

Mackenzie US Small-Mid Cap Growth Fund

Fund Snapshot

Inception date	01-09-2003
AUM (millions in CAD)	\$1,293.53
Benchmark	Russell 2500
CIFSC Category	US Small/Mid Cap Equity
Risk Rating	Medium
Lead Portfolio Manager	Phil Taller
Investment Exp. Since	1991

Strategy Overview

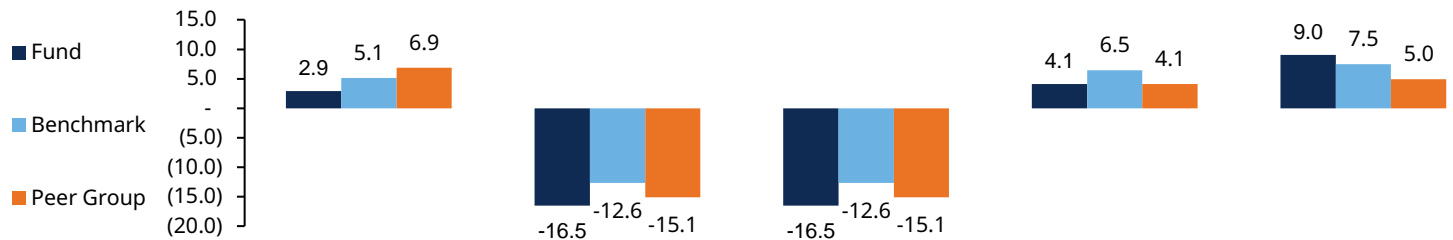
The Mackenzie Growth Team positions the portfolio to benefit from long-term secular growth themes in the macroeconomic environment. The Fund invests in high-quality companies with an emphasis on:

- Strong management
- Good growth prospects
- Attractive financial metrics
- Paying reasonable prices for the growth that companies in the portfolio are expected to achieve

Highlights

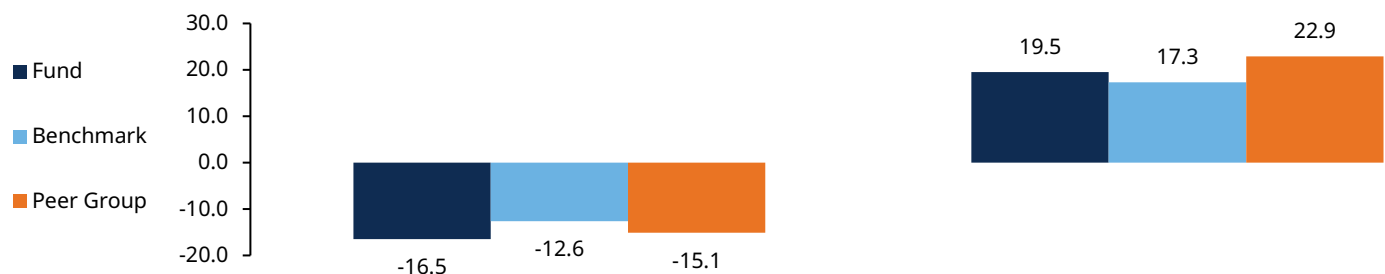
- Recent increases in interest rates and inflation may erode consumer balance sheets.
- Long term the world may continue to proceed in a lower growth environment compared to history.
- We focus most of our attention on owning innovative secular growth businesses.
- These types of companies offer products and services that make the world better, cheaper, and faster – enabling them to grow at a faster pace than the overall economy.

Performance Chart



	3 Mth	YTD	1 Yr	3 Yr	5 Yr
Excess Return	-2.2	-3.9	-3.9	-2.4	1.6
% of Peers Beaten	14	67	67	66	93

Calendar Returns



	2022	2021
Excess Returns	-3.9	2.2
% of Peers Beaten	67	36

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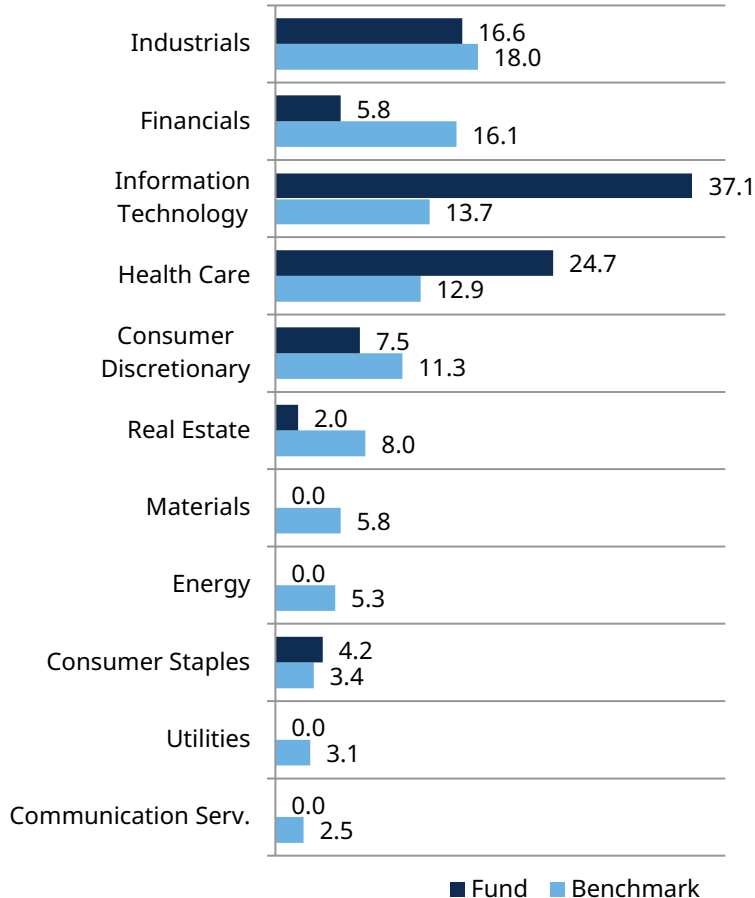
Geographic Allocation

	Portfolio (%)	Benchmark (%)	Active Weight (%)
United States	97.9	100.0	-2.1
Cash & Equivalents	2.1	--	--
Total	100.0	100.0	

Performance Metrics (3 Year Trailing)

	Portfolio	Benchmark
Standard Dev.	18.5	20.8
Alpha	-1.4	-
Beta	0.8	-
Sharpe Ratio	0.2	0.3
Tracking Error	7.5%	-
Information Ratio	-0.3	-
Up Capture (%)	81.0	-
Down Capture (%)	86.3	-

Sector Allocation



Top 10 Holdings

Holding	Sector	Weight %
Westinghouse Air Brake Technologies Corp	Const Machinery & Heavy Trucks	4.7
Markel Corp	Property & Casualty Insurance	4.6
Premier Inc	Health Care Services	4.5
CommVault Systems Inc	Systems Software	4.5
Cirrus Logic Inc	Semiconductors	4.5
Maximus Inc	Data Prcssg & Outsourced Svcs	4.4
Grocery Outlet Holding Corp	Food Retail	4.2
CoStar Group Inc	Research & Consulting Services	4.2
Akamai Technologies Inc	Internet Services & Infrastruc	4.1
Parsons Corp	Aerospace & Defense	4.1
Total		43.9%

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Security Level Contributors and Detractors

	Security	Average Weight (%)	% Contribution to Return
Contributors	MAXIMUS, Inc.	3.63	0.82
	Westinghouse Air Brake Technologies Corporation	4.61	0.82
	Markel Corporation	4.31	0.73
Detractors	iRhythm Technologies, Inc.	3.96	-1.28
	Grocery Outlet Holding Corp.	4.13	-0.69
	Syneos Health, Inc. Class A	1.87	-0.58

Sector Attribution Relative to the Benchmark

	Sector	Average Active Weight (%)	Allocation Effect (%)	Selection Effect (%)
Contributors	Info Tech	23.38	-0.66	1.84
	Industrials	-1.09	-0.02	0.74
	Financials	-10.69	0.13	0.16
Detractors	Cons Disc	-4.11	-0.13	-0.48
	Cons Staples	0.82	0.03	-1.02
	Health Care	11.88	-0.72	-1.15

Fund and Market Insights

- Over the period the fund underperformed the benchmark by 1.9%. This was due to our security selection in Health care and Consumer Staples. Our security selection in Information Technology added to performance.
- Our top performers for the period were Maximus, Wabtec and Markel. Maximus reported a really good quarter and gave 2023 guidance which was above estimates. Wabtec continued to chug along with a solid set of quarterly results. Markel's positive stock moves are a reaction to macroeconomic fears and a potential hard market in reinsurance.
- iRhythm, Grocery Outlet and Syneos were our biggest detractors. iRhythm's stock outperformed throughout 2022 and gave a little back as investors sold winners into year-end; Grocery Outlet put up great same-store sales and had good performance for most of 2022 and was a candidate for investors selling their winners into year-end. Syneos had some clinical contracts pushed out which led to disappointing quarterly results.
- There aren't any buys or sells that we can disclose at the moment. We recently added to our position in Keysight and Charles River Laboratories.

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- We believe that the US economy, like many others, already faced structural challenges in the form of high debt levels and slow growth in the working age population. Recent increases in interest rates and inflation may erode consumer balance sheets. With that macro-economic backdrop, we believe that in the long term the world may continue to proceed in a lower growth environment compared to history.
- While we do not attempt to forecast near-term economic growth, the current tightening of financial conditions may slow the global economy for a period. We try to be realistic about what companies can achieve in a more challenging environment.
- We don't think anybody really knows what the level of ongoing inflation will be, nor what impact it might have on markets. We do believe that many of our companies offer high value-added products and services, and this should give them reasonable pricing power.
- The future is uncertain, but there may be increased investments in communications, Cloud and public infrastructure, security, data analytics, regional supply chains in many industries, pharmaceutical and medical technology research, the Internet of Things, automation and robotics, and online services and commerce. We will be looking for ways to participate in these opportunities as equity markets evolve.
- We believe companies will seek to invest in new technology and services that can help them participate in a global trend towards digital transformation that can help them be more agile and secure in their operations. The use of data to understand trends should only become more important over time. There may also be increased demand for outsourced business services. We think several of our companies can assist in this effort.
- We continue to maintain an overweight in the Technology and Health Care sectors. We believe that the secular growth available in those sectors will serve us well. We lowered our exposure to cyclicals beginning in the fall of 2021. This change was driven by what we perceived as an overall optimistic tone that didn't reflect the possibility of a slowdown, which may or may not happen.
- What we aim to do is to know as many great businesses as we can and learn what they might be worth. When markets offer us attractive share prices for these businesses, we become buyers.
- We focus most of our attention on owning innovative secular growth businesses. These types of companies offer products and services that make the world better, cheaper, and faster – enabling them to grow at a faster pace than the overall economy. We see this as a more “all weather” approach – our companies can do well in a rising economy, but also perform relatively better in a difficult economy.
- We focus mainly on free cash flow as a metric for company valuations. This measure has become even more important in recent years, as companies have moved increasingly to present earnings in an “adjusted” fashion, which may obscure reality. In our view, accounting risk has risen, and we believe securities regulators are becoming increasingly concerned with these “adjusted” disclosures based on recent guidance.

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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 December 31, 2022 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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Percentile rankings are from Morningstar Research Inc., an independent research firm, based on the US Small/Mid Cap Equity category and reflect the performance of the Mackenzie US Small-Mid Cap Growth 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 US Small/Mid Cap Equity category funds for Mackenzie US Small-Mid Cap Growth Fund for each period are as follows: three months -285; one year -254; three years -203; five years -174

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