



**Attribution and Weight**

Top Sector Detractors	% Contrib.	% Wgt
Communication Services	-2.2	15.6
Financials	-2.0	19.6
Energy	-1.5	11.6
Top Security Contributors		
Novartis AG	0.1	1.9
Hitachi,Ltd.	0.1	1.9
Top Security Detractors		
Baidu, Inc. Sponsored ADR Class A	-0.9	2.4
Bank of America Corp	-0.6	5.1
DaVita Inc.	-0.6	2.8
FX Attribution		
0.90%		
Cash Position		
2.59%		
Major currency exposures	% Gross	% Net
USD	61.4	54.7
GBP	2.4	2.4
JPY	9.7	9.7

**Key Takeaways**

- The Fund underperformed its benchmark and peers in May. Stock selection in the Communication Services, Financials and Energy sectors were the main detractors.
- Global stock markets were volatile as talks broke down between China and the US and Trump threatened steep tariffs on all Mexican goods/services into the US.
- Our largest security detractor for the period was **Baidu, Inc.**, a Chinese multinational technology company specializing in Internet-related services and products and artificial intelligence.

**Performance Results (%)**

	1 mo	YTD	1 yr	3 yr	5 yr	10 yr
<b>Mackenzie Cundill Value Fund F</b>	<b>-9.4</b>	<b>3.1</b>	<b>-14.4</b>	<b>2.3</b>	<b>0.4</b>	<b>6.1</b>
MSCI World Index NR	-5.3	8.6	3.9	10.2	10.4	12.3
Morningstar Global Equity Category	-4.5	8.6	1.6	7.7	7.6	9.9
% of Peers Beaten	1	6	1	1	2	4

**Fund and Market Insights**

- The Fund underperformed its benchmark and category peers in May. Stock selection in the Communication Services, Financials and Energy sectors were the main detractors.
- May was a month filled with poor sentiment as worries increased over what impact the tariffs imposed by Trump on China and new threats on Mexico could do to global GDP growth rates. With worries mounting throughout the month, stocks got trampled, value more so than growth and money went into so-called safety stocks or the 'bond proxies' like consumer staples (think Pepsi, Johnson & Johnson) and utilities, which the team does NOT own due to their rich valuations. These types of stocks do well when there is fear in the markets which there was in May.
- The PMs believe that given past cycles, reversion does happen with style and they have each been managing portfolios for about 20 years, so they have been through style regime changes before. They are sticking to their value style. The Fund is trading at substantial discount to the benchmark MSCI World. As of April 30, 2019, the gap on Price to Book value for the fund vs the MSCI World index is 46% with the fund at 1.3x P/B vs 2.4x for the MSCI World index. Valuations of defensive stocks like consumer staples and utilities are at 19.3x P/E and 18.7x respectively compared to 9.1x P/E for Cundill Value's bank stocks which the PMs believe are substantially undervalued.
- Our largest detractor for the period was **Baidu, Inc.** which was once a top performer for the Cundill Value Fund, but with worries about US-China trade depressing sentiment towards the China technology sector, and a Q1 earnings miss, Baidu shares sold off and detracted from performance in May. Baidu's earnings miss in the quarter stemmed primarily from the company sacrificing near-term growth to migrate healthcare advertisers to a more user-friendly platform and investing more in the core business to fend off competition. We believe these are temporary factors that impact the short-term results but strengthen the business over the long term and we expect Baidu to recover.

## Fund Codes and Management Fees

### Mutual Fund Trust

Series	CAD				Management Fee	MER
	Front-End	Back-End	Low Load 2	Low Load 3		
A	736	836	7043	3180	2.00 %	2.50 %
F	68	---	---	---	0.80 %*	1.05 %**
PW	6099	---	---	---	1.80 %*	2.15 %**

### Corporate Class

Series	CAD				Management Fee	MER
	Front-End	Back-End	Low Load 2	Low Load 3		
A	1024	1174	7071	3175	2.00 %	2.53 %
F	1334	---	---	---	0.80 %*	1.05 %**
PW	6001	---	---	---	1.80 %*	2.16 %**

MERs as of September 30, 2017.

\*Effective June 1, 2018, the management fee on Series PW changed from 1.90% to 1.80%, and Series F changed from 1.00% to 0.80%. \*\*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 Global Equity category, and reflect the performance of the Mackenzie Cundill Value Fund for the 1-, 3-, 5- and 10-year periods as of May 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 Global Equity funds for the Mackenzie Cundill Value Fund for each period are as follows: one year – 1,596; three year – 1,065; five year – 753; 10 year – 410.

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