MACKENZIE Investments

QUARTERLY REPORT

Mackenzie Ivy Funds

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Outlook

The year 2024 is now in the books, with echoes of the year before: strong market returns globally and domestically, with global gains concentrated in a group of ever-larger US tech stocks. Performance of the different Ivy funds is detailed in the commentaries that follow, but overall, the pattern was fairly consistent: good absolute returns, keeping up with our peers, but behind the broader indices (a common result among active managers in such a concentrated market).

Encouragingly, all the Ivy funds fared well in the only period of elevated volatility during the year, providing some reassurance that the funds have not achieved those gains by assuming undue risk. All in, we believe these results align with what our clients expect from us.

It is worth reiterating these expectations from time to time, to highlight to longstanding clients that the Ivy discipline has not changed, and to set expectations for those who may not be as familiar with Ivy. Historically, the Ivy style has resulted in a smoother return path for our clients; not fully keeping pace during strong bull markets, holding up better in rockier times. Every market environment is different, so we can't promise the same in the future, but it's reasonable to expect this longstanding pattern to repeat due to the conservative nature of our investment discipline. So usually, our funds' best years in absolute terms are below average compared to other funds, while our best relative returns coincide with our worst absolute years — this is the opposite of the typical pattern for most other funds.

A return profile of this nature is a bit like an insurance policy, where below-market performance in strong years is akin to a premium paid, with the payoff coming when markets get rough. Just like with car insurance, the key is to own the insurance before the accident occurs.

An underappreciated benefit of a steadier return profile is that pro-cyclical performance — better than the market in strong years, worse in weak years — is conducive to damaging behaviour, as greed and fear compel investors to buy and sell at the wrong times. It's human nature. A smoother return path with lower peaks and shallower valleys increases the likelihood that investors will stay the course. Less likely to buy at a frothy high, and less likely to panic and sell at a fearful low, leaving future returns on the table. This matters, as it doesn't do anyone any good if a fund performs well over time but the actual clients in the fund do not — and there are plenty of examples of this happening.

> **A smoother return path with lower peaks and shallower valleys increases the likelihood that investors will stay the course.**

So, the Ivy style incorporates the view that market downturns are unpredictable, harmful to returns, and full of behavioural pitfalls. The fact that they are unpredictable — and infrequent — does not suggest that they should be ignored until they are upon us. Rather, the distinct performance profile of the Ivy funds has been a result of always keeping the risk of a market downturn front of mind and being prepared to pay the “premium” during buoyant markets. This way of investing requires patience and discipline — on the part of our clients as well as ourselves — but we believe it can continue to provide solid risk-adjusted returns over time that investors are more likely to realize.

In that context, we are pleased with the past year — making good progress in helping our clients achieve their financial goals while maintaining defensive positioning throughout. As for 2025, we won’t venture to guess on how the year will unfold, but we expect to navigate it with the same balanced approach as always.

This way of investing requires patience and discipline — on the part of our clients as well as ourselves.

Mackenzie Ivy Canadian Fund and Mackenzie Ivy Canadian Balanced Fund

James Morrison
Lead Portfolio Manager

Marlena Zabielska
Portfolio Manager

Without doubt, 2024 was a remarkable year for investors, marking a second consecutive year of strong returns powered by artificial intelligence (AI) enthusiasm, a resilient US economy and the beginning of a monetary easing cycle. The fourth quarter benefited from similar drivers as the year but was further enhanced by the depreciation of the Canadian dollar due to the divergence of US and Canadian interest rates, as well as concerns over the potential economic consequences of US tariffs.

With this backdrop, Mackenzie Ivy Canadian Fund and Mackenzie Ivy Canadian Balanced Fund generated strong returns for our investors but lagged the broader market. This is in keeping with our historical performance pattern of participating in strong markets and protecting in weak markets, both of which occurred in 2024. Recall that the portfolio held up well during the panicked sell-off in the summer. This resulted in our clients making considerable progress toward their long-term financial goals while having to withstand less volatility. During the year, Mackenzie Ivy Canadian Fund (Series F) and Mackenzie Ivy Canadian Balanced Fund (Series F) generated returns of 19.0% and 15.4%, compared to their respective benchmarks of 25.0% and 17.1%. Although both funds lagged their benchmarks, Mackenzie Ivy Canadian Fund performed in line (47th percentile) with its peer group, while Mackenzie Ivy Canadian Balanced Fund outperformed (67th percentile) many of its peers, highlighting the narrow breadth of the market's returns in which diversification served as a detractor relative to the concentrated benchmarks.

The concentrated nature of the market's returns has presented a material headwind for Mackenzie Ivy Canadian Fund and the industry alike over the past two years. In 2024, eight stocks accounted for 25% of the benchmark's return and 80% of Mackenzie Ivy Canadian Fund's relative underperformance. Specifically, NVIDIA and Shopify accounted for the vast majority of our underperformance. We believe both businesses have many quality attributes, which begs the question: why don't we own them? The answer is that our objective to provide investors with a smoother path of returns that allows them to stay invested necessitates that we apply a disciplined approach to valuation and forecasting. This is inherently difficult for businesses such as these where high growth appears to be priced as a perpetuity. However, as these businesses mature and the dispersion of potential outcomes narrows, we may well reconsider, as we did with Microsoft and Alphabet, which have made significant contributions to our overall performance in recent years.

> **While volatility is often seen as a risk, it can be advantageous for Ivy.**

While we accept that we will occasionally miss out on high-risk/high-return opportunities in the pursuit of strong risk-adjusted returns, our approach doesn't preclude us from realizing exceptional returns within our risk appetite through the application of conviction. This can be highlighted by the outstanding performance of our top three contributors in 2024: Brookfield, Williams and Aritzia.

Brookfield Corporation, one of the world's largest investors in alternative assets, was our top contributor for the year, generating a return of 56% on a significant position size. We believe that its global scale, operational capabilities and privileged access to capital will continue to allow it to capitalize on a significant growth runway supported by secular trends including digitalization, decarbonization and deglobalization.

Williams Companies, the largest natural gas transmission company in the US, is well-positioned to support the essential role of natural gas in the energy transition. In 2024, it was the second-largest contributor to performance with a return of 75% due in part to rising expectations for demand from data centers and deregulation.

Finally, Aritzia, an affordable luxury apparel retailer, rounded out our top three performance with a 94% return from highly depressed levels, as it executed well through a significant investment cycle, re-establishing confidence that it is on track to meet its mid-term growth targets.

As we turn our focus to 2025, uncertainty abounds. Trade wars are top of mind, particularly in Canada where the looming threat of US tariffs presents a considerable disincentive to investment and, if ultimately enacted, could be a material drag on the economy. In addition, a likely change in government could compound issues with an uncoordinated response. In the US, valuations present considerable downside risk, while geopolitical tensions present tail risks globally. Regarding the risk of a recession in Canada, we highlight several points. First, we believe our portfolio is well-positioned to absorb such a scenario given that many of our Canadian holdings are, in fact, global businesses, such as Alimentation Couche-Tard and Brookfield. Second, we believe many of the truly domestic businesses that we own are defensive, such as Dollarama, Metro and Intact Insurance, and third, one-third of our portfolio is invested outside of Canada. In short, we believe the portfolio has limited leverage to the Canadian economy due to its diversified composition of resilient businesses.

While volatility is often seen as a risk, it can be advantageous for Ivy. Our long-term investment horizon and focus on high-quality, resilient businesses allows us to aim to capitalize on market downturns. While high-risk funds may strive to merely recover losses during sell-offs, our defensive approach positions us to seek to enhance returns during turbulent times. We believe that our disciplined strategy and diversified portfolio may enable us to navigate the uncertainties of 2025 effectively, continuing to make meaningful progress towards our clients' long-term financial goals. We are excited about the opportunities that may arise out of the current uncertainty.

Mackenzie Ivy Foreign Equity Fund, Mackenzie Ivy Global Balanced Fund and Mackenzie Ivy Global Equity ETF

Matt Moody
Lead Portfolio Manager

Adam Gofton
Portfolio Manager

Hussein Sunderji
Portfolio Manager

Jason Miller
Portfolio Manager

Notably, market sentiment shifted following the November US presidential election.

The fourth quarter was characterized by further volatility in global markets, with the US being a clear standout in terms of performance. US markets fared much better than their global counterparts, driven in large part by technology, financial and consumer discretionary stocks. Notably, market sentiment shifted following the November US presidential election, from one that supported the theme of market broadening, to a renewed narrowing of market breadth favouring several of the winners from the first half of the year and a few others. The “Magnificent Seven” stocks gained an average of 16.5% during the quarter, which far outpaced the return of the broader market. Tesla alone gained an eye-popping 56% during the quarter.

From a macro perspective, economic data showed a continued moderation of the global economy, but sticky inflation. This, along with uncertainty around the impact of President-elect Donald Trump’s economic policies and their impact on inflation, led to a material rise in long-term bond yields globally and a significant strengthening of the US dollar compared to other global currencies. Most central banks continued to reduce interest rates, although the market now expects future rate reductions to happen at a much slower pace compared to what was expected several months ago.

Mackenzie Ivy Foreign Equity Fund returned 3.6% (Series F) and Mackenzie Ivy Global Equity ETF returned 3.4% during the quarter, which trailed the MSCI World Index return of 6.3%. Mackenzie Ivy Global Balanced Fund returned 2.2% (Series F) compared to its blended benchmark return of 4.2%. The performance of the funds in Q4 is largely in line with our expectations, given that the broader market return was driven by a narrow concentration of stocks, namely those that are beneficiaries of the growth of artificial intelligence (AI) and potential financial deregulation. The funds remain defensively positioned relative to the market due to elevated valuations.

For the year, Mackenzie Ivy Foreign Equity Fund returned 22.6% (Series F) and Mackenzie Ivy Global Equity ETF returned 23.6% compared to 29.1% for the MSCI World Index. For the year, Mackenzie Ivy Global Balanced Fund returned 17.9% (Series F) compared to 21.6% for its blended benchmark. Those who have followed Ivy know that the patience, discipline and long-term orientation embedded in our investment philosophy generally leads to underperformance in buoyant markets, and outperformance in weaker markets. In that context, the fund’s performance in 2024 is in line with our expectations. Traditionally, the years where Ivy’s relative performance is the weakest tend to be those in which absolute returns are strong. Incidentally, the median global equity manager underperformed the index by a fair margin in 2024, due to the market's relatively narrow breadth.

From a stock-specific perspective, key contributors to portfolio performance in Q4 were Alphabet, Brookfield Corporation and Visa.

Alphabet was a top contributor during the quarter due to general market enthusiasm for mega-cap US stocks, and company specific news including the release of new AI models, continued expansion of Waymo and a breakthrough in quantum computing. While the AI models provide support for the thesis that AI will act as a tailwind to Alphabet's business, the other items have too much uncertainty to be forecasted and instead bias our view of quality positively as evidence that the company allocates capital rationally to areas with long-term disruptive potential.

Brookfield's share price continued to benefit from good business performance and improved sentiment towards alternative asset managers. Additional share price support came from the fact that Brookfield Asset Management (BAM) made further progress towards simplifying its corporate structure and relocating its head office to New York, which is expected to pave the way for inclusion into the S&P 500 index in the near future.

Visa's shares were strong primarily due to improved market sentiment and lower perceived regulatory risk following the result of the US presidential election.

The primary detractors from performance were Danaher, Nestle and Inditex.

Traditionally defensive areas of the market such as health care and consumer staples performed poorly during the quarter, and Danaher and Nestle fared worse than average. Danaher was weak in part due to continued delays in the long-anticipated recovery in the bioprocessing market, while Nestle suffered from the aftermath of a sudden CEO departure and lowering of near-term expectations.

Inditex's share price weakened as its financial report showed pressure on profit margins after a period of handily beating margin expectations. We remain positive on Inditex given strong top-line growth trends and inventory control, coupled with a reasonable valuation.

Portfolio activity was somewhat moderate this quarter. We initiated a new position in Adyen, and eliminated positions in Walmart, Seven & I Holdings and Heineken.

Adyen was purchased given our positive views of the company's growth prospects, corporate culture and balance sheet. We believe its high return on invested capital and strong growth trajectory justify its seemingly high valuation.

Our objective is to deliver attractive risk-adjusted returns for our unitholders on a through-cycle basis.

Walmart was sold due to valuation. The company's fundamental business performance has been stronger than expected since we initiated the position in June 2022, due to market share gains, eased ecommerce losses and growth of emerging businesses such as advertising, membership, third party fulfillment services and others. We continue to believe the company is doing the right things with investing in its supply chain and infrastructure, and customer value proposition. In addition, recent tailwinds may persist as consumers remain stretched and are seeking value. However, the valuation gives us pause and we opted to reallocate to more attractive long-term opportunities.

Seven & I Holdings was sold as the share price continued to rise on the back of another takeover offer. This time, the offer came in the form of a management buyout proposal, from a member of the company's founding family. Recall, Couche-Tard had previously made a takeover approach to the company, and subsequently increased its offer after the initial approach was rebuffed. Seven & I continues to evaluate the offers and is also looking at other ways to enhance shareholder value — however, there remains a fair bit of uncertainty about what the ultimate course of action will be, and at what valuation. Meanwhile, the share price moved up to a point where we felt the risk/reward was no longer attractive, compared to other opportunities within the portfolio. On top of this, the company's recent business performance and management execution has been somewhat disappointing.

Heineken was sold as our view of the company's quality had deteriorated. Our initial purchase of Heineken was premised on management reinvigorating the culture and injecting more capital and operational discipline. Progress on this front has been slower than we had hoped for. Moreover, the industry is grappling with demand issues based on reduced alcohol consumption from younger demographics.

The swings in market sentiment and expectations in 2024 and the fourth quarter should serve as a reminder about how challenging it can be to make accurate predictions about the direction of markets in the near term. This is why our investment compass remains focused on the long-term. Our objective is to deliver attractive risk-adjusted returns for our unitholders on a through-cycle basis. We believe we can best achieve this by owning a concentrated yet diversified set of high-quality businesses that are well positioned in their industries and are internally wired to navigate a variety of market and economic environments. Furthermore, we aim to remain level-headed in our assessment of companies and markets, trying not to get carried away with themes and near-term shifts in sentiment. We aim to navigate through periods of volatility but also embrace it as an opportunity to potentially add new positions in high-quality companies that may be temporarily out of favour.

Mackenzie Ivy International Fund

Hussein Sunderji
Lead Portfolio Manager

Matt Moody
Portfolio Manager

Jason Miller
Portfolio Manager

Market sentiment shifted quickly from optimism to concern around the impact of President-elect Trump's policies.

The fourth quarter saw continued volatility in macro and equity markets, driven in part by geopolitics. Markets emerged fairly strongly from a volatility shock in the middle of Q3 but were hit in Q4 by rising long-term yields in many countries, and weakening global currencies relative to the US dollar, all amidst signs of a weakening global economy and sticky inflation. The US presidential election dominated headlines from October onward, and market sentiment shifted quickly from optimism to concern around the impact of President-elect Trump's policies.

The MSCI EAFE Index declined 2.2% in Canadian dollars, however performance was much weaker in US dollar-terms as the USD strengthened materially compared to the CAD. European markets were down moderately in local currency terms, while Japan rose modestly, and Hong Kong was weak, falling more than 10%. The Mackenzie Ivy International Fund moderately outperformed the underlying benchmark, delivering a return of -0.9% (Series F), mostly due to stock specific reasons. Defensive sectors generally underperformed the broader market.

For the year, Mackenzie Ivy International Fund returned 15.3% (Series F) compared to 13% for the MSCI EAFE Index.

Key contributors to performance during the quarter were Brookfield Corporation, Compass Group, Taiwan Semiconductor (TSMC) and Seven & I Holdings.

Brookfield's share price continued to benefit from good business performance and improved sentiment towards alternative asset managers. Additional share price support came from the fact that Brookfield Asset Management (BAM) made further progress towards simplifying its corporate structure and relocating its head office to New York, which is expected to pave the way for inclusion into the S&P 500 index in the near future.

Shares of Compass Group rallied on the back of good financial results, and broader strength in UK-listed consumer discretionary stocks that do a sizeable portion of their business in the US.

TSMC reported strong Q3 results and expects business momentum to remain strong, driven by significant spend on artificial intelligence (AI) related computing infrastructure. TSMC's customer and technology focus, enabled in part by its pureplay foundry model, has enabled it to carve out a substantial leadership position with AI-related computing technology.

Seven & I Holdings' share price was boosted by news of a management buyout proposal, which followed an earlier takeover offer by Couche-Tard. Management continues to evaluate both offers and is also seeking other organic means of surfacing value in the business. We continued to trim our position in Seven & I due to a less compelling fundamental valuation.

Unicharm, Samsung Electronics (SEC) and Nomura Research Institute (NRI) contributed negatively to performance.

Unicharm's results were below expectations as the company is facing increased competition and slower consumer spending across several of its Asian markets. While we continue to believe Unicharm is a well-run, high-quality business, we are on high alert for signs that the competitive position or industry dynamic may be deteriorating.

We wrote about SEC's share price weakness last quarter; this quarter saw more of the same, as the company continues to work towards broader uptake of its high bandwidth memory solution in AI chips for various large industry players. We continue to believe that SEC will recover from these initiatives in the near term and view the current valuation as fairly attractive.

NRI's results were also weaker than expected due to weakness in its in international business. The core domestic business remains healthy. We believe management has put steps in place to drive improvement overseas and expect this to unfold over the next few quarters. The long-term outlook remains positive for NRI due to potential for strong information technology (IT) spend in Japan as businesses work to further modernize their IT infrastructure and look for ways to adopt AI.

Elevated market volatility presented opportunities to add several high-quality businesses to the portfolio during the quarter. Among these are Daikin Industries, Ajinomoto, L'Oreal and InterContinental Hotels Group (IHG).

Daikin has been held in the fund in the past — it is a leading global heating, ventilation and air conditioning (HVAC) company, domiciled in Japan. We like Daikin for its strong market position across several regions, diversified manufacturing footprint, technology leadership and good management. The share price has come under pressure due to concerns about the property slowdown in China and a decline in its heat pump business (due to normalization after a strong period). We believe these issues are temporary, and Daikin has reasonably attractive growth opportunities over the long term.

Ajinomoto is a Japan-listed food ingredients company with leading global share in umami and other seasonings. The company also has a growing semiconductor materials and healthcare business. Ajinomoto has made good progress simplifying its business structure, improving capital allocation, and investing heavily behind the core parts of its business. We view Ajinomoto as being a defensive business with good growth potential through its non-food segments.

L'Oreal is a global leader in personal beauty products. While L'Oreal hasn't been cheap in many years, we felt the shares were sufficiently discounted given the underlying quality of the business.

We do believe the portfolio is well positioned regardless of what dynamics may play out in the near term.

IHG is a leading global hotel franchisor, with ownership of a variety of well-recognized brands across several segments and regions. IHG's business model lends itself to attractive business economics, and we believe the company will continue to benefit from industry tailwinds that lie in the favour of larger branded asset-light hotel companies. Management is strong and the company is now in a position to reap the benefit of recent heavy investments in the areas of loyalty, IT and branding.

We eliminated our positions in Sonova, Heineken and Alibaba Group during the quarter. Sonova was sold due to valuation, while both Heineken and Alibaba were sold due to quality.

Our view of Heineken was premised on management reinvigorating the culture and injecting more capital and operational discipline. Progress on this front has been slower than we had hoped for; moreover, the industry is grappling with demand issues based on reduced alcohol consumption from younger demographics.

Alibaba has been a holding since early 2020 — the company has experienced several setbacks ever since, ranging from regulatory pressure to increased competition and a broader consumption slowdown in China. While some of these factors are cyclical, Alibaba has also seemingly made some shifts to its strategy and corporate structure over the past couple of years, leaving us with less confidence in management. We opted to reallocate the capital to other attractive areas within the portfolio.

Europe, Australasia and the Far East (EAFE) markets have dramatically lagged those in the US for the last several years. The composition of these markets is different, with the US much more heavily weighted towards technology and EAFE more towards cyclical sectors. We cannot directly conclude, however, that EAFE markets are much cheaper than the US market — this needs to be examined on an apples-to-apples basis, ideally by sector. It does appear, however, that certain segments of the EAFE markets are somewhat out of favour compared with those in the US; more recently, this has been driven by concerns around the threat of tariffs that might be imposed by newly elected US president Donald Trump. It is difficult to know whether US exceptionalism will continue, and to what degree this has already been priced into stocks. We do believe the portfolio is well positioned regardless of what dynamics may play out in the near term, supported by a well-balanced mix of high-quality global multinational businesses and local champions, with strong balance sheets and leadership positions in their industries.

Mackenzie Ivy European Fund

Matt Moody
Lead Portfolio Manager

Jason Miller
Portfolio Manager

In the fourth quarter, the Mackenzie Ivy European Fund was down 2.7% (Series F) , ahead of the MSCI Europe Index, which was down 3.9%. Relative performance was influenced by two large stocks we did not own, ASML and Novo Nordisk. ASML reported a weak third quarter and saw its shares decline over 20%, though they recovered somewhat by year end. In late December, Novo Nordisk reported a disappointing result for its next generation obesity drug CagriSema. The company's share price for the quarter was down 20%. Europe's overall performance was divergent from the US. This could be a function of the US election, Europe's lack of artificial intelligence (AI) focused technology companies and Europe's reliance on China.

Compass Group again rallied on good financial results and what we'll call other factors. Although listed in London, Compass is primarily a North American business. The European consumer discretionary sector was weak in comparison to the same sector in the US, driven in part by Tesla and Amazon. European consumer discretionary stocks are more focused than US index constituents in the auto and luxury industries, which are both tied to China. So, while strong financial results at Compass played a role, US-listed leisure stocks with a US focus performed well this quarter, which may have had a halo effect on Compass.

SAP reported good results based on continued uptake of its latest cloud products. The company has executed exceptionally well under its CEO, Christian Klein. The story is similar for Scout24, which has also executed well in the last several years. That said, it's hard to fully explain the performance of these two German-listed equities. They are relatively tech-focused businesses less affected by issues with China, European automakers or trade wars. Neither are AI beneficiaries to the extent as US-listed Oracle and Microsoft. Much of the strong performance appears driven by an increase in multiples rather than significant changes to the earnings power of the businesses. We reduced our position in both companies during the quarter.

Relative performance was influenced by two large stocks we did not own, ASML and Novo Nordisk.

Last quarter, we spoke about a rally in the shares of Kone Oyj driven by factors including optimism around a new CEO, stimulus efforts in China and what we believe to have been a deeply undervalued share price. We trimmed our shares and this quarter things went to plan; the shares declined. Perhaps we should have sold further, though it doesn't always work out this way.

Shares in the 350+ year old family-controlled Merck KGaA were weak, though in this case it's difficult to pin down the source. The shares performed inline with those of Danaher, a holding in Mackenzie Ivy Foreign Equity Fund. It's possible the market is concerned with the company's bioprocessing division, which continues its slow recovery after a growth surge to support the global vaccine build-out several years ago. Our time horizon is not 350+ years, but nor is it a year or two, so we are currently content to wait for the bioprocessing business to resume its growth trajectory.

Shares in food bellwether Nestle continued their descent. One would think with a company as diversified as Nestle, the shares would not experience such dramatic swings in relative performance. From their high in early 2022, Nestle's shares are down 28% versus an increase of 19% in the MSCI Europe Index. In early 2022, while the valuation seemed extreme, there was reason for optimism. The market loved the CEO, and the coffee and pet businesses were experiencing pandemic booms as home-ridden consumers loaded up on caffeine and pets. We trimmed our position in late 2021 and early 2022 based on a low expected return.

Fast forward three years, Nestle's CEO was shown the door (in a decidedly Swiss way) as he went from doing no wrong to doing nothing right. Growth declined in pet and coffee and, as is typical of Nestle, there are issues in some of its many businesses. While we are aware the issues across the business could be more severe than we expect (the financially sophisticated way of saying we could be wrong), we also believe that the shares are priced for an adverse outcome we don't think is likely. Accordingly, we have been slowly adding to our position.

During the quarter we added three new positions to the fund. Adyen was purchased given our positive views of the company's growth prospects, corporate culture, and balance sheet. While Adyen appears expensive, its high return on invested capital (ROIC) model and positive growth expectations convinced us to purchase the shares. On the more traditional side, we added Greggs, a UK-based sandwich and coffee shop with an exceptional operating and management culture. One example of this is that Greggs is a rare company that can implement SAP without a hitch. Finally, we added L'Oreal, the global leader in personal beauty products. While L'Oreal hasn't been cheap in many years, we felt the shares were sufficiently discounted given the underlying quality of the business.

We sold three positions in the quarter. Sonova was sold based primarily on valuation concerns. We like the business and management, but felt the market was too optimistic around the company's latest product cycle. Heineken was admittedly a mistake and sold for quality concerns. Our purchase was premised on management reinvigorating the culture of Heineken and injecting more capital and operational discipline. Progress on this front has been slower than we'd hoped for, moreover the industry and we are grappling with demand issues based on reduced alcohol consumption from younger demographics. Barry Callebaut was sold based on the combination of external challenges to the business along with significant internal change, which raised the risk profile beyond our comfort level in comparison to other opportunities such as Nestle and L'Oreal.

2024 was a good year for Mackenzie Ivy European Fund, which was up 9.5% (Series F). While our calendar year performance lagged the MSCI Europe Index at 10.7%, the fund is positioned defensively, which we hope will be beneficial in a downturn. As we reported after Q3, it's become the norm for every year to feel exceptional and 2024 did not disappoint. Given the state of valuations along with the political and fiscal situations that currently exist in most countries, we very much doubt 2025 will be any different.

As of December 31, 2024 (Annual compounded rate of return)	3-month	1-year	3-year	5-year	10-year
Mackenzie Ivy Canadian Fund	2.6	19.0	10.2	9.9	7.8
60% S&P/TSX Composite, 30% S&P 500, 10% MSCI EAFE	4.8	25.0	10.0	12.5	10.7
Mackenzie Ivy Canadian Balanced Fund	1.9	15.4	7.3	7.4	6.6
75% S&P/TSX Composite & 25% FTSE Canada Universe Bond Index	2.8	17.1	6.3	8.6	7.1
Mackenzie Ivy European Fund	-2.7	9.5	2.6	7.0	6.0
MSCI Europe	-3.9	10.7	5.7	7.1	7.3
Mackenzie Ivy Foreign Equity Fund	3.6	22.6	8.3	9.8	8.2
MSCI World	6.3	29.1	11.1	13.5	12.3
Mackenzie Ivy Global Balanced Fund	2.2	17.9	6.0	7.4	7.4
75% MSCI World & 25% BofAML Global Broad Market[1]	4.2	21.6	7.7	9.9	9.6
Mackenzie Ivy International Fund[2]	-0.9	15.3	3.4	6.2	5.5
MSCI EAFE	-2.2	13.0	6.2	6.9	7.5
Mackenzie Ivy Global Equity ETF	3.4	23.6	8.4	9.8	NA
MSCI World	6.3	29.1	11.1	13.5	12.3

1 Fixed income index is hedged to CAD.
2 Mackenzie Ivy Team assumed management of the fund on June 21, 2016.
Note: All equity indices are TR and in CAD.

Mackenzie Ivy Canadian Balanced Fund

On August 14, 2014, there was a change of investment objective to permit flexibility in order to optimize the fund's risk/return profile in all market conditions.

Mackenzie Ivy Canadian Fund

On August 14, 2014, there was a change of the investment objective to permit flexibility in order to optimize the fund's risk/return profile in all market conditions.

Mackenzie Ivy Team

Led by Matt Moody, the Mackenzie Ivy Team adheres to a long-term careful growth philosophy. Their expertise in equities and investment management expands globally across Canada, the US, Asia and Europe.

Matt Moody, MBA, CFA
Senior Vice President, Portfolio Manager,
Head of Team, Global

Industry start: 1999, Joined firm: 2005

PORTFOLIO MANAGERS

Hussein Sunderji,
MBA, CFA
VP, Portfolio Manager
Global

Industry start: 2007
Joined firm: 2013

James Morrison,
MBA, CFA
VP, Portfolio Manager
Canada

Industry start: 2005
Joined firm: 2014

Adam Gofton,
CFA
VP, Portfolio Manager
Global

Industry start: 2007
Joined firm: 2013

Jason Miller,
MBA, CFA
VP, Portfolio Manager
Global

Industry start: 2008
Joined firm: 2016

Marlena Zabielska,
CFA
Associate Portfolio Manager
Canada

Industry start: 2012
Joined firm: 2021

INVESTMENT ANALYSTS

Colin Cameron
Senior Investment Analyst
Global

Industry start: 2019
Joined firm: 2019

Siddhant Dilawari
Senior Investment Analyst
Canada

Industry start: 2018
Joined firm: 2024

Blended benchmark: 60% S&P/TSX Composite TR Index, 30% S&P 500 TR Index, 10% MSCI EAFE TR Index (net-CAD)

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 September 30, 2024, including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution, or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

The MSCI World Index is a free float adjusted, market capitalization weighted index that is designed to measure the equity market performance of developed markets. It consists of 24 developed market country indices.

The MSCI Europe is a free float adjusted, market capitalization weighted that is designed to measure the equity market performance of the developed markets in Europe. It consists of 16 developed market country indices.

The MSCI EAFE (Europe, Australasia, Far East) Index is a free float adjusted, market capitalization index that is designed to measure the equity market performance of developed markets, excluding the United States and Canada. It consists of 22 developed market country indices.

The S&P/TSX Composite Index is a capitalization-weighted index designed to measure market activity of stocks listed on the Toronto Stock Exchange (TSX).

The S&P 500 Index is a market capitalization weighted index of 500 widely held securities, designed to measure broad US equity performance.

FTSE Canada Universe Bond Index measures the performance of the Canadian Dollar denominated investment-grade fixed income market, covering Canadian government, quasi-government and corporate bonds. The index is designed to track the performance of marketable government and corporate bonds outstanding in the Canadian market.

BofAML Global Broad Market Index measures the performance of the global bond market.

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