Mackenzie Global Strategic Income Fund

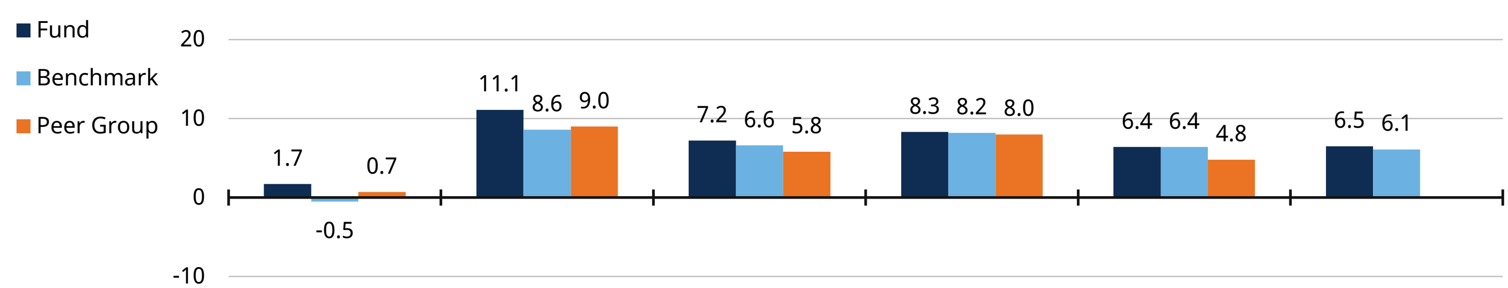
Fund snapshot

Inception date	11/24/2006
AUM (millions in CAD)	2278.1
Management Fee	0.70%
MER	0.94%
Benchmark	52.5% MSCI World + 47.5% GBMI (Hgd to CAD)
CIFSC Category	Global Neutral Balanced
Risk Rating	Low-Med
Lead Portfolio Managers	Konstantin Boehmer

Strategy overview

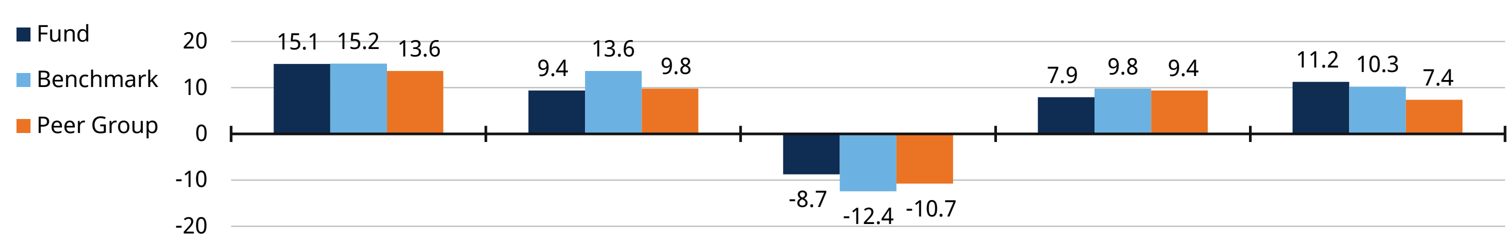
- A truly global approach, the Fund invests in a diversified portfolio of equities and fixed income securities that are income producing with an aim to deliver superior risk-adjusted returns in all market environments
- In fixed income, the Fund selects from the broadest array of securities globally to build a portfolio that provides best value for risk
- The equity style is core, investing in quality companies anywhere in the world

Trailing returns %



	3 Mth	1 Yr	3 Yr	5Yr	10Yr	SI
Excess return	2.2	2.5	0.6	0.1	0.0	0.4
% of peers beaten	81	84	81	58	87	NA

Calendar returns %



	2024	2023	2022	2021	2020
Excess return	-0.1	-4.2	3.7	-1.9	0.9
% of peers beaten	74	43	75	36	98

Portfolio characteristics

	Portfolio	Benchmark
Overall yield	3.0	2.3
Equity		
P/E 12m forward	19.5	18.8
Dividend yield	2.1	1.8
Net debt/EBITDA	1.1	0.8
EPS growth (FY E)	11.7	13.4
P/B	4.4	3.3
Fixed income		
Yield	4.8	3.9
Duration	6.1	6.5
Average credit quality	A	AA

Sector allocation

Sector	Portfolio (%)	Benchmark (%)	Relative weight (%)
Financials	10.3	9.1	1.2
Energy	3.1	2.2	0.9
Materials	1.5	1.8	-0.3
Industrials	7.0	5.8	1.2
Information Technology	11.6	12.4	-0.8
Communication Services	3.4	4.2	-0.8
Utilities	1.4	1.4	-
Consumer Staples	5.2	3.4	1.8
Consumer Discretionary	4.2	5.3	-1.1
Real Estate	0.7	1.1	-0.4
Health Care	7.5	5.8	1.7
Other	2.7	6.7	-4.0

Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	8.4	9.1
Sharpe Ratio	0.4	0.3
Tracking Error	2.3	-
Information Ratio	0.3	-
Alpha	0.9	-
Beta	0.9	-
Upside Capture (%)	93.1	-
Downside Capture (%)	83.7	-

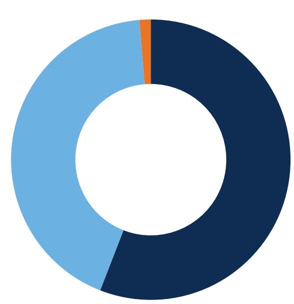
Country allocation

Country	Weight	Benchmark (%)	Relative weight
United States	57.5	55.5	2.0
Germany	11.0	3.5	7.5
United Kingdom	6.2	4.2	2.0
Canada	4.2	3.5	0.7
Japan	2.9	7.8	-4.9
France	2.5	4.2	-1.7
Other	15.7	21.3	-5.6

Credit breakdown

Rating	Portfolio	Benchmark
AAA	31.4	-
AA	35.0	-
A	2.2	-
BBB	11.2	-
BB	13.9	-
B	3.8	-
CCC & Below	1.6	-
NR	0.8	-

Asset allocation



	Portfolio (%)
Equity	55.9
Fixed Income	42.8
Cash	1.3

Top 10 equity holdings

Security name	Country	Sector	Weight
Mackenzie Alternative Enhanced Yield Fund Series R	Canada	Mutual Funds	4.0
Apple Inc.	United States	Information Technology	2.2
Microsoft Corp.	United States	Information Technology	2.2
Philip Morris International Inc.	United States	Consumer Staples	1.7
JP Morgan Chase & Co.	United States	Financials	1.6
AbbVie Inc.	United States	Health Care	1.5
Amazon.com Inc.	United States	Consumer Discretionary	1.5
Meta Platforms Inc. Class A	United States	Communication Services	1.4
Motorola Solutions Inc.	United States	Information Technology	1.3
Deutsche Boerse AG	Germany	Financials	1.3

Equity - Attribution

	Sector	Portfolio Average Weight (%)	Portfolio Contribution to Return (%)
Contributors	Health Care	7.1	0.7
	Consumer Staples	4.4	0.7
	Financials	10.3	0.7
Detractors	Materials	1.8	-0.1
	Communication Services	3.6	-0.1
	Information Technology	12.4	-1.3

Fixed Income - Attribution

	Sector	Portfolio Average Weight (%)	Portfolio Contribution to Return (%)
Contributors	Government	25.2	0.6
	Corporate	11.8	0.1
	Bank Loan	1.9	0.0

Commentary

1) QFR Highlights

The fund outperformed its blended benchmark index comprising of 52.5% MSCI World Index and 47.5% ICE BofA Global Broad Market (Hedged to CAD) Index.

2) Market Overview

The first quarter of 2025 was a notable shift from the previous quarter. Heightened economic uncertainty was the major theme, largely due to policy shifts and trade tensions that resulted from actions by the United States. The new US administration has introduced tariffs on imports from multiple countries and regions, including Canada, Mexico and China. This has led to retaliatory tariffs, concerns of trade wars, and increased volatility in global markets. Additionally, inflation concerns have persisted or reignited in the United States and other countries, driven in part by the economic uncertainty of the impact of tariffs. After a relatively strong start to the year, US equities faced a sharp correction and posted negative results for the quarter. Growth stocks, particularly in the technology sector, have underperformed while more defensive sectors such as health care and consumer staples have outperformed. Canadian equities, while having mixed results due to trade tensions weighing on investor sentiment, have generally outperformed their US counterpart. European equities outperformed the US, Canada and most other developed markets, delivering their strongest performance in decades. Asian equities had mixed results, with strong performance in China where stimulus measures supported domestic consumption and industrial output. Hong Kong and South Korea also had positive performance, while Japanese equities declined in a similar magnitude to the US market. US bond markets rallied, as interest rates fell, and we saw a flight to quality as investors sought safety in bonds amid stock market volatility. Canadian bonds benefitted from the Bank of Canada's interest rate cuts during the quarter. Global bond markets also demonstrated strong performance, particularly in Europe.

3) Fund Performance

In Q1 2025, Series F of the fund returned 1.7% versus -0.5% for the blended benchmark. The equity portion of the fund outperformed the equity component of the blended benchmark, and the fixed income portion of the fund underperformed the fixed income component of the blended benchmark. From an equity perspective, stock selection in the consumer staples, health care and financials sectors contributed the most to relative performance. Stock selection in the information technology, materials and communication services sectors detracted the most from relative performance. From a country perspective, stock selection in the United States, Germany and the United Kingdom contributed to relative performance, while stock selection in Taiwan and Sweden, along with an underweight allocation to Italy detracted from relative performance. From a fixed income perspective, holdings in provincial government bonds contributed to relative performance. Holdings in corporate bonds, particularly in the financial, industrial and securitization sectors detracted from relative performance. Holdings in federal government bonds also detracted from relative performance.

4) Security Contributors

Philip Morris International Inc., Deutsche Boerse AG, and not holding Tesla Inc. were among the largest contributors to relative performance over the quarter.

Philip Morris

Philip Morris' stock rose 33%, driven by smoke-free products like IQOS and Zyn.

Deutsche Boerse

Deutsche Boerse surpassed its 2024 financial targets with a 15% rise in operating profit and annual sales, driven by strong performance in commodities, securities, and software divisions.

Tesla

Tesla' stock experienced a decline of 36%, its worst quarterly performance since 2022. Factors contributing to this were declining vehicle sales, regulatory concerns and controversies surrounding CEO Elon Musk.

5) Security Detractors

Taiwan Semiconductor Manufacturing Co. Ltd., Alphabet Inc., and Broadcom Inc. were among the largest detractors from relative performance over the quarter.

TSMC

TSMC was negatively impacted by concerns over potential US tariffs on semiconductor imports. Regulatory and geopolitical risks overshadowed the company's growth prospects.

Alphabet

Alphabet reported Q1 earnings of USD$23.7 billion (USD$1.89 per share) and a 15.4% revenue rise to USD$80.4 billion but faced stock challenges due to trade tensions.

Broadcom

Broadcom saw a 25% revenue growth to USD$14.9 billion, beating estimates by USD$300 million, but tariffs and trade tensions hurt investor sentiment.

6) Portfolio Activities

Within Global Equity & Income Equities, in response to the volatility, the portfolio was repositioned with ~15% turnover leading to improved earnings per share (EPS) growth, return on invested capital (ROIC), and return on equity (ROE). We are prepared to adjust as the situation evolves, while still remaining disciplined to our investment process and philosophy.

7) Outlook, Positioning

Global Equity & Income Team: Trump’s return triggered a sweeping new tariff regime, creating the highest US tariff burden in over a century. Markets reacted sharply – equities and bonds sold off, the USD weakened, and recession risks rose – though some relief came via a temporary tariff suspension. The US administration’s aggressive stance, especially toward China, has led to retaliation and market unease. While most tariffs may be eventually negotiated down, a prolonged standoff risks stagflation and capital flight. For now, volatility is the price of admission. But volatility is also the birthplace of opportunity. We will continue to take advantage of temporary dislocations while steering clear of macro prognostication. Our portfolio remains positioned around high-quality, well-capitalized businesses that can navigate what is currently a fractured global trading system.

Fixed Income Team: Looking ahead, Q2 is already setting up to be all about bilateral trade negotiations, and the 90-day tariff pause only heightens the stakes. As trade flows become more politicized, monetary and fiscal policy will increasingly be deployed on a country-by-country basis. This fragmentation is likely to feed into bond markets, with US duration continuing to drive global yields. But with European yields rebounding, potentially on the back of fiscal expansion, global bond leadership may not be as unipolar as it has been in recent quarters.

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 Global Neutral Balanced category and reflect the performance of the Mackenzie Global Strategic Income 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 Global Neutral Balanced category funds for Mackenzie Global Strategic Income Fund for each period are as follows: one year - 1600 ; three years - 1482 ; five years - 1221 ; ten years - 724.

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