

Mackenzie Canadian Equity Fund

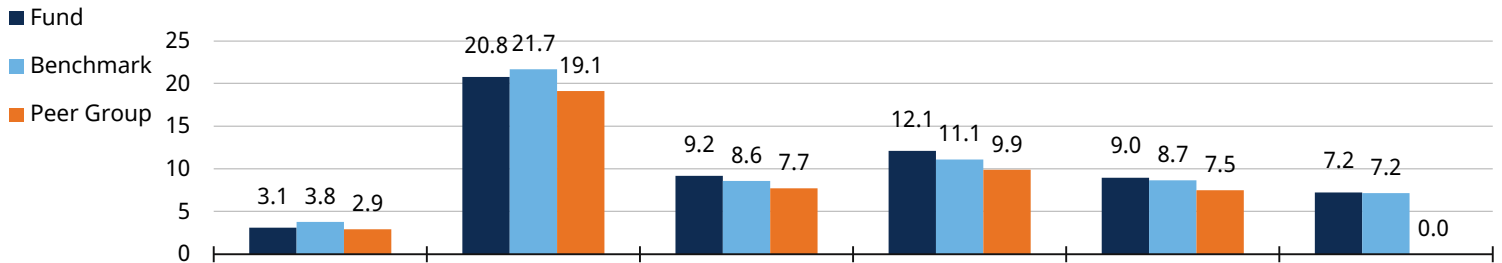
Fund snapshot

Inception date	05/15/2006
AUM (millions in CAD)	725.7
Management Fee	0.75%
MER	0.99%
Benchmark	S&P/TSX Composite
CIFSC Category	Canadian Equity
Risk Rating	Medium
Lead portfolio manager	William Aldridge
Investment exp. Since	2002
Target # of holdings	45-65

Strategy Overview

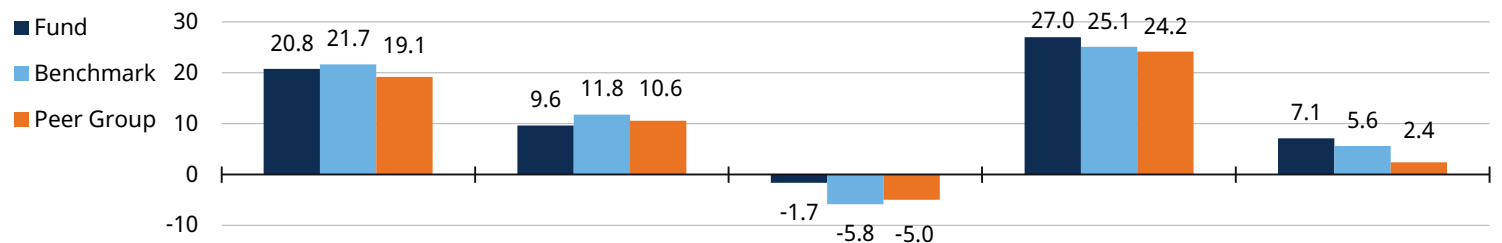
- The all-cap Canadian equity universe offers more opportunities and potentially enhances diversification
- Time-tested and market-proven investment process run by experienced managers

Trailing returns %



	3 Mth	1 Yr	3 Yr	5Yr	10Yr	SI
Excess return	-0.7	-0.9	0.6	1.0	0.3	0.0
% of peers beaten	45	67	82	92	88	NA

Calendar returns %



	2024	2023	2022	2021	2020
Excess return	-0.9	-2.2	4.2	1.9	1.5
% of peers beaten	67	37	79	80	91

Portfolio characteristics

	Portfolio	Benchmark
# of holdings	62	223
% top 10 holdings	37.1	36.6
Weighted average market cap	147,778.6	78,281.1
EPS growth (FY E)	9.0	14.7
Dividend yield	2.8	2.8
FCF margin	11.8	9.8
P/E Trailing 12M	17.3	19.2
P/E (forecast)	14.6	16.3
Net debt/EBITDA	2.4	2.4
ROE (latest FY)	12.1	11.8

Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	12.5	13.9
Sharpe Ratio	0.4	0.4
Tracking Error	2.9	-
Information Ratio	0.2	-
Alpha	1.2	-
Beta	0.9	-
Upside Capture (%)	91.8	-
Downside Capture (%)	84.6	-

Regional breakdown

Region	Portfolio	Benchmark	Relative Weight
Canada	94.5	100.0	-5.5
United States	5.2	-	5.2
International	-	-	-
Other	0.3	-	0.3

Sector allocation

Sector	Portfolio	Benchmark	Relative Weight
Financials	34.6	33.0	1.6
Energy	12.5	17.2	-4.7
Materials	10.5	11.4	-0.9
Industrials	12.3	12.6	-0.3
Information Technology	6.4	10.1	-3.7
Communication Services	2.9	2.4	0.5
Utilities	3.3	3.8	-0.5
Consumer Staples	7.0	4.0	3.0
Consumer Discretionary	6.4	3.3	3.1
Real Estate	2.6	2.0	0.6
Health Care	1.3	0.3	1.0
Other	0.3	-	0.3

Country allocation

Country	Portfolio	Benchmark	Relative Weight
Canada	94.5	100.0	-5.5
United States	5.2	-	5.2
United Kingdom	-	-	-
Other	0.3	-	0.3

Currency exposure

Region	Gross	Benchmark
CAD	94.8	100.0
USD	5.2	-

Top 10 holdings

Security name	Country	Sector	Weight
Royal Bank of Canada	Canada	Financials	7.5
Toronto-Dominion Bank	Canada	Financials	4.5
Canadian Natural Resources Limited	Canada	Energy	3.5
Canadian Pacific Kansas City Limited	Canada	Industrials	3.4
Canadian National Railway Company	Canada	Industrials	3.3
Bank of Montreal	Canada	Financials	3.3
Brookfield Corporation	Canada	Financials	3.0
Agnico Eagle Mines Limited	Canada	Materials	2.9
Suncor Energy Inc.	Canada	Energy	2.8
Sun Life Financial Inc.	Canada	Financials	2.7

Security level contributors and detractors

	Security	Average Relative weight (%)	% Contribution to return
Contributors	Atkinsrealis Group Inc.	1.2	0.5
	Bank of Montreal	0.3	0.4
	Brookfield Corporation	-0.3	0.4
Detractors	Canadian Pacific Kansas City Limited	0.6	-0.4
	Boardwalk Real Estate Investment Trust	1.4	-0.4
	Toronto-Dominion Bank	0.7	-0.5

Sector attribution relative to the benchmark

	Sector	Average Relative weight (%)	Allocation Effect (%)	Selection Effect (%)	Total Effect (%)
Contributors	Industrials	-0.9	0.1	0.4	0.5
	Utilities	-0.7	0.0	0.4	0.4
	Materials	-1.3	0.1	0.3	0.4
Detractors	Energy	-4.5	-0.1	-0.1	-0.2
	Real Estate	0.8	-0.1	-0.3	-0.4
	Information Technology	-3.3	-0.5	-0.8	-1.3

Commentary

Fund Performance

In Q4 2024, Mackenzie Canadian Equity Fund returned 3.0% compared with the S&P/TSX Composite Total Return Index return of 3.8%.

The portfolio underperformed the benchmark due to an underweight and stock selection in IT and stock selection in real estate, somewhat offset by positive contribution from stock selection in industrials, utilities, materials and communication services.

Security contributors

AtkinsRealis Group Inc. – AtkinsRealis, formerly known as SNC Lavalin, is a global engineering consulting firm with expertise in nuclear energy generation. AtkinsRealis shares have outperformed for several reasons. There has been consistent strong demand for engineering services globally for the past several years and the company has been able to grow organically to meet this demand. As well, management has successfully improved operations and profit margins following a period of disappointing cost overruns, particularly in its construction business, which has been wound down. Finally, the company has expertise in nuclear power, a business which has garnered increased interest from governments, utilities, and AI-focused technology companies building data centers.

BCE Inc. – BCE is not owned in the portfolio. The interest rate sensitive communications sector demonstrated weak performance during the quarter as interest rates increased and an intense competitive landscape led to disappointing results. The industry has been locked in a price war since the Rogers-Shaw deal was consummated and Quebecor began pushing for market share at its newly acquired Freedom banner. The challenging operating environment has meant BCE's dividend payout ratio has been driven above 100%, suggesting a dividend cut may be prudent. Compounding this dynamic, investors were displeased with the company's announcement that it intends to use proceeds from the sale of its MLSE sports franchise to fund the acquisition of Zply, a U.S.-based internet provider.

CAE Inc. – CAE is a global civil aerospace and defense training company. Several developments during the quarter propelled the stock higher. Alongside strong quarterly results, wherein the company demonstrated continued improvement in its defense business and strong civil margins, it was announced that CAE's long serving CEO would be retiring. Investors cheered the announcement given recent issues with the defense business and questions around capital allocation following a writedown of defense assets. Furthermore, towards the end of the year U.S. investor Browning West, which had recently been involved with a Board transition at Gildan Activewear, made public an equity position in CAE and expressed interest in becoming involved with the CEO search process, which we feel could lead to a positive outcome for shareholders.

Security detractors

Shopify Inc. – Shopify offers a suite of products and solutions to support e-commerce merchants. Shopify shares are owned in the portfolio at a below-benchmark weight. The shares increased more than 40% in the quarter, responding positively to the U.S. election result as markets rallied and subsequently to very strong quarterly results. The company guided to a strong end to the year on continued strong consumer spending, expanding e-commerce penetration and strong international growth. Furthermore, the company has managed its cost structure well and is showing improving margins and free cash generation.

Boardwalk REIT – After outperforming in the third quarter, as central banks began to reduce interest rates, the interest-rate sensitive REIT sector began to underperform as the fourth quarter commenced, inflation persisted and interest rates began to increase once again. At the same time, the Canadian government announced it would begin to reduce immigration targets and limit population growth, which has been a key catalyst pushing apartment occupancy and rents higher. More recently, questions surrounding the impact of U.S. tariffs on Canadian oil and gas have led to concerns about an economic slowdown in Canada and Alberta in particular, which would hurt Boardwalk to a greater extent than apartment peers, given its focus on the Alberta market.

Canadian Imperial Bank of Commerce – Canadian banks were strong performers in general once again in the fourth quarter as investors continued to price in a soft economic landing and the benefits of lower interest rates on indebted bank clients. The shares of banks and other financial services companies also reacted positively to U.S. election results as investors anticipate a potentially relaxed regulatory environment and strong capital markets, at least south of the border. As CIBC is more domestically focused than its Canadian bank peers in general, stable results from the Canadian personal banking business across the industry bode well as mortgages continue to renew at higher, albeit manageable, rates.

Portfolio activities

We increased select positions in the industrial, materials, communication services and utilities sectors and reduced select positions in the consumer staples and financials sectors.

Commentary

Market Overview / Outlook

As 2024 commenced there was much discussion about the potential impact of outcomes of the many elections taking place across the world over the course of the year. One may have thought that following the consummation of these elections there would be greater clarity and a tightening of the wide range of potential outcomes. However, as we enter a new year there is arguably even less clarity about the future direction of global economies than there had been this time last year. This is particularly true from our perspective north of the 49th. As investors, we seek, through analysis and experience, to narrow the range of outcomes to arrive with greater confidence at a most likely outcome and allocate capital to best opportunities accordingly. One of our key inputs is discussions with the management teams of the companies in which we invest. Recently, however, the refrain we most often hear is that it is difficult to make decisions when the horizon is extremely hazy. Perhaps more importantly, the question about the duration of such uncertainty is the key issue. Not only are the rules of the game unclear, but no one knows how long the game is likely to go on. The risk is that this dynamic leads to stagnation, at best perhaps, or at worst outright extended economic contraction. From a market perspective, with stocks trading at inflated valuation levels relative to historical norms, it would seem reasonable that the post-election euphoria takes a pause, particularly in light of such uncertainty.

Stock Stories

Northland Power Inc. – Northland Power is a renewables focused power generation company. The company has built strong expertise in offshore wind development and has several offshore projects underway at varying stages of development. Following disruptions to its offshore projects as a result of pandemic-related supply chain delays and difficult financing markets, the company experienced escalation in estimated development costs and therefore lower project returns, which had a negative impact on Northland shares. As well, the company experienced management turnover as the CEO stepped down and there continues to be vacancy in the CFO seat. Recently, a new CEO has been announced, which should provide positive momentum to project development and improved clarity on mid- to longer term strategic direction. One of Northland's key focal points currently is an offshore wind project in Taiwan. Edging that project closer to conclusion should be a key catalyst for the shares, despite recent negative sentiment towards renewable power development following the result of the U.S. election and rhetoric from the President-elect. As an interest rate sensitive utility, Northland shares have weakened recently as rates have increased. However, we see very compelling value in the shares as projects move towards completion and cash generation improves.

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, 2024 including changes in share 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.

This document may contain forward-looking information which reflect our or third party current expectations or forecasts of future events. Forward-looking information is inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed herein. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors, interest and foreign exchange rates, the volatility of equity and capital markets, business competition, technological change, changes in government regulations, changes in tax laws, unexpected judicial or regulatory proceedings and catastrophic events. Please consider these and other factors carefully and not place undue reliance on forward-looking information. The forward-looking information contained herein is current only as of December 31, 2024. There should be no expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.

The content of this commentary (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.

Standard deviation provides 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.

Percentile rankings are from Morningstar Research Inc., an independent research firm, based on the Canada Fund Canadian Equity category and reflect the performance of the Mackenzie Canadian Equity Fund for the 3-month, 1-, 3-, 5- and 10-year periods as of December 31, 2024. The percentile rankings compare how a fund has performed relative to other funds in a particular category and are subject to change monthly. The number of Canada Fund Canadian Equity category funds for Mackenzie Canadian Equity Fund for each period are as follows: one year - 609 ; three years - 553 ; five years - 469 ; ten years - 319.

© 2024 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Morningstar data is shown as of the most recent reporting period by each fund family. Allocations may not equal 100% and will vary overtime. Assets contained within "Other" category are not classified by Morningstar. All information presented in this tool is for informational purposes only and is not intended to be investment advice. The information is not meant to be an offer to sell or a recommendation to buy any investment product. Unless otherwise noted, performance is shown before sales charge. For more fund information, click the POS Documents link.

All information is historical and not indicative of future results. Current performance may be lower or higher than the quoted past performance, which cannot guarantee results. Share price, principal value, and return will vary, and you may have a gain or a loss when you sell your shares. Performance assumes reinvestment of distributions and does not account for taxes. Performance may not reflect any expense limitation or subsidies currently in effect. Short-term trading fees may apply. To obtain the most recent month-end performance, visit [Morningstar.com](https://www.morningstar.com).

This material is for informational and educational purposes only. It is not a recommendation of any specific investment product, strategy, or decision, and is not intended to suggest taking or refraining from any course of action. It is not intended to address the needs, circumstances, and objectives of any specific investor. Mackenzie Investments, which earns fees when clients select its products and services, is not offering impartial advice in a fiduciary capacity in providing this sales and marketing material. This information is not meant as tax or legal advice. Investors should consult a professional advisor before making investment and financial decisions and for more information on tax rules and other laws, which are complex and subject to change.