

Mackenzie Emerging Markets Fund

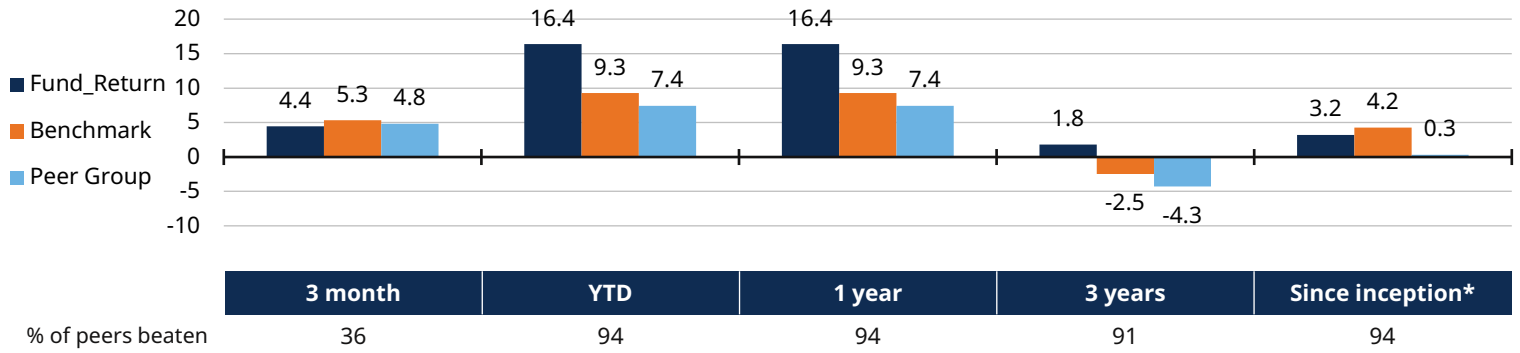
Strategy snapshot

Inception date	06/05/2018
AUM (millions in CAD)	732.8
Benchmark	MSCI Emerging Mkts IMI
Lead portfolio manager	Arup Datta
Investment exp. since	1992
Target # of holdings	150

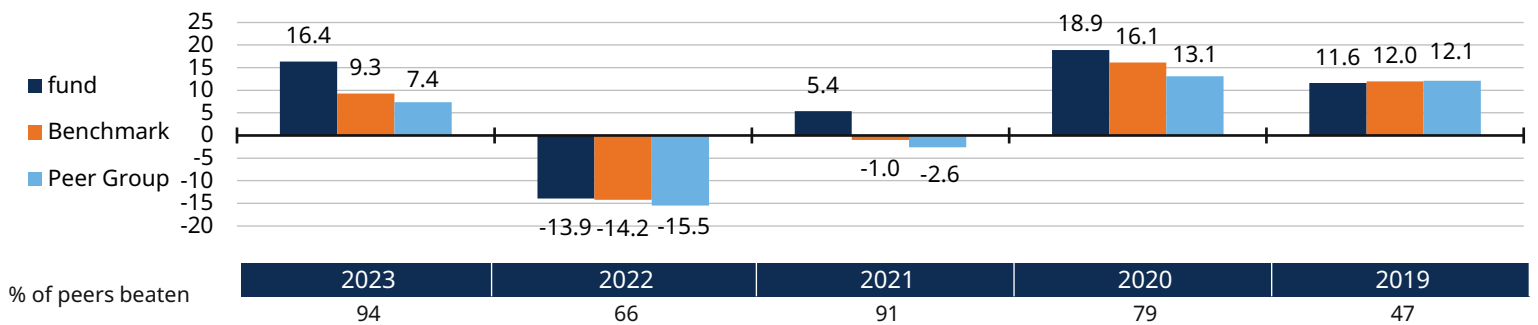
Strategy Overview

- The Fund seeks long-term capital growth by investing primarily in a portfolio of equity securities of companies in emerging markets.
- Employing a disciplined, risk-aware, systematic investment process, the Fund will focus its investments in those countries where the portfolio manager identifies strongly developing economies and in which the markets are becoming more sophisticated.
- The Fund seeks to outperform the MSCI Emerging Markets IMI Index by 3% over a full market cycle on an annualized basis (gross of fees), with a targeted tracking error of 4.5%

Trailing returns %



Calendar returns %



Portfolio characteristics

	Portfolio	Benchmark
# of holdings	160	3,427
% top 10 holdings	28.1	19.5
Weighted average market cap	107,734.1	124,430.8
EPS growth (FY E)	38.5	12.8
Dividend yield	3.4	2.8
FCF margin	13.7	29.7
P/E Trailing 12M	9.1	7.9
P/E (forecast)	9.6	13.2
Net debt/EBITDA	2.0	0.9
ROE (latest FY)	16.8	17.0

Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	13.0	13.4
Sharpe Ratio	-0.2	-0.4
Tracking Error	7.1	-
Information Ratio	0.3	-
Alpha	1.1	-
Beta	0.8	-
Upside Capture (%)	78.7	-
Downside Capture (%)	72.4	-

Regional breakdown

Region	Weight	Relative weight
Emerging Markets	97.0	-3.0
International	0.3	0.3
United States	0.2	0.2
Other	0.4	0.4

Sector allocation

Sector	Weight	Relative weight
Communication Services	9.7	1.5
Consumer Discretionary	14.3	1.6
Consumer Staples	4.3	-1.8
Energy	4.9	0.2
Financials	19.0	-1.4
Health Care	2.9	-1.6
Industrials	9.6	1.3
Information Technology	23.0	1.4
Materials	6.8	-1.6
Real Estate	0.8	-1.5
Utilities	2.6	-0.2
Other	0.0	0.0

Country allocation

Country	Weight	Relative weight
China	25.9	1.9
Taiwan	17.0	-0.1
India	15.6	-2.5
Korea	15.2	2.1
Brazil	6.8	1.0
South Africa	3.1	-0.1
Other	16.5	-2.4

Currency exposure

Region	Gross	Benchmark
CAD	1.1	0.0
USD	5.5	2.6
Other	93.4	97.4

Top 10 holdings

Security name	Country	Sector	Weight
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	6.2
Tencent Holdings Ltd.	China	Communication Services	4.5
Samsung Electronics Co., Ltd.	Korea	Information Technology	3.4
Petroleo Brasileiro SA Pfd	Brazil	Energy	2.4
Kia Corp.	Korea	Consumer Discretionary	2.0
BYD Company Limited Class H	China	Consumer Discretionary	1.9
Banco BTG Pactual SA Units Cons of 1 Sh + 2 Pfd Shs A	Brazil	Financials	1.8
Novatek Microelectronics Corp.	Taiwan	Information Technology	1.8
Innolux Corp.	Taiwan	Information Technology	1.7
BYD Electronic (International) Co., Ltd.	China	Information Technology	1.7

Security level contributors and detractors

	Security	Average Relative weight (%)	Total Effect(%)
Contributors	Power Finance Corporation Limited	1.7	0.7
	REC Limited	1.7	0.6
	Indian Oil Corp. Ltd.	1.4	0.6
Detractors	Sany Heavy Equipment International Holdings Co., Ltd.	0.7	-0.4
	Kuaishou Technology Class B	1.6	-0.3
	PDD Holdings Inc. Sponsored ADR Class A	-0.7	-0.3

Sector attribution relative to the benchmark

	Sector	Average Relative weight (%)	Total Effect (%)
Contributors	Financials	-0.8	1.8
	Energy	1.0	0.3
	Consumer Discretionary	1.3	0.2
Detractors	Health Care	-1.3	-0.4
	Consumer Staples	-1.4	-0.3
	Communication services	0.3	-0.2

Commentary

1) Fund Performance - discuss Sector/Country Contributors and Detractors

During Q4 2023, Mackenzie Emerging Markets Fund returned 4.80% (gross of fees), underperformed the MSCI Emerging Markets Investable Market index (gross of fees in CAD), which returned 5.38%.

2) Security contributors From a geographic perspective, India, Egypt and Greece were the primary contributors to relative performance. At sector level, Financials, Energy and Consumer Discretionary were the strongest contributors to relative performance. At security level, overweight positions in Power Finance Corporation, REC Limited and Indian Oil Corp were the key contributors to relative performance.

3) Security detractors

From a geographic perspective, South Korea, China and Taiwan were the largest detractors to relative performance. At sector level, Industrials, Information Technology and Health Care were the primary detractors to relative performance. At security level, overweight positions in Sany Heavy Equipment International Holdings Co., Kuaishou Technology and BYD Company were the key detractors to relative performance.

4) Portfolio activities

From this period, stock selection and alpha models were positive. Value led, followed by Growth, while Quality and Informed Investor were negative. Our smaller size bias and stock specific risk positively contributed to relative performance, while portfolio construction detracted from relative performance.

5) Outlook, Positioning

We continue to believe in the long-term benefits of emerging markets equities within a diversified portfolio. There is a strong belief that an end of aggressive central bank interest-rate hikes is around the corner, likely to weaken US dollar, which typically benefits emerging markets equities. The team's focus on building "all weather core style" strategy would best position the portfolio for long-term outperformance across various market conditions. As we continue to see emerging markets valuations at attractive discount relative to developed markets, we keep monitoring the dynamics within emerging markets, such as the trade relationships between US and China, Chinese economic recovery, etc.

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Percentile rankings are from Morningstar Research Inc., an independent research firm, based on the Canada Fund Emerging Markets Equity category and reflect the performance of the Mackenzie Emerging Markets A for the 3-month, 1-, 3-, 5-, and 10-year periods as of December 31, 2023. 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 Emerging Markets Equity funds for Mackenzie Emerging Markets A for each period are as follows: one year -269; three years -226; five years - 208; ten years - 109.

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