Mackenzie Global Macro Fund

Series F | Monthly Commentary | February 2025

INVESTMENT STRATEGY

The Mackenzie Global Macro Fund incorporates leverage and shorting inside relative value and market directional strategies to seek a return stream that can decouple from traditional long only equity and fixed income markets. The Fund's investment universe includes equity and fixed income markets, currencies, and commodities. It follows a disciplined investment strategy based on principles of relative valuation, market sentiment and detailed analysis of macro-economic conditions.

FUND SNAPSHOT	
As of February 28, 2025	
Inception	February 26, 2019
Benchmark	FTSE Canada 91-Day T-Bill Index
AUM	**$748,580,416**
Management Fee	**1.00% / 2.10%**
MER	**1.32% / 2.63%**
Performance Fee	**None**
Redemption Notice	**None**
Min. Investment	**$500**
NAVPU	**$10.42**
Fund Codes (F/A)	**MFC5977 / MFC5976**

Risk Tolerance				
	■			
Low		Med		High

Monthly Performance Net of Fees (Series F, %)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	SI
2025	0.7%	1.4%											2.1%	3.9%
2024	-0.5%	0.5%	1.7%	-0.4%	1.0%	0.9%	0.8%	-2.0%	1.2%	-2.3%	-1.7%	2.7%	1.6%	-
2023	-1.4%	2.4%	-0.6%	1.0%	-0.2%	2.8%	3.2%	0.4%	1.3%	2.1%	-2.9%	1.6%	10.1%	-
2022	0.6%	-2.1%	-1.6%	-0.6%	-0.1%	1.1%	-2.4%	3.8%	5.6%	-0.5%	-1.6%	1.9%	3.9%	-
2021	-0.7%	-2.9%	-0.2%	1.5%	1.7%	0.7%	1.1%	0.8%	-4.3%	-0.3%	-0.2%	2.4%	-0.7%	-
2020	1.7%	0.4%	-5.5%	0.2%	2.1%	-0.2%	2.0%	-0.7%	-1.1%	-1.2%	0.8%	2.3%	0.5%	-
2019			0.6%	1.6%	-0.9%	3.3%	1.3%	-1.9%	0.8%	0.6%	0.3%	1.0%	6.6%	-

ATTRIBUTION HIGHLIGHTS

- In February, the Fund returned 1.4% after series F fees. Our equity sector strategy was the Fund's best-performing component in the month. Positioning in defensive sectors (Staples, Real Estate, Healthcare) paid off as the broad market sold off and US economic growth showed signs of stalling.

- Our currency strategy was up slightly. Canadian dollar was the top contributing trade to total fund return. We started the month with a broadly flat view on CAD, having taken profits on our year-long short position at the end of January. When Trump's postponement of tariffs on imports from Canada caused CAD to appreciate sharply in the first half of February, we re-entered a short position, which benefitted the fund when CAD dropped 2% at the end of February. On the other hand, our short position in the Philippine peso detracted, as the Philippines Central Bank likely intervened in currency markets.

- The short directional position in stocks we initiated last month paid off, as broad market indices saw negative returns. Our small directional long position in government bonds also contributed, with long-term interest rates in the US sliding back to their December 2024 lows.

PORTFOLIO OVERVIEW

Asset Class	short	long	net	Cont. to target risk
Cash	-2%	100%	98%	0%
Core fixed income	-6%	29%	23%	-1%
Credit fixed income	0%	1%	1%	0%
Equity	-41%	33%	-8%	12%
Option (equity)	-	0%	0%	0%
Commodities	-5%	16%	11%	1%
Currency	-242%	159%	-83%	83%
Sectors	-15%	17%	2%	3%
Total	**-311%**	**355%**	**44%**	**100%**

PORTFOLIO STATISTICS

*Return	3.9%
*Standard Deviation	6.4%
Target Volatility Range (5YR)	7-11%
*Value at Risk	-4.3%
**Leverage	2.6 x
*Equity Beta	0.1
*Equity Correlation	0.2
Max Drawdown	-9.5%

*Since inception. Beta and correlation with reference to MSCI World

**Includes the total value of cash borrowing, short positions, and speculative derivative positions. It does not include explicit hedging positions.

Mackenzie Global Macro Fund

ATTRIBUTION HIGHLIGHTS (cont'd from page 1)

- Our cross-sectional equity strategy was up solidly in February. Our short position in the Australian market — expensive valuations, deteriorating stock fundamentals — was the largest contributor. Our long positions in the Italian and Spanish stock indices, two particularly cheap markets, contributed as European markets generally outperformed for the second month in a row.

- Our cross-sectional government bond strategy was down for the second quarter in a row. We were positioned for US Treasuries to underperform other government bonds, in part due to reemerging inflation pressures in the US. But markets concluded that concerns around US growth outweighed those around sticky inflation.

GLOBAL MARKET and MACROECONOMIC HIGHLIGHTS

- The S&P 500 slid in February (-1.3%), as a barrage of executive orders from the new Trump administration amplified policy uncertainty and threatened to derail economic growth. Tech-adjacent stocks saw negative returns while defensive sectors rallied, as investors positioned for a slowdown. Meanwhile, Treasuries rallied in February — the yield on 10-year Treasuries dropped from 4.5% to 4.2% — outperforming most other global government bonds. Weakish economic data combined with fears that government job cuts and tariff-related uncertainty could weigh on growth, contributed to the rally. At the end of February, traders expected three Federal Reserve cuts in 2025, up from two in January.

- The US dollar depreciated in February, especially against the currencies of those countries that are not prime targets in Trump's tariff hunt, such as the Japanese yen. The month started off with a bang in currency markets as Trump imposed, then postponed, tariffs on Mexico and Canada. The Canadian dollar appreciated at the start of February amid tariff relief but reversed those gains in the second half of the month with the new (postponed) deadline approaching. Oil prices dropped in February (-3.8%) amid global growth concerns and rumblings that OPEC might ease its ongoing supply cuts. Gold continued on its impressive run, gaining 1.3% in the month.

STRATEGY HIGHLIGHTS

- **Overbought global stocks.** We are bearish global equities for the 2nd month in a row. Recent stock market gains — without a coincident improvement in fundamentals — have brought valuations to overbought levels. We still think growth will be solid and investor sentiment remains positive, but the growth in sales and profit margins required to justify current valuations is too ambitious for our taste.

- **Canadian dollar: back to short.** We aggressively trimmed our long-held Canadian dollar short position at the end of January, but reopened it in the second half of February. After having an argument for the most disappointing advanced economy last year, Canada saw its economic data solidify in recent months. In a world without a trade war with the US, Canada's growth slump would be receding, the job market would be on a durable uptrend, and the Bank of Canada might be done cutting rates. But that is not the cruel world we live in. In our view, the US will maintain tariff pressure on Canada throughout the next few quarters. The CAD will have to weaken further to help absorb the heavy blow of tariffs.

- **US stocks running out of steam.** After a historic run, US stocks have seemingly run out of steam. Their valuations are not at extreme levels but they are pricier than most other equity markets globally — Canada excluded, notably. Plus, sentiment has recently shifted against US stocks: informed investors have been slowly turning away from the market since the end of 2024. Finally, earnings and sales revisions for the S&P 500 have turned sharply lower in recent weeks. International equities offer a more attractive risk-return trade-off in our view.

- **Neutral on duration:** Our bond exposure peaked in early January, but after a rally in bonds driven by mainly by weak US growth data, we are back down across the threshold to neutral in our positioning. Trump's economic policies — government job cuts, trade wars, general uncertainty — will weigh on economic growth, but much of that effect has been priced in, with markets now expecting three Federal Reserve cuts this year. Trade tariffs will cause prices to jump in the US, but are not an inflationary shock. Once the one-time effect on prices has passed, future inflation could be lower than without the tariffs, given trade wars could depress economic growth.

- **Where we CEE value.** In recent months we have built sizable positions in Central European currencies. The Polish zloty and Czech koruna have cheap valuations, and both countries boast booming economies compared to the rest of Europe. The zloty and koruna also experienced a notable improvement in market sentiment, as odds of a resolution in the Russia-Ukraine war have increased since the end of 2024.

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MACKENZIE Investments

Top 10 long positions (non-cash)	Weight	Cont. to target risk
SOUTH AFRICAN RAND	32%	21%
NORWEGIAN KRONE	29%	9%
POLISH ZLOTY	23%	7%
CHILEAN PESO/US DOLLAR	18%	10%
US 2YR NOTE	15%	0%
CZECH KORUNA	14%	3%
BRAZIL REAL	10%	4%
COMMODITY SWAP	10%	0%
COLOMBIAN PESO	9%	4%
SOUTH KOREAN WON	8%	0%

Top 10 short positions (non-cash)	Weight	Cont. to target risk
PHILIPPINE PESO	-71%	21%
CANADIAN DOLLAR	-33%	0%
NEW ZEALAND DOLLAR	-29%	-1%
ISRAELI SHEKEL	-29%	7%
MEXICAN PESO	-26%	2%
EURO	-24%	-3%
BRITISH POUND	-15%	-1%
S&P 500 FUTURE	-13%	5%
AUSTRALIAN EQUITY FUTURE	-10%	1%
CHINA OFFSHORE SPOT	-9%	-1%

PORTFOLIO MANAGER

Nelson Arruda, MFin, MSc, CFA

Nelson Arruda joined Mackenzie Investments in January 2017 and is Senior Vice President, Investment Management and Co-Lead of the Mackenzie Multi-Asset Strategies Team. In this role, Nelson is a member of Mackenzie's Global Investment Committee and is responsible for the management and oversight of Mackenzie's $20 billion multi-asset class portfolio business that includes a suite of five currency management products, Symmetry, Mackenzie Multi-Strategy Absolute Return Fund, Mackenzie Global Macro Fund, and other asset allocation approaches for internal and external clients. Nelson's other responsibilities include alpha research, risk management, portfolio construction, external manager deployment, trading operations, and team management. Prior to joining Mackenzie Investments, Nelson held various roles over 7.5 years at the Canada Pension Plan Investment Board (CPPIB) – including 3 years as Lead PM of the Commodities Strategy in the Global Tactical Asset Allocation Group. Nelson was involved in multi-asset research, portfolio management, tactical asset allocation, active commodities, and active currencies. Prior to joining the CPPIB, Nelson was a Financial Engineer working on liability modelling at State Street based in Toronto for pension plan clients in the EU and across North America. Nelson earned two Masters Degrees at the University of Toronto and the Rotman Business School over the period 2005 to 2009 – a Masters of Science Degree in Computer Science (M.Sc.) in Cryptography & Computational Complexity and a Masters Degree in Finance (M. Fin) degree.

Standard Performance Data Net of Fees (Series F)					
	1yr	2yr	3yr	5yr	SI (Feb 2019)
Mackenzie Global Macro Fund	3.7%	6.3%	6.4%	3.0%	3.9%
FTSE Canada 91-Day T-Bill	4.6%	4.7%	4.0%	2.5%	2.4%

Source: Morningstar