



One-month Attribution and Weight

Top Sector Contributors	% Contrib.	% Wgt
Consumer Staples	0.2	7.0
Utilities	0.2	1.1
Industrials	0.1	6.3
Top Sector Detractors		
Financials	-0.2	15.7
Consumer Discretionary	-0.2	3.4
Communication Services	-0.1	3.1
Top Security Contributors		
Alimentation Couche-Tard Inc.	0.2	2.0
Canadian National Railway Company	0.1	2.2
Brookfield Asset Management Inc.	0.1	2.3
Top Security Detractors		
Bank of America Corp.	-0.1	3.5
Celestica Inc.	-0.1	1.4
Empire Co. Ltd.	-0.1	1.4
FX Attribution		
0.28%		
Cash Position		
2.1%		
Major currency exposures		
	% Gross	% Net
CAD	63.3	84.0
USD	30.8	13.8

Key Takeaways

- Although the Fund lagged its benchmark and peers in March returning 0.7%, it remains ahead YTD beating 70% of peers.
- For March, security selection in financials, consumer discretionary and communication services detracted from performance. This was offset by our holdings in the consumer staples, utilities and industrials sectors.
- The Bank of Canada left its interest rates unchanged at its March meeting and indicated it will continue to be data-dependent over the next few months. The Federal Reserve also left interest rates unchanged and some market participants now believe both central banks may not raise them again this year.

Performance Results (%)

	1 mo	YTD	1 yr	3 yr	5 yr	10 yr
Mackenzie Cundill Canadian Balanced Fund F	0.7	9.4	1.4	7.2	2.6	8.9
Blended Benchmark*	1.5	9.8	7.2	6.9	4.9	7.7
Morningstar Canadian Equity Balanced Peer Group	1.2	8.5	3.9	5.9	4.3	7.6
% of Peers Beaten	19	70	18	80	14	83

*62.5% S&PTX Composite TR + 37.5% FTSE TMX Canada Bond Universe

Fund and Market Insights

- The Fund returned 0.7% in March, underperforming its blended benchmark return of 1.5%.
- Security selection in financials, consumer discretionary and communication services detracted from performance. This was offset by our holdings in the consumer staples, utilities and industrials sectors.
- One of our detractors for March was **Celestica Inc.** Celestica shares have been volatile since they reported a weak Q4 with poor margins and cash flow. We continue to own shares due to extremely low valuation. We believe their cash flow could improve towards the back half of 2019, as some working capital usage could be reversed. In addition, we should see a better operating environment that should improve their operating margins later this year. Management has authorized a share buyback program and expect to be active in 2019.
- The Bank of Canada left its interest rates unchanged at its March meeting and indicated it will continue to be data-dependent over the next few months. The Federal Reserve also left interest rates unchanged and some market participants now believe both central banks may not raise them again this year. The Fed also indicated it would slow the pace of runoff of its \$4 trillion asset portfolio and eventually end the runoff of its Treasury holdings at the end of September as a response to the challenges facing the US economy.
- Both the US and Canadian yield curves inverted briefly in late March, after disappointing manufacturing data in the US and Germany lent further credence to concerns about the slowing global economy and Canada reported a decline in retail sales and weak inflation numbers. Inverted yield curves have typically preceded recessions by one or two years, but they aren't necessarily a recession indicator. Instead, the yield curve inverts when markets expect the Fed to cut rather than raise rates.
- The portfolio managers continue to focus on increasing the Fund's overall credit quality without sacrificing yield by reducing exposure to relatively less liquid positions while adding to higher quality names.

Fund Codes and Management Fees

Series	CAD				Management Fee	Management Expense Ratio
	Front-End	Back-End	Low Load 2	Low Load 3		
A	740	840	7052	3177	1.85 %	2.28 %
F	58	---	---	---	0.70 %*	0.93 %**
PW	6093	---	---	---	1.70 %*	2.04 %**

MERs as of September 30, 2017.

*Effective June 1, 2018 the management fee on Series F changed from 0.85% to 0.70%. The management fee on Series PW changed from 1.80% to 1.70%. **Pro forma estimate.

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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.

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Percentile rankings are from Morningstar Research Inc., an independent research firm, based on the Morningstar Canadian Equity Balanced category, and reflect the performance of the Mackenzie Cundill Canadian Balanced Fund for the 1-, 3-, 5- and 10-year periods as of March 31, 2019. The percentile rankings compare how a fund has performed relative to other funds in a particular category and are subject to change monthly. The number of Canadian Equity Balanced funds for the Mackenzie Cundill Canadian Balanced Fund for each period are as follows: one year – 487; three year – 377; five year – 294; ten year – 157.

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