

## Performance Summary

- During Q4 2018, the Fund returned -13.8% against the MSCI All Country World Small Cap Index TR (net) CAD, which returned -8.7%.

## Contributors to Performance

- At the sector level, the Fund's overweight exposure to Information Technology and stock selection within the sector contributed positively to relative performance, as did stock selection in Energy.
- From a regional perspective, stock selection in the United Kingdom, Norway, and France contributed positively to relative performance.
- From a style factor perspective, our funds generally have positive exposures to growth, valuation, medium term momentum, and liquidity factors. For this quarter, the Fund's exposure to earnings yield and exchange rate sensitivity factors contributed to relative performance.
- At the security level, strong results were seen from **Ciena Corporation**, **Dialog Semiconductor plc**, and **Daiwa Office Investment Corporation**.

## Detractors from Performance

- At the sector level, stock selection in Health Care, Consumer Discretionary, and Materials detracted from relative performance.
- From a regional perspective, stock selection in the United States, Australia, and Japan detracted from relative performance.
- From a style factor perspective, our exposure to volatility factors and small cap stocks hurt our relative performance.
- At the security level, key detractors included **Ligand Pharmaceuticals Incorporated**, **Signet Jewelers Limited**, and **Express Inc.**

## Portfolio Activity

- Portfolio activity and market effects over the quarter resulted in increased exposure to Information Technology and Communication Services, and reduced exposure to Energy, Health Care and Consumer Discretionary. The Fund initiated exposure to the Utilities sector over the quarter.
- Regionally, the portfolio increased exposure to the Japan, Korea, the United Kingdom, and France, while decreasing exposure to the United States, Canada, and Australia. Cash allocation also decreased over the quarter.

## Outlook

- Systematic strategies group maintains exposure to certain factors, which we believe will consistently add value over time. We will vary the weightings of these factors depending on our forecasts of the rewards to these factors. Another key component of our investment process is our stock selection model. In general, the more successful the stock selection model is, the better the portfolio will perform.
- At the end of Q4, our portfolios were generally positioned with positive exposures to Growth, Liquidity Valuation, and Medium-Term Momentum factors. The funds also have a high Alpha exposure, across all industries and sectors to the Stock Selection model. Thus, aside from our stock-specific risks, we would expect our portfolios to perform above their market benchmarks in an environment which values stocks with positive growth characteristics, with positive medium-term momentum, and that are more liquid than the average small cap stock. Our Regime model is currently showing a neutral regime, and we expect growth, valuation, and momentum to be rewarded equally.

## PORTFOLIO MANAGEMENT TEAM:

**Rick Weed**, Senior Vice President, Investment Management, Mackenzie Investments

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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, 2018 including changes in unit 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.

On September 25, 2006, the Fund changed its mandate from investing mainly in Canadian small-cap and mid-cap equity securities to investing mainly in North American small-cap and mid-cap equity securities. The past performance before this date was achieved under the previous objectives.

On July 26, 2013 the Fund changed its mandate from investing mainly in North American small-cap and mid-cap equity securities to investing primarily in Global small-cap and mid-cap securities. The past performance before this date was achieved under the previous objectives.

On September 30, 2015, Rick Weed became the lead Portfolio Manager on the Fund.

This document includes forward-looking information that is based on forecasts of future events as of December 31, 2018. Mackenzie Financial Corporation will not necessarily update the information to reflect changes after that date. Forward-looking statements are not guarantees of future performance and risks and uncertainties often cause actual results to differ materially from forward-looking information or expectations. Some of these risks are changes to or volatility in the economy, politics, securities markets, interest rates, currency exchange rates, business competition, capital markets, technology, laws, or when catastrophic events occur. Do not place undue reliance on forward-looking information. In addition, any statement about companies is not an endorsement or recommendation to buy or sell any security.

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Fund and Benchmark Performance as at: December 31, 2018	1 year	3 years	5 years	10 years
Mackenzie Global Small Cap Fund - Series F (Formerly Mackenzie Global Small Cap Growth Fund)	-11.0%	2.8%	4.9%	10.8%
MSCI All Country World Small Cap Index TR CAD	-1.4%	8.5%	11.3%	14.8%