Mackenzie Ivy Global Equity ETF

MACKENZIE Investments

MIVG Monthly Commentary **As of:** May 31, 2019

One-month Attribution and Weight

Top Sector Contributors	% Contrib.	% Avg Wgt.
Materials	0.12	5.5
Top Sector Detractors		
Industrials	-0.96	14.1
Consumer Staples	-0.66	31.4
Top Security Contributors		
Amcor Ltd	0.12	5.5
Henry Schein, Inc.	0.06	4.5
PepsiCo, Inc.	0.05	5.5
Top Security Detractors		
Henkel AG & Co. KGaA	-0.45	4.9
United Parcel Service, Inc.	-0.36	3.2
H&M Hennes & Mauritz	-0.35	2.9
FX Attribution		
+0.63%		
Cash Position		
2.3%		
Major Currency Exposures		
USD		58.6%
EUR		8.9%
AUD		8.5%

Key Takeaways

- All sectors in the MSCI World Index had negative returns for the month of May, except for Real Estate. Information Technology was the worst performing sector.
- The impact of sector allocation on the portfolio's relative return was positive for the month, resulting in outperformance. The impact of stock selection was muted.
- Market effects and portfolio activity resulted in decreased exposure to Information Technology, whereas market effects resulted in increased exposure to Materials.

Performance Results

	1 mo	YTD	1 yr	Since inception*
Mackenzie Ivy Global Equity ETF	**-3.8%**	**5.1%**	**9.6%**	**7.0%**
MSCI World Index Net Return (CAD)	-5.3%	8.6%	3.9%	6.1%

*Inception date: November 22, 2017

Fund and Market Insights

- The Fund outperformed the benchmark. An overweight exposure to Consumer Staples and stock selection in Materials contributed to relative performance.
- On the other hand, stock selection in Health Care and Consumer Discretionary detracted from relative performance.
- **Amcor** continues to make progress towards finalizing its proposed acquisition of Bemis. The share price had declined following the announcement of the all-stock acquisition in August 2018, however it has now fully recovered due to steady business performance and the market's greater confidence that a deal will be completed. The acquisition is expected to provide Amcor with a broader flexible packaging footprint, and should result in material cost synergies and expanded revenue opportunities.
- **UPS** is proactively trying to improve revenue quality through putting volume onto the network that benefits from their integrated network and therefore has more attractive economics. E-commerce is growing 15% range and we've never assumed UPS's total volume growth would exceed 3% under the assumption that not all volume is good volume but we will continue to make sure that good volume isn't getting pulled out of the market at a disproportionate rate by Amazon or others. We currently don't believe this is the case. It is admittedly tough to see how UPS shares re-rate from the current historically low discount to the market with so much uncertainty around competitive dynamics, the pay-off from network investments, and geo-political risk in the near-term but the long-term outlook remains positive in our opinion.

Disclaimers

This document includes forward-looking information that is based on forecasts of future events as of May 31, 2019. Mackenzie Financial Corporation will not necessarily update the information to reflect changes after that date. Forward-looking statements are not guarantees of future performance and risks and uncertainties often cause actual results to differ materially from forward-looking information or expectations. Some of these risks are changes to or volatility in the economy, politics, securities markets, interest rates, currency exchange rates, business competition, capital markets, technology, laws, or when catastrophic events occur. Do not place undue reliance on forward-looking information. In addition, any statement about companies is not an endorsement or recommendation to buy or sell any security.

The content of this commentary (including facts, views, opinions, recommendations, descriptions of or references to, products or securities) is not to be used or construed as investment advice, as an offer to sell or the solicitation of an offer to buy, or an endorsement, recommendation or sponsorship of any entity or security cited. Although we endeavour to ensure its accuracy and completeness, we assume no responsibility for any reliance upon it.

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.