

Infrastructure investing: the road to opportunity



Diversify your portfolio with global infrastructure

Infrastructure is an asset class that can serve as a powerful addition to many investment portfolios by offering the potential to add diversification. A well-managed infrastructure product can deliver exposure to assets that, in most cases, have low to moderate correlation to traditional asset classes, such as stocks and bonds.

Infrastructure refers to tangible assets that provide essential public goods or services that are critical to the function and growth of the global economy. They have a long operational life and can be resistant to economic downturns, due to their high barriers to entry. These assets are typically involved in the movement of goods, people, water and energy.

Transportation

- Airports
- Toll roads
- Ports
- Railroads



Communications

- Transmission networks
- Cellular towers
- Cable networks
- Satellites

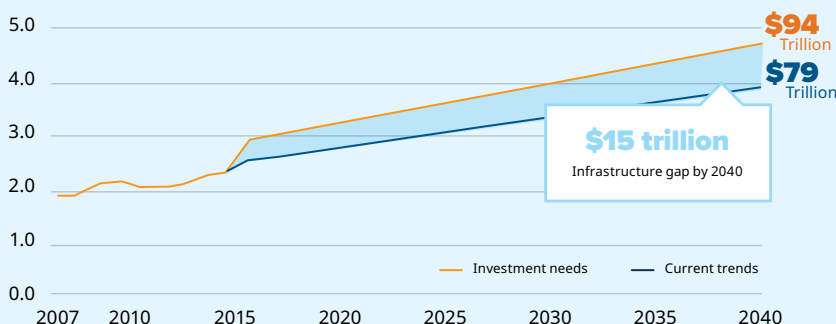


Water and energy services

- Electricity networks
- Power generation
- Renewable energy
- Water and sewage



Growth of the asset class



The demand for infrastructure spending will continue to grow. The Global Infrastructure Outlook by Oxford Economics estimates that the world will face a \$15 trillion infrastructure investment gap by 2040. According to their forecast, global infrastructure spending needs will be about \$94 trillion while the current spending levels will only account for \$79 trillion.

Source: Oxford Economics.

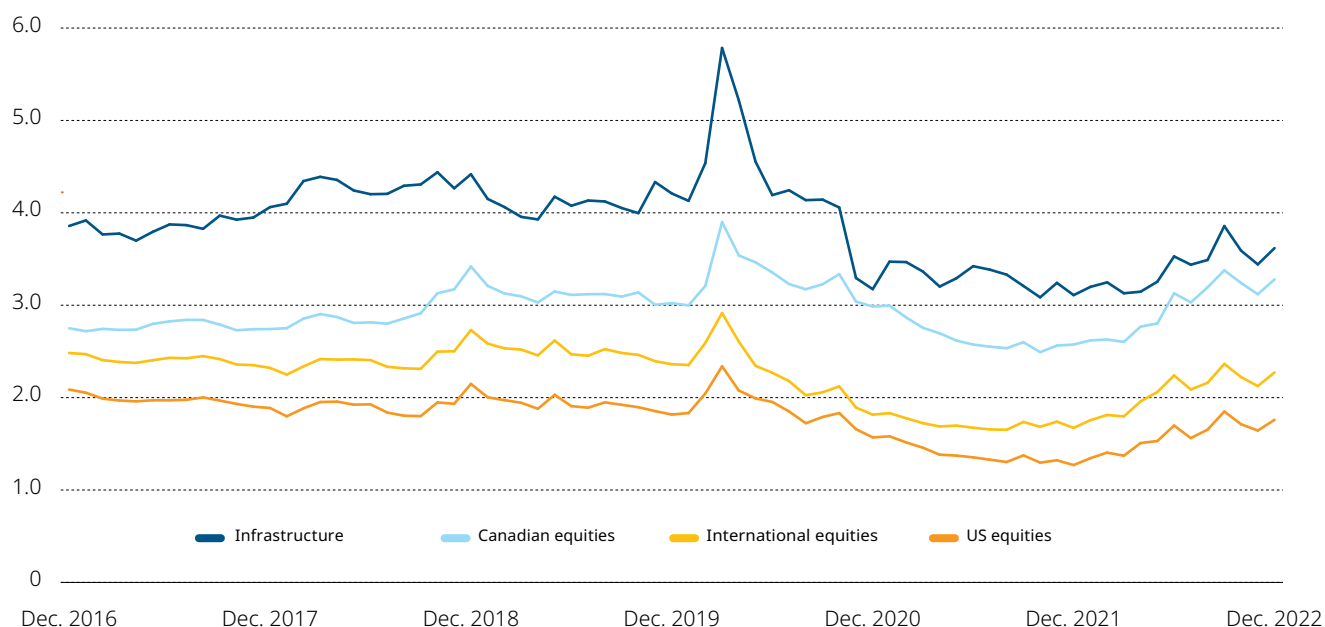
Why own infrastructure assets?

Holding global infrastructure assets in a portfolio can potentially enhance yields, provide diversification benefits and offer sustainable long-term returns.

Infrastructure investing offers income-generation potential

Infrastructure investing can potentially generate attractive yields. This asset class has consistently generated competitive income relative to bonds, and above-average income relative to equities. This makes infrastructure a valuable complement to a broader bond or equity portfolio.

Yield advantage relative to equities



Source: Morningstar Direct, 10-year return as of December 31, 2022. Global infrastructure: S&P Global Infrastructure TR CAD, Canadian equities: S&P/TSX Composite TR, US equities: S&P 500, TR CAD, International equities: MSCI EAFE NR CAD, EM equities: MSCI EM GR CAD. Canadian bonds: FTSE Canada Universe Bond, Global Government Bonds (Cad Hedged): FTSE WGBI Hdg CAD

Diversification benefits and defensive alternative to equities

Infrastructure's low correlation to other major asset classes is due to the low volatility of demand for these services, and their inherent inflation protection characteristics. These assets provide investors with an attractive diversification opportunity and the possibility to materially improve a portfolio's risk-adjusted return.

Global infrastructure 15-year correlation

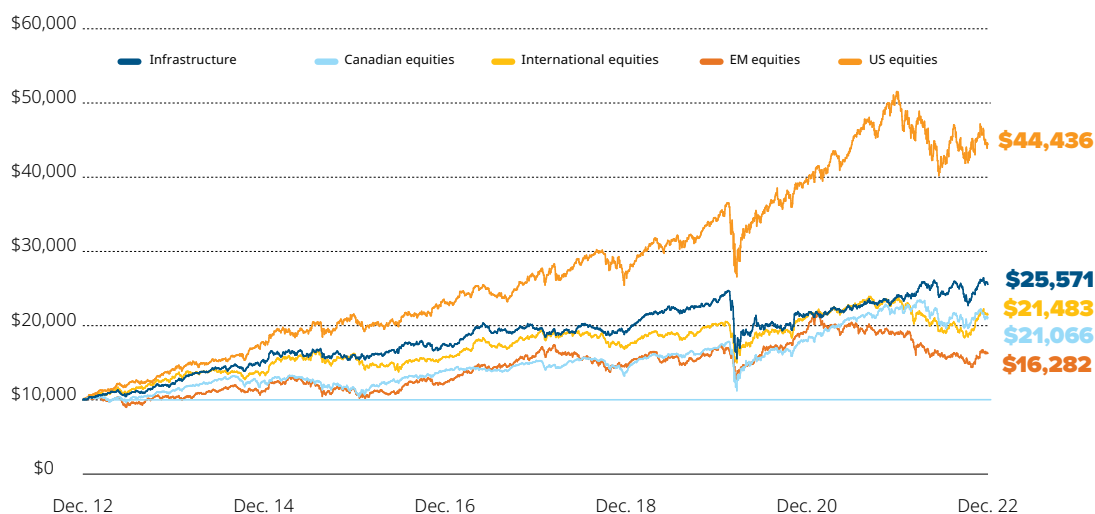
Canadian equities	0.68
US equities	0.67
Global equities	0.75
International equities	0.65
EM equities	0.53
Canadian bonds	0.01
Global government bonds (CAD hedged)	-0.09

Source: Morningstar Direct, monthly correlation as of December 31, 2022. All index returns in CAD.

Stability and long-term returns

Investing in infrastructure may be an attractive option for long-horizon investors and should be considered as a strategic portfolio allocation throughout the market cycle. Given its historical outperformance versus equities, the favourable risk/reward profile of the business models, resilience following interest-rate increases, inflation-hedging and income-generation potential, infrastructure assets may provide investors with one less thing to worry about.

Global infrastructure has stronger 10-year returns than most asset classes

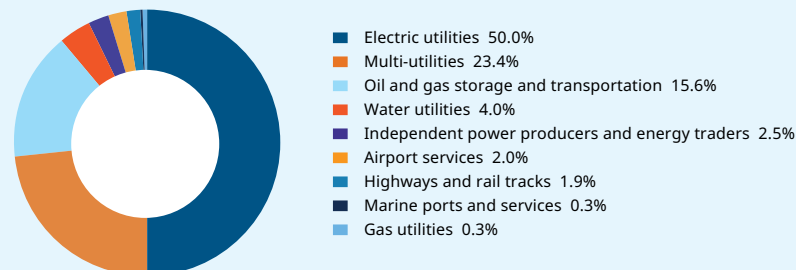


Source: Morningstar Direct as of December 31, 2022.

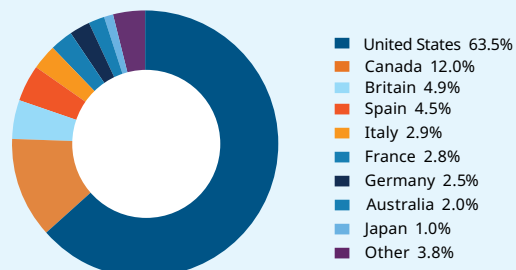
Why Mackenzie Global Infrastructure ETF **QINF**

QINF seeks to replicate the performance of the Solactive Global Infrastructure Select Index. It invests primarily in equity securities of global infrastructure companies in both developed and emerging markets.

Portfolio breakdown



Geographical allocation



Source: Bloomberg, as of January 31, 2023.

Reasons to invest in QINF

- May enhance portfolio yields, improve longer-term returns and improve diversification, due to lower correlation with other asset classes.
- Many countries are planning to significantly boost infrastructure spending to stimulate post-pandemic economic recovery.
- Benefit from a low management fee priced at 0.4%.
- May achieve a better tax outcome on distributions versus investing in US-listed ETFs.
- Infrastructure assets provide investors with an attractive diversification opportunity and the possibility to materially improve a portfolio's risk-adjusted return.
- Demand for infrastructure assets has increased, particularly among institutional investors, because they are a good match for defined-benefit pension liabilities, endowment and foundation obligations, and annuity and life insurance liabilities.

Retail investors do not have the opportunity to invest directly in infrastructure projects, and owning infrastructure ETFs for the long-term may be the next best option to gain access to this asset class.

Why Mackenzie ETFs

ETFs made for Canadians by Canadians.

As a Canadian-owned, global asset management firm we've been helping Canadian advisors deliver the best advice and investment solutions for over 50 years. In a competitive ETF environment, our commitment has always been in Canada and to Canadians. When it comes to ETFs, our beliefs always remain at the core at what we do, supporting the Canadian financial industry, the advisors in it and investors who benefit from it. We provide a Canadian-domiciled suite of ETFs, engineered in Canada for the Canadian investor.

For more information about Mackenzie's ETFs, please contact Mackenzie's Sales Team or visit www.mackenzieinvestments.com/ETFs

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