

# Predictable cashflow with risk management



## Why you need predictable cashflow

Those entering or in retirement will need their investments to generate enough cashflow to finance their living expenses and minimize the impact of inflation. Yet, in today's historically low-interest-rate environment, many will struggle to generate sufficient cashflow over a retirement that could last 25 years or more. Given the length of retirement, retirees could face multiple economic downturns which can negatively impact their portfolio and trigger sharp drawdowns of their life savings; these drawdowns may cause unanticipated fluctuations in the cashflows needed to fund living expenses. However, not all income-seeking investment solutions are created equally, and not all will have the tools required to fulfill key retiree needs.

## Why Mackenzie Monthly Income Portfolios

Mackenzie Monthly Income Portfolios aim to deliver three critical outcomes: regular, predictable cashflow, along with some growth and downside risk mitigation.

### 1 Cashflow:

Our portfolios are designed to provide a consistent cashflow and can help you meet life's spending needs with steady, reliable monthly payments of 4% (annualized). The cashflow you receive comes from a diversified mix of sources that include dividends and bond interest, which is "topped up" with a return of capital when necessary, to maintain the 4% target distribution. This means that if not enough interest and dividends are earned by the fund in the month, we will return some of the original investment, in order to maintain a predictable distribution amount from month to month.<sup>1</sup>

### 2 Risk mitigation:

By using risk management strategies, our investment team aims to reduce the negative effects of severe market declines on the value of your investment to help weather your portfolio through volatility.

### 3 Growth:

Growth is achieved by gaining exposure to a range of global growth assets like equities, high-yield bonds and floating rate loans.

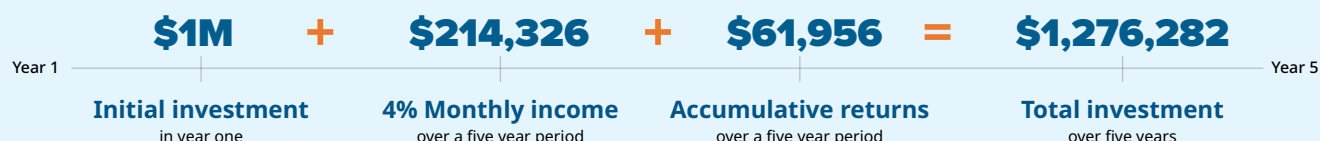
Retirees can face the future confidently with a long-term strategy that provides cashflow, generates growth and manages risk.

## How they work

Mackenzie Monthly Income Portfolios are managed by our Multi-Asset Strategies Team. They bring extensive asset allocation and risk management experience, as well as a disciplined approach to portfolio management.

The portfolios are structured to deliver steady monthly cashflow, while offering growth opportunities to protect against loss in purchasing power. They manage downside risk by using options to manage volatility.

Let's look at a retirement example and see how much \$1 million could deliver over a five-year period. With a \$1 million initial investment and returns of 5% per annum, an investor could have withdrawn \$214,326 from the account to use for living expenses, and still be left with \$61,956 given the cumulative growth in the remaining principal, for a total return of \$1,276,282.



This chart is for illustrative purposes only, does not represent the actual returns of the fund, and should not be used as an indication or guide to future returns. Please see below for the fund's actual historical performance.

Fund Name	1YR	3YR	5YR	Since Inception	Inception Date
Mackenzie Monthly Income Balanced Portfolio F	10.4%	6.0%	5.8%	6.1%	13-Jan-15
Mackenzie Monthly Income Conservative Portfolio F	5.3%	5.3%	4.9%	4.8%	21-Apr-15

As of July 30, 2021

## Why Mackenzie

As a Canadian-owned global asset management provider, we've been helping advisors deliver the best possible advice and investment solutions for more than 50 years. With \$262 billion in assets under management\* and a comprehensive line of investment solutions, we are one of Canada's leading asset management companies. Our journey began with one client and one advisor working together, and though we've grown, we remain committed to the same belief, advice matters. When we work together with advisors and investors, we can achieve better financial outcomes.

**To find out more about how Mackenzie Monthly Income Portfolios can help you achieve your financial goals, call your investment advisor today or [click here](#).**

\*As of June 30, 2021.

<sup>1</sup> On an annual basis, distributions will be composed of income, dividends, capital gains and return of capital. The payment of distributions is not guaranteed and may fluctuate. The payment of distributions should not be confused with a fund's performance, rate of return or yield. If distributions paid by the fund are greater than the performance of the fund, your original investment will shrink. Distributions paid as a result of capital gains realized by a fund, and income and dividends earned by a fund, are taxable in your hands in the year they are paid. Your adjusted cost base will be reduced by the amount of any returns of capital. If your adjusted cost base goes below zero, you will have to pay capital gains tax on the amount below zero.

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 July 30, 2021 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. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated. The content of this collateral (including facts, views, opinions, recommendations, descriptions of or references to, products or securities) is not to be used or construed as investment advice, as an offer to sell or the solicitation of an offer to buy, or an endorsement, recommendation or sponsorship of any entity or security cited. Although we endeavour to ensure its accuracy and completeness, we assume no responsibility for any reliance upon it.