

Live with Nelson Arruda

Market volatility and the Mackenzie Multi-Asset Strategies Team

Symmetry Portfolios: Well-poised in an evolving world

On April 30, Mackenzie hosted a webinar featuring Nelson Arruda (Senior Vice-President, Portfolio Manager and Co-Lead of the Mackenzie Multi-Asset Strategies Team).

Webinar highlights

Macroeconomic views

- We believe equity valuations are relatively attractive after a significant decline amid COVID-19, and despite a recent rebound. However, we remain cautious and want to see improving macro conditions. Most investors have low expectations for near-term earnings, so we're focused on looking for favourable long-term guidance from companies in order to be more positive about equities.
- Aggressive government policies worldwide have helped improve overall market sentiment, but we believe the global economy is still susceptible to a downdraft given the unpredictable, constantly shifting environment. Central bank policies are, however, supportive of fixed income markets globally.
- While gold may become more interesting as inflation rises, we're cautious of potential negative surprises that may temper the near-term outlook for gold. Also, we don't anticipate a large spike in inflation as much of the government stimulus is intended to help overcome current demand destruction and not necessarily drive inflation higher.

Key differentiators of Symmetry Portfolios

- We have 11 members of our team managing Symmetry and working on behalf of investors. Our team members offer significant diverse expertise. Collectively, we have considerable investment experience and a comprehensive skill set.
- Our view of portfolio construction is that we must match each individual portfolio to specific investor needs. Through active management, we're committed to finding the right managers and right vehicles to address whatever investment problem needs to be solved. Instead of declaring a certain investment to be "good" or "bad," we determine if an investment is appropriate for the particular mandate and its portfolio composition.
- We don't favour static weights like the typical fund-of-funds, as we make tactical portfolio adjustments to help drive returns and manage a range of risks. We employ a true institutional approach to investing, which includes risk budgeting, currency management, alternative investments, internal and external managers, derivatives, passive investments and more. We're also extremely mindful of managing concentration risk to avoid undue drawdowns.
- We use multiple alternative strategies, such as liquid alts to help diversify. We believe that alts offer equity-like performance but generally with less volatility and risk than traditional equities.

Recent tactical moves in Symmetry Portfolios

- As COVID-19 has made an increasingly bigger impact on global economies and markets, we have made several tactical moves to the portfolio asset mix (our tactical models are updated weekly and we rebalance as required):
 - Exposure to equities declined steadily in recent weeks, but now has bumped up recently
 - Bond exposure has greatly increased over the past months, and we added specifically to high yield before the U.S. Federal Reserve provided its high-yield bond support. We believe our high-yield exposure will benefit portfolio performance as the global economy and markets recover
 - We adjust our exposure to various currencies to enhance risk-adjusted returns. For instance, we're currently overweight the U.S. dollar, which is a safe-haven currency that is negatively correlated to equities
 - To help enhance Symmetry Portfolios, we recently added exposure to international securities (Mackenzie Global Equity & Income Team), global equities (Mackenzie Bluewater Team), U.S. and Canadian equities (Mackenzie North American Equities Team) and Canadian resources (Mackenzie Resource Team)

Check out the webinar

This webinar is available on-demand! You can access the playback [here](#).

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