Mackenzie International Dividend Fund

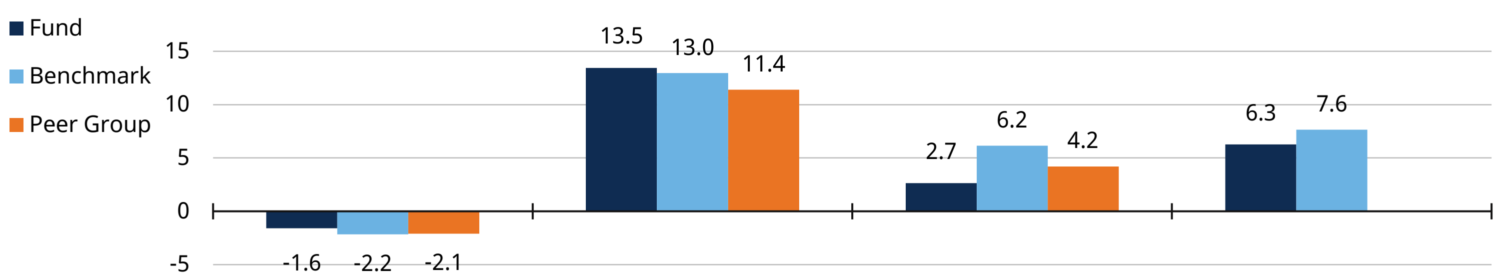
Fund snapshot

Inception date	10/15/2019
AUM (millions in CAD)	487.0
Management Fee	0.80%
MER	1.06%
Benchmark	MSCI EAFE
CIFSC Category	International Equity
Risk Rating	Medium
Lead portfolio manager	Darren McKiernan
Investment exp. Since	2007
Target # of holdings	25-50

Strategy Overview

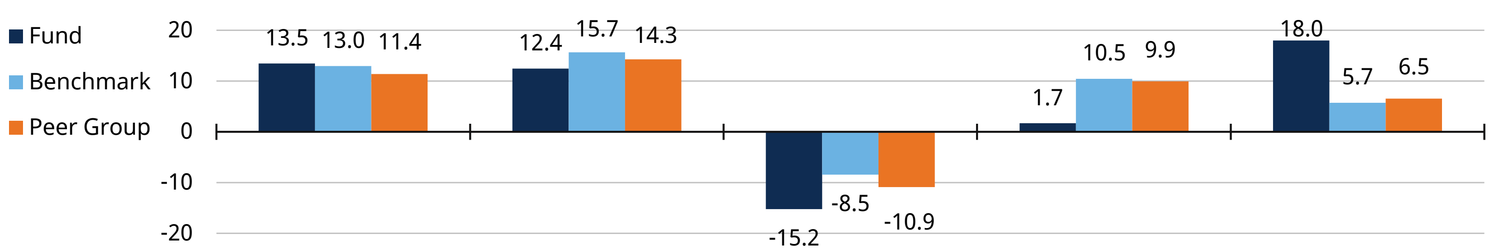
- Enhance portfolio construction with international businesses that have diverse revenue sources by geography, allowing for exposure to regions in different economic cycles.
- Focus on high-quality, dividend-paying companies with higher returns on invested capital.
- Access proven expertise to navigate the complexities of international markets with the Mackenzie Global Equity & Income Team.

Trailing returns %



	3 Mth	1 Yr	3 Yr	SI
Excess return	0.6	0.5	-3.5	-1.3
% of peers beaten	64	76	30	-

Calendar returns %



	2024	2023	2022	2021	2020
Excess return	0.5	-3.2	-6.8	-8.8	12.2
% of peers beaten	76	27	26	5	89

Portfolio characteristics

	Portfolio	Benchmark
# of holdings	48	722
% top 10 holdings	37.6	13.7
Weighted average market cap	217,558.7	123,636.6
EPS growth (FY E)	14.4	11.1
Dividend yield	1.9	3.0
FCF margin	20.2	12.8
P/E Trailing 12M	21.7	16.3
P/E (forecast)	20.0	14.6
Net debt/EBITDA	0.2	1.3
ROE (latest FY)	18.0	13.9

Sector allocation

Sector	Portfolio	Benchmark	Relative Weight
Financials	18.6	21.9	-3.3
Energy	3.0	3.5	-0.5
Materials	6.3	6.1	0.2
Industrials	22.6	17.8	4.8
Information Technology	15.9	8.8	7.1
Communication Services	1.6	4.9	-3.3
Utilities	0.7	3.2	-2.5
Consumer Staples	10.4	8.3	2.1
Consumer Discretionary	11.0	11.2	-0.2
Real Estate	-	2.0	-2.0
Health Care	7.9	12.4	-4.5
Other	2.0	-0.1	2.1

Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	12.2	12.4
Sharpe Ratio	-0.1	0.2
Tracking Error	4.6	-
Information Ratio	-0.8	-
Alpha	-3.3	-
Beta	0.9	-
Upside Capture (%)	87.1	-
Downside Capture (%)	105.5	-

Country allocation

Country	Portfolio	Benchmark	RelativeWeight
Japan	21.6	23.2	-1.6
United Kingdom	14.5	14.9	-0.4
Germany	12.7	9.2	3.4
France	11.7	11.1	0.6
Netherlands	8.6	4.6	4.0
Taiwan	5.0	-	5.0
Other	25.9	37.0	-11.1

Regional breakdown

Region	Portfolio	Benchmark	Relative Weight
Emerging Markets	9.9	-	9.9
International	86.8	100.0	-13.2
United States	1.2	-	1.2
Other	2.1	-	2.1

Currency exposure

Region	Gross	Benchmark
CAD	0.8	-
USD	4.1	1.6
Other	95.2	98.5

Top 10 holdings

Security name	Country	Sector	Weight
SAP SE	Germany	Information Technology	5.5
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	5.0
Itochu Corporation	Japan	Industrials	4.2
Safran SA	France	Industrials	4.1
Deutsche Boerse AG	Germany	Financials	3.3
DBS Group Holdings Ltd	Singapore	Financials	3.2
Keyence Corporation	Japan	Information Technology	3.0
Bandai Namco Holdings Inc.	Japan	Consumer Discretionary	2.9
Air Liquide SA	France	Materials	2.9
Sony Group Corporation	Japan	Consumer Discretionary	2.7

Security level contributors and detractors

	Security	Average Relative weight (%)	% Contribution to return
Contributors	SAP SE	3.8	0.7
	Taiwan Semiconductor Manufacturing Co., Ltd.	5.1	0.7
	DBS Group Holdings Ltd	2.7	0.5
Detractors	Pernod Ricard SA	1.3	-0.4
	Nippon Sanso Holdings Corporation	2.7	-0.6
	Novo Nordisk A/S Class B	0.6	-0.7

Sector attribution relative to the benchmark

	Sector	Average Relative weight (%)	Allocation Effect (%)	Selection Effect (%)	Total Effect (%)
Contributors	Information Technology	7.0	0.1	0.7	1.1
	Consumer Discretionary	0.8	0.0	0.3	0.4
	Utilities	-3.2	0.2	0.0	0.2
Detractors	Consumer Staples	2.8	-0.1	-0.1	-0.1
	Financials	-2.9	-0.2	-0.5	-0.3
	Materials	0.3	-0.1	-0.3	-0.3

Commentary

International Dividend

1) QFR Highlights

The Fund returned -1.6% during Q4-2023 and has now returned 6.3% since inception. This compares to the MSCI EAFE Index (CAD) which returned -2.2% and 7.6% over the same time periods.

2) Market overview

Global markets showed mixed performance during the final quarter of 2024 as investors grappled with shifting monetary policy expectations and ongoing geopolitical tensions.

The European Central Bank accelerated its rate-cutting cycle, reducing policy rates to 3.0% in December and signaling further easing in early 2025 as headline inflation in the Eurozone declined. Headline CPI stood at 2.3% year-over-year in November, down from 4.5% earlier in the year. This aligns with the broader inflation-abating trend observed in previous quarters. However, core inflation in services remained sticky, highlighting the complexity of bringing overall inflation pressures down in a timely manner.

The Bank of Japan maintained an accommodative stance but dropped hints about potential policy shifts in 2025, prompted by inflation that continues to exceed the central bank's 2% target. Japanese equities outperformed European other Asian markets, supported by improved corporate governance initiatives and exporters capitalizing on yen weakness.

In contrast, China's recovery remained subdued, even with modest government stimulus in the form of tax cuts and targeted infrastructure spending. While there is a sense that further government intervention could be on the horizon, markets have grown skeptical as each new policy measure fails to meaningfully shift growth trajectories and are taking a "wait-and-see" approach as it relates to the region.

3) Fund Performance

The performance of EAFE markets were slightly negative in Q4. Most sectors ended the period in negative territory, with the exception of the Financials (+4.1%), Consumer Discretionary (+1.8%) and Communication Services (+1.7%) sectors. The largest contributors to the Fund's relative performance came from security selection in the Information Technology and Consumer Discretionary sectors. The largest detractors over the period came from security selection in Financials and Industrials sectors. The investment strategy remains consistent, focusing on high-quality companies with superior financial metrics and appropriate valuations. Amidst ongoing technological, geopolitical, and macroeconomic risks, the portfolio is well positioned to navigate these uncertainties.

4) Security contributors

The largest contributors to relative performance over the period were the Fund's overweight positions in SAP SE, TSMC Co. Ltd., Bandai Namco Holdings Inc., and DBS Group Holdings Ltd

5) Security detractors

The largest detractors from relative performance over the period were the Fund's overweight positions in Nippon Sanso Holdings Corp., Pernod Ricard SA, Heineken Holding N.V., and the Fund's absence of Toyota Motor Corp. relative to the benchmark.

6) Portfolio activities

Over the quarter, several names were added to the portfolio, broadening exposure across a number of key markets. In particular, several companies in the Industrials, Financials, and Consumer Staples sectors were added.

Commentary

7) Outlook, Positioning

Looking ahead to 2025, the global economic environment remains shaped by diverging growth paths and policy uncertainty. In the U.S., economic resilience remains, but higher interest rates and a loosening labour market could eventually slow growth. China's trajectory suggests continued deceleration unless fresh stimulus programs can revive domestic consumption. The Federal Reserve's posture, first signaled in December, suggests a relatively slow path to rate cuts, which could leave monetary conditions tighter than previously hoped. This approach contrasts with the ECB's more aggressive plan, aiming to reduce rates to 1% by March 2026.

Japan's story heading into the new year is one of gradually accelerating nominal GDP growth, possibly delivering the country's first positive real wage gains since 2022. At the same time, impending U.S. immigration restrictions and a potential wave of new tariffs against major U.S. trading partners add another layer of unpredictability. Such measures would likely introduce higher domestic prices in the U.S. and risk retaliatory actions that could strain global supply chains. Any tariff-related disruption, combined with persistent inflation across regions, confirms that policymakers must remain on high alert

Overall, the confluence of these policy shifts, from trade to interest rates and labour markets, suggests an investment landscape in 2025 that may be more challenging than in years past. The tension between moderating inflation in some markets and lingering growth uncertainties in others will require balance. Policy divergence between major central banks combined with the Trump administration's stated economic agenda could offer opportunities to investors but also magnify risk if geopolitics and domestic agendas spark sudden market dislocations. The continuing evolution of trade and immigration policies may affect everything from supply chain decisions to economic growth prospects. Markets will likely continue to weigh each new data release against an array of contrasting narratives, leaving investors with a still-uncertain—yet undeniably dynamic—backdrop for the coming year. We will look to take advantage of opportunities.

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 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.

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 . 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 commentary (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.

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 category and reflect the performance of the for the 3-month, 1-, 3-, 5- and 10-year periods as of . 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 category funds for for each period are as follows: one year - 647 ; three years - 588 ; five years - 542 ; ten years - 297.

Morningstar data is shown as of the most recent reporting period by each fund family. Allocations may not equal 100% and will vary overtime. Assets contained within “Other” category are not classified by Morningstar. All information presented in this tool is for informational purposes only and is not intended to be investment advice. The information is not meant to be an offer to sell or a recommendation to buy any investment product. Unless otherwise noted, performance is shown before sales charge. For more fund information, click the POS Documents link.

All information is historical and not indicative of future results. Current performance may be lower or higher than the quoted past performance, which cannot guarantee results. Share price, principal value, and return will vary, and you may have a gain or a loss when you sell your shares. Performance assumes reinvestment of distributions and does not account for taxes. Performance may not reflect any expense limitation or subsidies currently in effect. Short-term trading fees may apply. To obtain the most recent month-end performance, visit Morningstar.com.

This material is for informational and educational purposes only. It is not a recommendation of any specific investment product, strategy, or decision, and is not intended to suggest taking or refraining from any course of action. It is not intended to address the needs, circumstances, and objectives of any specific investor. Mackenzie Investments, which earns fees when clients select its products and services, is not offering impartial advice in a fiduciary capacity in providing this sales and marketing material. This information is not meant as tax or legal advice. Investors should consult a professional advisor before making investment and financial decisions and for more information on tax rules and other laws, which are complex and subject to change.