

# Mackenzie ETF Portfolios

## Portfolio snapshot

Lead Portfolio Managers	Nelson Arruda
Investment exp. since	2009

## Strategy overview

- Mackenzie ETF Portfolios are comprehensive, yet easy to implement solutions that combine Mackenzie's active and index ETFs in a unified investment experience.
- Applying institutional-grade processes and expertise, each ETF Portfolio is diversified and actively managed, aiming to deliver the highest return within a given risk tolerance.

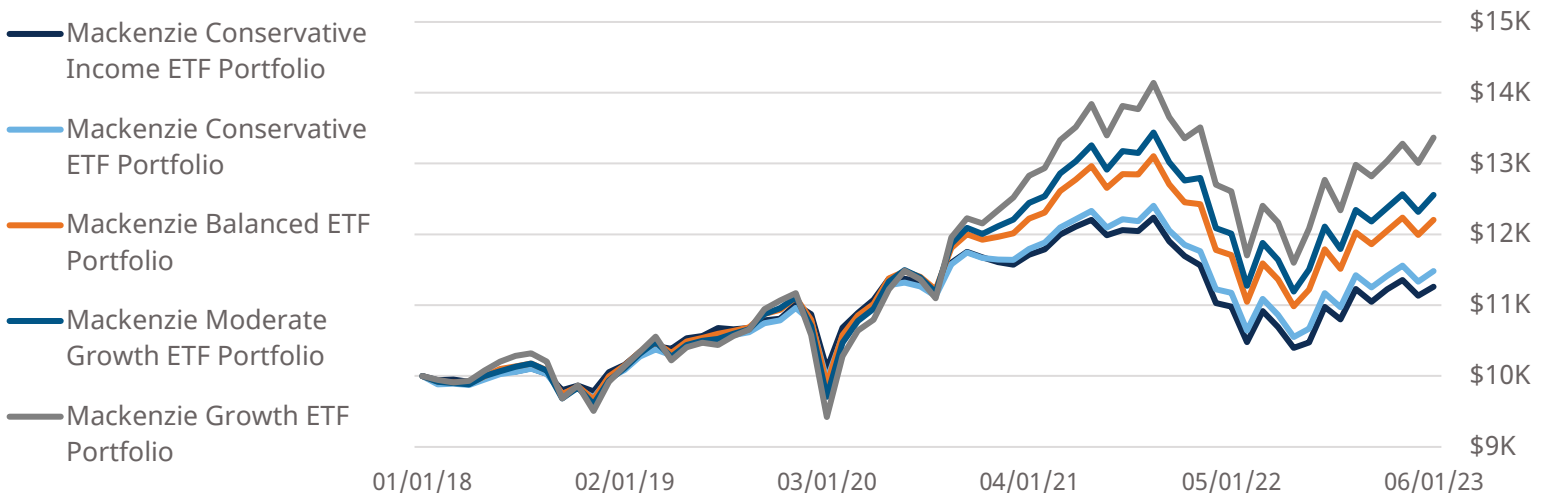
	Inception date	MER	AUM (\$M)	Risk rating	CIFSC category
Mackenzie Conservative Income ETF Portfolio	01/29/2018	0.61	57.9	Low	Global Fixed Income Balanced
Mackenzie Conservative ETF Portfolio	01/29/2018	0.61	69.7	Low	Global Fixed Income Balanced
Mackenzie Balanced ETF Portfolio	01/29/2018	0.61	150.1	Low-Med	Global Neutral Balanced
Mackenzie Moderate Growth ETF Portfolio	01/29/2018	0.61	311.3	Low-Med	Global Neutral Balanced
Mackenzie Growth ETF Portfolio	01/29/2018	0.67	184.0	Low-Med	Global Equity Balanced

## Performance metric (3 Yr trailing)\*

	Standard dev	Sharpe ratio	Down capture ratio	Up capture ratio	Alpha	Information ratio
Mackenzie Conservative Income ETF Portfolio	7.6	-0.1	97.6	106.9	1.0	0.4
Mackenzie Conservative ETF Portfolio	7.8	0.1	96.4	101.5	0.6	0.3
Mackenzie Balanced ETF Portfolio	9.1	0.2	101.3	102.3	0.1	0.1
Mackenzie Moderate Growth ETF Portfolio	9.9	0.3	103.1	101.5	-0.2	-0.1
Mackenzie Growth ETF Portfolio	11.7	0.5	110.1	107.1	-0.3	0.0

\*The benchmarks used for the table are the blended benchmarks for each portfolio.

## Growth of \$10K



## Trailing returns (%)

	3m	6m	1yr	3yr	5yr	SI
Mackenzie Conservative Income ETF Portfolio	0.3	4.3	7.5	0.6	2.3	2.2
Mackenzie Conservative ETF Portfolio	0.6	4.7	7.9	1.6	2.7	2.6
Mackenzie Balanced ETF Portfolio	1.2	6.0	10.4	3.5	3.9	3.7
Mackenzie Moderate Growth ETF Portfolio	1.5	6.5	11.4	4.7	4.5	4.3
Mackenzie Growth ETF Portfolio	2.6	8.3	14.2	7.4	5.5	5.5

## Calendar year returns (%)

	YTD	2022	2021	2020
Mackenzie Conservative Income ETF Portfolio	4.3	-11.8	4.1	8.8
Mackenzie Conservative ETF Portfolio	4.7	-11.6	5.6	8.9
Mackenzie Balanced ETF Portfolio	6.0	-12.1	9.2	9.8
Mackenzie Moderate Growth ETF Portfolio	6.5	-12.2	11.1	10.3
Mackenzie Growth ETF Portfolio	8.3	-12.7	15.6	10.5

## 3 month market returns (%)\*

Fixed Income	Return (LCL)	Equity	Return (CAD)	Currency	Return
Canadian Government	-1.0	Canada	1.1	USDCAD	-2.0
Canadian Corporate	0.2	US	6.3	JPYCAD	-9.8
Global Government	-0.6	Intl	0.9	GBPCAD	0.9
Global Corporate	-0.1	EM	-1.2	EURCAD	-1.4
High Yield	1.6				

\*Indices used for the 3-month market return are as follows: FTSE Canada All Government Bond, FTSE Canada All Corp Bond, FTSE WBIG Govt/Govt Spnsd USD, FTSE WBIG Corp TR USD, ICE BofA US High Yield TR USD, S&P/TSX Composite TR, S&P 500 TR, MSCI EAFE GR, and MSCI EM GR.

## Top contributors & detractors

	Security	3-month return
Contributor	Mackenzie US Large Cap Equity Index ETF	6.7
	Mackenzie Canadian Equity Index ETF	1.1
	Mackenzie International Equity Index ETF	0.9
Detractor	Mackenzie Core Plus Canadian Fixed Income ETF	-0.7
	Mackenzie US Investment Grade Corporate Bond Index ETF CAD Hed	-0.4
	Mackenzie Emerging Markets Equity Index ETF Trust Units	-0.5

\* The top contributors and detractors are based on the average contribution across all ETF Portfolio funds.

Mackenzie ETF Portfolios					
Conservative Income	Conservative	Balanced	Moderate Growth	Growth	

## Portfolio characteristics

Portfolio Yield (%)	3.7	3.6	3.4	3.3	2.9
Dividend Yield (%)	2.5	2.5	2.4	2.4	2.4
Bond Yield (%)	4.3	4.2	4.4	4.4	4.8
Average Duration	6.0	5.5	5.6	5.4	4.8
Average Credit Quality	BBB+	BBB+	BBB	BBB	BBB-

## Asset mix

Equity	31.1	37.0	52.4	58.1	80.6
Fixed Income	66.8	60.3	45.8	40.0	18.2
Cash	2.1	2.7	1.8	1.9	1.2
Alternatives & Other	0.0	0.0	0.0	0.0	0.0

## Total portfolio geographic allocation

Canada	46.2	46.9	37.9	36.5	29.2
United States	32.7	33.2	41.2	42.1	48.9
International	11.3	11.9	13.2	13.9	15.8
Emerging Markets	9.8	8.1	7.7	7.5	6.1

## Top 10 holdings

Mackenzie US Large Cap Equity Index ETF (QUU)	12.9	15.3	25.5	27.9	39.1
Mackenzie Canadian Equity Index ETF (QCN)	10.3	12.2	14.7	16.4	21.5
Mackenzie Intl. Equity Index ETF (QDX)	5.8	7.0	8.7	9.7	12.4
Mackenzie Emerging Markets Equity Index ETF (QEE)	1.9	1.9	2.1	2.5	3.3
Mackenzie Global Women's Leadership ETF (MWMN)	0.0	0.5	1.4	1.6	3.5
Mackenzie Core Plus Canadian Fixed Income ETF (MKB)	37.6	32.0	21.4	17.9	6.6
Mackenzie Global High Yield Fixed Income ETF (MHYB)	10.1	10.0	8.3	8.0	6.7
Mackenzie US Inv Grd Corp Bond Index (CAD-Hgd) ETF (QUIG)	10.7	7.2	7.0	5.3	1.4
Mackenzie EM Bond Index (CAD-Hedged) ETF (QEBH)	6.6	4.3	4.5	3.9	1.9
Mackenzie Unconstrained Bond ETF (MUB)	3.2	5.0	3.3	4.0	1.3

Mackenzie ETF Portfolios				
Conservative Income	Conservative	Balanced	Moderate Growth	Growth

## Fixed income exposure summary

### Geographic allocation

Canada	52.4	55.7	50.0	49.6	43.8
United States	28.1	27.1	29.6	29.6	31.2
International	7.9	7.4	8.5	8.7	10.6
Emerging Markets	11.6	9.8	11.9	12.2	14.4

### Sector allocation

Canadian Government	23.9	24.9	20.6	20.4	16.3
Foreign Government	11.4	10.2	11.9	12.2	13.9
Investment Grade Corporate	42.7	40.6	43.1	40.9	33.5
High Yield	14.2	16.0	16.3	18.4	27.9
Other	7.9	8.2	8.1	8.2	8.5

## Equity exposure summary

### Total portfolio geographic allocation

Canada	32.8	32.4	27.3	27.5	25.9
United States	42.5	43.2	51.3	50.7	52.9
International	18.7	19.1	17.3	17.4	16.9
Emerging Markets	6.1	5.3	4.1	4.3	4.2

### Sector allocation

Consumer Discretionary	8.3	8.4	8.7	8.7	8.8
Consumer Staples	6.5	6.5	6.7	6.7	6.9
Communication Serv.	6.5	6.5	6.8	6.7	6.8
Energy	8.6	8.5	7.7	7.7	7.4
Financials	19.6	19.6	18.5	18.6	18.4
Health Care	8.6	8.8	9.7	9.6	10.0
Industrials	11.5	11.5	11.0	11.0	10.8
Information Technology	17.1	17.1	18.7	18.6	19.0
Materials	6.9	6.9	6.2	6.3	6.1
Real Estate	2.4	2.4	2.4	2.4	2.3
Utilities	3.5	3.5	3.3	3.3	3.1
Other	0.5	0.5	0.3	0.4	0.4

## Commentary

### Portfolio and Management Activities

We continued to remain neutral on equities over the quarter. U.S. equities were a strong driver of performance over the period, and our view is that of a “delayed landing” for the rest of 2023 in which the U.S. economy may continue to demonstrate resilient growth, inflation may remain sticky, and interest rates may remain higher for longer. Neither stocks nor bonds are particularly attractive in this environment, but we do prefer to take risk through equities rather than fixed income. Even if stock valuations end up getting compressed by higher for longer rates, nominal company fundamentals should remain solid. We don’t expect the U.S. economy to enter a recession anytime soon but believe that the Fed and other central banks have the willingness and the tools to quash inflation, and that may likely come with a marked slowdown in growth, a drop in profits, and a rise in unemployment. While China’s post-COVID recovery has been disappointing, we believe it may generate enough momentum for the global economy to avoid a recession.

We continued to remain underweight bonds over the quarter. Though inflation appears to be rolling over from peak levels, bond risk remains elevated. We expect the Fed to keep rates above neutral for the foreseeable future. Barring a recession, we see little reason for the Fed and Bank of Canada to pivot from their current path of maintaining or making small upward revisions to interest rates.

### Performance summary

Global equities added to their YTD gains in Q2, driven by the sizeable gains in U.S. large-cap tech stocks at the end of the period. The resolution of the U.S. debt ceiling, an expected pause in the Fed’s rate hikes, and stability in regional banks set conditions that fueled a broad equity market rally throughout the period. Conversely, bond returns were largely negative, consolidating some of the solid gains seen in Q1 as strength in the global economy and hope of a near-term end to rate hikes led investors to embrace riskier assets. Shorter-duration bonds outperformed longer-duration bonds, and high-yield bonds appreciated over the period. Although inflation continues to fall from peak levels due to easing food and energy prices, resilient economic growth (particularly in the U.S.), a tight labour market and sticky core inflation have central bankers primed to keep rates higher for longer. The Bank of Canada has resumed raising rates after pausing earlier in the year, while the US Federal Reserve has bumped its forecast to include additional 25 bp hikes by year-end.

For the quarter, the S&P 500 returned 8.7% (6.5% CAD) driven largely by large-cap growth stocks in the information technology and consumer discretionary sectors thanks to the explosive enthusiasm around artificial intelligence and stronger than expected economic growth. The S&P/TSX Composite lagged, returning 1.1%, as oil prices declined during the quarter, despite a surprise oil production cut by Saudi Arabia. Materials, real estate and consumer staples sectors also detracted from returns as market participants preferred information technology and consumer discretionary names. Globally, the MSCI ACWI returned 6.7% in local terms (3.9% CAD), driven by strength in U.S. and Japanese equities. Bonds generally declined on higher interest rates. The FTSE Canada Universe Bond Index returned 0.7%. The ICE BofA Global Broad Market Bond Index (Hedged to CAD) returned -0.5%. As equities climbed higher, high yield bonds fared better in this risk-on environment, with the ICE BofA U.S. High Yield Bond Index (Hedged to CAD) returning 1.4% over the period.

Asset allocation contributed to performance this quarter. Our equity allocation benefited from strong equity markets. Conversely, our bond allocation dampened portfolio performance as yields broadly increased over the period. Active currency management detracted during the period as our overweight position in the yen detracted from returns. We reflected our view on the yen by underweighting the U.S. dollar, which contributed positively to returns.

The majority of equity mandates contributed positively to performance. The Mackenzie US Large Cap Equity Index ETF (QUU) (+6.7%) was among the largest equity allocations in the portfolios and continued to be the largest contributor this quarter, largely as a result of strong performance in the information technology, consumer discretionary and communication services sectors. Similarly, the Mackenzie Canadian Equity Index ETF (QCN) (+1.1%) was among the largest equity allocations, and was the second largest contributor to returns, largely driven by strong performance in the information technology and consumer discretionary sectors. Fixed income mandates were largely flat or detracted from portfolio returns. The Mackenzie Core Plus Canadian Fixed Income ETF (MKB) (-0.7%) was the largest fixed income allocation in the portfolios and the top detractor as yields increased over the period and duration management detracted from returns. An exception was the Mackenzie Global High Yield Fixed Income ETF (MHYB) (+0.5%), which was among the largest fixed income allocations in the portfolios, contributing slightly to portfolio performance.

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 June 30, 2023 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 Global Fixed Income Balanced, Canada Fund Global Neutral Balanced, and Canada Fund Global Equity Balanced category and reflect the performance of the Mackenzie Conservative Income ETF Portfolio, Mackenzie Conservative ETF Portfolio, Mackenzie Balanced ETF Portfolio, Mackenzie Moderate Growth ETF Portfolio, and Mackenzie Growth ETF Portfolio for the 3-month, 1-, 3-, 5- and 10-year periods as of June 30, 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 Global Fixed Income Balanced category funds for Mackenzie Conservative Income ETF Portfolio and Mackenzie Conservative ETF Portfolio for each period are as follows: one year – 843; three years – 726; five years – 598; ten years – 231. The number of Canada Fund Global Neutral Balanced category funds for Mackenzie Balanced ETF Portfolio and for Mackenzie Moderate Growth ETF Portfolio each period are as follows: one year - 1583; three years - 1307; five years - 1118; ten years - 535. The number of Canada Fund Global Equity Balanced category funds for Mackenzie Growth ETF Portfolio for each period are as follows: one year – 1216; three years – 997; five years – 849; ten years – 435.

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