Mackenzie Global Dividend Fund– Series A

Q3-2015 COMMENTARY

Performance Summary

- For Q3 2015, Mackenzie Global Dividend Fund returned -0.8%. This compares with the MSCI World Total Return Index ($CDN) return of -2.2%. An overweight position in consumer staples and security selection in financials were the largest contributors to returns. No allocation to utilities and unfavourable stock selection in energy were the primary detractor.
- **Over the last 12 months, the Fund is up 15.4%,** ranking 22nd percentile in the Morningstar Global Equity Funds peer group which returned 8.6%.

Contributors to Performance

- Our largest position, **Motorola Solutions**, was also our most significant contributor to performance in Q3 2015. This global leader in first responder communication systems in August announced a U.S.$1 billion investment from Silver Lake, one of the private-equity firm's biggest ever investments. Along with ValueAct Capital, the company now has two well-regarded activist investors operating closely with management. Motorola also completed a U.S.$2 billion modified "Dutch Auction" tend offer at a purchase price of $66.50 per share. Despite the strong move in the quarter, we still feel with the company trading at a 6.5% free cash yield, significant opportunities to take costs out of their business, and with a 2.3% and growing dividend yield, Motorola still offers excellent value for investors.
- Other strong contributors to performance include **Altria**, which benefitted via its 28% ownership stake in SAB Miller, which rose on the back of an announced merger with Anheuser-Busch InBev (another Fund holding, incidentally). **Atlantia S.p.A**., the owner and operator of the Rome Airport as well as a number of major Italian toll roads and motorways was also a strong performer.

Detractors from Performance

- The biggest detractors from performance, not surprisingly, included a few energy-related investments (**WEIR Group PLC** and **ConocoPhillips**) and our two Brazilian holdings, which were exacerbated by the weakness of the Real – one of the few currencies in the world that has underperformed the Loonie so far this year. Both **Cielo S.A.** (Brazil's largest credit and debit card operator) and **Cetip S.A.** (the country's dominant private fixed income securities custodian) are among the highest quality businesses the Fund owns. We purchased more stock this quarter to maintain each company's overall weight in the Fund.

Portfolio Activity

- The Fund inherited **Baxalta**, the biopharmaceutical business that was spun off from long time holding Baxter. We also initiated a position in **Proctor & Gamble**, as we were able to purchase one of the world's iconic branded consumer goods companies at a 4% dividend yield and what at the time was its lowest relative valuation in over 20 years.
- We took advantage of stock price strength to exit our small position in **GlaxoSmithKline PLC**, as it became increasingly clear that its pipeline of new products would not be sufficient to offset the eventual (and inevitable) decline in its blockbuster respiratory franchise, Advair. We also sold the last of our stub position in **California Resources**, which we inherited late last year when it was spun out from current Fund holding Occidental Petroleum.

Outlook

- Ever since the middle of August when a 2% Chinese renminbi devaluation took the world by surprise, markets have been increasingly volatile as investors began to question global GDP growth projections. At first it was mainly emerging market equities and currencies that were most affected, but soon carried over to developed country equity markets. More recently, October has started out with some surprisingly weak economic data coming out of the U.S., and what had been widely expected to be a September or (almost certainly) December Federal Reserve rate increase has now likely been pushed forward to 2016; that is, until a set of data comes out showing surprising economic strength, which would once again send market strategists and economists scrambling to re-adjust their rate hike forecasts. As a dividend yield-oriented Fund we have to be conscious of our underlying companies' sensitivities to changes in global interest rates, but at the same time always manage the Fund with a focus on value and risk-adjusted return opportunities. The Fund owns a broad collection of high-quality dividend paying businesses from around the world that we believe will thrive through the market cycle under any interest rate scenario.

MACKENZIE Investments

PORTFOLIO MANAGEMENT TEAM:

Darren McKiernan, Senior Vice President, Investment Management, Mackenzie Investments

Eugene Profis, Vice President, Investment Management, Mackenzie Investments

Ome Saidi, Vice President, Investment Management, Mackenzie Investments

Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rate[s] of return is [are] the historical annual compounded total returns as of September 30, 2015 including changes in unit] value and reinvestment of alldistributions] and [do] 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 includes forward-looking information that is based on forecasts of future events as of September 30, 2015. Mackenzie Financial Corporation will not necessarily update the information to reflect changes after that date. Forward-looking statements are not guarantees of future performance and risks and uncertainties often cause actual results to differ materially from forward-looking information or expectations. Some of these risks are changes to or volatility in the economy, politics, securities markets, interest rates, currency exchange rates, business competition, capital markets, technology, laws, or when catastrophic events occur. Do not place undue reliance on forward-looking information. In addition, any statement about companies is not an endorsement or recommendation to buy or sell any security.

On December 9, 2013 Darren McKiernan became Mackenzie Global Equity & Income Team Lead and assumed management responsibilities.

On July 26, 2013 the Fund changed its mandate from investing in equity and fixed income securities of companies that operate primarily in infrastructure related businesses to investing primarily in equity securities of companies anywhere in the world that pay or are expected to pay dividends. The past performance before this date was achieved under the previous objectives.

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.

Fund and Benchmark Performance as at: September 30, 2015	1 year	3 years	5 years	Since Inception (March 2008)
Mackenzie Global Dividend Fund Series A	15.4%	14.5%	11.3%	8.1%
MSCI World Total Return Index ($CDN)	13.1%	20.2%	14.1%	7.7%

MACKENZIE Investments