Mackenzie Ivy Funds

Quarterly Report
Q1 2021

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Ivy Quarterly Report

> **One of the challenges with investing carefully, is that increasingly, people are coming to believe that it's not necessary to do so.**

The world is a very different place compared to just over a year ago due to the COVID-19 pandemic and the devastating impact it has had on the lives of so many people. The world is also a different place with respect to the record levels of fiscal and monetary stimulus that governments and central banks are respectively throwing at the global economy. While well-intended, these measures have devastating consequences on the ability of the economic system to operate efficiently and thus provide the purchasing power with which people can sustainably increase their consumption. Printing money, or stimulus cheques is simply a redistribution of wealth within the system as are "financial conditions" that are goosed through rising house prices or stock markets driven higher by multiple expansion. In this quarterly, we thought we would talk about the "neutral" rate of interest and how that has changed significantly over the last number of years.

But before we do that, we thought we would briefly remind you of what it is we do at Ivy and why. The Ivy investment philosophy has not changed and has remained consistent over many years and several cycles; the team continues to manage your hard-earned capital in a prudent fashion – that's by carefully growing it over time. We believe that through a rigorous and intellectually honest process of independent thought we can identify businesses that are likely to have a sustainable competitive advantage. On top of that we layer a very patient valuation discipline, which often means that there are some great businesses in which we don't invest, simply because their shares are too expensive. This has been the Ivy approach since the founding of the Funds back in 1992: Select businesses patiently acquired. The objective is a more predictable and narrower dispersion of growth outcomes. While it might not be everyone's cup of tea, particularly when central banks are juicing equity markets, we believe that our style of investing serves an important role as part of a client's diversified portfolio, and we will endeavour to continue meeting the performance characteristics you expect from Ivy.

One of the challenges with investing carefully, is that increasingly, people are coming to believe that it's not necessary to do so. The reason for that is that central banks interfere and keep coming to the rescue whenever stock markets attempt to descend to a level that more accurately reflects economic and business fundamentals. Productivity growth has been grinding lower for many years due to this interference which begets even more interference. There has been a global race to the bottom by central banks in getting nominal interest rates to near zero and real interest rates well into negative territory. The excuse given by central banks is that for some reason the "neutral" rate of interest required to keep the economy growing keeps falling. To understand why this is happening, one first needs to understand how central banks define "neutral" when discussing interest rates.

The Federal Reserve Bank of Dallas describes the neutral rate of interest as follows: "The neutral rate is the theoretical federal funds rate at which the stance of Federal Reserve monetary policy is neither accommodative nor restrictive. It is the short-term real interest rate consistent with the economy maintaining full employment with associated price stability." At first blush this explanation appears sensible but adhering to and acting on this definition has caused productivity growth to steadily decline, global debt to explode higher and the "neutral rate" to continuously fall.

In our view, the neutral rate of interest that keeps spending growing at a steady pace is not the correct rate for most optimally allocating scarce resources. If market forces had been allowed to determine interest rates, then productivity growth would likely have been maintained at a higher level due to an unhampered price discovery mechanism, global debt levels would be much lower as debt service costs would have been higher and asset prices would be lower thus leading to significantly less wealth disparity. Of course allowing this to happen means that central bankers don't have "control" over what happens and there may be times when interest rate levels determined by market forces may "inconveniently" result in a rate of GDP growth not to the liking of a central banker or a politician seeking re-election. Therefore, in-order-to ensure people keep spending at a rate deemed appropriate by central banks, they lower the interest rates to a lower "neutral" level. The lower interest rate enables excessive borrowing: by individuals to consume more (rather than save and invest), by governments to shower the populace with stimulus cheques (capital is consumed rather than invested) and by corporations to buy-back their shares in order to drive their share prices higher (rather than invest more in improving their own productive capacity). No matter what, central banks like rising stock markets as it improves "financial conditions." But the financial conditions central banks like are those that result in steady consumption rather than conditions that facilitate investment that leads to an increase in the productive capacity of the economy.

So why is it that central banks fail to understand that by targeting a neutral rate of interest they are destroying the global economy? As usual, the main culprits are a short-term view and a focus on GDP (final spending).

We've discussed in past quarterlies why final spending is only indicative of sustained economic growth if it is a result of investment and productivity improvements rather than debt. Short-termism has become a great scourge on global capital markets; from corporate executives underinvesting in their business and taking on debt to buy-back shares, to politicians forfeiting the future of the next generation by handing out their wealth to this generation, and to central banks driving interest rates to zero and printing money and thus redistributing wealth in order to prevent the economy from attempting to heal itself from previous central bank interference with the level of interest rates. As a result of printing money and spending driven by debt, the symptoms of rising GDP (final spending) and rising house and stock markets give the illusion that the economy must be in great shape. As discussed in previous missives, rising house prices do not create net wealth for society, but are simply a re-distribution of wealth within it; primarily from this generation to the previous one and the next generation to this one. Likewise, a stock market that is growing through multiple expansion rather than sustainable sales growth supported by productive investment is again a redistribution of wealth within the system.

For years, central banks have proclaimed that just one more round of quantitative easing was all that was required for the economy to finally achieve escape velocity – i.e. start growing on its own without the need of emergency levels of monetary stimulus. It didn't happen and it won't. The emergency levels of monetary stimulus over the last twelve years have served to boost short-term consumption, but at the great expense of the longer-term productive capacity of the economy and obscene levels of debt and wealth disparity.

We are now at a point where the Federal Reserve and central banks all over the world have effectively painted themselves into a corner. Targeting the neutral rate of GDP growth (final spending), has predictably required more and more printing and debt to fund the spending that the economy's productive capacity is increasingly less able to support.

The Federal Reserve now tells us that it is embracing higher inflation with the absurd notion that they need to make-up for periods when inflation failed to achieve their target (as we have discussed many times in the past, a healthy, productive and by definition, unhampered, economy would result in consumer price deflation, not inflation). However, we believe that this notion of the Fed allowing the economy to "run hot" is being driven by the very slowly increasing awareness that they are trapped. They would like to increase interest rates to head-off inflation, but they can't because the global debt tsunami that their neutral interest rate policies have engendered over the last twenty years wouldn't be able to handle it. Longer-term interest rates have been rising and it might be because so much of the debt of the United States is held by foreigner investors. It's possible that foreign capital is growing concerned that although the US Treasury will pay them back one hundred cents on the dollar, those cents will be worth a fraction of what they're worth today. Things will go into overdrive if the Fed is forced to resort to yield curve control to keep longer-term interest rates from rising. That may be the turning point for the inflation that so many have warned about. We're not sure, but if it does happen, it will be a significant game-changer; be careful what you wish for.

Of course, we have no idea what will happen, but risks appear to be growing. However, over the short-to medium-term the massive fiscal stimulus programs and continued money printing should be positive for reflation-trade stocks and financial markets in general and provide a significant boost to GDP. However, those very same stocks will eventually start to suffer as it becomes apparent that today's stimulus makes tomorrow's economy weaker. It will once again become apparent that the economy isn't fixed after all, resulting in the Fed and the Treasury storming back with even more money printing and stimulus cheques respectively, which once again boosts short-term GDP and wins votes, but at even greater expense to the economy's future productive capacity.

Some believe that the Fed won't respond to the market's wrath like it did during the Taper Tantrum of 2013 or the stock market plummeting during the fourth quarter of 2018. They might not want to, but we believe that they will. The tail has been wagging the dog for far too long with the Fed duly responding in a Pavlovian-like manner to the slightest hint that markets are not happy. Embracing inflation is not the secret elixir to economic salvation, but a way to avoid raising interest rates, which would crash asset prices; asset prices that the Fed itself had driven higher in a vain attempt to provide a sustainable wealth effect that was supposed to fix the global economy. Of course, it's only by allowing interest rates to rise to a market determined level that the economy's scarce resources could be most optimally allocated, which in turn would lead to rising productivity growth. The only problem now is that because of decades of the Fed not allowing that to happen, doing so would cause a global financial crisis that would dwarf the one we experienced twelve years ago. The consequences of the Fed's short-term policy of keeping spending growing at any cost are already with us in terms of lower productivity growth, enormous debt levels and rising wealth disparity. However, as long as stock and housing markets continue to rise the Fed will think its policies justified. We expect this pattern to repeat itself until something breaks, but of course timing this is impossible, and it could continue for a number of years yet. On the other hand, things could unravel before the end of the year. No one knows. In the meantime, we will continue to carefully invest your hard-earned capital and capture as much as we can of this policymaker stoked bull market, while at the same time attempt to protect better than most when the consequences of distorting the price discovery mechanism inevitably come home to roost.

Mackenzie Ivy Canadian Fund

During the first quarter, markets continued their upward climb. The S&P/TSX Composite Index jumped 8.1%, the blended benchmark for Mackenzie Ivy Canadian increased by 6.5% in Canadian dollar terms and the blended benchmark for Mackenzie Ivy Canadian Balanced Fund returned 4.7%. In comparison, Mackenzie Ivy Canadian Fund outperformed its benchmark with a return of 7.2%, while Mackenzie Ivy Canadian Balanced Fund performed inline with the benchmark returning 4.3%.

While the upward trajectory of the market began a year ago, led by a recovery of equities most impacted in the downturn, the relative contributors have recently shifted in favour of higher quality companies. Although we cannot say whether this dynamic will persist or revert back in the near-term, the eventual transition of market leadership out of a market bottom from highly cyclical equities into higher quality is in line with the normal evolution of a market cycle and importantly, is more favourable to Ivy. To draw a finer point on how quality can shift from a near-term headwind to a tailwind for us, Ivy Canadian's outperformance over the course of the quarter was comprised of close to 300 bps of underperformance to mid-February, when lower quality equities were rallying, followed by 400 bps of outperformance thereafter. This shift coincided with the reversal of technology's outperformance and the improvement in performance of quality as a factor. While the drivers of near-term market trends ebb and flow, quality tends to outperform over the long-term.

Rising interest rates factored heavily into the market's psyche this quarter as well, as we saw the 10-year US Treasury yield quickly recover back to pre-pandemic levels. This was interpreted as a positive signal for economic growth, driving markets higher. Given our current bias toward defensive companies with strong recurring cash flows, we view rising rates as a tailwind to the performance of Ivy Canadian. While we don't have a view as to where interest rates will go in the near-term, we expect that central banks will do everything in their power to keep rates range bound for some time, given the significant threat rising rates pose to consumer demand and economic stability. If central banks lose control and market forces take over to push rates higher, we expect that our defensive positioning would prove quite valuable.

Mergers and acquisitions also featured prominently in the news this quarter, with Rogers' bid for Shaw, Canadian Pacific's bid for Kansas City Southern and Brookfield Asset Management's bid for Brookfield Property. Ivy Canadian was a net beneficiary of these bids, with gains from our ownership in Shaw and Brookfield Property partially offset by our holdings in Canadian Pacific and Brookfield Asset Management. We believe that each of these bids are supported by strong strategic merit, although considerable deal risk remains for CP and Shaw, which will both garner significant regulatory scrutiny.

As at the end of Q1, Canadian and global equity markets all stand at all-time highs, with the S&P 500 and MSCI World Index almost 20% above their pre-pandemic levels, while the TSX is up a more modest 4%. We believe that elevated valuations with the backdrop of heightened uncertainty and record debt levels pose a significant risk to the hard-earned dollars of investors and we remain cautiously positioned in high quality companies with defensive properties. Over the long term, we expect the steady growth and superior downside protection provided by quality compounders will generate superior outcomes for our investors.

Mackenzie Ivy Foreign Equity Fund and Mackenzie Ivy Global Balanced Fund

The Mackenzie Ivy Foreign Equity Fund returned 0.7% during Q1, trailing the MSCI World's return of 3.5% while Mackenzie Ivy Global Balanced Fund returned -0.2% against its blended benchmark return of 1.9%. Performance of the MSCI World was driven by strong gains in economically sensitive sectors such as energy, financials and industrials. This came on the back of continued progress with COVID-19 vaccines globally, news of another significant fiscal stimulus plan in the US, and confirmation from several large central banks that they will continue to implement very loose monetary policy for the foreseeable future.

Expectations for a robust economic recovery and news of another round of US fiscal stimulus led to rising inflation expectations and an increase in the US 10-year Treasury yield from 0.9% to 1.75% during the quarter, essentially inline with pre-pandemic levels. This put pressure on some more highly valued and speculative pockets of the market, including parts of the Technology sector.

Mackenzie Ivy Foreign Equity Fund's underperformance during the quarter was due to its conservative positioning – the fund has large overweight positions in the consumer staples sector, a 13% cash position and a small position in gold, all of which underperformed the broader market during the quarter. Our conservative positioning is a function of what we believe are generally unattractive valuation for more economically sensitive pockets of the market at the current time.

The primary equity contributors to performance in both funds during Q1 were Alphabet, Seven & I Holdings, and CK Hutchison Holdings.

Alphabet was a top contributor to our portfolio return during Q1/21. Most of the outperformance came following its Q4/20 earnings report. The numbers were exceptional with top-line growth of 23% year over year (YOY) and adjusted earnings before interest and taxes (EBIT) growth of 73% YOY. We do not expect such results to persist as the operating leverage Alphabet is currently experiencing will be offset by an increased pace in hiring as COVID-related uncertainty wanes. Nonetheless, we continue to believe Alphabet is a very strong company with attractive growth prospects over the medium to long-term

Seven & I Holdings' share price continued to show good recovery during Q1 after underperforming meaningfully during the second half of 2020. Recent share price strength has been driven by improved performance in Seven & I's Japanese convenience store (c-store) business and continued strong performance in the US c-store business. Seven & I continues to work towards completing its large acquisition of Speedway, which is expected to significantly bolster its presence in the US and lead to material operational synergies.

CK Hutchison Holdings' (CKHH) valuation also continued to recover in Q1 from depressed levels. CKHH closed the first tranche of the sale of its European telecom tower assets to Cellenex in late Q4 and early Q1, with the remaining tranches expected to close later in 2021. CKHH is selling these assets at a high valuation and expects to re-deploy the proceeds into other business growth opportunities, debt reduction and share repurchases. CKHH's business is also showing good recovery after being negatively impacted by COVID-related closures.

Key detractors for the quarter were Kao, Colgate and Costco.

Kao reported soft Q4 2020 results and offered weaker than expected 2021 guidance in January, as its cosmetics and professional hair care segments continue to be impacted by COVID-related movement restrictions. The remainder of Kao's segments are performing reasonably well, and we expect the segments that have been negatively impacted due to COVID to show improved performance over time.

There was no news in the quarter for Costco or Colgate that materially impacted our investment theses around quality or growth. Our investment in Colgate is supported by its high market shares in attractive categories, well-known brands, strong balance sheet and a corporate culture that is collective in nature and drives execution. Our investment is Costco is based on what we view as a unique low-cost business model supported by a corporate culture that emphasizes taking care of members and employees, with returns to shareholders an outcome of doing the preceding extraordinarily well.

We initiated small new positions in Halma late in Q4 2020, and Texas Instruments in the first quarter of this year.

Halma is a UK business that includes several operating companies involved with fire detectors, elevator door sensors, ophthalmic instruments and a variety of other products. Though they generally enjoy strong market positions and resilient demand, what Halma does is less important than how they do it. The company has struck a difficult balance between the entrepreneurialism of a decentralized structure and the benefits of centralized resources in areas such as talent development, cross-company collaboration and international expansion. Basically, Halma buys small companies for reasonable prices, largely leaves them alone, but encourages them to invest in themselves and provides the means for them to do so. The result of the consistent execution and fine tuning of this model has been an impressive track record of growth and profitability, and we believe the model can be sustained for several years into the future.

Texas Instruments (TI) is a diversified, integrated semiconductor manufacturer that is focused on the analog and embedded processing (EP) segments. The key end markets for TI, within analog and EP, are auto and industrial. Both of these end markets have seen a significant increase in the use of semiconductors over the last several years – this trend is expected to continue well into the future. TI has an excellent management team with a long track record of disciplined capital allocation and good strategic and operational execution. TI's competitive advantage lies in its superior scale, product breadth, and distribution reach and infrastructure – these have been developed over time through focused investment and astute M&A. These advantages are reinforced by TI's corporate culture, which shows clear evidence of long-term thinking, counter-cyclical investment, and discipline.

We exited our positions in Vestas Wind Systems and EOG Resources during Q1. We had been trimming Vestas for some time, and fully exited the position during the quarter for valuation reasons; we continue to view Vestas as a high-quality business. EOG was also sold for valuation reasons. The stock was initially purchased when oil prices were near their low point in 2020, and with oil prices recovering significantly in late 2020 and early 2021, we felt there were more compelling opportunities elsewhere.

Looking back at the past year, the fund has underperformed the benchmark by a wide margin, however this performance trend is in line with our expectations given the starting point (which is essentially the bottom of the market) and is consistent with the historical performance trend of the fund (and quality in general) when exiting a bear market. The fund remains conservatively positioned overall, but with a good balance of high-quality defensive names, businesses that have compelling long-term growth potential and stocks whose valuations are rather depressed but where we feel the long-term remains sound. We also hold some higher quality cyclical businesses whose valuations are relatively attractive, and who we believe can grow at attractive rates through economic cycles.

The consensus view is that ultra supportive monetary policy and much more supportive fiscal policy, combined with continued economic re-opening, will lead to a global economic boom that will in turn drive a strong persistent bull market. We are generally not comfortable making these types of bets; instead, we focus on trying to find high quality businesses with enduring competitive advantages that can grow at attractive rates over time. We try to own these businesses at reasonable valuations. Our aim is to hold a collection of these businesses, in varying proportions, such that the portfolio overall will deliver good absolute and relative returns over time, while producing a smoother path for clients. Our performance is bound to diverge from the benchmark throughout various intervals within the cycle, however over the long term we remain confident that this approach will serve our clients well.

Mackenzie Ivy European Class

European markets (MSCI Europe) had a strong quarter, up 8.5% in euro terms, but returns in Canadian dollars were muted at 2.7% due to the strength of the Canadian dollar. By comparison, Ivy European outperformed during the quarter returning 3.8%. Like the final quarter of 2020, the market was driven by more cyclical companies.

The share price of De'Longhi, a maker of coffee machines and other appliances, increased due to strong results and an attractive acquisition. While stay at home trends impacted results, market share gains also played a role. The company has an attractive culture with a long-term mindset, a willingness to invest in the business and a well-regarded CEO. Investment into advertising and promotion was at its highest level on record as a percentage of revenue. Despite high levels of investment into brand support and an acquisition, the company's balance sheet ended the year with only slightly less net cash than last year.

DCC appreciated significantly in the quarter. DCC is a sales and marketing company operating across several different end markets in the energy, technology and health care industries. We are attracted to the company's diverse end market exposure and unique corporate culture grounded in operating efficiency, capital discipline, patience and entrepreneurialism. These characteristics were born out of its founding as a private equity entity several decades ago. DCC's portfolio of businesses have been resilient over the last year with the company also making several acquisitions. However, the share price has not tracked the business fundamentals with the stock coming under pressure for various reasons. There are concerns of declining volumes in the company's fuel station business. Although it's likely volumes will decline as vehicle propulsion moves from combustion to electric, we believe the company has the capabilities and business model to evolve as these challenges surface. We added to our holding in the quarter and continue to believe DCC is an attractive investment.

Heineken's shares declined in the quarter after a strong rebound in the final quarter of 2020. Heineken's business should benefit as economies re-open and populations are vaccinated. The stock has not reacted in line with other companies we hold with similar exposure to re-opening. Part of this is explained by geography and Europe struggling more than the US with the pandemic and vaccination. Another contributor was the company's outlook, presented at an investor event after reporting its fourth quarter results. The view on profitability was below what many expected, driven by a combination of factors revolving around business fundamentals such as volume returns set against a high fixed cost base and currency volatility. Politics may have also played a role. Heineken is a large employer in several European markets, mainly the Netherlands. The government is interested in how Heineken manages its labour force. As a result, there was some ambiguity in the company's outlook and messaging on profitability. We expect that over time Heineken will find ways to make the necessary changes to its business to remain competitive; we continue to own shares and added to our position earlier this year.

SAP is an enterprise resource planning (ERP) software company which is embarking on a cloud transition already made by several other software companies. A consequence of the transition is that the company changed its financial outlook after Q3 results which saw the share price decline thereafter. ERP's transition to the cloud was previously uncertain, with the transition expected to take a long time given the mission critical nature of the product and customer's unwillingness to move ERP to the cloud. The pandemic has arguably changed this view causing some companies to rethink their positions and move their software to the cloud more quickly. Under new management and under pressure from customers, SAP accelerated investment into this transition pulling forward development that might otherwise have taken up to a decade. There are competitive concerns and execution risks around this shift. Although this largely happened last quarter, the company continues to communicate more details. We expect the shares to remain somewhat volatile until the plan gains traction. During the quarter we added to our position.

We sold Fuchs Petrolub on valuation. Vestas was also removed for valuation reasons.

Mackenzie Ivy International Fund

The Mackenzie Ivy International Fund returned 3.3% during the quarter, ahead of the MSCI EAFE's return of 2.1%, as contributions from select stocks more than offset the negative impact of the fund's underweight position in strongly performing economically sensitive sectors such as financials and resources. Over the past year, the fund has delivered a return of 34%, outperforming the benchmark's return of 29%. The fund's performance benefited from an opportunistic re-positioning coming out of the market trough in March 2020, as we saw good opportunities in high-quality cyclical stocks. However, valuations for several of these businesses have become expensive once again, as expectations for a strong and persistent economic recovery have been more than adequately priced in. As a result, the fund is currently more conservatively positioned with an overweight position in less economically sensitive sectors, and a cash weight of approximately 8%.

Key contributors to fund performance during Q1 were Seven & I Holdings, DCC, Spectris, and CK Hutchison Holdings (CKHH).

Seven & I Holdings' share price continued to show good recovery during Q1 after underperforming meaningfully during the second half of 2020. Recent share price strength has been driven by improved performance in Seven & I's Japanese convenience store (c-store) business and continued strong performance in the US c-store business. Seven & I continues to work towards completing its large acquisition of Speedway, which is expected to significantly bolster its presence in the US and lead to material operational synergies.

DCC is a sales and marketing company operating across several different end markets in the energy, technology and health care industries. We are attracted to the company's diverse end market exposure and unique corporate culture grounded in operating efficiency, capital discipline, patience and entrepreneurialism. These characteristics were born out of its founding as a private equity entity several decades ago. DCC's portfolio of businesses have been resilient over the last year with the company also making several acquisitions. However, the share price has not tracked the business fundamentals with the shares coming under pressure for various reasons. There are concerns of declining volumes in the company's fuel station business. Although it's likely volumes will decline as vehicle propulsion moves from combustion to electric, we believe the company has the capabilities and business model to evolve as these challenges surface. We added to shares in the quarter and continue to believe DCC is an attractive investment.

CK Hutchison Holdings' (CKHH) valuation also continued to recover in Q1 from depressed levels. CKHH closed the first tranche of the sale of its European telecom tower assets to Cellenex in late Q4 and early Q1, with the remaining tranches expected to close later in 2021. CKHH is selling these assets at a high valuation and expects to re-deploy the proceeds into other business growth opportunities, debt reduction, and share repurchases. CKHH's business is also showing good recovery after being negatively impacted by COVID-related closures.

Primary detractors of fund performance during the quarter were Kao, Burford and Heineken.

Kao reported soft Q4 2020 results and offered weaker than expected 2021 guidance in January, as its cosmetics and professional hair care segments continue to be impacted by COVID-related movement restrictions. The remainder of Kao's segments are performing reasonably well, and we expect the segments that have been negatively impacted due to COVID to show improved performance over time.

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We re-initiated a position in LG Household and Healthcare (LG H&H) during the quarter, after selling our position in mid-2020. LG H&H is a Korean diversified consumer products company, operating in the cosmetics, beverage, personal and household products segments. The business offers a good combination of growth (primarily from the cosmetics business) and stability (through the other segments). Management is strong and utilizes a long-term approach to managing the business. LG H&H has significant exposure to Chinese consumption patterns through its cosmetics business, but we are comfortable with this given the balance in LG H&H's portfolio. The stock had underperformed leading up to our purchase as investors sought out more cyclical investments.

We exited our positions in Vestas Wind Systems and Fuchs Petrolub during the quarter, both due to valuation reasons.

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As of March 31, 2021 (Annual compounded rate of return)	1 year	3 year	5 year	10 year	15 year	20 year	Since Inception	Inception Date
Mackenzie Ivy Canadian Fund	27.5	5.4	5.2	7.4	5.1	5.5	6.0	Dec-99
60% S&P/TSX Composite TR Index, 30% S&P 500 TR Index, 10% MSCI EAFE TR Index (net-CAD)	41.2	11.4	11.6	9.5	7.4	7.2	6.5	
Mackenzie Ivy Canadian Balanced Fund	23.6	5.5	5.3	6.7	5.0	5.4	5.9	Dec-99
75% S&P/TSX Composite TR Index & 25% FTSE TMX Canada Universe Bond Index	32.4	8.8	8.4	5.6	5.8	7.0	9.0	
Mackenzie Ivy European Class	37.2	7.8	5.7	8.1	6.7	-	7.2	May-03
MSCI Europe TR Index (net-CAD)	28.0	4.8	7.6	7.8	4.6	-	6.7	
Mackenzie Ivy Foreign Equity Fund	21.9	9.2	6.6	10.3	7.5	6.7	6.8	Dec-99
MSCI World TR Index (net-CAD)	36.0	11.9	12.7	12.7	7.8	5.8	4.8	
Mackenzie Ivy Global Balanced Fund	22.2	8.0	7.0	9.5	7.1	6.6	5.2	Dec-99
75% MSCI World TR Index (net-CAD) & 25% BofAML Global Broad Market Index (Hedged to CAD)	27.4	10	10.2	10.7	7.0	5.7	5.0	
Mackenzie Ivy International Fund*	32.6	7.9	7.3	7.0	4.6	3.8	7.6[1]	Dec-99
MSCI EAFE TR Index (net-CAD)	27.7	5.1	8.2	8.3	4.6	4.3	8.6[1]	
Mackenzie Ivy Global Equity ETF	25.9	9.7	-	-	-	-	9.4	Nov-17
MSCI World TR Index (net-CAD)	36.0	14.0	-	-	-	-	11.4	

All mutual fund returns refer to Series F.
*Mackenzie Ivy Team assumed management of the Fund on June 21, 2016.

Mackenzie Ivy Canadian Balanced Fund
On May 1, 2013, there was a change of strategies such that the investment style of the fixed-income portion of the Fund changed from a passive and conservative approach to a value investment style.

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 April 9, 2010, there was a change to the investment strategies so that the Fund may invest in derivatives for hedging and non-hedging purposes.

Mackenzie Ivy Global Balanced Fund
On May 15, 2001, the Fund changed its mandate from pursuing long-term capital growth consistent with preservation of capital by investing primarily in large-cap stocks, securities carrying above-average investment ratings, government guaranteed securities, cash equivalents or gold-driven instruments, to pursuing long-term capital growth by balancing current income and capital appreciation. It now invests primarily in stocks of companies that operate globally and in bonds of governments and corporations around the world. The portfolio managers have the flexibility to hold any proportion of stocks and fixed income securities they feel is appropriate, however the portfolio is generally balanced. The Fund's former strategies also sought to concentrate investment in six particular market regions. The past performance before this date was achieved under the previous objectives and strategies.

On May 1, 2013, there was a change of strategies such that the investment style of the fixed-income portion of the Fund changed from a passive and conservative approach to a value investment style.

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

Portfolio managers

Paul Musson, MBA, CFA

Senior Vice President,
Portfolio Manager,
Head of Team

Investment experience since 1992

Led by Paul Musson, the Mackenzie Ivy Team adheres to a long-term growth philosophy. Their expertise in equities and investment management expands globally across Canada, the U.S., Asia and Europe.

Matt Moody, MBA, CFA

Vice President,
Portfolio Manager

Investment experience since 1999

Hussein Sunderji, MBA, CFA

Vice President,
Portfolio Manager

Investment experience since 2007

Graham Meagher, CFA

Vice President,
Portfolio Manager

Investment experience since 1999

James Morrison, MBA, CFA

Vice President,
Portfolio Manager

Investment experience since 2005

Adam Gofton, CFA

Vice President,
Portfolio Manager

Investment experience since 2007

Jason Miller, MBA, CFA

Associate Portfolio Manager

Investment experience since 2008

Investment analysts

Zain Shafiq, MBA

Director,
Investment Research

Investment experience since 2008

Colin Cameron

Investment Analyst

Investment experience since 2020

Yining Zhang

Investment Analyst

Investment experience since 2016

Investment director

Dagmar Pagel, MBA

Associate Vice President
Investment Director, Equities

Investment experience since 1996

Advisors

+

Investors

+

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That's **better** together

General Inquiries

For all of your general inquiries and account information please call:

English: 1-800-387-0614
Bilingual: 1-800-387-0615
Montreal: 1-800-363-4357
Fax: 1-866-766-6623
E-mail: service@mackenzieinvestments.com
Web: mackenzieinvestments.com

Find fund and account information online, visit mackenzieinvestments.com

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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 U.S. 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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