

Mackenzie Canadian Small Cap Fund

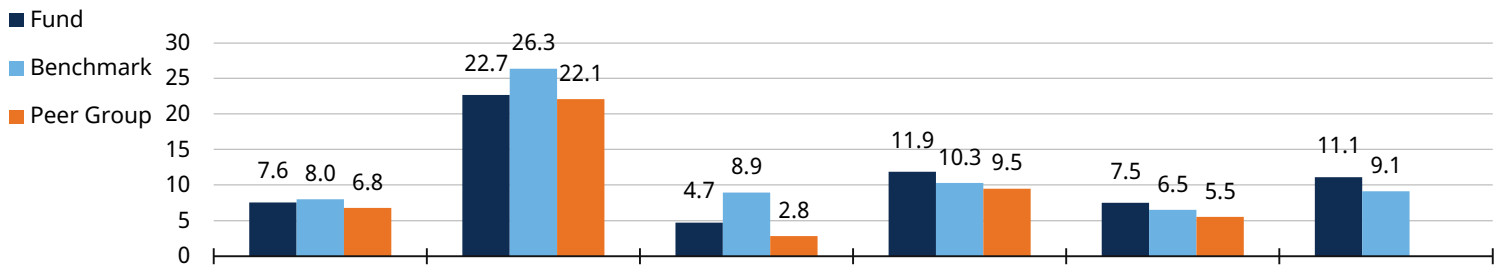
Fund snapshot

| | |
|------------------------|-------------------------------|
| Inception date | 06/05/2009 |
| AUM (millions in CAD) | 174.3 |
| Management Fee | 0.75% |
| MER | 0.99% |
| Benchmark | S&P/TSX Completion |
| CIFSC Category | Canadian Small/Mid Cap Equity |
| Risk Rating | Medium |
| Lead portfolio manager | Scott Carscallen |
| Investment exp. Since | 1994 |
| Target # of holdings | 50-80 |

Strategy Overview

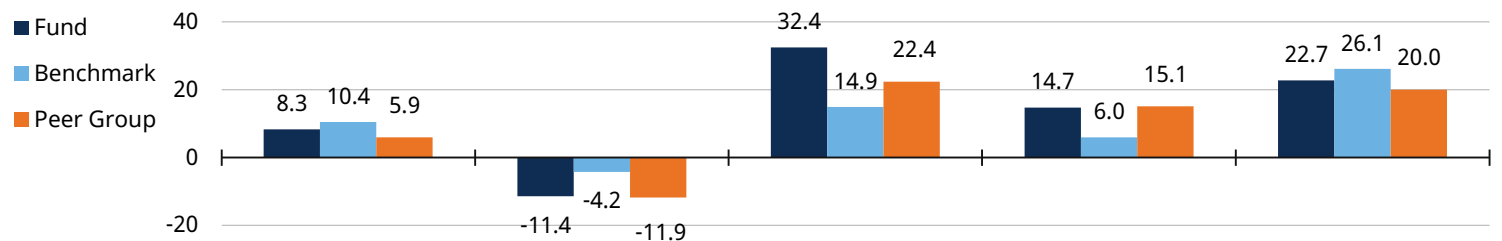
- Managed by an experienced investment team offering focused and specialized Canadian small cap expertise
- Small cap investment opportunities can enhance potential for returns and add diversity

Trailing returns %



| | 3 Mth | 1 Yr | 3 Yr | 5Yr | 10Yr | SI |
|-------------------|-------|------|------|-----|------|-----|
| Excess return | -0.4 | -3.6 | -4.2 | 1.6 | 1.0 | 2.0 |
| % of peers beaten | 62 | 39 | 55 | 71 | 78 | NA |

Calendar returns %



| | 2023 | 2022 | 2021 | 2020 | 2019 |
|-------------------|------|------|------|------|------|
| Excess return | -2.2 | -7.2 | 17.6 | 8.8 | -3.4 |
| % of peers beaten | 60 | 47 | 92 | 60 | 51 |

Portfolio characteristics

| | Portfolio | Benchmark |
|-----------------------------|-----------|-----------|
| # of holdings | 50 | 163 |
| % top 10 holdings | 36.6 | 22.8 |
| Weighted average market cap | 5,256.9 | 9,758.8 |
| EPS growth (FY E) | 35.7 | 13.9 |
| Dividend yield | 1.4 | 2.2 |
| FCF margin | 10.2 | 1.9 |
| P/E Trailing 12M | 22.6 | 16.0 |
| P/E (forecast) | 17.4 | 14.6 |
| Net debt/EBITDA | 2.1 | 2.9 |
| ROE (latest FY) | 10.4 | 9.8 |

Performance metrics (3 year trailing)

| Metrics | Portfolio | Benchmark |
|----------------------|-----------|-----------|
| Standard Dev. | 14.5 | 14.1 |
| Sharpe Ratio | 0.1 | 0.4 |
| Tracking Error | 7.0 | - |
| Information Ratio | -0.6 | - |
| Alpha | -3.7 | - |
| Beta | 0.9 | - |
| Upside Capture (%) | 86.0 | - |
| Downside Capture (%) | 103.9 | - |

Regional breakdown

| Region | Portfolio | Benchmark | Relative Weight |
|--------|-----------|-----------|-----------------|
| Canada | 97.2 | 100.0 | -2.8 |
| Other | 2.8 | - | 2.8 |

Sector allocation

| Sector | Portfolio | Benchmark | Relative Weight |
|------------------------|-----------|-----------|-----------------|
| Financials | 15.4 | 15.8 | -0.4 |
| Energy | 12.4 | 15.3 | -2.4 |
| Materials | 11.2 | 22.7 | -10.9 |
| Industrials | 29.7 | 17.5 | 12.2 |
| Information Technology | 7.9 | 4.7 | 3.2 |
| Communication Services | - | 1.2 | -1.2 |
| Utilities | - | 7.3 | -7.3 |
| Consumer Staples | 1.1 | 3.1 | -2.0 |
| Consumer Discretionary | 5.1 | 2.1 | 3.0 |
| Real Estate | 11.1 | 8.7 | 2.4 |
| Health Care | 1.1 | 1.6 | -0.5 |
| Other | 2.8 | - | 2.8 |

Country allocation

| Country | Portfolio | Benchmark | Relative Weight |
|---------|-----------|-----------|-----------------|
| Canada | 97.2 | 100.0 | -2.8 |
| Other | 2.8 | - | 2.8 |

Currency exposure

| Region | Gross | Benchmark |
|--------|-------|-----------|
| CAD | 100.0 | 100.0 |

Top 10 holdings

| Security name | Country | Sector | Weight |
|--------------------------------------|---------|------------------------|--------|
| Element Fleet Management Corporation | Canada | Industrials | 4.2 |
| Definity Financial Corp. | Canada | Financials | 4.1 |
| Savaria Corporation | Canada | Industrials | 4.0 |
| Colliers International Group Inc. | Canada | Real Estate | 3.9 |
| EQB Inc | Canada | Financials | 3.5 |
| Alamos Gold Inc. | Canada | Materials | 3.3 |
| Descartes Systems Group Inc. | Canada | Information Technology | 3.3 |
| Trisura Group Ltd. | Canada | Financials | 3.2 |
| Aritzia, Inc. | Canada | Consumer Discretionary | 3.2 |
| Stantec Inc | Canada | Industrials | 3.0 |

Security level contributors and detractors

| | Security | Average Relative weight (%) | % Contribution to return |
|--------------|-----------------------------------|-----------------------------|--------------------------|
| Contributors | Colliers International Group Inc. | 2.4 | 1.1 |
| | New Gold Inc. | 1.9 | 0.9 |
| | Savaria Corporation | 3.7 | 0.8 |
| Detractors | goeasy Ltd. | 2.6 | -0.3 |
| | Calian Group Ltd. | 1.8 | -0.4 |
| | Boyd Group Services Inc | 1.7 | -0.6 |

Sector attribution relative to the benchmark

| | Sector | Average Relative weight (%) | Allocation Effect (%) | Selection Effect (%) | Total Effect (%) |
|--------------|------------------------|-----------------------------|-----------------------|----------------------|------------------|
| Contributors | Consumer Discretionary | 4.9 | -0.1 | 0.9 | 0.9 |
| | Energy | -2.9 | 0.4 | 0.3 | 0.7 |
| | Information Technology | 3.5 | -0.3 | 0.6 | 0.3 |
| Detractors | Financials | -0.7 | 0.0 | -0.4 | -0.4 |
| | Utilities | -7.1 | -0.4 | 0.0 | -0.4 |
| | Industrials | 11.9 | -0.8 | 0.3 | -0.6 |

Commentary

Fund Performance

- For Q3 2024, the Mackenzie Canadian Small Cap Fund posted a gain of 7.6%. This compares with the S&P/TSX Completion Index gain of 8.0%.

Security contributors

- With further signs of cooling inflation, small caps significantly outperformed large caps in the month of July as central banks delivered interest rate cuts in September.
- REITs, consumer discretionary and the technology sector all benefited from interest rate cuts in September. Sleep Country Canada was taken private at a significant premium in the quarter.
- Monetary easing and rate cuts have boosted gold prices to new record highs. The material sector was a strong performer for the quarter.

Security detractors

- Industrial names ATS Corp and Boyd group had some short-term challenges to overcome. ATS is facing headwinds on EV orders as OEMs scale back on EV production, while Boyd is fighting declining same store sales growth as a mild winter reduced collision repairs and consumers are deferring repairs due to high costs.
- Our portfolio has lower weights in gold names, but better stock selection partially offset the underweight position.
- Sentiment remains bearish for energy, as oil dips on worries that China stimulus plans are not enough to boost demand, and Saudis may become more aggressive on market share. Energy remains the worst performing sector for the quarter.

Portfolio activities

- During the quarter we added Athabasca Oil, Wesdome Gold and Winpak to the fund.
- During the quarter we sold GDI Integrated facility, Park Lawn Corp, Sleep Country Canada and Vermilion from the Fund.

Outlook, Positioning

- We have seen strong Q3 returns driven mostly by earnings. Many small caps have demonstrated resiliency through the cycle, and takeover activities have also supported valuations. Sentiment improved on a macro level: encouraging signs that inflation has moderated substantially and continued strong employment reports as the year progresses, both pointing to a soft-landing scenario. Previous economic cycles proved that falling interest rates should be very supportive for small caps. We've seen risk-on sentiment enter the market and small caps tend to do well under these conditions.
- High rates have been pressuring bottom lines and have raised the cost of capital making growth more expensive and difficult to achieve. These headwinds will become tailwinds with rate cuts. Certain businesses have struggled in a high-rate environment, but lower rates should improve revenue growth rates as we enter 2025. We have seen a flurry of takeover activity in the small space this year, and we expect this will continue as many small caps remain inexpensive relative to large caps.
- We could see a rotation out of some of the big winners this year, gold and energy stocks, possibly redeployed into some of the laggards such as real estate, industrial and consumer discretionary stocks.

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Standard deviation provides a measure of the variability of returns that have occurred relative to the average return. The higher the standard deviation, the greater is the range of returns that has been experienced. Standard deviation is commonly used as a measure of risk.

Percentile rankings are from Morningstar Research Inc., an independent research firm, based on the Canada Fund Canadian Small/Mid Cap Equity category and reflect the performance of the Mackenzie Canadian Small Cap Fund for the 3-month, 1-, 3-, 5- and 10-year periods as of September 30, 2024. 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 Canada Fund Canadian Small/Mid Cap Equity category funds for Mackenzie Canadian Small Cap Fund for each period are as follows: one year - 170 ; three years - 167 ; five years - 151 ; ten years - 112.

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