

Discover the power of dividends

Event summary

In this webinar the Mackenzie Global Equity & Income Team explored their commitment to quality and flexibility in global equity investment. The discussion emphasized the team's decade-plus performance, their unique investment philosophy and the introduction of two new funds aimed at enhancing yield and tax efficiency. Key themes included their rigorous investment process, the importance of diversification and the strategic use of options to generate additional income.

Investment philosophy and team:

- The team celebrated its 10-year performance milestone last year, highlighting successful outperformance in the global equity category.
- The core investment philosophy focuses on quality and flexibility, allowing the team to invest in high-quality leaders globally, regardless of sector or location.
- The team approach emphasizes a breadth of knowledge across multiple industries, contributing to robust debate and decision-making.

Investment process:

- The process involves identifying high-quality companies with strong competitive advantages, financial positioning and sustainable earnings growth.
- Companies that meet these criteria are placed on the "Dream Team" list for potential portfolio inclusion.

Darren McKiernan

Portfolio Manager, Head of Mackenzie Global Equity & Income Team

Katherine Owen

Portfolio Manager, Mackenzie Global Equity & Income Team

James Barnby

AVP, Portfolio Manager, Mackenzie Global Equity & Income Team

- The portfolio is constructed with about 80 stocks, diversified to deliver the best risk-adjusted returns over time.

Diversification and resilience:

- The portfolio is diversified across sectors, styles and geographies to create resilience in different market environments.
- The team seeks to identify the highest-quality businesses.
- Technology is the largest sector in the portfolio, with significant holdings in companies like Microsoft, but diversification is evident with JP Morgan and Johnson & Johnson and among the top holdings.

Portfolio characteristics:

- The portfolio is reasonably valued, with a higher free cash flow yield and dividend yield compared to benchmarks.
- The focus on quality companies results in a high-quality portfolio with superior risk-adjusted returns.

Performance and risk management :

- The fund has consistently outperformed its peer group, with lower volatility and higher risk-adjusted returns.
- The emphasis on quality and diversification has contributed to a stable and competitive return stream.

Two new strategies

Global Dividend Enhanced Yield Fund:

- This fund aims to adjust the return experience to emphasize a higher yield, using the same investment process and philosophy.
- It generates premium income by writing options on the companies in the portfolio, as well as those on the Dream Team list, to enhance the yield component.

Global Dividend Enhanced Yield Plus Fund:

- This is a liquid alternative version of the Enhanced Yield Fund, using leverage to amplify exposures.
- It targets a higher yield with similar return characteristics, leveraging the same research and investment process.

Option strategy:

- Options are used to generate additional income and manage portfolio positions, targeting a 7% annualized yield for the Enhanced Yield Fund.
- The strategy involves writing cash-covered puts on companies for potential inclusion and covered calls on companies for potential trimming, enhancing yield through premiums.

Tax efficiency:

- The yield from the new funds is tax-efficient, with a significant portion of the income treated as capital gains.

- This tax efficiency is achieved through the use of options and T-bills, providing a favourable tax treatment for investors.

Implementation and suitability:

- The new funds are designed to complement the core global dividend strategy, offering different yield and risk profiles to suit various client needs.



For more information about the Mackenzie Global Equity & Income Team, please speak to your Mackenzie sales team.

For Advisor Use only. No portion of this communication may be reproduced or distributed to the public as it does not comply with investor sales communication rules. Mackenzie disclaims any responsibility for any advisor sharing this with investors.

This document may contain forward-looking information which reflect our or third-party current expectations or forecasts of future events. Forward-looking information is inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed herein. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors, interest and foreign exchange rates, the volatility of equity and capital markets, business competition, technological change, changes in government regulations, changes in tax laws, unexpected judicial or regulatory proceedings and catastrophic events. Please consider these and other factors carefully and not place undue reliance on forward-looking information. The forward-looking information contained herein is current only as of January 14, 2025. There should be no expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.

The content of this document (including facts, views, opinions, recommendations, descriptions of or references to, products or securities) is not to be used or construed as investment advice, as an offer to sell or the solicitation of an offer to buy, or an endorsement, recommendation or sponsorship of any entity or security cited. Although we endeavour to ensure its accuracy and completeness, we assume no responsibility for any reliance upon it.

©2025 Mackenzie Investments, 180 Queen St W, Toronto, ON, M5V 3K1. All rights reserved