

INCEPTION:
July 2016¹

BENCHMARK:
MSCI EAFE Total Return Index

STRATEGY ASSETS:
US\$670 million

LEAD PORTFOLIO MANAGER:
Ome Saidi, MBA, CFA

MACKENZIE

INTERNATIONAL CONCENTRATED CORE EQUITY | USD

STRATEGY OVERVIEW

We seek to provide long-term capital growth by constructing a well-diversified portfolio of compounder companies.

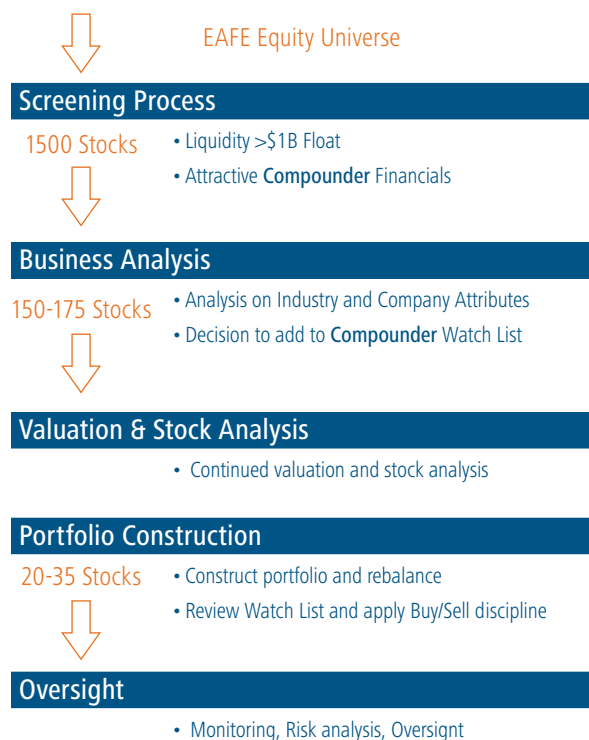
We aim to construct a portfolio with companies that are:

- Highly cash generative with a proven track record of generating high returns on capital and reinvesting retained earnings at similar high rates of return
- High up in their respective value chains and supported by a powerful intangible or tangible asset – a strong brand, exclusive patent, advantaged distribution or proprietary technology that is very difficult for competitors to replicate
- Carry manageable financial or business risk
- Often ignored by a short-sighted market fixated on quick gains

APPROACH

- Bottom-up, fundamental research-driven process, focused on a select group of high quality compounder companies that form a watch list of approximately 150-175 securities
- Companies must have predictable economics, high free cash flow conversion and returns on invested capital typically well in excess of their cost of capital
- Seek companies that have an economic moat in the form of high switching costs, network economics, intellectual property, privileged assets or regulatory barriers, among other
- Companies move from the watch list to the portfolio based on valuation, contribution to portfolio diversification and attractiveness relative to other positions
- Target 20-35 securities across the EAFE region and diversify by sector, industry and regional exposure.

INVESTMENT PROCESS



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 International Core Equity assets since July 2016. 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 Discretionary	22.18%	12.74%
Information Technology	15.78%	9.62%
Consumer Staples	14.58%	10.22%
Industrials	13.80%	15.79%
Financials	12.70%	17.17%
Health Care	12.62%	12.65%
Materials	5.20%	7.33%
Real Estate	2.11%	2.93%
Communication Services	1.03%	4.80%
Energy	0.00%	3.49%
Utilities	0.00%	3.26%
	100.00%	100.00%

GEOGRAPHIC ALLOCATION (Ex. Cash & Equivalents)

COUNTRY	PORTFOLIO	BENCHMARK
Germany	22.39%	9.09%
France	19.32%	11.22%
Netherlands	12.45%	4.84%
Japan	10.30%	24.20%
Switzerland	9.76%	9.53%
China	8.80%	0.00%
Denmark	5.72%	2.62%
United States	3.14%	0.00%
Spain	3.09%	2.37%
Taiwan	2.67%	0.00%
India	2.36%	0.00%
Other	0.00%	36.13%
	100.00%	100.00%

WEIGHTINGS RELATIVE TO BENCHMARK

OVERWEIGHT	SECTOR	COUNTRY	ACTIVE WEIGHT
Hannover Rueck SE	Financials	Germany	+5.09%
Deutsche Boerse AG	Financials	Germany	+4.99%
Sony Group Corp	Cons. Disc.	Japan	+4.84%
SAP SE	Info. Tech.	Germany	+4.76%
Eurofins Scientific SE	Health Care	France	+4.62%

UNDERWEIGHT	SECTOR	COUNTRY	ACTIVE WEIGHT
Toyota Motor Corp	Cons. Disc.	Japan	-1.13%
AstraZeneca Plc	Health Care	United Kingdom	-1.11%
Novartis AG	Health Care	Switzerland	-1.08%
Royal Dutch Shell Plc	Energy	United Kingdom	-1.03%
Unilever Plc	Cons. Staples	United Kingdom	-0.84%

TOP TEN HOLDINGS (Ex. Cash & Equivalents)

HOLDING	SECTOR	COUNTRY	WEIGHT
Sony Group Corp	Cons. Disc.	Japan	5.7%
SAP SE	Info. Tech.	Germany	5.6%
Deutsche Boerse AG	Financials	Germany	5.2%
Hannover Rueck SE	Financials	Germany	5.2%
Eurofins Scientific SE	Health Care	France	4.7%
Safran SA	Industrials	France	4.5%
Brenntag SE	Industrials	Germany	4.3%
Nestle SA	Cons. Staples	Switzerland	3.9%
Sika AG	Materials	Switzerland	3.7%
Heineken Holding NV	Cons. Staples	Netherlands	3.7%
Total:			46.4%
Cash & Equivalents			0.1%

CHARACTERISTICS

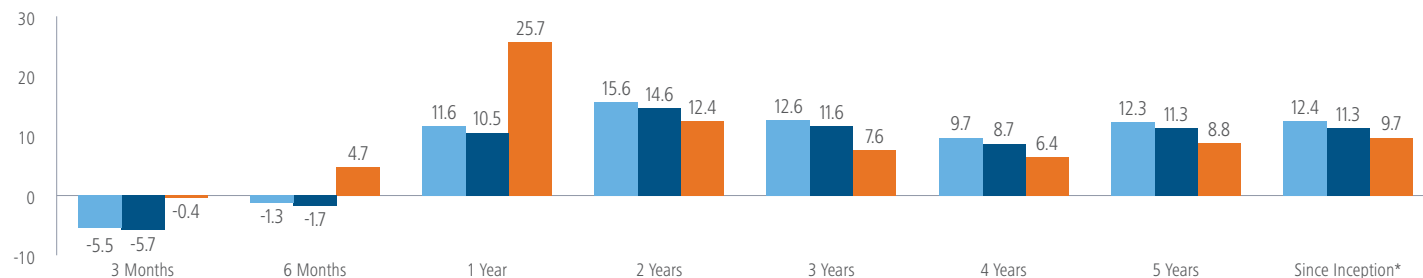
	PORTFOLIO	BENCHMARK
P/E (12m forward)	24.1	16.9
1 YR Fwd EPS Growth	22.0	15.0
Dividend Yield	1.4	2.6
Gross Margin	50.8	46.3
Operating Profit Margin	18.0	18.3
Return on Equity	19.6	17.1
Net Debt/EBITDA	46.1	44.8
Turnover (1 year)	26.60%	N/A
Median Market Cap (US\$ millions)	66,939	14,283
Weighted Market Cap (US\$ millions)	138,101	81,669

RISK

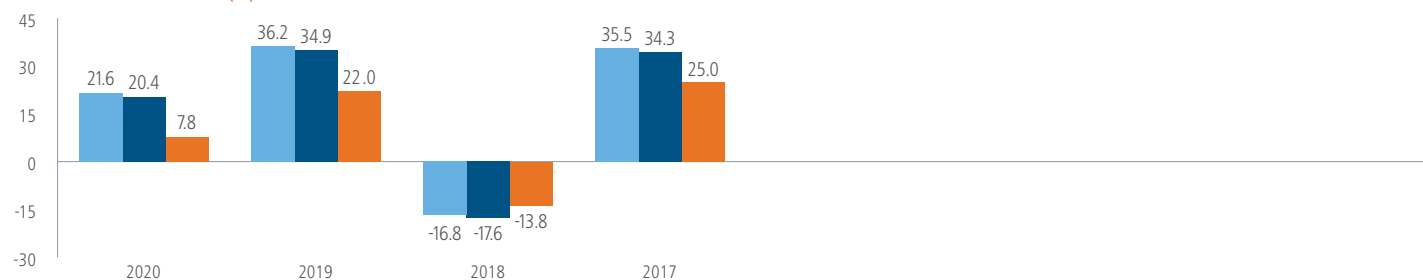
	PORTFOLIO	BENCHMARK
Standard Dev. (3-yr Trailing)	17.1	17.8
Alpha (3-yr Trailing)	5.7	N/A
Beta (3-yr Trailing)	0.9	N/A
Sharpe Ratio (3-yr Trailing)	0.7	0.4
Tracking Error (3-yr Trailing)	6.7	N/A
Information Ratio (3-yr Trailing)	0.8	N/A

COMPOSITE PERFORMANCE (US\$)

COMPOUND ANNUAL RETURNS (%)



CALENDAR YEAR RETURNS (%)



■ Mackenzie International Concentrated Core Equity (Gross) ■ Mackenzie International Concentrated Core Equity (Net) ■ MSCI EAFE Total Return Index

CONTRIBUTORS

TOP 5 CONTRIBUTORS

	SECTOR	COUNTRY	AVG. ACTIVE WEIGHT	CONTRIBUTION TO Q3 RETURNS
Eurofins Scientific Societe Europeenne	Health Care	France	5.14%	0.65%
Sony Group Corporation	Consumer Discretionary	Japan	4.24%	0.58%
Novo Nordisk A/S Class B	Health Care	Denmark	2.00%	0.27%
Hannover Rueck SE	Financials	Germany	4.83%	0.22%
HDFC Bank Limited	Financials	India	1.19%	0.19%

DETRACTORS

TOP 5 DETRACTORS

	SECTOR	COUNTRY	AVG. ACTIVE WEIGHT	CONTRIBUTION TO Q3 RETURNS
Alibaba Group Holding Ltd. Sponsored ADR	Consumer Discretionary	China	3.89%	-1.61%
New Oriental Education & Technology Group, Inc. Sponsored ADR	Consumer Discretionary	China	0.48%	-1.39%
Heineken Holding N.V.	Consumer Staples	Netherlands	3.82%	-0.52%
Safran S.A.	Industrials	France	4.65%	-0.51%
Prosus N.V. Class N	Consumer Discretionary	Netherlands	1.94%	-0.44%

*Since Composite Inception on July 1, 2016

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.

DISCLAIMER

Issued by Mackenzie Financial Corporation ("Mackenzie Investments"). **For Institutional Use Only.** This material does not constitute an offer to sell, or a solicitation of an offer to buy, any type of securities.

The contents of this document are provided for illustrative and marketing purposes and do not constitute specific advice. Certain information contained in this document is obtained from third parties. Mackenzie Investments believes such information to be accurate and reliable as at the date hereof, however does not guarantee that it is accurate or complete or current at all times. The information provided is subject to change without notice and Mackenzie Investments cannot be held liable for any loss arising from any use of or reliance on the information contained in this document. No portion of this communication may be reproduced or redistributed without the express permission of Mackenzie Investments. There can be no assurance any account will achieve its objectives or avoid incurring substantial losses. Performance may be volatile and may vary materially on a monthly, quarterly or annual basis, and over the course of a market cycle. This strategy is not intended as a complete investment program and is subject to numerous risks. Further information on those risks can be requested from Mackenzie.

Views expressed regarding a security, industry or market sector are the views of only that speaker/author as of the time expressed and do not necessarily represent the views of Mackenzie Investments or its affiliates. Any such views are subject to change at any time based upon markets and other conditions and Mackenzie Investments and its affiliates disclaim any responsibility to update such views. These views are not a recommendation to buy or sell and may not be relied on as investment advice and, because investment decisions are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any client. Speculation or stated beliefs about future events, such as market and economic conditions, company or security performance, upcoming product offerings or other projections are "forward-looking statements". These forward-looking statements represent the beliefs of the speaker/author and do not necessarily represent the views of Mackenzie Investments or its affiliates. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions which could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements.

Past performance does not guarantee or indicate future results. Information under "Composite and Benchmark Performance (USD)" reflects the performance of the Mackenzie International Core 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. 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 of 0.95% 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 International Concentrated Core Equity composite aims to achieve a combination of long-term capital growth and current income by primarily investing in dividend paying companies anywhere in the world, outside of Canada and the U.S., or in companies that are expected to pay dividends in the future. The approach to stock selection is bottom-up fundamental analysis including the examination of the company's financial position, revenue growth, profitability, the competitive landscape and management. Currency exposure is left unhedged. Prior to January 1, 2020, the composite was known as the International Core Equity composite. The composite was created on October 31, 2017.

BENCHMARK DESCRIPTION

The benchmark is the MSCI EAFE Total Return Index, net of withholding taxes. The MSCI EAFE (Europe, Australasia, Far East) Index is a free float adjusted, market capitalization weighted index that is designed to measure the equity market performance of developed markets, excluding the United States and Canada. It consists of 21 developed market country indices.

REPORTING CURRENCY

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

© Mackenzie Financial Corporation 2021. All rights reserved.

MACKENZIE INVESTMENTS

180 Queen Street West, Toronto, Ontario M5V 3K1
T (437) 229-1120
E MIClientReporting@mackenzieinvestments.com
mackenzieinvestments.com