MACKENZIE INSIGHT

MACKENZIE Investments | CONFIDENCE IN A CHANGING WORLD

WINTER STATEMENT 2019

Sustainable, Responsible and Impact Investing. Opportunities that can align with your values.

Canadians started investing in socially responsible mutual funds in 1986[1] to align their investing with their personal values. Today, Canadians have invested billions of dollars in sustainable funds, with Assets under Management in socially responsible investing mandates growing to $9.7B at April 2018.[2]

Initially, SRI stood for Socially Responsible Investing. Fund managers used "negative screening" to avoid companies with operations, practices or assets that did not align with their social objectives.

Today, Sustainable, Responsible and Impact investing considers environmental, social and governance (ESG) factors when making investment decisions. So, when portfolio managers analyze a company's financials to find value, they also examine the company's environmental record, socially-responsible practices, and corporate governance.

The SRI Mandate

Environmental

- Climate change
- Clean energy
- Resource sustainability

Social

- Human rights
- Diversity policies
- Work & safety standards

Governance

- Executive leadership
- Corporate culture
- Anti-corruption policies

Sustainable, Responsible and Impact investing lets you align your investments with your values. Talk to your financial advisor about how you can invest to drive change.

Visit www.mackenzieinvestments.com/sri to learn more.

SRI by the numbers[3]

91% OF CANADIAN INVESTORS expect their reliance on SRI investments to increase or stay the same in the next 2-3 years.

63% OF CANADIAN INVESTORS believe that SRI investments will become more important to their investment portfolio.

[1] Source: State of the Nation: Impact Investing in Canada, MaRS Centre for Impact Investing, 2014.

[2] Source: Investor Economics.

[3] Source: 2017 Insights Research: A survey of 412 Canadian advisors was completed online between June 20 and July 12, 2017, using Environics' Advisor Research panel. A probability sample of the same size would yield a margin of error of +/- 4.8%, 19 times out of 20. A survey of 1,247 Canadians 18-75 years old, who have an investment portfolio or plans to begin investing in the near future, was completed online between June 27 and July 11, 2017. A probability sample of the same size would yield a margin of error of +/- 2.8%, 19 times out of 20.

Don't Hit Snooze: An RRSP Reminder

Eat your vegetables, get more sleep and contribute to your RRSP in 2018. There, you've got the reminders.

Each reminder is healthy and each has a payoff, including one financial payoff.

Contributing to your RRSP can save you some tax in 2018 (short-term payoff) and help fund your retirement (long-term payoff). It's a payoff that spans time.

- Three main advantages of contributing to an RRSP:
  1. Contributions are tax deductible
  2. Earnings in an RRSP are sheltered from tax
  3. Taxes on money in RRSPs are deferred until you make withdrawals
- Contribution deadline: March 1, 2019.
- Annual contribution limit for 2018 is $26,230.
- If you're in a pension plan, your pension adjustment will reduce your contribution amount.
- Your RRSP deduction limit is reported on your Notice of Assessment from Canada Revenue Agency

Reminding you to contribute to your RRSP is not just an "eat your broccoli" message – though you're encouraged to eat more vegetables – it is smart money management.

CTRL + N: RRSP REMINDER

Put an RRSP reminder in your email calendar and crank up the alert volume. Create a Reminder in your mobile phone. Add a New Event to your phone calendar. Put an RRSP sticky note on your desktop(s). Put a sticky note on top of your desk(s). Update your social media anniversaries so friends and family can encourage you to contribute.

Tie a piece of string around your finger. Then take a photo of the string and tweet it to your financial advisor.

Don't snooze this reminder. It'll pop up again in five minutes.

Take the payoff, make an RRSP contribution for the 2018 tax year. It will make you feel better.

Talk to your financial advisor about making the most of your RRSP.

How do you find balance?

It's difficult to predict what assets will perform the best over time in any market. That's why diversification is a prudent investment strategy.

Simply diversifying a portfolio evenly across asset classes may improve returns and lower risk in your portfolio relative to trying to pick winners. We believe that a slightly better choice is to purchase a balanced fund. Rather than seeking maximum returns, a balanced fund focuses on consistent performance in every time period. The main reason for this consistency is that balanced funds invest across all of the different asset classes – equities, bonds, and cash – and so gain exposure to high-performing assets when these do well.

Balanced funds can be used to anchor a larger portfolio or as an easy solution for investors who prefer to have professionals manage allocation across assets.

Talk to your financial advisor about Mackenzie Investments' Balanced funds.

Visit www.mackenzieinvestments.com/balanced to learn more.

Outlook on the markets

Change is as constant in life as it is on the world markets. It's a good thing to have eyes on the goings-on. At Mackenzie, that critical role falls to our chief economist Alex Bellefleur. Here's a brief overview of his larger commentary for October 2018.

The S&P 500 was down approximately 7%. Continued trade tensions have created difficulties for China and several other emerging markets. Across the Atlantic, political and economic tensions in Italy are rippling through the Eurozone.

With all this in mind, the Multi-Asset Strategies Team has been positioned cautiously on the bond market since October 2017 and price action has seemingly confirmed our tactical positioning. But there's more to the picture.

Visit https://www.mackenzieinvestments.com/en/investment-teams/mackenzie-multi-asset-strategies-team/update-on-recent-market-volatility to get an in-depth outlook into what's influencing our position. The commentary covers the U.S. job market, the U.S. economic growth slowdown, dropping P/E ratios, Chinese currency pressure and so much more.

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