

# Symmetry Portfolios

Monthly Commentary

June 30, 2019

## About Symmetry

**Symmetry is a Managed Solution that provides investors with a suite of globally diversified, multi-manager, multi-asset portfolios with industry-leading portfolio construction and risk management.**

## Portfolio Performance - Series F<sup>1</sup>

	<u>1 Month</u>	<u>3 Month</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>SI<sup>1</sup></u>	<u>Std Dev (3Y)</u>
Symmetry Fixed Income Portfolio	1.0	2.3	6.3	6.7	2.9	3.4	4.3	3.9	2.9
Symmetry Conservative Income Portfolio	1.3	1.6	6.5	4.1	4.1	4.1	-	4.6	3.3
Symmetry Conservative Portfolio	1.4	1.6	6.9	3.8	4.6	4.4	6.2	7.3	3.8
Symmetry Balanced Portfolio	1.7	1.7	8.4	3.9	5.8	4.9	7.0	7.5	4.9
Symmetry Moderate Growth Portfolio	2.0	1.5	8.2	3.1	6.2	5.0	7.6	7.9	5.6
Symmetry Growth Portfolio	2.4	1.4	9.3	1.9	7.0	5.3	8.3	8.4	7.1
Symmetry Equity Portfolio Class	2.8	0.7	9.9	2.1	8.0	5.8	9.1	4.9	8.9

## Commentary

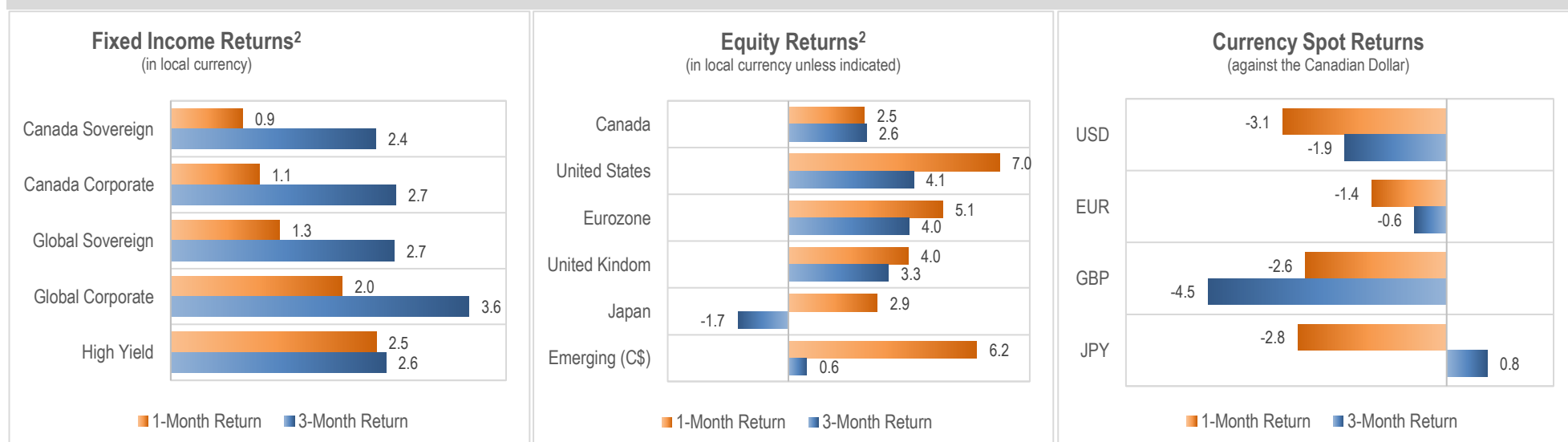
### Markets

- Equity markets rebounded sharply in June, effectively erasing losses suffered in May and reaching new highs. As fears over global growth loom, the Fed appears to be in the process of communicating a shift to an easing cycle which has been supportive to equity prices. In local currencies, the U.S. market led the way in gains followed by emerging markets. Canada also posted positive returns but lagged other major markets.
- With expectations that U.S. interest rates would fall, bonds also experienced a positive month. High yield bonds posted the highest returns as money flowed into riskier assets. Global bonds outperformed Canadian bonds, largely on stronger U.S. Treasuries, due to Federal Reserve rate cut expectations.
- In currencies, the Canadian dollar appreciated against all other G5 currencies (U.S. dollar, yen, euro, pound), boosted by better relative economic performance and more muted expectations in terms of Bank of Canada rate cuts.

### Symmetry Portfolios

- All Symmetry Portfolios posted positive returns on strong equity returns and positive bond returns.
- During the month, we held a tactical overweight position to equities which added value to performance. In addition, our allocation to the Mackenzie Global Macro Fund, an alternative strategies fund, added value as it posted returns that surpassed most equity markets.
- On manager performance, the Mackenzie Fixed Income Team's core Canadian bond mandate outperformed its benchmark, though, this was offset by their defensively positioned high yield mandate as lower quality bonds advanced more strongly. On the equity side, all managers generated positive returns. CC&L's Canadian Equity mandate and the Mackenzie Global Equity and Income Team's Global Dividend mandate outperformed their benchmarks. Symmetry's global and international smart beta mandates dragged on relative returns, in part as the fast rebounding market indexes were driven by large cap equities while the smart beta mandates were more diversified on the capitalization spectrum.

## Market Performance



### Notes

Data Source: Mackenzie Investments, Morningstar, Bloomberg as of June 30, 2019

1) Series F since inception Dates: Symmetry Fixed Income Portfolio - Mar. 29, 2004; Symmetry Conservative Income Portfolio - Dec. 21, 2012; Symmetry Conservative Portfolio - Mar. 6, 2009; Symmetry Balanced Portfolio - Dec. 22, 2008; Symmetry Moderate Growth Portfolios - Jan. 5, 2009; Symmetry Growth Portfolio - June 15, 2009; Symmetry Equity Portfolio Class - Dec. 8, 2006

2) Market performance asset classes refer to the following indices: Canada Sovereign - FTSE TMX Canada All Government Bond Index, Canada Corporate - FTSE TMX Canada All Corporate Bond Index, Global Sovereign - FTSE World Broad Investment Grade Government/Government Sponsored Bond Index, Global Corporate - FTSE World Broad Investment Grade Corporate Bond Index, High Yield - BofAML U.S. High Yield Index, Canada - S&P/TSX Composite Index, U.S. - S&P 500 Index NR, Eurozone - MSCI EMU (European Monetary Union) Index NR, United Kingdom - MSCI UK Index NR, Japan - MSCI Japan Index NR, Emerging - MSCI Emerging Markets Index

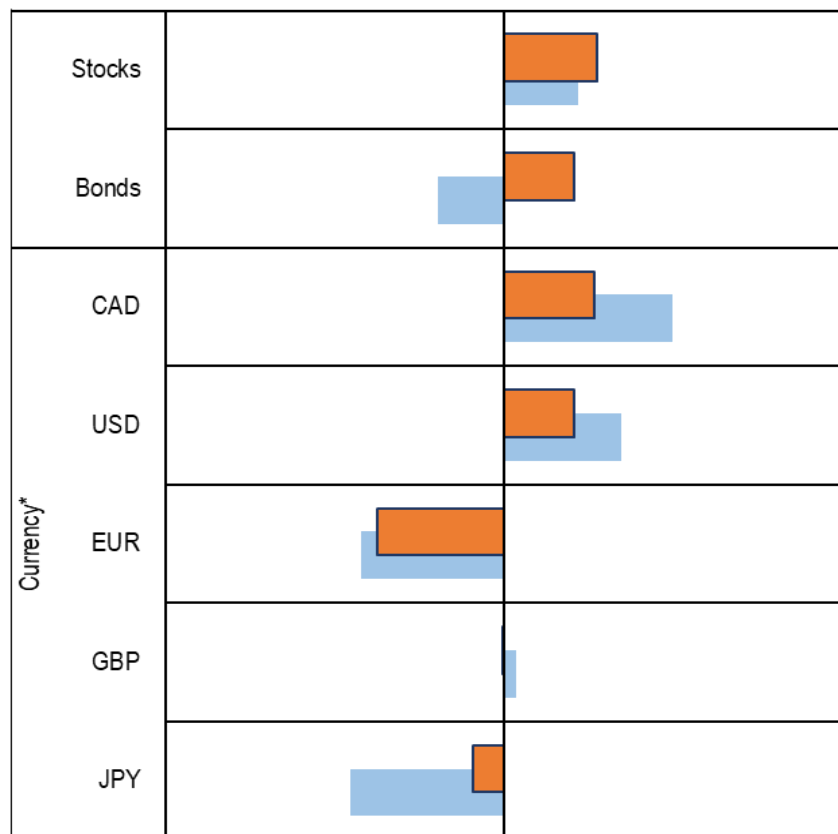
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**MACKENZIE**  
Investments

CONFIDENCE  
IN A CHANGING WORLD

Bearish <----- Neutral -----> Bullish



\* Each view is an equal weighted aggregate view against a basket of currencies.

■ June 25, 2019    ■ 3 months ago (March 26, 2019)

**Asset Mix:** Symmetry remains slightly overweight equities versus cash. As political trade tensions continue, and global growth appears to be softening, the Fed has shifted communications from tightening towards an easing cycle which has provided support to equity prices.

Our position on bonds relative to cash is now slightly overweight. A slowdown in the U.S. and global economies coupled with the Fed's easing stance has increased the appeal of bonds. Our gauges of inflationary pressures also fell sharply recently, which had led us to increase our allocation to fixed income in June.

**Currency:** We hold an overweight position in the Canadian dollar relative to the broad basket of currencies. We think the strong relative performance of Canadian economic data will make it hard for the Bank of Canada to match the Federal Reserve's recent dovish shift. We continue to hold an overweight position in the U.S. dollar relative to the broader basket of currencies, though this view has diminished in the past month. Though economic growth continues to outpace many other regions, the Fed's recent communications shift towards an easing cycle has made the dollar less attractive relative to other currencies. On the flipside, we hold an underweight position in the euro. We continue to believe that the Eurozone will be challenged on the growth front and when combined with deflationary pressures, will force the European Central Bank to ease further. Our underweight to the yen has diminished. Despite negative macro conditions for the yen, as a safe haven currency, rising equity market volatility has made the currency more attractive to investors.

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Standard deviation is a measure of historical risk; future risk may be different.

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This document includes forward-looking information that is based on forecasts of future events as of June 30, 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.

On September 28, 2012, the Symmetry Fixed Income Portfolio changed its objectives to permit the Fund to seek fixed-income exposure by investing either directly in fixed income securities or through other mutual funds. The past performance before this date was achieved under the previous objectives.

On September 28, 2012, the Symmetry Equity Portfolio Class changed its objectives to permit the Fund to seek equity exposure by investing in other mutual funds on more than a temporary basis or by investing directly in securities. The past performance before this date was achieved under the previous objectives.

## Market Performance

		<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Fixed Income <sup>1</sup> (in local currency)	Canada Sovereign	7.4	2.3	3.8	4.2
	Canada Corporate	7.2	3.6	4.1	5.3
	Global Sovereign	6.1	1.4	3.1	3.6
	Global Corporate	8.7	3.4	3.8	5.6
	High Yield	7.6	7.5	4.7	9.2
Equity <sup>1</sup> (in local currency unless indicated)	Canada	3.9	8.4	4.7	7.8
	United States	9.8	13.5	10.0	14.0
	Eurozone	2.0	9.6	5.3	8.1
	United Kingdom	1.6	8.7	5.8	9.6
	Japan	-6.8	9.8	5.8	7.0
	Emerging (C\$)	1.2	10.7	2.5	5.8
Currency (against the Canadian Dollar)	USD	-0.3	1.3	22.7	12.7
	EUR	-3.0	3.7	1.9	-8.7
	GBP	-4.2	-3.4	-8.9	-13.1
	JPY	2.4	-3.1	15.2	0.6

Data Source: Mackenzie Investments, Morningstar, Bloomberg as of June 30, 2019

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