Mackenzie Canadian Equity Fund

Fund snapshot

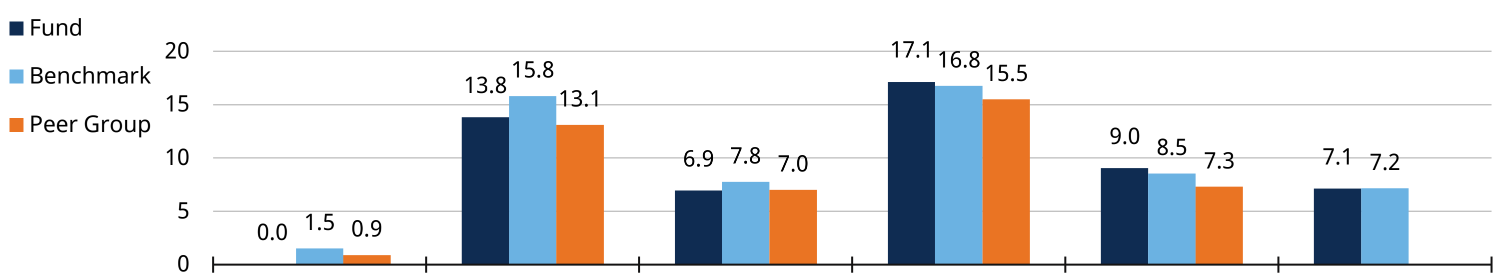
Inception date	05/15/2006
AUM (millions in CAD)	699.4
Management Fee	0.75%
MER	0.99%
Benchmark	S&P/TSX Composite
CIFSC Category	Canadian Equity
Risk Rating	Medium
Lead portfolio manager	William Aldridge
Investment exp. Since	2002
Target # of holdings	40-45

Strategy Overview

• The all-cap Canadian equity universe offers more opportunities and potentially enhances diversification

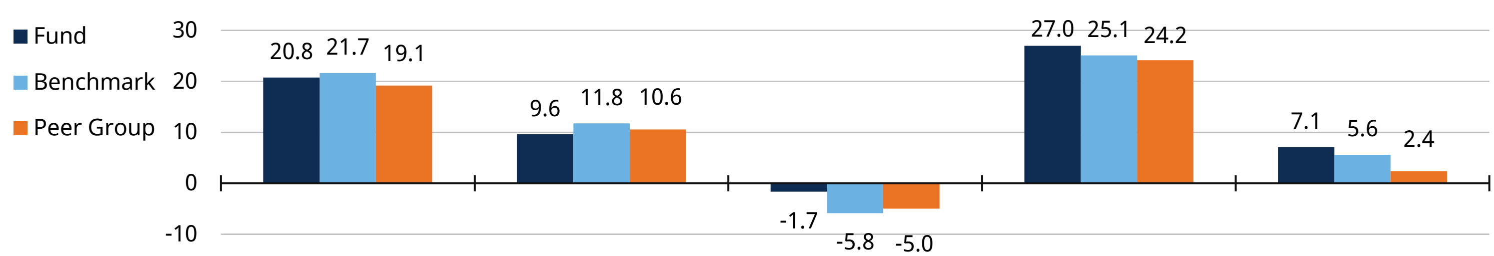
• Time-tested and market-proven investment process run by experienced managers

Trailing returns %



	3 Mth	1 Yr	3 Yr	5Yr	10Yr	SI
Excess return	-1.5	-2.0	-0.9	0.3	0.5	-0.1
% of peers beaten	27	55	50	82	92	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	558	218
% top 10 holdings	37.7	35.4
Weighted average market cap	121,683.9	75,877.2
EPS growth (FY E)	7.2	15.1
Dividend yield	2.8	2.8
FCF margin	11.2	6.5
P/E Trailing 12M	17.8	20.0
P/E (forecast)	14.0	15.2
Net debt/EBITDA	2.7	2.5
ROE (latest FY)	12.0	12.1

Sector allocation

Sector	Portfolio	Benchmark	Relative Weight
Financials	32.9	32.1	0.8
Energy	13.1	17.2	-4.1
Materials	12.6	13.6	-1.0
Industrials	11.8	12.2	-0.4
Information Technology	6.4	9.3	-2.9
Communication Services	2.9	2.4	0.5
Utilities	3.0	3.9	-0.9
Consumer Staples	7.1	3.9	3.2
Consumer Discretionary	6.1	3.2	2.9
Real Estate	2.6	1.9	0.7
Health Care	1.3	0.3	1.0
Other	0.2	-	0.2

Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	12.5	13.9
Sharpe Ratio	0.2	0.3
Tracking Error	2.6	-
Information Ratio	-0.3	-
Alpha	-0.4	-
Beta	0.9	-
Upside Capture (%)	90.3	-
Downside Capture (%)	90.8	-

Country allocation

Country	Portfolio	Benchmark	RelativeWeight
Canada	95.3	100.0	-4.7
United States	4.2	-	4.2
United Kingdom	-	-	-
Other	0.5	-	0.5

Regional breakdown

Region	Portfolio	Benchmark	Relative Weight
Canada	95.3	100.0	-4.7
United States	4.2	-	4.2
International	-	-	-
Other	0.5	-	0.5

Currency exposure

Region	Gross	Benchmark
CAD	95.8	100.0
USD	4.3	-

Top 10 holdings

Security name	Country	Sector	Weight
Royal Bank of Canada	Canada	Financials	7.0
Toronto-Dominion Bank	Canada	Financials	5.0
Agnico Eagle Mines Limited	Canada	Materials	4.1
Canadian Natural Resources Limited	Canada	Energy	3.5
Canadian Pacific Kansas City Limited	Canada	Industrials	3.4
Canadian National Railway Company	Canada	Industrials	3.2
Suncor Energy Inc.	Canada	Energy	3.1
Bank of Montreal	Canada	Financials	2.9
Brookfield Corporation	Canada	Financials	2.8
Sun Life Financial Inc.	Canada	Financials	2.7

Security level contributors and detractors

	Security	Average Relative weight (%)	% Contribution to return
Contributors	Agnico Eagle Mines Limited	1.6	1.2
	Kinross Gold Corporation	1.5	0.6
	Toronto-Dominion Bank	0.7	0.6
Detractors	Bank of Nova Scotia	0.0	-0.3
	Brookfield Corporation	-0.3	-0.3
	Royal Bank of Canada	0.5	-0.4

Sector attribution relative to the benchmark

	Sector	Average Relative weight (%)	Allocation Effect (%)	Selection Effect (%)	Total Effect (%)
Contributors	Energy	-4.4	-0.1	0.2	0.2
	Information Technology	-3.9	0.4	-0.3	0.1
	Real Estate	0.7	0.0	0.1	0.1
Detractors	Industrials	-0.4	0.0	-0.4	-0.4
	Materials	-0.8	-0.1	-0.3	-0.4
	Utilities	-0.8	0.0	-0.4	-0.5

Commentary

QFR Highlights

In Q1 2025, Mackenzie Canadian Equity Fund returned 0.0% compared with the S&P/TSX Composite Total Return Index return of 1.5%.

Market Overview

In early March, the U.S. administration imposed 25% tariffs on all Canadian goods, including a 10% tariff on Canadian energy exports. Although exemptions have since been granted, key exports of automobiles and auto parts, steel, aluminum, and energy remained impacted.

Heightened uncertainty in global markets led to significant drawdowns which had been quite indiscriminatory as sectors and companies which are less impacted by tariffs have also seen their stock prices come under pressure. Bank of Canada cut its key policy interest rate twice during the period – in response to economic slowdown and trade uncertainties.

Inflation concerns remain an issue given the possible impact of tariffs.

Consumer and business confidence showing sharp declines amid tariff confusion.

Fund Performance

The portfolio underperformed the benchmark due to stock selection in the utilities, materials and industrials sectors and an under-weight in the materials sector. This was somewhat offset by positive contribution from an underweight in the information technology sector and stock selection in energy and real estate.

Security Contributors

Agnico Eagle Mines Ltd. – Agnico is a gold mining company with properties located primarily in Canada. Agnico benefited from a strong rally in the price of gold, which increased from approximately $2,600/oz to $3,100/oz. The in-crease in the gold price has led to very strong free cash flow generation, particularly given Agnico has a reasonably strong track record of managing cost inflation. Agnico is investing capital in existing and new projects that should serve to main-tain production levels.

Kinross Gold Corp. – Kinross is a gold mining company with key assets in the U.S., Canada, Mauritania, and Brazil. Like Agnico, Kinross benefited from the strong move in the price of gold. Beyond its diversified portfolio of producing assets, Kinross is also developing the Great Bear project in Canada, at which an ongoing drill program has shown a con-tinued strong grade profile and a growing resource.

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 began to underperform with other technology stocks as investors became concerned about changing trade policies in the U.S. Weakening consumer sentiment data led to ques-tions surrounding the durability of consumer spending, particularly if widespread tariffs lead to higher prices for goods.

Security Detractors

Wheaton Precious Metals Corp. and Barrick Gold Corp. – Wheaton Precious and Barrick benefited from the same dynamics that led to strong performance from Agnico Eagle and Kinross. We do not own the companies in the portfo-lio, and they are significant weights in the benchmark.

Waste Connections Inc. – Waste Connections is a waste management company with operations in the U.S. and Cana-da. The company's operating performance has tended to be quite stable and predictable. These attributes were valued by investors seeking more defensive positioning during the market weakness in the quarter. We do not own the company in the portfolio as we believe the return to intrinsic value is unattractive.

Transalta Corp. – Transalta is an energy generation company with more than 8GW of generation assets located primar-ily in Alberta and the U.S. Transalta's energy mix is diversified across natural gas, wind, solar, and hydro power. The shares performed well through 2024 as expectations for power demand growth due to AI use began to be priced into generating companies. However, the sector and Transalta shares weakened when the Deepseek announcement led inves-tors to believe demand for power may not be as great as previously assumed.

Commentary

Portfolio Activities

We increased select positions in the industrials, materials, energy, consumer discretionary and IT sectors and reduced positions in the consumer staples and financials sectors.

We added a position in Arc Resources Ltd., an energy production company based in Western Canada, and eliminated a position in South Bow Corp., an energy pipeline company, during the quarter.

Outlook, Positioning

After the past two years, when the markets seemed only to rise, this year has provided a wake-up call that along with investing in equities comes volatility and drawdowns. As measured by the Cboe Volatility Index (VIX) and setting aside the brief spike in August 2024 when the Bank of Japan unexpectedly raised interest rates, investors have not experienced this degree of volatility and uncertainty since the early days of the pandemic in 2020. What initially felt like a reason for investors to celebrate as Trump was elected for a second time heralding a fertile playground for investor euphoria, with wide open capital markets, lessened regulation and improving confidence quickly gave way to anxiety as early messaging on tariffs began to take precedence. Since those initial whiffs that something is different this time around, volatility and a lack of clarity have become the norm. Companies looking to set and implement strategy and make capital allocation decisions to kick off the year lack confidence in the range of outcomes, which has become wider, if not undefined. Many are therefore more likely to do nothing, rather than risk wholesale change that may prove misaligned with a new paradigm. The more conservative management teams will go a step further and hunker down, which could become contagious as a defensive posture filters through. Perhaps there is a grand plan behind it all, but the pool of those willing to believe it, and act accordingly by put-ting capital to work, is growing smaller by the day. From an investor standpoint, it is difficult to feel bullish, particularly when valuations coming into this period of volatility were already elevated. It is too early for central banks to gain comfort that the implementation of tariffs will not lead to increasing inflation. Even were the economy to slow, they may lack the confidence to lower target interest rates. Meanwhile, company guidance through the first quarter reporting season has been guarded and cautious, which, though understandable, does not inspire confidence. It is during times such as these that we look beyond the short-term obsessions that fixate investors (and speculators) and seek out investment opportunities that we anticipate will produce strong returns once sentiment improves. We are seeing many more such opportunities today than we have in some time.

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 March 31, 2025 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.

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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 March 31, 2025 . 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 - 615 ; three years - 570 ; five years - 475 ; ten years - 323.

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.

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