

Mackenzie ETF Portfolios

Portfolio snapshot

Lead Portfolio Managers
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Investment exp. since
2009
2014

Strategy overview

- Mackenzie ETF Portfolios are comprehensive, yet easy to implement solutions that combine active and traditional index ETFs in a unified investment experience.
- Applying institutional-grade processes and expertise, each ETF Portfolio is diversified and actively managed, aiming to deliver the highest return within a given risk tolerance.

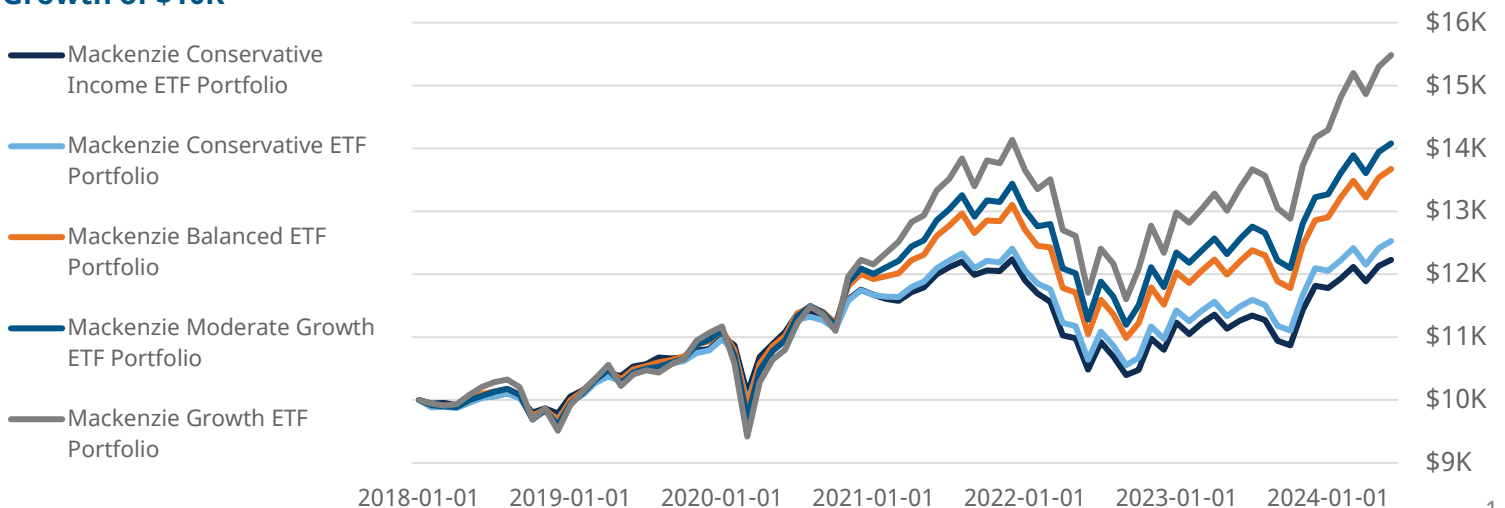
	Inception date	MER	AUM (\$M)	Risk rating	CIFSC category
Mackenzie Conservative Income ETF Portfolio	01/29/2018	0.64%	54.8	Low	Global Fixed Income Balanced
Mackenzie Conservative ETF Portfolio	01/29/2018	0.62%	85.5	Low	Global Fixed Income Balanced
Mackenzie Balanced ETF Portfolio	01/29/2018	0.62%	176.8	Low-Med	Global Neutral Balanced
Mackenzie Moderate Growth ETF Portfolio	01/29/2018	0.62%	346.6	Low-Med	Global Neutral Balanced
Mackenzie Growth ETF Portfolio	01/29/2018	0.67%	249.7	Low-Med	Global Equity Balanced

Performance metrics (3 Yr trailing)*

	Standard Deviation	Sharpe ratio	Down capture ratio	Up capture ratio	Alpha	Information ratio
Mackenzie Conservative Income ETF Portfolio	8.4	-0.3	105.0	106.8	0.4	0.1
Mackenzie Conservative ETF Portfolio	8.6	-0.2	104.8	103.0	-0.1	-0.1
Mackenzie Balanced ETF Portfolio	9.7	0.0	108.4	104.7	-0.3	-0.3
Mackenzie Moderate Growth ETF Portfolio	10.3	0.0	109.8	101.1	-1.1	-0.9
Mackenzie Growth ETF Portfolio	11.9	0.2	116.3	109.0	-0.9	-0.3

*The blended benchmark for each Portfolio is used in calculation of their up and down capture ratios, alpha and information ratio.

Growth of \$10K



Trailing returns (%)

	3m	6m	1yr	3yr	5yr	SI	Inception Date
Mackenzie Conservative Income ETF Portfolio	0.9	3.5	8.6	0.6	3.0	3.2	01/29/2018
Mackenzie Conservative ETF Portfolio	0.9	3.6	9.1	1.2	3.6	3.6	01/29/2018
Mackenzie Balanced ETF Portfolio	1.4	6.3	12.1	2.7	5.5	5.0	01/29/2018
Mackenzie Moderate Growth ETF Portfolio	1.4	6.5	12.1	3.1	6.2	5.5	01/29/2018
Mackenzie Growth ETF Portfolio	1.9	9.3	15.8	5.1	8.3	7.0	01/29/2018

Calendar year returns (%)

	YTD	2023	2022	2021	2020	2019
Mackenzie Conservative Income ETF Portfolio	3.5	9.4	-11.8	4.1	8.8	10.5
Mackenzie Conservative ETF Portfolio	3.6	10.3	-11.6	5.6	8.9	11.2
Mackenzie Balanced ETF Portfolio	6.3	11.7	-12.1	9.2	9.8	13.1
Mackenzie Moderate Growth ETF Portfolio	6.5	12.2	-12.2	11.1	10.4	14.1
Mackenzie Growth ETF Portfolio	9.3	14.9	-12.7	15.6	10.5	16.4

3 month market returns (%)*

Fixed Income	Return (LCL)	Equity	Return (CAD)	Currency	Return
Canadian Government	0.8	Canada	-0.5	USDCAD	1.1
Canadian Corporate	1.1	US	4.3	JPYCAD	-4.9
Global Government	-1.5	Intl	-0.2	GBPCAD	1.2
Global Corporate	-0.3	EM	5.1	EURCAD	0.3
High Yield	1.1				

*Indices used for the 3-month market return are as follows: FTSE Canada All Government Bond, FTSE Canada All Corp Bond, FTSE WBIG Govt/Govt Spnsd USD, FTSE WBIG Corp TR USD, ICE BofA US High Yield TR USD, S&P/TSX Composite TR, S&P 500 TR, MSCI EAFE GR, and MSCI EM GR.

Top contributors & detractors

	Security	3-month return (%)
Contributors	Mackenzie US Large Cap Equity Index ETF (QUU)	5.3
	Mackenzie Global High Yield Fixed Income ETF (MHYB)	1.1
	Mackenzie Core Plus Canadian Fixed Income ETF (MKB)	0.6
Detractors	iShares Core S&P Small-Cap ETF (IJR)	-2.1
	Mackenzie Canadian Equity Index ETF (QCN)	-0.5
	Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged) (QUIG)	-0.2

* The top contributors and detractors are based on the average contribution across all ETF Portfolios, excluding the all-equity portfolio.

Mackenzie ETF Portfolios					
Conservative Income	Conservative	Balanced	Moderate Growth	Growth	

Portfolio characteristics

Portfolio Yield (%)	3.8	3.5	3.2	3.1	2.5
Dividend Yield (%)	2.2	2.2	2.1	2.1	2.1
Bond Yield (%)	5.5	5.4	5.6	5.6	5.9
Average Duration	6.2	7.1	5.6	6.2	6.0
Average Credit Quality	A	A	BBB	BBB	BBB

Asset mix

Equity	32.5	39.4	55.5	60.3	84.7
Fixed Income	63.4	56.0	40.6	36.3	13.7
Cash	2.8	3.6	3.2	2.7	1.4

Total portfolio geographic allocation

Canada	44.1	43.1	37.0	36.1	28.2
United States	31.9	34.1	39.9	39.9	48.3
International	10.9	10.7	12.3	13.7	15.8
Emerging Markets	8.5	7.0	6.9	6.5	5.3

Top 10 holdings

Mackenzie US Large Cap Equity Index ETF (QUU)	26.4%	13.5%	15.9%	40.2%	26.6%
Mackenzie Core Plus Canadian Fixed Income ETF (MKB)	18.4%	35.1%	25.6%	3.7%	15.5%
Mackenzie Canadian Equity Index ETF (QCN)	14.9%	10.1%	10.9%	20.5%	16.6%
Mackenzie International Equity Index ETF (QDX)	8.6%	6.3%	6.8%	13.8%	10.4%
Mackenzie Global High Yield Fixed Income ETF (MHYB)	8.2%	9.7%	9.1%	4.8%	7.8%
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged) (QUIG)	6.6%	10.6%	7.3%	2.3%	5.2%
Mackenzie EM Bond Index (CAD-Hedged) ETF (QEBH)	4.2%	6.5%	3.8%	1.8%	3.6%
iShares Core S&P Small-Cap ETF (IJR)	1.7%	0.9%	1.1%	3.1%	1.9%
Mackenzie Canadian Ultra Short Bond Index ETF (QASH)	4.0%	3.0%	4.7%	0.9%	3.5%
Mackenzie Global Dividend ETF (MGDV)	1.6%	0.1%	2.0%	3.6%	2.4%

* The top holdings are based on the average contribution across all ETF Portfolios, excluding the all-equity portfolio.

Mackenzie ETF Portfolios				
Conservative Income	Conservative	Balanced	Moderate Growth	Growth

Fixed income exposure summary

Geographic allocation

Canada	53.6	54.7	51.7	50.4	43.7
United States	28.3	31.2	29.3	31.2	34.6
International	7.0	6.1	7.6	7.4	8.6
Emerging Markets	11.0	8.0	11.4	11.0	13.1

Sector allocation

Canadian Government	15.8	20.3	13.8	15.8	14.5
Foreign Government	12.0	15.6	11.6	14.5	16.1
Investment Grade Corporate	58.6	51.1	58.7	53.1	46.9
High Yield	13.3	12.9	15.8	16.5	22.3
Other	0.2	0.1	0.1	0.1	0.1

Equity exposure summary

Total portfolio geographic allocation

Canada	32.1	31.0	28.6	29.5	26.1
United States	43.2	43.2	50.8	47.8	52.3
International	19.8	19.3	16.6	18.5	17.7
Emerging Markets	4.9	6.4	4.0	4.2	4.0

Sector allocation

Communication Services	6.2	6.2	6.5	6.3	6.5
Consumer Discretionary	8.2	8.3	8.4	8.4	8.6
Consumer Staples	5.7	5.7	5.7	5.7	5.7
Energy	9.0	8.8	8.4	8.5	8.0
Financials	20.4	20.3	19.5	19.8	19.2
Health Care	7.9	7.9	8.3	8.2	8.6
Industrials	12.4	12.3	12.0	12.2	12.1
Information Technology	18.1	18.4	19.8	19.1	20.0
Materials	6.8	6.8	6.3	6.5	6.2
Real Estate	2.2	2.2	2.2	2.2	2.3
Utilities	3.1	3.0	2.9	2.9	2.8

Performance Commentary

The quarter began on a challenging note for equity and fixed income markets, as hopes for interest rate cuts by the Federal Reserve dwindled amid persistent inflation concerns, putting pressure on both assets. However, as the quarter drew to a close, there was a notable improvement in sentiment as inflation cooled, increasing investor confidence that the central bank could potentially lower rates as early as September. Despite the Federal Reserve's indication of expecting only one rate cut this year, risk assets stabilized and regained lost ground from earlier in the quarter, benefitting from continued economic growth and strong performance in mega-cap information technology companies. In this context, all of the Mackenzie ETF Portfolios delivered solid positive results.

Within equities, the Mackenzie US Large Cap Equity Index ETF (QUU), returning 5.3%, was the top contributor to portfolio returns. As the top allocated equity fund, it reflected another stronger quarter for U.S. equities, which was driven by industry-leading information technology and communication services companies. Following this, the Mackenzie Emerging Markets Equity Index ETF (QEE), with a 4.7% gain, was the second-largest contributor. The strong performance in this fund was fueled by stocks in India, China, and Taiwan, benefiting from robust domestic investment, supportive government policies, and significant involvement in AI technology development, respectively. The Mackenzie International Equity Index ETF (QDX), which gained 0.7%, ranked as the third-largest contributor to portfolio returns. This performance was driven mainly by strong results in the U.K., where inflation trended lower, and Japan, where corporate earnings exceeded expectations. The Mackenzie Canadian Equity Index ETF (QCN), with a return of -0.5%, was the only slight detractor as Canadian equities generally lagged other developed markets.

Within fixed income, the Mackenzie Core Plus Canadian Fixed Income ETF (MKB), with a 0.6% gain, was the largest fixed income allocation and the top fixed income contributor to portfolio returns. This actively managed fund focuses on corporate credit, and its performance was bolstered by active duration management. However, the fund slightly underperformed its benchmark due to currency volatility from Mexican government bonds, stemming from surprise election results. The Mackenzie Global High Yield Fixed Income ETF (MHYB), which posted a 1.1% gain, was the second-largest contributor. High-yield bonds performed well in a risk-on market environment, driving this fund's returns. There were no notable fixed income detractors over the period.

During the period, currency activities detracted from portfolio returns as the portfolio's active overweight to the Japanese yen detracted as it fell against the Canadian dollar. A notable contributor to the yen's weakness stems from the continued gap between domestic and foreign interest rates, with rates sitting near 0% in Japan while most other major central banks have rates around 5%.

Portfolio Management Activities and Outlook

During the period, the team added the actively managed Mackenzie Global Dividend ETF, managed by Darren McKiernan and the Mackenzie Global Equity & Income Team, to the portfolios. The Multi-Asset Strategies Team believes that the allocation will be additive to investor outcomes, citing strong alpha generation potential and the defensive characteristics of the strategy as complementary to the composition of the rest of the portfolios.

The team continues to prefer equities to fixed income in this market due to strong fundamentals and positive sentiment. Though global equity markets appear expensive, the team believes that positive macroeconomic and technical factors outweigh stretched valuations. Solid corporate earnings growth, the likely end of rate hikes by the Federal Reserve, low U.S. recession risk, economic rebound in Europe and China, and optimism from artificial intelligence themes contribute to this view. Rather than derisk from "expensive" equities, the team advocates diversifying towards cheaper markets with positive economic catalysts, like Italy and Japan. Japanese companies are investing after years of hoarding cash and benefiting from artificial intelligence and advanced manufacturing trends. Italian companies are seeing windfalls from the European Central Bank's implicit backing of national debt and Italy's recent continent-leading economic growth.

The team remains cautious on bonds in the near term, particularly U.S. government bonds. U.S. interest rates likely remain elevated as the Federal Reserve continues to monitor inflation and economic data before committing to any rate reduction policy.

The team is negative on the Canadian dollar against major world currencies. Canadian growth has stalled, and the team expects the Bank of Canada to implement more rate cuts than the Federal Reserve in 2024, which should lead to headwinds against the CAD. The team remains overweight the Japanese yen as the discount to its long-term fair value is extremely attractive. They expect that the Bank of Japan will slowly normalize monetary policy over the coming quarters, benefitting the yen.

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Percentile rankings are from Morningstar Research Inc., an independent research firm, based on the Canada Fund Global Neutral Balanced, Canada Fund Global Fixed Income Balanced, and Canada Fund Global Equity Balanced category and reflect the performance of the Mackenzie Conservative Income ETF Portfolio, Mackenzie Conservative ETF Portfolio, Mackenzie Balanced ETF Portfolio, Mackenzie Moderate Growth ETF Portfolio, and Mackenzie Growth ETF Portfolio for the 3-month, 1-, 3-, 5- and 10-year periods as of June 30, 2024. 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 Neutral Balanced category funds for Mackenzie Conservative Income ETF Portfolio and Mackenzie Conservative ETF Portfolio for each period are as follows: one year - 1555 ; three years - 1346 ; five years - 1167 ; ten years - 654. The number of Canada Fund Global Fixed Income Balanced category funds for Mackenzie Balanced ETF Portfolio and Mackenzie Moderate Growth ETF Portfolio for each period are as follows: one year - 848; three years - 766 ; five years - 682 ; ten years - 306. The number of Canada Fund Global Equity Balanced category funds for Mackenzie Growth ETF Portfolio for each period are as follows: one year - 1176 ; three years - 1022 ; five years - 918 ; ten years - 487.

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