

# Mackenzie Call Series

## Calming perspectives in uncertain markets

### Economic updates and US Equity Market perspectives

On March 24, Mackenzie held a conference call featuring economic and market updates from **Paul Taylor** (Vice-President and Portfolio Manager, Multi-Asset Strategies Team) and **Phil Taller** (Senior Vice President, Portfolio Manager, Head of the Mackenzie Growth Team).

#### Conference call highlights

##### Identifying a market bottom

- COVID-19 continues to put pressure on world markets. Investors are watching for signs that markets are approaching a bottom. Three signals may help show that a bottom is near:
  1. If the world appears to be moving toward containing COVID-19. A visible, coherent plan (perhaps including a vaccine) to manage this health crisis would likely boost investor confidence
  2. If we continue to see a robust fiscal and monetary policy response to help mitigate the impact of COVID-19. The U.S. Federal Reserve, for instance, has helped minimize systemic risk with its ultra-accommodative policies. Globally, governments have provided unprecedented stimulus and support measures
  3. If well-functioning capital markets return with reasonable equity valuations and fixed income credit spreads
- Historically, markets have tended to bottom out not necessarily when the “battle” has been won, but when the serious “fighting” has begun. We may be approaching such a time as governments worldwide have mobilized in an effort to contain both COVID-19 and its potential economic impact

##### Update on Mackenzie’s Symmetry Portfolios

- All core Symmetry mandates are in the top two quartiles in performance over several timeframes, which helps validate key portfolio construction strategies such as:
  - Active management with a value bias
  - A wider investment universe to uncover greater opportunities worldwide
  - Use of liquid alternatives to better diversify portfolios

##### Update on Mackenzie US Mid Cap Growth

- The team continues to engage in discussions with companies regarding the financial health and fundamentals of each business. The team conducts stress tests and debt covenant reviews to determine a likely outlook and to see if the companies can survive these challenging times.
- Some companies are subject to mass selling in volatile markets, even if unwarranted (i.e., if they operate in an industry that’s declining in this health crisis, they are “guilty by association”). For instance, the portfolio has held Gartner Inc., a leading technology research and advisory company, for roughly 12 years. Its operations include a conference-related line of business that is out of favour given the suspension of conferences at this time, so Gartner has sold off. Such indiscriminate selling creates opportunities to buy companies with sound fundamentals and business models, at large discounts to our valuation models.
- We currently don’t have a high cash position (roughly 3% to 4%) because we’re finding attractive valuations across many industries and want to take advantage of the potential for long-term rebound opportunities.
- The U.S. dollar is typically strong during economic and market turmoil. We tend to employ hedges when optimism is low, investors are worried and the Canadian dollar is under severe pressure. These conditions have arisen so we’re open to adding some hedges now.
- We will look to increase beta in the portfolio when a market rebound seems imminent, at which time we may shift some assets out of conservative holdings and into more cyclical, growth-oriented businesses.

### Check out the conference call

Listen to our archived conference call on our website [here](#), or dial-in to our instant replay number below to learn more about what's going on in the economy and markets.

Toll-free: 1-800-408-3053

Passcode: 6181015

Please note that the dial-in number will only be available for 30 days after the event and will expire on April 24, 2020.

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