

Mackenzie Floating Rate Income Fund

Fund Snapshot

Inception date	05-09-2013
AUM (millions in CAD)	\$337.24
Management Fee	0.65%
MER	0.89%
Benchmark	S&P/LSTA Leveraged Loan (Hgd to CAD) Index
CIFSC Category	Floating Rate Loans
Risk Rating	Low to Medium
Lead Portfolio Manager	Steve Locke
Investment Exp. Since	1995

Strategy Overview

- Aims to deliver attractive risk-adjusted returns by investing primarily in senior secured floating rate loans and seeking credit exposure that is isolated from interest rate risk.
- The investment philosophy focuses on higher quality non-investment grade securities, middle market borrowers and relative value opportunities within a company's capital structure while limiting the downside risk.
- Fundamental credit analysis, portfolio construction, rigorous bottom-up selection and scrutiny in deal structures are the primary sources of alpha generation.
- The neutral currency exposure is 100% hedged back to CAD, although some open currency exposure (generally no more than 10% to 15%) can be used by the managers tactically to mitigate the overall risk in the portfolio.

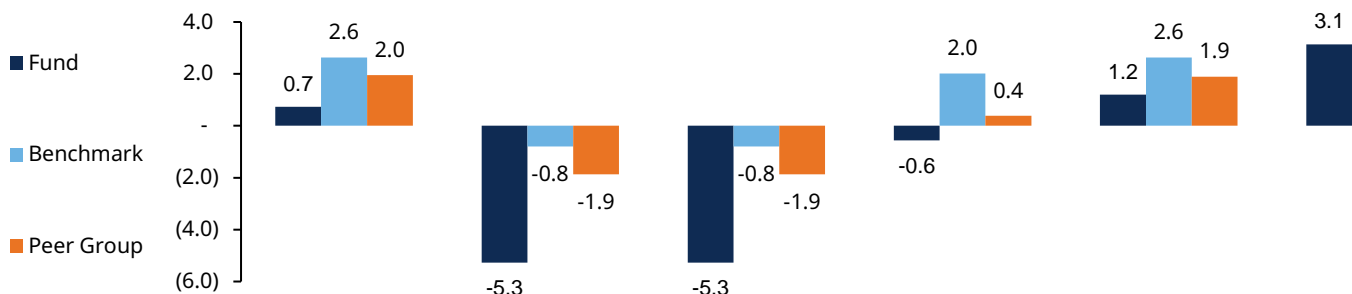
Contributors

- The fund's allocation to high yields contributed to performance with an index total return of 3.98% during the period. Its overweight allocation to Building Products & Speciality Sector loans and underweight consumer finance sector loans also contributed.

Detractors

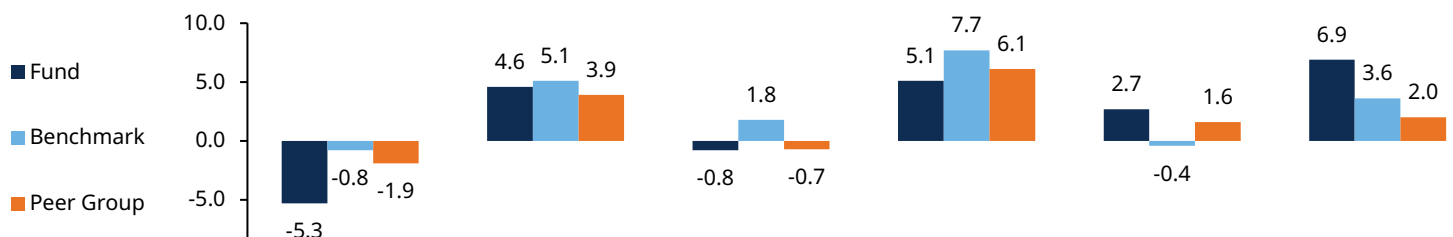
- Fund's underweight exposure to benchmark loans detracted from performance with a total return of 3.8% v/s 2.7% for the benchmark. An overweight allocation to CCC rated and second lien loans further detracted from performance.

Performance Chart



	3 Mth	YTD	1 Yr	3 Yr	5 Yr	SI
Excess Return	-1.9	-4.5	-4.5	-2.6	-1.4	-
% of Peers Beaten	34	22	22	28	32	-

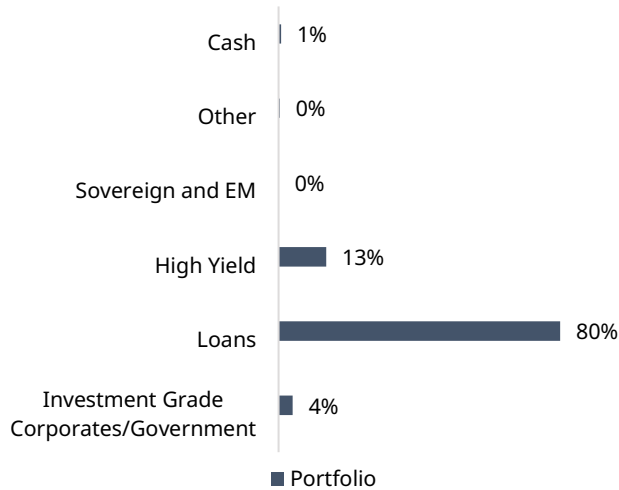
Calendar Returns



	YTD	2021	2020	2019	2018	2017
Excess Returns	-4.5	-0.5	-2.6	-2.6	3.1	3.3
% of Peers Beaten	22	68	41	32	73	97

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Asset Mix



Maturity Breakdown

Bucket	Portfolio	Benchmark
0 to 3	14.02	-
3 to 7	80.97	-
7 to 12	1.27	-
12+	3.73	-

Currency Exposure

Currency	Gross	Net
CAD	4%	97%
USD	90%	3%
Other	6%	0%

Performance Metrics (3 Year Trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	8.6	9.3
Alpha	-2.5	-
Beta	0.9	-
Up Capture (%)	71.0	-
Down Capture (%)	96.7	-

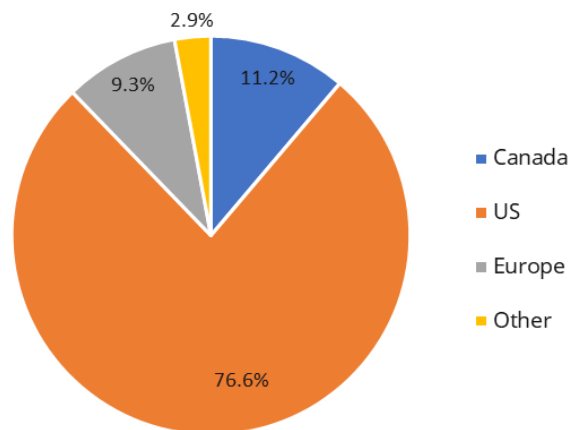
Characteristics

Ratios & Metrics	Portfolio	Benchmark
YTM	11.48	4.70
Duration	0.63	3.95
Avg. Credit Quality	B+	B+
Avg. Price	164.10	-

Credit Breakdown

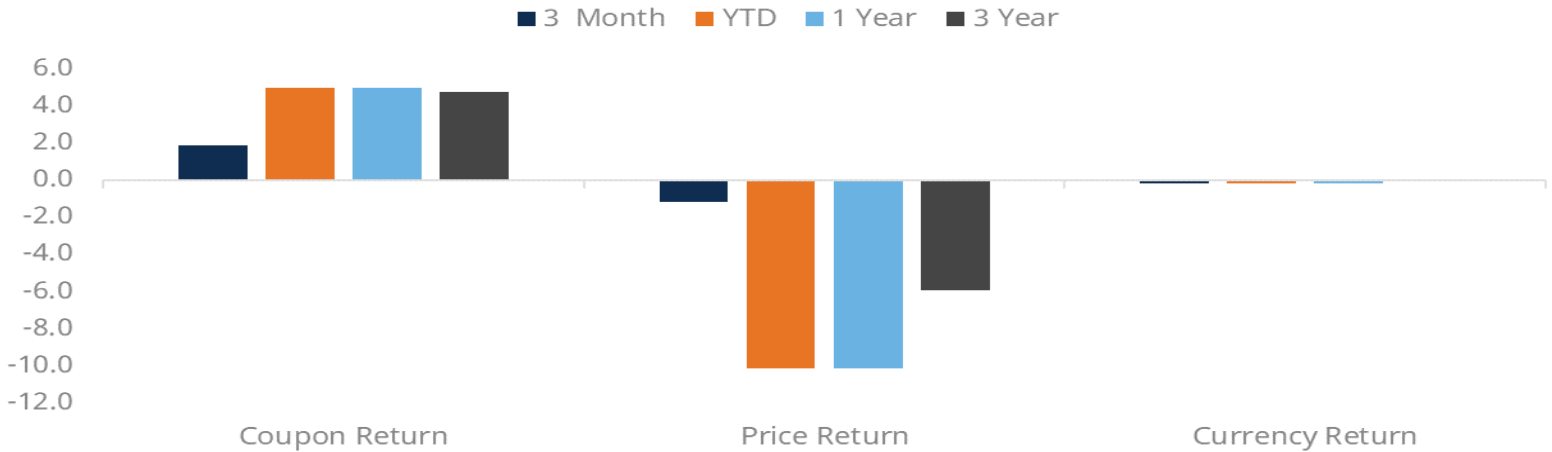
Rating	Portfolio	Benchmark
AAA	2.15	-
AA	0.90	-
A	1.26	-
BBB	1.65	-
BB	12.55	54.47
B	65.25	33.69
CCC & Below	8.65	11.84
NR	7.47	-

Geographic Allocation

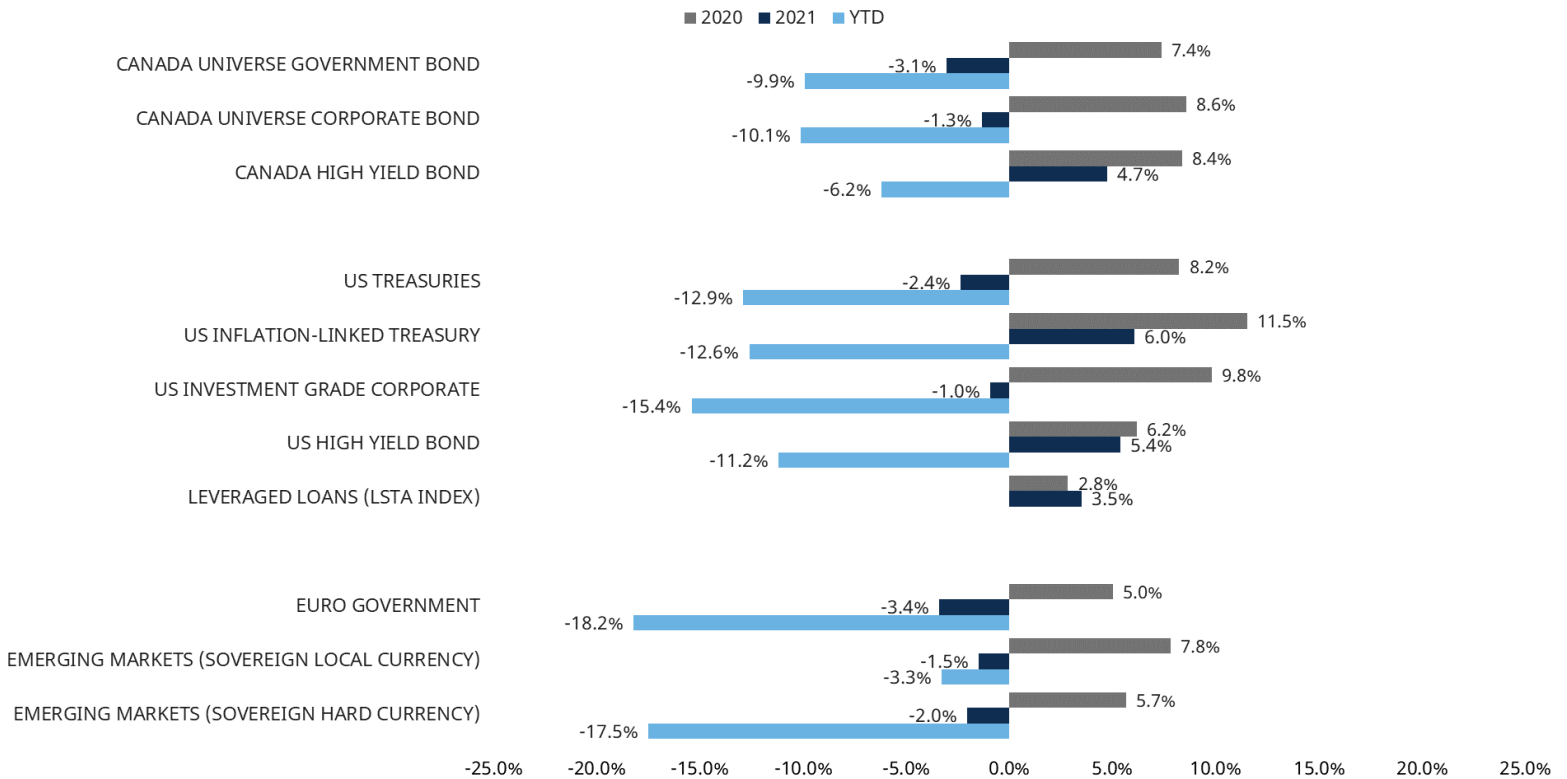


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Attribution



Market Overview



Mackenzie Floating Rate Income Fund

Loan returns were +0.44% in December and +2.74% in Q4. In fact all three months in the quarter saw positive returns in the loan market. Middle market loans, CCC-rated loans, and second lien loans all underperformed during the quarter, as "improved-but-cautionary" market sentiment drove bid levels higher for benchmark credits. The average price of loans finished the quarter at \$92.40, up a half-point over Q3. Quarter end saw YTM at 10% and spreads of +559bps.

Markets in 2022 were facing headwinds from inflation and geopolitics not seen in decades, with obvious risks to global economic and social stability that cannot be exaggerated. The Fed and other central banks have turned and continue to be hawkish, and the fight against inflation is here-and-real, in full force. Credit markets have generally followed the rest of the global financial order with severe losses especially in the rate sensitive asset classes such as high yield bonds. Leveraged loans were also down in 2022 but continue to outperform due to their insulation from "direct" rate risk.

Notwithstanding the ongoing global risks and uncertainties, we continue to be generally constructive but cautious on credit and floating rate loans in absolute terms. On the positive side, loans i) have no "direct" rate risk and ii) have dropped significantly to levels not seen in years. We see loans as more attractive in relative terms compared to our commentary in Q3 simply because HY and IG bonds had a decent Q4 and therefore their relative value proposition has diminished.

We still expect credit selection to grow in importance going forward, as investors transition from buying market beta, to an increased focus on corporate earnings and fundamentals.

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Percentile rankings are from Morningstar Research Inc., an independent research firm, based on the Canada Fund Floating Rate Loans category and reflect the performance of the Mackenzie Floating Rate Income Fund for the 3-month, 1-, 3- and 5-year periods as of December 31, 2022. 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 Floating Rate Loans category funds for Mackenzie Floating Rate Income Fund for each period are as follows: one year -91; three years -91; five years -74; ten years -7.

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