

Mackenzie Betterworld Global Equity Fund

Fund snapshot

Inception date	09/09/2021
AUM (millions in CAD)	93.9
Management Fee	0.80%
MER	1.06%
Benchmark	MSCI World ex Fossil Fuels Index
CIFSC Category	Global Equity
Risk Rating	Medium
Lead portfolio manager	Andrew Simpson
Investment exp. Since	2001
Target # of holdings	55-65

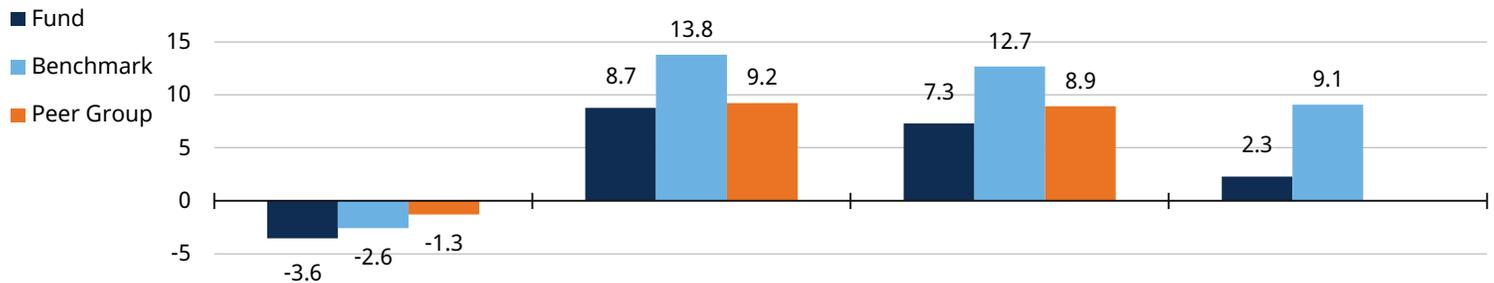
Strategy Overview

A core, benchmark aware and diversified equity portfolio designed to deliver competitive returns and steer capital to sustainable business generating value for all stakeholders and are active owners and encourage good companies to become even better.

Global all cap strategy with a specific focus on large cap companies.

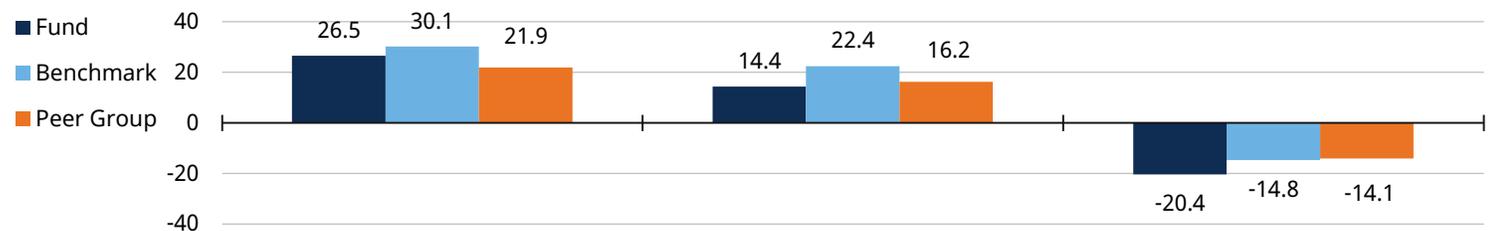
Expert team cumulating decades of experience and a proprietary investment process that combines fundamental and sustainability research along with an active engagement program with companies.

Trailing returns %



	3 Mth	1 Yr	3 Yr	SI
Excess return	-1.0	-5.1	-5.4	-6.8
% of peers beaten	23	42	26	NA

Calendar returns %



	2024	2023	2022
Excess return	-3.6	-8.0	-5.6
% of peers beaten	75	46	17

Portfolio characteristics

	Portfolio	Benchmark
# of holdings	60	1,280
% top 10 holdings	35.5	24.3
Weighted average market cap	1,121,575.0	962,886.8
EPS growth (FY E)	17.0	13.9
Dividend yield	1.4	1.7
FCF margin	20.0	18.6
P/E Trailing 12M	25.0	23.0
P/E (forecast)	21.0	19.2
Net debt/EBITDA	0.8	0.8
ROE (latest FY)	20.9	19.5

Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	15.8	12.9
Sharpe Ratio	0.2	0.7
Tracking Error	4.7	-
Information Ratio	-1.1	-
Alpha	-7.0	-
Beta	1.2	-
Upside Capture (%)	96.5	-
Downside Capture (%)	130.0	-

Regional breakdown

Region	Portfolio	Benchmark	Relative Weight
United States	70.9	-	70.9
International	28.2	-	28.2
Other	0.9	100.0	-99.1

Sector allocation

Sector	Portfolio	Benchmark	Relative Weight
Financials	16.1	17.1	-1.0
Materials	3.9	3.0	0.9
Industrials	12.4	11.4	0.7
Information Technology	25.4	25.0	0.4
Communication Services	8.0	8.4	-0.4
Utilities	4.2	2.4	1.8
Consumer Staples	4.9	6.9	-2.0
Consumer Discretionary	10.8	10.8	0.0
Real Estate	2.5	2.3	2.5
Health Care	10.8	11.8	-1.0
Other	1.0	-	1.0

Country allocation

Country	Portfolio	Benchmark	Relative Weight
United States	70.9	72.7	-1.8
Netherlands	5.3	1.2	4.1
France	5.0	2.8	2.2
United Kingdom	4.1	3.3	0.8
Germany	3.9	2.6	1.3
Italy	3.4	0.8	2.6
Other	7.4	16.6	-9.2

Currency exposure

Region	Portfolio	Benchmark
CAD	0.9	-
USD	70.9	-
Other	28.2	-

Top 10 holdings

Security name	Country	Sector	Weight
Apple Inc.	United States	Information Technology	5.7
Microsoft Corporation	United States	Information Technology	5.4
NVIDIA Corporation	United States	Information Technology	4.9
Amazon.com, Inc.	United States	Consumer Discretionary	4.3
Alphabet Inc. Class A	United States	Communication Services	3.3
JPMorgan Chase & Co.	United States	Financials	2.5
Visa Inc. Class A	United States	Financials	2.5
Costco Wholesale Corporation	United States	Consumer Staples	2.4
Eli Lilly and Company	United States	Health Care	2.3
Broadcom Inc.	United States	Information Technology	1.9

Security level contributors and detractors

	Security	Average Relative weight (%)	% Contribution to return
Contributors	UniCredit S.p.A.	1.0	0.4
	Deutsche Telekom AG	1.4	0.3
	ING Groep NV	1.3	0.3
Detractors	Alphabet Inc. Class A	2.0	-0.7
	Apple Inc.	0.6	-0.7
	NVIDIA Corporation	0.8	-1.0

Sector attribution relative to the benchmark

	Sector	Average Relative weight (%)	Allocation Effect (%)	Selection Effect (%)	Total Effect (%)
Contributors	Financials	0.0	0.0	0.6	0.7
	Utilities	2.0	0.2	-0.1	0.1
	Consumer Discretionary	-0.3	0.0	0.1	0.1
Detractors	Health Care	-1.2	-0.1	-0.3	-0.3
	Information Technology	-0.2	0.0	-0.3	-0.3
	Industrials	1.4	0.1	-0.7	-0.7

Commentary

QFR Highlights

The fund returned -3.6% over the quarter underperforming its benchmark, the MSCI World ex-Fossil Fuels (\$C), which returned -2.6%.

Market Overview

The first quarter of 2025 was marked by significant events that influenced equity markets and investor sentiment. January saw positive market performance despite increased volatility, driven by President Trump's issuance of 46 Executive Orders, including withdrawing from the WHO and the Paris Agreement, and ending the DEI program in the federal government. The Federal Reserve maintained its policy rate at 4.25%-4.50% due to persistent inflation and a strong jobs report. Technology stocks were notably impacted by DeepSeek's AI breakthrough, while new tariffs from the Trump administration affected trade relations and caused fluctuations in the bond market.

In February, the Federal Reserve's January meeting minutes revealed a cautious stance due to slow inflation progress, creating uncertainty about future monetary policy and impacting investor sentiment. Mixed signals from US economic data, including the Consumer Price Index (CPI), Producer Price Index (PPI), and employment reports, influenced market behavior. The US imposed tariffs on Canadian goods, energy, and critical minerals, prompting Canada to retaliate with counter-tariffs on US goods.

March reflected increasing apprehension about a potential growth scare due to anticipated US reciprocal tariffs. The S&P 500 underperformed compared to European and Asia-Pacific equities, with tariff uncertainty weighing heavily on stock prices. This led to a significant correction in the S&P 500, which dropped 10.1% from February 19 to March 13. The speed of this correction was notable, with only 12 of 30 post-WWII non-bear market corrections hitting the -10% threshold in less than 30 days. Gold prices surged as investors sought safety, with gold stocks outperforming the TSX 60.

The utilities, consumer staples and financials sectors were the strongest within the benchmark over the quarter, while the information technology, consumer discretionary and communication services sectors were the weakest.

Fund Performance

The fund returned -3.6% over the quarter underperforming its benchmark, the MSCI World ex-Fossil Fuels (\$C), which returned -2.6%. Stock selection in the industrials, information technology and health care sectors detracted from the fund's performance. From a country perspective, stock selection in the United States and Denmark along with an underweight to Spain detracted to fund's performance. Stock selection in financials along with an overweight to utilities contributed to performance. From a country perspective, stock selection the Netherlands along with an underweight to Japan and an overweight to France contributed to fund's performance.

Security Contributors

On an absolute basis, positions in UniCredit, Deutsche Telekom, ING Groep, Veolia Environnement and Visa were the largest contributors over the quarter. On a relative basis, positions in UniCredit, Deutsche Telekom, ING Groep, Veolia Environnement and Visa were the top contributors to fund performance over the quarter.

Security Detractors

On an absolute basis, positions in NVIDIA, Apple, Alphabet, Microsoft and Amazon were the largest detractors over the quarter. On a relative basis, positions in NVIDIA, Apple, Alphabet, Microsoft and Amazon were the top detractors from fund performance over the quarter.

Commentary

Portfolio Activities

During the quarter, the Betterworld team initiated new positions in Broadcom, a leader in semiconductor and infrastructure software, and Siemens Energy AG, a global leader in energy technology. The fund exited its positions in Advanced Micro Devices, Intertek Group, First Solar, and Essilor Luxottica, as the team redeployed capital to higher quality names in response to the current rise in trade tensions.

Outlook and Positioning

There was a clear setback in consumer sentiment and small business profitability, as evidenced by the University of Michigan Sentiment Survey and the Canadian Business Survey at the turn of the quarter. Reports indicate a growth scare and the impact of escalating tariffs, with expectations for these headwinds to normalize by Q2-Q3. The recent market correction was one of the fastest since World War II, raising concerns about inventory de-stocking and a slowdown in industrial production.

Valuation compression has been notable in the first half of Q2, with the U.S. market showing more room to continue to drop compared to Canada. This difference in potential drawdown is influenced by various factors, including the U.S.'s higher exposure to growth stocks and the impact of rising interest rates. Canada's exposure to materials has provided some resilience, softening the blow from the market downturn.

Inflation remains an important issue, with the Bank of Canada pausing rate cuts despite soft economic numbers. The Canadian fund has adopted more defensive positions, particularly in gold, with overweight exposure to Agnico Eagle and Wheaton Precious Metals, which have performed strongly over the quarter.

Veolia Environment

- France-based industrial company Veolia Environment designs and provides solutions for water, waste, and energy management.
- In 2023, the Veolia group served 113 million people with drinking water and 103 million with wastewater services, produced 42 terawatt-hours of energy, and recovered 63 million metric tons of waste
- The Betterworld team believes Veolia's unique positioning to remediate key 'forever chemicals' (PFAS) offers significant upside potential.

Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns as of March 31, 2025 including changes in share value and reinvestment of all distributions and does not take into account sales, redemption, distribution, or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Index performance does not include the impact of fees, commissions, and expenses that would be payable by investors in the investment products that seek to track an index.

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Standard deviation provides a measure of the variability of returns that have occurred relative to the average return. The higher the standard deviation, the greater is the range of returns that has been experienced. Standard deviation is commonly used as a measure of risk.

Percentile rankings are from Morningstar Research Inc., an independent research firm, based on the Canada Fund Global Equity category and reflect the performance of the Mackenzie Betterworld Global Equity Fund for the 3-month, 1-, 3-, 5- and 10-year periods as of March 31, 2025. The percentile rankings compare how a fund has performed relative to other funds in a particular category and are subject to change monthly. The number of Canada Fund Global Equity category funds for Mackenzie Betterworld Global Equity Fund for each period are as follows: one year - 1807 ; three years - 1550 ; five years - 1287 ; ten years - 658.

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