



## INVESTMENT STRATEGY & HIGHLIGHTS

The Mackenzie Global Macro Fund incorporates leverage and shorting inside relative value and market directional strategies to seek a return stream that can decouple from traditional long only equity and fixed income markets. The Fund's investment universe includes equity and fixed income markets, currencies, and commodities. It follows a disciplined investment strategy based on principles of relative valuation, market sentiment and detailed analysis of macro-economic conditions.

FUND SNAPSHOT	
<b>As of April 30, 2021</b>	
Inception	26-February-19
Benchmark	FTSE TMX Canada 91-Day T-Bill Index
AUM	\$323,652,312
Management Fee	1.00%
MER	1.36%
Performance Fee	None
Redemption Notice	None
Min. Investment	\$500
NAVPU	\$9.94

RISK TOLERANCE		
Low	Moderate	High

Monthly Performance Net of Fees (Series F, %)														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	SI (Ann.)
2021	-0.7%	-2.9%	-0.2%	1.5%									-2.3%	2.1%
2020	1.7%	0.4%	-5.5%	0.2%	2.1%	-0.2%	2.0%	-0.7%	-1.1%	-1.2%	0.8%	2.3%	0.5%	
2019		0.5%	0.6%	1.6%	-0.9%	3.3%	1.3%	-1.9%	0.8%	0.6%	0.3%	1.0%	6.6%	

PORTFOLIO OVERVIEW					
Asset Class	Short	Long	Net	Contribution to target risk	
Cash	-1%	84%	84%	0%	
Core fixed income	-17%	52%	35%	3%	
Credit fixed income	0%	8%	8%	5%	
Equity	-5%	54%	48%	80%	
Commodities	-4%	11%	7%	3%	
Currency	-89%	87%	-2%	23%	
Options	-8%	0%	-8%	-15%	
Total	-124%	295%	171%	100%	

PORTFOLIO STATISTICS	
*Return	2.1%
*Standard Deviation	6.9%
Target Volatility Range (5 yrs.)	7-11%
*Value at Risk	-4.6%
Leverage	1.8 X
*Equity Beta	0.1
*Equity Correlation	0.3
Max Drawdown	-9.5%

\*Annualized, since inception, based on daily returns

Top 10 long positions (non-cash)	Weight	Cont. to target risk
AUSTRALIAN 10Y BOND	34%	4%
S&P 500	30%	52%
SWEDISH KRONA	23%	12%
AUSTRALIAN DOLLAR	20%	13%
INDIAN RUPEE	14%	5%
GERMAN 10YR BUND	10%	0%
BRAZIL REAL	7%	5%
BRITISH GILT FUTURE	7%	0%
EURO STOCK FUTURE	7%	10%
SOUTH AFRICAN RAND	7%	6%

Top 10 short positions (non-cash)	Weight	Cont. to target risk
ISRAELI SHEKEL	-27%	-3%
CANADIAN DOLLAR	-21%	-7%
BRITISH POUND	-14%	-4%
SOUTH KOREAN WON	-10%	-4%
ITALIAN 10YR GOV. BOND	-9%	-1%
MEXICAN PESO	-8%	-6%
S&P 500 PUT OPTION (DEC)	-5%	-9%
US 10YR NOTE	-5%	0%
JAPANESE YEN	-4%	0%
NEW ZEALAND DOLLAR	-4%	-2%

## GLOBAL MARKET and MACRO ECONOMIC HIGHLIGHTS

- After almost two months of yield curve steepening, US bonds rallied back to early-March yields. The macro story for the bond rally reflects several factors: a combination of rebounding Treasury purchases from foreign investors hedging flows from record corporate bond issuance; a surge in Covid cases in developing countries; and falling real interest rates.
- US growth and inflation expectations keep inching up as the economy reopens and higher frequency data releases (retail sales, employment, PMIs) surprise to the upside. However, vaccination numbers seem to have crested at around 3 million doses per day as vaccine hesitancy starts to bite, suggesting that the US immunity edge could start melting as other countries ramp up their efforts.

## ATTRIBUTION HIGHLIGHTS

- In April, the Fund returned +1.5% after series F fees. Net long exposure to US equities, the Swedish Krona (vs. the USD), long Chicago wheat futures vs. Kansas City wheat futures, and short exposure to Italian and US government bonds contributed the returns.
- Detractors included long exposure to the Indian Rupee (vs. the USD), long US equity put options, and short exposure to the Israeli Shekel and New Zealand Dollar (both vs. the USD).

## STRATEGY HIGHLIGHTS

- We expect a recovery in global GDP and corporate earnings, especially in the second half of 2021, driven by the gradual rollout of vaccines, global fiscal stimulus, and abundant central bank liquidity.
- Our central scenario is one of exceptional breadth in global growth with a transitory increase in inflation, supporting risk assets, but the range of scenarios is wide. Downside risks include delays in the rollout of vaccines, new variants that are resistant to existing vaccines and excessive monetary and fiscal stimulus around the world that de-anchors inflation expectations, leading to higher interest rates.
- The portfolio remains long equities primarily via S&P 500 futures, supported by put protection, in light of the bullish indicators outlined above.
- Our net exposure to government bond duration is down month over month. The portfolio remains long government bond duration overall as a risk management tool. The relative value appeal of government debt has also improved as yields are considerably higher than they were a few months ago. Within government fixed income, we shifted our duration exposure towards Australia, trimmed our UK Gilt exposure and moved to a minor short position in US Treasuries. Australian bonds appear attractive from a valuation perspective and economic indicators are also relatively supportive (more on this below).
- We continue to hold long positions in energy commodities and precious metals, partly for inflation protection. Although headline inflation has so far been subdued, rising commodity prices have led to a noticeable increase in shipping and transportation costs.
- In relative value commodities, we have slightly decreased our long Chicago wheat / short Kansas wheat position as short-term sentiment improved for Kansas Wheat. We are still seeing a value opportunity in the two different wheat types.
- In terms of the broad currency basket, the Fund is tilted in favour of a handful of emerging market and more cyclical developed market currencies that are positioned to benefit from a continuation of the broad global economic recovery. Our top long positions include those with outperforming local economies and/or those presenting compelling relative value. We are less constructive on the USD which appears overvalued (despite its recent decline) and could be subject to further weakness if broad investor sentiment continues to improve. We view the CAD as attractive relative to the USD but not relative to our other higher conviction long cyclical developed market currency positions.
- We have increased our long position in the Australian dollar. Australia's manufacturing PMI has been solid since the start of the year, highlighting the reopening momentum in the Australian economy as both it and China, a major trading partner, have weathered the COVID crisis well relative to many other nations. Industrial strength has persisted even as China's government started withdrawing its stimulus. Continued economic strength here is supportive of our long position.
- We remain long the Brazilian Real. Brazil's currency seems largely underpriced. While there is a risk of populist policies weighing on growth and spurring inflation, Brazil's current account is healthy and the credit premium on its government debt is still low. On the macro side, the economy should pick up in the second half of 2021 as Brazil – one of the countries worst hit by Covid – ramps up its vaccination efforts.

## GLOSSARY OF TERMS

**Standard Deviation:** 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.

**Value at Risk:** The maximum loss anticipated over a one-month period with 99% confidence.

**Contribution to Risk:** The percentage contribution to expected portfolio risk, after accounting for individual asset risks and correlations.

KEY INVESTMENT PERSONNEL

**Nelson Arruda, MFin, MSc, CFA**

Nelson Arruda joined Mackenzie Investments in January 2017 and is Senior Vice President, Investment Management and Co-Lead of the Mackenzie Multi-Asset Strategies Team. In this role, Nelson is a member of Mackenzie’s Global Investment Committee and is responsible for the management and oversight of Mackenzie’s \$20 billion multi-asset class portfolio business that includes a suite of five currency management products, Symmetry, Mackenzie Multi-Strategy Absolute Return Fund, Mackenzie Global Macro Fund, and other asset allocation approaches for internal and external clients. Nelson’s other responsibilities include alpha research, risk management, portfolio construction, external manager deployment, trading operations, and team management. Prior to joining Mackenzie Investments, Nelson held various roles over 7.5 years at the Canada Pension Plan Investment Board (CPPIB) – including 3 years as Lead PM of the Commodities Strategy in the Global Tactical Asset Allocation Group. Nelson was involved in multi-asset research, portfolio management, tactical asset allocation, active commodities, and active currencies. Prior to joining the CPPIB, Nelson was a Financial Engineer working on liability modelling at State Street based in Toronto for pension plan clients in the EU and across North America. Nelson earned two Masters Degrees at the University of Toronto and the Rotman Business School over the period 2005 to 2009 – a Masters of Science Degree in Computer Science (M.Sc.) in Cryptography & Computational Complexity and a Masters Degree in Finance (M. Fin) degree.

**Todd Mattina, PhD**

Todd Mattina is Senior Vice-President & Co-Lead of the Multi-Asset Strategies Team and the Chief Economist for Mackenzie Investments. Todd supports multi-asset and alternative solutions by building proprietary investment models and assessing the investment implications of expected macroeconomic conditions. After serving as Mackenzie’s Chief Strategist and Economist from 2014 to 2018, Todd joined the Investment Management Corporation of Ontario (IMCO) where he served as VP, Portfolio Construction, Chief Strategist and Chief Economist. He led investment teams responsible for strategic asset allocation, active asset allocation, dynamic currency management and economic analysis. Prior to his experience at Mackenzie and IMCO, Todd worked at the International Monetary Fund (IMF) for ten years where he focused on macro-fiscal policy and supported the design of an IMF endowment portfolio. In this role, Todd was a key member of IMF teams negotiating financial arrangements with developing countries, providing policy advice to country officials and leading research. Todd was also a Portfolio Manager of Emerging Market Currencies in the Global Tactical Asset Allocation (GTAA) team of the Canada Pension Plan Investment Board. Todd conducted quantitative research and macroeconomic analysis supporting the GTAA team’s Tactical Asset Allocation and G-10 currency strategies. Todd currently serves as Vice-Chair of the Investment Committee and Pension Committee of Queen’s University. Todd completed a PhD in Economics (International Macroeconomics & Finance) from Queen’s University in 2001, an MA from the University of British Columbia in economics (1995) and a BA (Honours) in economics from Queen’s University (1994).

Standard Performance Data Net of Fees (Series F)		
	1yr	SI (02/26/19)
Mackenzie Global Macro Fund	1.5%	2.1%
FTSE TMX Canada 91-Day T-Bill Index	0.2%	1.1%

Source: Morningstar

**Disclaimer:**

Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rate of return is the historical annual compounded total return as of **April 30, 2021** including changes in unit value and reinvestment of all dividends and distributions and do 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.

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