

Quarterly performance report – June 30, 2018

Mackenzie Private US Equity Pool



MACKENZIE
Investments

CONFIDENCE
IN A CHANGING WORLD



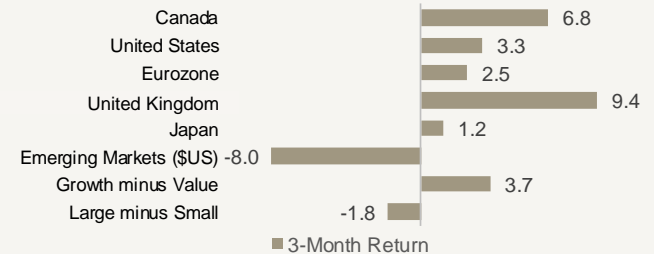
Market Overview

- Canadian Equity:** The Canadian equity market was one of the best performing major equity markets, with the S&P/TSX Composite Index ending 6.8% higher in the quarter. Buoyed by rising oil prices, Energy was the top performing sector, returning 15.8%. Health Care (+14.3%) was a close second, followed by Information Technology (+9.4%). Conversely, Utilities (-0.4%) was the only negative performing sector, likely held back by rising interest rates, while Telecom (+1.9%) and Financials (+2.1%) lagged performance.
- U.S. Equity:** The S&P 500 Index returned 3.4% in USD, and 5.5% in CAD over the quarter. In USD terms, Energy (13.5%) was the top performing sector, followed by Consumer Discretionary (8.2%) and Information Technology (7.1%). Conversely, Industrials (-3.2%), Financials (-3.2%) and Consumer Staples (-1.5%) sectors led the decliners. It is of interest to note that the S&P 500 has advanced in 31 of 37 quarters and has returned a total of 314% since the low of March 9, 2009, which is the second longest bull run since 1928.
- International Equity:** The MSCI EAFE Index returned 3.5% in local currency terms and 0.8% in CAD. In local currency terms, U.K. (9.4%), Australia (9.2%) and France (4.9%) were among the best performing markets, while Italy (-2.4%) and Hong Kong (-1.2%) were among the decliners. Emerging markets equity was the worst performing equity asset class, falling 6.1% in CAD. Significant detractors to returns included Brazil (-24.9%), South Korea (-7.3%) and Russia (-4.1%).
- Fixed Income:** Yield curves flattened slightly in Canada and the U.S. with short-term yields rising more than long-term yields. Canadian bonds advanced modestly for the quarter, returning 0.5%. Meanwhile, Canadian inflation-linked bonds (+2.0%) were one of the best performing fixed income asset classes, followed by high yield bonds (+1.0%) in local currency terms. Global investment grade bonds were flat.
- Currencies:** The best performing currency during the quarter was the U.S. dollar, which appreciated 1.8% against the Canadian dollar. Solid U.S. growth data combined with an expansionary fiscal policy, coupled with growth concerns in Europe and emerging markets, have helped push the dollar higher. Against the remaining G5 currencies (EUR, GBP, JPY), the Canadian dollar was a strong performer, appreciating 3.6%, 4.2% and 2.3% respectively.

Market Performance

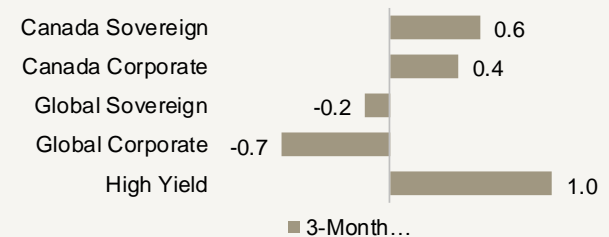
Equity Returns

(in local currency unless indicated)



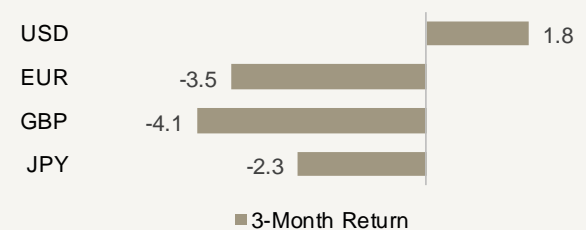
Fixed Income Returns

(in local currency)



Currency Spot Returns

(against Canadian dollars)

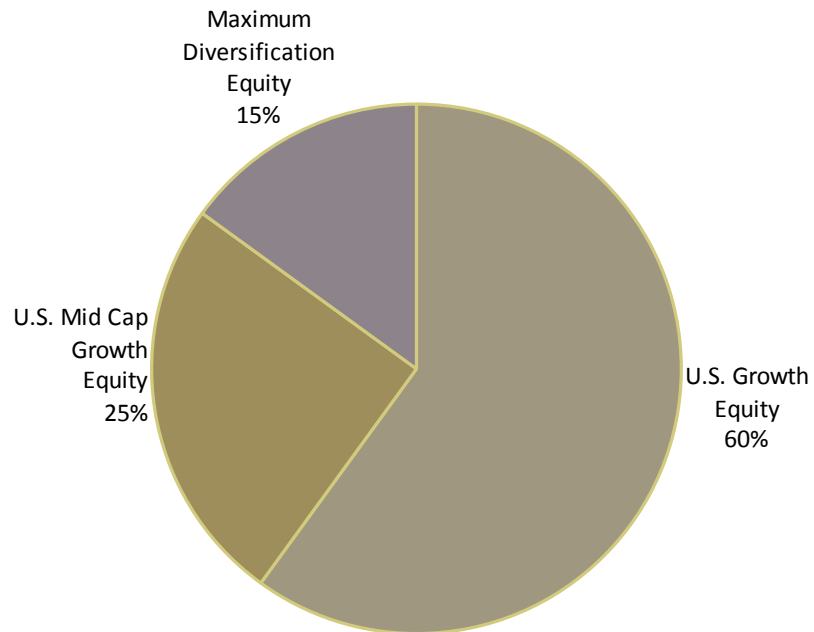


Source: Mackenzie Investments, portfolio as of June 30, 2018

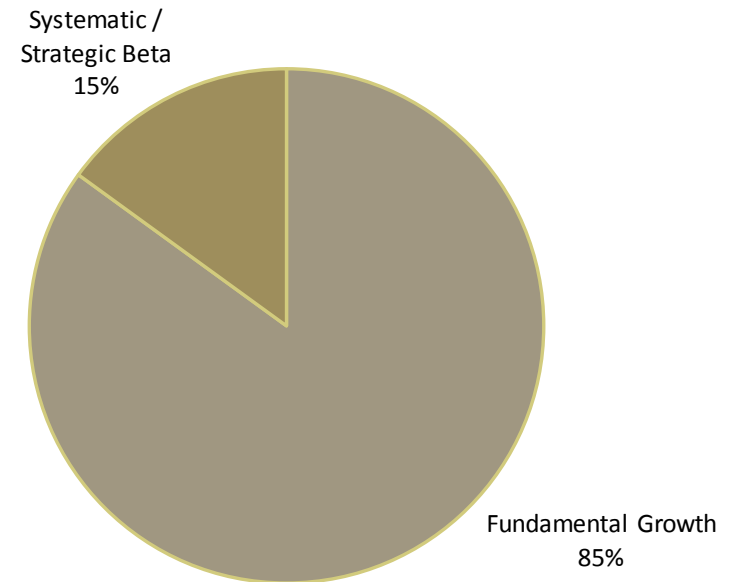


Mackenzie Private US Equity Pool

Allocation by Strategy



Allocation by Style



*Percentages are listed as target weights



Mackenzie Private US Equity Pool

Strategy	Manager	Investment Philosophy
U.S. Growth Equity	Bluewater Team David Arpin, Dina DeGeer	The Mackenzie Bluewater team seeks conservative growth businesses that generate and sustainably grow free cash flow. The team selects stable businesses that are leaders in their respective niches and have strong economic franchises, strong balance sheets, and superior management teams with a record of intelligent capital allocation. The Team analyzes macroeconomics to identify structural risks and avoids highly exposed geographies/industries/companies.
U.S. Mid Cap Growth Equity	Growth Team Phil Taller	The Mackenzie Growth Team aims to deliver superior performance over a full market cycle by investing in a portfolio of innovative, US mid cap businesses growing faster than the economy, fuelled by secular drivers, and at prices that do not fully reflect their growth prospects. The Team believes that value creation is the result of innovation in the pursuit of delivering better, faster, and cheaper products and services to customers.
High Diversification Equity	TOBAM	TOBAM's patented systematic approach aims to maximize diversification by assembling the single portfolio of stocks with the lowest possible correlations to each other. This seeks to provide an investor with equity market beta, but with less volatility than other strategies due to the model's equally balanced exposure to all risk factors that are relevant in each market.



Performance

Pool	3 month	1 Year	2 Year	Since Inception*	Inception Date
Mackenzie Private US Equity Pool – PW	5.8%	15.4%	14.7%	7.9%	Dec. 14, 2015
Mackenzie Private US Equity Pool – PWF	6.1%	16.7%	16.3%	9.4%	Dec. 14, 2015
Mackenzie Private US Equity Pool Class – PW	5.7%	15.4%	14.6%	7.8%	Dec. 14, 2015
Mackenzie Private US Equity Pool Class – PWF	6.0%	10.4%	16.3%	9.4%	Dec. 14, 2015
S&P 500	5.6%	16.0%	17.2%	12.7%	n/a

Underlying Fund**	3 month	1 Year	2 Year	Since Inclusion*	Inclusion Date
Mackenzie US Growth Series R	6.0%	19.1%	19.4%	11.0%	Dec. 14, 2015
S&P 500	5.6%	16.0%	17.2%	12.7%	
Mackenzie US Mid Cap Growth Series R	10.0%	n/a	n/a	6.4%	May. 14, 2018
Russell 2500	7.9%	n/a	n/a	4.7%	
Mackenzie US Low Volatility Series R	2.2%	8.0%	7.1%	5.9%	Dec. 14, 2015
S&P 500	5.6%	16.0%	17.2%	12.7%	

Source: Mackenzie Investments, portfolio as of June 30, 2018

Notes

* Benchmark “since inception/inclusion” returns are based on the comparative fund(s) since inception/inclusion period.

** Returns are gross of fees.

*** Effective July 6, 2018, the Mackenzie US Low Volatility Fund will be merged into the Mackenzie High Diversification US Equity Fund.



Portfolio Commentary

The Pool returned 6.1% in Q2 (Series PWF, Trust version), 50bps ahead of the Pool's benchmark (S&P 500) return of 5.6% in Canadian dollar terms. Over the past one-year period, the Pool has outperformed the S&P 500 by 70bps, with a return of 16.7%.

Until mid-May 2018, the Mackenzie Private US Equity Pool had been composed of two components: a Growth equity allocation managed by Mackenzie's Bluewater team and a smaller Low Vol equity allocation managed by Putnam Investments of Boston. Bluewater's Growth sleeve has done quite well for the Pool over the past two years, after a slow start in early 2016. In contrast, the Low Vol sleeve has been a drag on performance. Against a very strong U.S. equity market, a conservative Low Vol approach that deliberately allocates away from fast-growing stocks, while perhaps attractive in theory, has been damaging to performance in practice.

In mid-May, to enhance the Pool's allocation, we added Phil Taller's highly successful US Mid-Cap Growth strategy. It has performed very well since its addition to the Pool, beating its benchmark (Russell 2500) by 140 bps.

In July, the Multi-Asset Strategies Team will be further enhancing the Pool's allocations by replacing Putnam's Low Vol sleeve with a complimentary, but much more diversified approach, run by our Paris-based partner TOBAM. TOBAM's approach is entirely systematic and is highly diversified by style and risk factor. Therefore, it provides a nice balance to the other growth-focused sleeves in the Pool, but its success is not dependent on any single style doing well (such as Low Vol).

US Growth – Bluewater Team – David Arpin, Dina DeGeer (60% of Pool assets)**

- For the quarter, this mandate returned 6.0%*, outperforming its benchmark by 40bps.
- Fund performance benefited primarily from stock selection, particularly within the Health Care and Financials sectors. At the security level, Baxter International Inc., EOG Resources Inc., and SVB Financial Group were top contributors to performance.
- Detracting from performance was stock selection in the Consumer Discretionary sector.



Portfolio Commentary Cont'd

US Mid Cap Growth – Growth Team – Phil Taller (25%** of Pool assets)

- Since its inclusion on May 15, 2018, this mandate returned 6.4%*, outperforming its benchmark by 170bps.
- The portfolio primarily benefitted from stock selection within the Health Care and Industrials sectors. At the security level, top contributors included Syneos Health Inc., Cotiviti Holdings Inc., and DexCom Inc.
- At the sector level, an underweight to the Real Estate sector and stock selection in Financials detracted from relative performance.

US Low Vol – Putnam (15%** of Pool assets prior to Pool enhancements)

- For the quarter, this mandate returned 2.2%*, underperforming its benchmark by 340bps.
- Underperformance was driven primarily by the mandate's use of derivative instruments to reduce overall volatility with a focus on mitigating downside risk. Specifically, the mandate's put options on the S&P 500 dragged on performance as the index increased in value.

Notes

* Returns are gross of fees.

** Weights are target weights currently being employed and are subject to change without notice. The TOBAM mandate, replacing US Low Vol, will have a target weight of 15%.



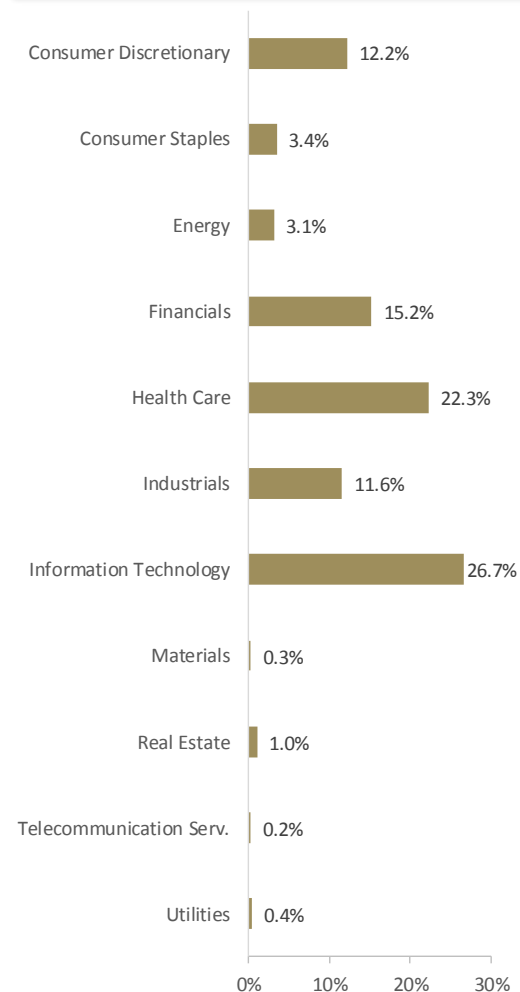
Portfolio Statistics

Top 20 Holdings

Holding Name	Strategy	Weight
Baxter International Inc.	U.S. Growth	3.3%
Accenture PLC Class A	U.S. Growth	3.2%
Visa Inc. Class A	U.S. Growth	3.2%
Becton Dickinson and Co.	U.S. Growth	3.1%
Aon PLC	U.S. Growth	3.1%
Zoetis Inc.	U.S. Growth	3.0%
Booking Holdings Inc.	U.S. Growth	2.9%
Verisk Analytics Inc.	Multi-Manager*	2.9%
Alphabet Inc. Class A	U.S. Growth	2.9%
S&P Global Inc.	U.S. Growth	2.8%
Fiserv Inc.	U.S. Growth	2.7%
Amphenol Corp. Class A	U.S. Growth	2.6%
EOG Resources Inc.	U.S. Growth	2.3%
The Home Depot Inc.	U.S. Growth	2.3%
Starbucks Corp.	U.S. Growth	2.1%
Koninklijke Philips NV	U.S. Growth	2.0%
Stryker Corp.	U.S. Growth	2.0%
Signature Bank	Multi-Manager*	1.7%
Heineken NV	U.S. Growth	1.7%
Intuit Inc.	U.S. Growth	1.6%

*Multi-Manager – position is held by more than one strategy

Regions



Source: Mackenzie Investments, portfolio as of June 30, 2018



Disclaimer

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 June 30, 2018 including changes in unit value reinvestment of all distributions and do and 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.

To the extent the Fund uses any currency hedges, share performance is referenced to the applicable foreign country terms and such hedges will provide the Fund with returns approximating the returns an investor in a foreign country would earn in their local currency.

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