

### Performance Summary

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- For Q4 2020, the Investor Series of Mackenzie Canadian Small Cap Fund posted a gain of 15.8%, This compares with the S&P/TSX Small Cap Total Return Index return of 23.4%.

### Contributors to Performance

- Small cap equities continued their strong performance since the Summer months. Top line growth and profit margin resilience has indicated a healing process at the macro level. All sectors have generated positive returns for the quarter.
- Cyclical sectors including Financials and Consumer Discretionary enjoyed strong uptrends, supported by higher than expected top line growth and resilient margins.
- People Corp was acquired by Goldman Sachs at a 40% premium in December.

### Detractors from Performance

- The Fund has lower exposure to metals and mining stocks, especially on base metal and coppers that are more sensitive to industry demand growth
- The Fund is underweight in Energy and therefore did not participate in the strong recovery fully in the quarter.
- The Fund has no exposure to Cannabis stocks as the market seems to be predicting a loosening of regulations in the US under the new Biden regime.

### Portfolio Activity

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- During the quarter we added Allied Properties, Altus Group, IBI Group, iShare S&P/TSX 60 Index ETFs and iShares S&P/TSX Capped Energy ETFs to the Fund.
- We sold Algonquin Power, Intact Financial, iShares US Small Cap ETFs, Kinaxis, Organic Garage, Secure Energy Services, Sir Royalty Income Fund and SSR Mining from the Fund.

### Outlook

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- Small cap equities continued their strong performance since the Summer months, top line growth and profit margin resilience has indicated a healing process on the macro level. All sectors have generated positive returns for the quarter. This strong momentum has continued into the start of the new year, as one has witnessed that a rotation towards cyclicals appears to be well under way.
- In our view, we believe earnings momentum will be a key factor for stocks this year, while multiple expansion takes a back seat. The incremental move into more into Financials, Base metals and Energy is consistent with our outlook of a post-pandemic demand recovery. Our high conviction bets are on companies with strong cash flow generation supported by recurring revenue. Those names tend to grow both organically and through acquisitions, backed by strong balance sheets or access to the equity market. Catalysts for those names includes earnings growth, or a step change in the business. We are also placing our bets on technology names as it has been clear that Covid-19 served as an aggressive accelerant for tech-based innovation. Many businesses will see both temporary and permanent sources of new demand. We have seen newer entrants to the Canadian Small Cap space at a faster pace than before, and we believe our Fund is well positioned to capitalize on the growth trend.

### Portfolio Management Team

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**Scott Carscallen**, Vice-President, Portfolio Manager

**Dongwei Ye**, Vice-President, Portfolio Manager

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Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns

as of December 31, 2020 including changes in unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution, or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Index performance does not include the impact of fees, commissions, and expenses that would be payable by investors in the investment products that seek to track an index.

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| <b>Fund and Benchmark Performance as at: December 31, 2020</b>   | 1 year | 3 years | 5 years | 10 years |
|--|--------|---------|---------|----------|
| Mackenzie Canadian Small Cap Value Fund - Investor Series<br>(Performance data shown uses Investor Series, which has a management fee that is 0.35% lower than Series A) | 6.0%   | 4.3%    | 8.7%    | 5.1%     |
| S&P/TSX Small Cap Total Return Index   | 12.9%  | 2.3%    | 8.8%    | 1.3%     |