

Mackenzie US Small-Mid Cap Growth Fund

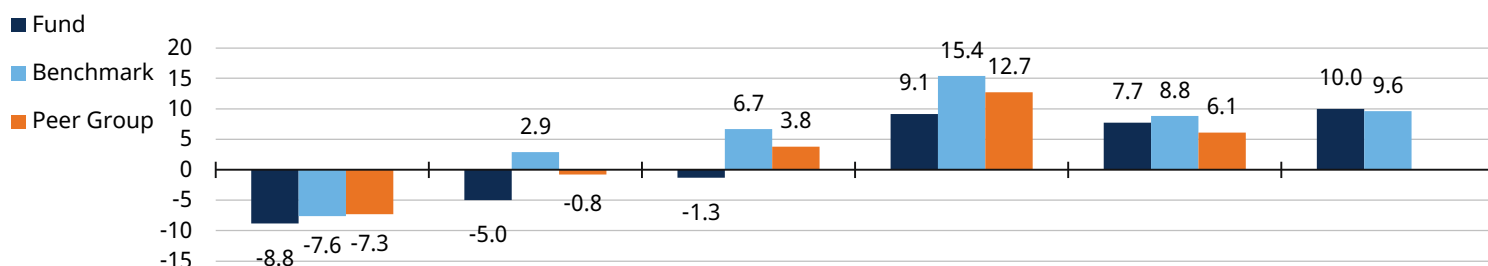
Fund snapshot

Inception date	01/09/2003
AUM (millions in CAD)	2406.3
Management Fee	0.80%
MER	1.05%
Benchmark	Russell 2500
CIFSC Category	US Small/Mid Cap Equity
Risk Rating	Medium
Lead portfolio manager	Phil Taller
Investment exp. Since	1991
Target # of holdings	25-50

Strategy Overview

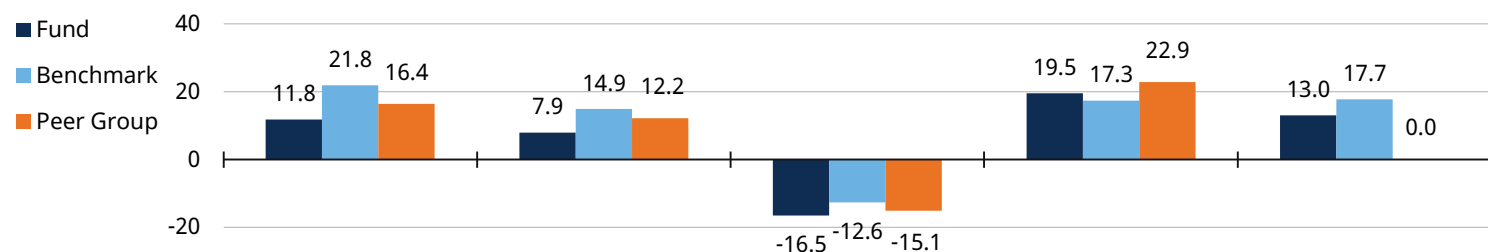
- The Fund seeks long-term growth of capital and a reasonable rate of return by investing primarily in U.S. equity securities.
- The investment approach follows a company-focused investment style, seeking companies with strong management, good growth prospects and a solid financial position.
- Emphasis is also placed on paying reasonable prices for the growth that companies in the portfolio are expected to achieve.

Trailing returns %



	3 Mth	1 Yr	3 Yr	5Yr	10Yr	SI
Excess return	-1.2	-7.9	-8.0	-6.3	-1.1	0.4
% of peers beaten	30	26	12	19	74	NA

Calendar returns %



	2024	2023	2022	2021	2020
Excess return	-10.1	-7.0	-3.9	2.2	-4.7
% of peers beaten	29	25	53	28	74

Portfolio characteristics

	Portfolio	Benchmark
# of holdings	36	2,450
% top 10 holdings	48.4	3.9
Weighted average market cap	13,020.5	11,043.3
EPS growth (FY E)	-0.6	12.8
Dividend yield	0.4	1.5
FCF margin	13.1	-265.4
P/E Trailing 12M	33.0	18.1
P/E (forecast)	19.8	15.4
Net debt/EBITDA	-0.9	1.8
ROE (latest FY)	6.2	10.6

Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	15.5	18.6
Sharpe Ratio	-0.4	0.1
Tracking Error	7.7	-
Information Ratio	-1.0	-
Alpha	-7.4	-
Beta	0.8	-
Upside Capture (%)	67.2	-
Downside Capture (%)	91.7	-

Regional breakdown

Region	Portfolio	Benchmark	Relative Weight
United States	98.0	99.4	-1.4
Canada	-	0.2	-0.2
Emerging Markets	-	0.2	-0.2
Other	2.0	0.2	1.8

Sector allocation

Sector	Portfolio	Benchmark	Relative Weight
Financials	1.8	18.5	-16.7
Energy	-	5.5	-5.5
Materials	-	5.6	-5.6
Industrials	26.8	18.2	8.7
Information Technology	29.7	11.6	18.1
Communication Services	-	3.3	-3.3
Utilities	-	3.0	-3.0
Consumer Staples	3.7	3.7	0.0
Consumer Discretionary	-	11.8	-11.8
Real Estate	6.8	7.0	-0.2
Health Care	29.0	11.9	17.1
Other	2.3	-	2.3

Country allocation

Country	Portfolio	Benchmark	RelativeWeight
United States	98.0	99.4	-1.4
Argentina	-	0.1	-0.1
Brazil	-	0.2	-0.2
Canada	-	0.2	-0.2
Other	2.0	0.1	1.9

Currency exposure

Region	Gross	Benchmark
CAD	18.8	-
USD	81.2	100.0

Top 10 holdings

Security name	Country	Sector	Weight
MAXIMUS, Inc.	United States	Industrials	5.7
iRhythm Technologies, Inc.	United States	Health Care	5.5
Verra Mobility Corp. Class A	United States	Industrials	5.1
CoStar Group, Inc.	United States	Real Estate	5.1
Akamai Technologies, Inc.	United States	Information Technology	5.0
Cirrus Logic, Inc.	United States	Information Technology	4.4
Keysight Technologies Inc	United States	Information Technology	4.4
Bio-Techne Corporation	United States	Health Care	4.1
HealthEquity Inc	United States	Health Care	4.0
Charles River Laboratories International, Inc.	United States	Health Care	4.0

Security level contributors and detractors

	Security	Average Relative weight (%)	% Contribution to return
Contributors	Inari Medical, Inc.	0.7	1.3
	iRhythm Technologies, Inc.	5.4	0.7
	CoStar Group, Inc.	5.1	0.5
Detractors	Neogen Corp	3.3	-1.0
	Parsons Corporation	2.9	-1.1
	DoubleVerify Holdings, Inc.	4.0	-1.4

Sector attribution relative to the benchmark

	Sector	Average Relative weight (%)	Allocation Effect (%)	Selection Effect (%)	Total Effect (%)
Contributors	Consumer Discretionary	-12.2	0.5	0.0	0.5
	Real Estate	0.1	0.1	0.4	0.5
	Information Technology	17.3	-1.5	1.8	0.3
Detractors	Utilities	-2.7	-0.4	0.0	-0.4
	Financials	-15.9	-0.7	0.2	-0.5
	Health Care	18.3	-0.1	-0.4	-0.5

Commentary

1) QFR Highlights

"In the first quarter of 2025, the fund returned -8.63%.

The quarter was characterized by increased volatility and market corrections spurred by the uncertainty around the tariffs and government spending cuts introduced by the current United States administration."

2) Market Overview

During the first quarter of 2025, the broad US market (S&P 500) returned -4.4%, while the Russell 2500 Index returned -7.62%. The quarter was characterized by increased volatility and market corrections spurred by the uncertainty around the tariffs and government spending cuts introduced by the current United States administration. There is some speculation that there will be negotiations on the tariff front, as exemplified by comments about Vietnam from the White House. Uncertainty is slightly diminished, but not by much, and we all know that markets do not like uncertainty. We did speak to many of our companies leading up to this period. We do think most of our companies have pricing power since they have intellectual property or a unique competitive position. We do believe that most can deal relatively effectively with the tariff situation as it evolves - for example, Dexcom has manufacturing in Malaysia and Arizona which might offer opportunities to serve the US market domestically and the rest of the world from outside the US.

3) Fund Performance

For Q1 of 2025, the fund's gross return was -8.63%, underperforming the benchmark (Russell 2500) return of -7.62%. Stock selection within Information Technology (1.82%), Real Estate (0.40%) and an underweight allocation to Consumer Discretionary (0.53%) contributed to relative performance. While an overweight allocation to Information Technology (-1.52%) and an underweight allocation to Financials (-0.65%) coupled with stock selection within Health Care (-0.43%) detracted.

4) Security Contributors

The top security contributors in Q1 of 2025 were Inari Medical, iRhythm Technologies and CoStar Group.

iRhythm Technologies Inc

- iRhythm Technologies is a cardiac monitoring company which provides the Zio service to detect abnormal heart rhythms over a 14-day wear period.
- The company applies artificial intelligence to over 1 billion hours of heart rhythm data to increase its diagnostic yields of severe medical conditions like atrial fibrillation.
- We expect iRhythm to benefit from advances in new modalities (pulsed field ablation) and grow its referral network to include primary care physicians over the coming years.
- Some of their FDA warning issues look like they are more behind them than in front which is also helping.

CoStar Group Inc

- CoStar Group is a leading provider of commercial real estate data, analytics, and online marketplaces.
- The company has entered the residential market vertical through its HomeSnap and Homes.com acquisitions.
- CoStar customers include CRE brokers, building owners, government agencies, real estate investment trusts, corporate land surveyors, apartment owners, property managers, loan officers, land appraisers and finance professionals.
- Core non-residential market starting to make a comeback.

Commentary

5) Security Detractors

The top security detractors in Q1 of 2025 were Parsons Corporation, DoubleVerify Holdings and Neogen Corp.

Parsons Corporation

- Parsons is a defense and infrastructure company. They provide cybersecurity and mission readiness solutions for the various US defense agencies.
- They deliver engineering services for complex infrastructure such as bridges, tunnels and airports.
- With heightened threats globally, Parsons is at the epicenter and has a full array of cyber and physical solutions for the various agencies.
- The passing of the infrastructure bill in the US has helped fuel investments in roads/highways/bridges for its Infrastructure segment.

Double Verify Holdings:

- Double Verify helps brands position their ads in the right places - in a way that is safe for the brand. For example, an airline may not want its ad appearing next to a video about airplane safety.
- They do both measurement (whether an ad was seen) and activation (ad placement in the "right" place). Activation is a higher price offering - this is widely available in open web, but they are just getting that going in social media as companies like Meta open their "walled gardens" to more transparency.
- Clients are testing activation offerings in social media but have yet to purchase these in a material way. As ad dollars shift to social media there is a mix issue that is (in our view temporarily) suppressing overall price.

6) Portfolio Activities

"During Q1 of 2025, we added MSC Industrial Direct to our portfolio, they are a major distributor of metalworking and maintenance, repair, and operations products.

Additionally, we added to positions within Industrials and Health Care, while reducing positions in Information Technology."

7) Outlook, Positioning

"While there has been a lot of uncertainty with corrections in the markets, we increased the cyclical exposure of our portfolio during the first quarter. This approach is aligned with our investment philosophy, enabling us to identify and capitalize on promising growth opportunities. Two of the names we added in the same vein are Core & Main and MSC Industrial Direct.

Core & Main is a leading distributor of water, wastewater, storm drainage, and fire protection products. Their focus on providing innovative solutions for new construction and aging infrastructure supports the growth of city infrastructure. We aim to capitalize on the aging US water infrastructure and increasing demand for sustainable infrastructure.

MSC Industrial Direct is a major distributor of metalworking and maintenance, repair, and operations products. Their extensive product range and services are essential for various industries, including construction and manufacturing. This gives us exposure to the cyclical nature of industrial growth and infrastructure development, which often sees increased activity during periods of economic recovery and expansion. We believe industrial distributors benefit from periods of inflation.

We recently met with the management of our holding Cognex, which is a machine vision company that helps its customers automate factories and warehouses. After a period of digestion for their logistics customers that area has returned to growth. Eventual reacceleration in their Consumer Electronics and Automotive markets should raise the growth rate in the future. Reshoring of manufacturing capacity back to the United States or other developed markets would also benefit the company. In addition, Cognex has a newer sales strategy based upon their new easier-to-install AI-based products that may open up smaller customers to the company's products.

We continue to position our funds towards long term growth opportunities while being cognizant of current market conditions."

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.

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 March 31, 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 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 Canada Fund US Small/Mid Cap Equity category and reflect the performance of the Mackenzie US Small-Mid Cap Growth 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 US Small/Mid Cap Equity category funds for Mackenzie US Small-Mid Cap Growth Fund for each period are as follows: one year - 267 ; three years - 234 ; five years - 186 ; ten years - 124.

© 2025 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

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.