

Mackenzie Canadian Small Cap Fund

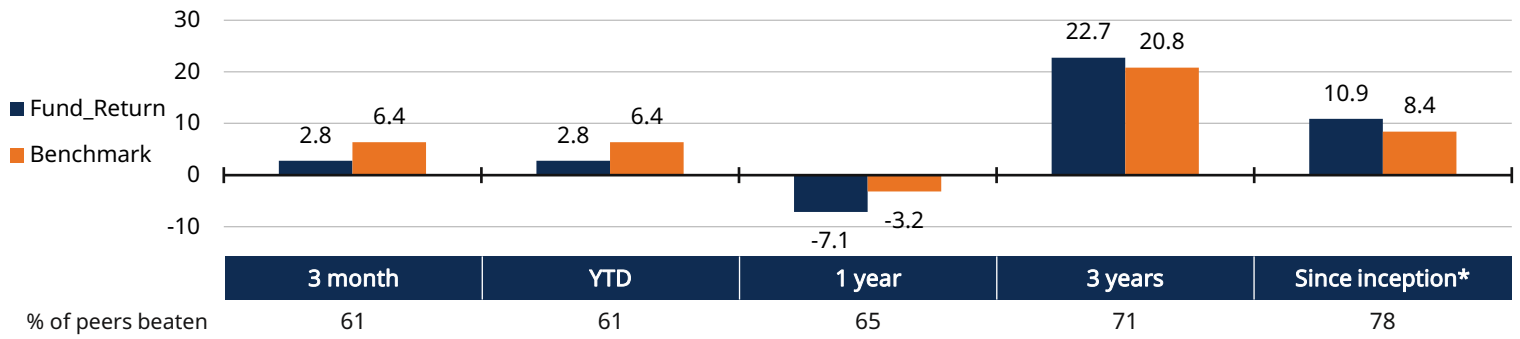
Strategy snapshot

Inception date	06/05/2009
AUM (millions in CAD)	161.3
Benchmark	S&P/TSX Completion
Lead portfolio manager	Scott Carscallen, Dongwei Ye
Investment exp. since	1994, 2003
Target # of holdings	-

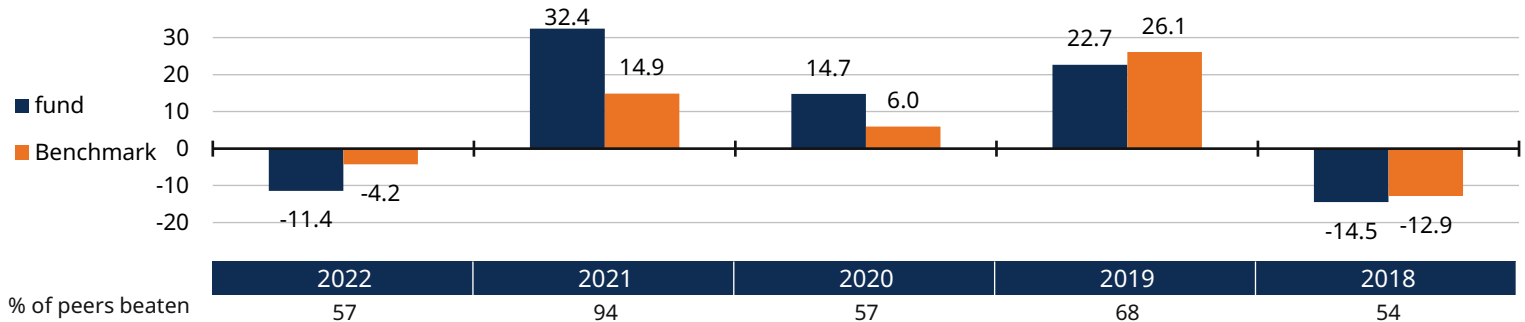
Strategy Overview

- Managed by an experienced investment team offering focused and specialized Canadian small cap expertise
- Small cap investment opportunities can enhance potential for returns and add diversity

Trailing returns %



Calendar returns %



Portfolio characteristics

	Portfolio	Benchmark
# of holdings	107	174
% top 10 holdings	36.4	21.0
Weighted average market cap	6702.5	7290.1
EPS growth (FY E)	23.9	14.4
Dividend yield	1.6	2.3
FCF margin	10.0	-
P/E Trailing 12M	13.5	11.3
P/E (forecast)	14.6	12.8
Net debt/EBITDA	2.6	2.5
ROE (latest FY)	12.7	11.8

Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	17.6	17.3
Sharpe Ratio	1.3	1.2
Tracking Error	6.7	-
Information Ratio	0.4	-
Alpha	3.7	-
Beta	0.9	-
Upside Capture (%)	105.2	-
Downside Capture (%)	94.4	-

Regional breakdown

Region	Weight	Relative weight
Canada	97.4	-2.6
Cash	2.6	2.6

Sector allocation

Sector	Weight	Relative weight
Communication Services	0.11	-0.97
Consumer Discretionary	8.72	5.49
Consumer Staples	0.09	-2.95
Energy	12.26	-3.09
Financials	17.25	4.25
Health Care	0.00	-1.67
Industrials	29.04	8.44
Information Technology	6.22	0.90
Materials	5.67	-13.36
Real Estate	15.92	6.37
Utilities	2.13	-6.00

Country allocation

Country	Weight	Relative weight
Canada	97.4	-2.6
Other	2.6	2.6

Currency exposure

Region	Gross	Benchmark
CAD	99.9	100.0
USD	0.1	0.0

Top 10 holdings

Security name	Country	Sector	Weight
ATS Corporation	Canada	Industrials	4.38
WSP Global Inc.	Canada	Industrials	4.15
Descartes Systems Group Inc.	Canada	Information Technology	3.98
StorageVault Canada Inc.	Canada	Real Estate	3.62
Colliers International Group Inc.	Canada	Real Estate	3.44
Aritzia, Inc.	Canada	Consumer Discretionary	3.34
GDI Integrated Facility Services Inc	Canada	Industrials	3.32
Savaria Corporation	Canada	Industrials	3.12
Trisura Group Ltd.	Canada	Financials	3.09
TFI International Inc.	Canada	Industrials	3.04

Security level contributors and detractors

	Security	Average Relative weight (%)	% contribution to return
Contributors	ATS Corporation	3.4	1.2
	Descartes Systems Group Inc.	1.9	0.5
	WSP Global Inc.	0.3	0.5
Detractors	Vermilion Energy Inc.	0.7	-0.4
	Enerplus Corporation	1.4	-0.4
	Trisura Group Ltd.	3.6	-1.2

Sector attribution relative to the benchmark

	Sector	Average Relative weight (%)	Allocation Effect (%)	Selection Effect (%)
Contributors	Industrials	9.0	0.7	-1.4
	Real Estate	5.4	-0.2	0.9
	Materials	-13.7	-0.8	0.4
Detractors	Communication Services	-1.1	0.0	0.0
	Financials	7.0	0.0	-2.3
	Energy	-3.2	0.3	-0.6

Commentary

- The Equity market has been volatile and eventful since the start of the year. Canadian equities continued its year-end rally well into the new year. As we saw the typical recovery with small caps led the charge. the momentum came to an abrupt stop as US bank turmoil rocked the world, Central banks' relentless rate hike last year has torn through the US regional banks liquidity vault, exposing the systematic risk of banks' duration mismatch. After a volatile two weeks following Fed's liquidity boost, the market eventually stabilized. Although Canadian banking system is on a much stronger and diversified setting with deposit trends remain strong, the ripple effect has still been felt north of the boarder on financial and banking stocks
- For Q1 2023, the Mackenzie Canadian Small Cap Fund posted a gain of 3.1%. This compares with the S&P/TSX Small Cap Total Return Index return of 4.5%.]
- Our core Industrial and financial holdings have rallied in the quarter due to better earnings; many names have delivered strong top line growth and margin improvements including Boyd Group, Pollard Banknote, and ATS Automation. Multi-family Reits names recovered as strong fundamentals and rent growth drawing investors back to the space. Most investors were sitting on the sidelines until there's more transparency on the government's paths towards institutional landlords. As the turmoil of US regional banking sector intensifying, investors turned to safe-haven investment, Gold names surged in the quarter in response to the crisis situation.
- Demand for oil has been weaker than expected so far this year, predominantly in the US, combined with a deceleration in economic growth exceptions, has put on more pressure on oil price, energy sector was the worst performing sector for the quarter.
- Trisura took a big write-down of reinsurance recoverable, stock declined over 20% as a result. We believe the write-off is one time in nature while the company continues to deliver solid operating results. It remains a core holding for the portfolio. The portfolio did not participate fully on the gold rally as it holds lower weights on gold names.
- During the quarter we added iShares S&P/TSX 60 Index ETFs, Stella-Jones and TECSYS to the Fund. We sold Canadian National Bank of Canada and Parex Resources from the Fund. During the quarter we added iShares S&P/TSX 60 Index ETFs, Stella-Jones and TECSYS to the Fund. We sold Canadian National Bank of Canada and Parex Resources from the Fund.
- The tone for the market expectation is still muted this time of the year. however, worries over rate hikes and inflation expectations subsided. we have seen the reversion to the mean trade for energy sector YTD, while Industrial names led the market on the positive side. Many of our core holdings have seen through margins in the rear-view mirror, while price adjustment on the top-line will likely flow through as the year progressing, supporting a better margin profile in the near term. we believe adding weights to those beaten down names show a clear path of margin improvements is the right strategy in the macro backdrop. We believe patient invested will be rewards as market recognizing the key catalyst for growth.

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Percentile rankings are from Morningstar Research Inc., an independent research firm, based on the Canada Fund Canadian Small/Mid Cap Equity category and reflect the performance of the Mackenzie Canadian Small Cap F for the 3-month, 1-, and 3-year periods as of March 31, 2023. 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 Small/Mid Cap Equity funds for Mackenzie Canadian Small Cap F for each period are as follows: three months – 204; one year – 202; three years – 183.

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