's accelerated regulatory crackdown on various sectors. These actions included banning for-profit activities for China's publicly traded after school tutoring companies, restricting the ability of these companies to raise foreign capital, suspending US IPOs of China-based companies, reducing the maximum allowable time that minors can engage in online gaming activities, and others. These actions exerted significant downward pressure on stocks in several industries, including the Chinese internet sector in which Alibaba and Tencent both participate.
- Investor sentiment toward China has turned sharply negative over the last several months, which is in stark contrast to one year ago. Market participants are now questioning the viability of investing in China given the regulatory uncertainty. While regulatory uncertainty has always been a risk when investing in China, the pressure has intensified over the last several months. This may be because of increased social pressures from COVID, rising inequality in China, or because of President Xi Jinping's desire to secure greater support ahead of the 20th National Party Congress of the Chinese Communist Party in 2022.
- In addition to the regulatory news, the market has grown concerned about the prospect of an economic slowdown in China, along with supply chain issues due to the recent power shortage, as well as the risk associated with Evergrande's financial woes. We believe there is likely to be further volatility ahead, but we remain of the view that the long-term opportunities for both Alibaba and Tencent are attractive. We believe the current negative market sentiment offers an attractive long-term opportunity. Both operate multiple platforms that have strong competitive advantages and serve growing end markets. While the government is pushing 'Common Prosperity' and greater competition in certain markets, we think that both companies can prosper over the long-term. We therefore added to our position.

DETRACTORS FROM PERFORMANCE *(cont'd)*

- Reckitt reported Q2 results that disappointed the market. Despite having a non-controversial business model, Reckitt is one of the more controversial European stocks. Over the last 18 months, the company has invested a significant amount in the business and investors are anxious to see a clear return on this investment. Complicating the near-term outlook, some of Reckitt's products (Lysol and Dettol) that benefited from the pandemic have started to see this benefit fade. During the pandemic, cough and cold products suffered, as incidence of colds and the flu declined. These contrasting impacts have added to near-term uncertainty. We believe the investments Reckitt has made will serve the company well over the long term and we added to our position during the quarter.
- RELX is a provider of information, data, analytics and decision tools for a variety of professional and business customers. Several years ago, RELX completed a decade plus long and difficult transition away from print-based to digital products. Currently the company is again evolving its business, moving away from providing strictly data and information to digital based analytical tools that help its customers make better decisions. The company recently remarked that it is seeing increased momentum in this transition, which we believe will translate to higher organic growth. RELX management is thoughtful with a long-term focus on carefully building a sustainably growing business. We believe the shares represent a good return given the defensive nature of the business.
- For what is normally a relatively stable business, Canadian National Railway had an unusually exciting summer. With the bid saga complete and an increased share price based on improved sentiment we exited our position due to valuation.

MARKET OUTLOOK

Equity markets entered a period of heightened volatility towards the tail end of Q3 and early Q4, with concerns about persistent inflation, continued supply chain issues, the impact of pending tapering by the Federal Reserve and renewed concerns about the impact of potentially higher rates. Japanese markets, which ended Q3 on a high note following the resignation of Prime Minister Suga, have been particularly weak of late due to these same issues, with cyclical and more expensive parts of the market feeling the brunt of the weakness. We have been writing for some time about the challenges of finding high quality, growing businesses at reasonable valuations, as well as the seemingly very generous earnings estimates and valuations that the market was placing on cyclical businesses in anticipation of a prolonged strong economic recovery. The mandate remains defensively positioned within the portfolio with a higher weighting towards defensive sectors. Should the current market weakness persist and deepen, our hope is that this defensive positioning will serve the portfolio well, and will allow us to take advantage of opportunities that may arise.

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Past performance does not guarantee or indicate future results. Information under "Composite and Benchmark Performance (EUR)" reflects the performance of the Mackenzie Global Large Cap Quality Growth Constrained 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 0.95% 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 Global Large Cap Quality Growth Constrained Composite seeks to provide long-term capital growth by investing in high quality, larger capitalization companies from anywhere in the world with a focus on maximizing risk-adjusted returns. This strategy differs from the Global Large Cap Quality Growth strategy in that cash weights will generally be limited to less than 10%.

BENCHMARK DESCRIPTION

The benchmark is the MSCI World Total Return Index, net of withholding taxes. The MSCI World Index is a free float adjusted, market capitalization weighted index that is designed to measure the equity market performance of developed markets. It consists of 23 developed market country indices.

REPORTING CURRENCY

Valuations and composite performance are reported in Euros. The composite includes Canadian dollar and U.S. dollar portfolios that have been converted to Euros. 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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