MACKENZIE
Private Wealth

Investment Philosophy

Mackenzie Private Wealth Portfolio Models

The importance of asset allocation and diversification

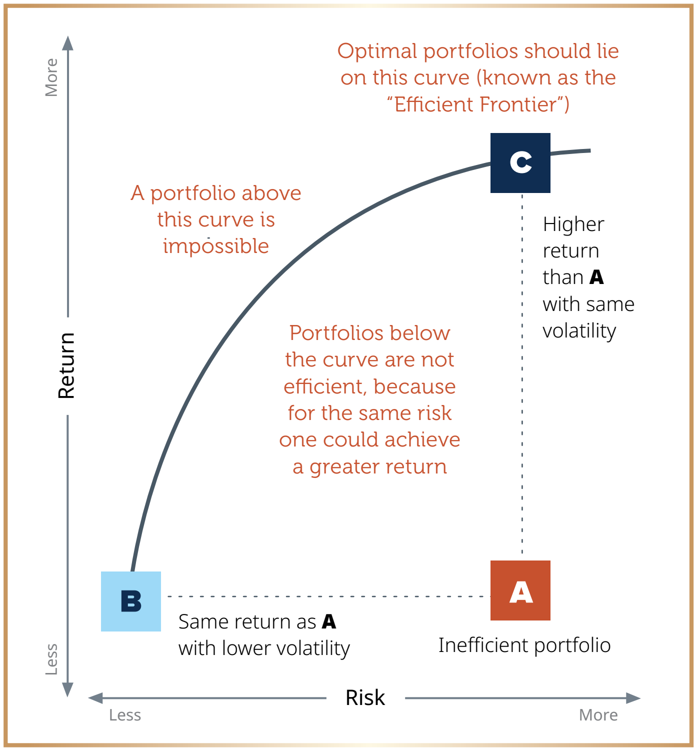
The primary purpose of investing is to grow wealth. But no matter what you invest in, there is some level of risk. Asset allocation and diversification are time-tested methods to reduce risk.

The allocation between equities and fixed income depends on an individual's financial goals, risk tolerance and investment time horizon. The goal is to find the optimal allocation across broad asset classes to fit each investor's situation.

Predicting which asset class will outperform each year is virtually impossible. Diversifying a portfolio across various asset classes can help reduce the overall risk of a portfolio.

To find one's optimal portfolio, we employ Modern Portfolio Theory. The process starts by analyzing the risk-return relationship of various combinations of asset classes used in Mackenzie Private Wealth Portfolio Models.

Mackenzie Private Wealth Portfolio Models are designed to reside on the efficient frontier curve.



How we construct our portfolios

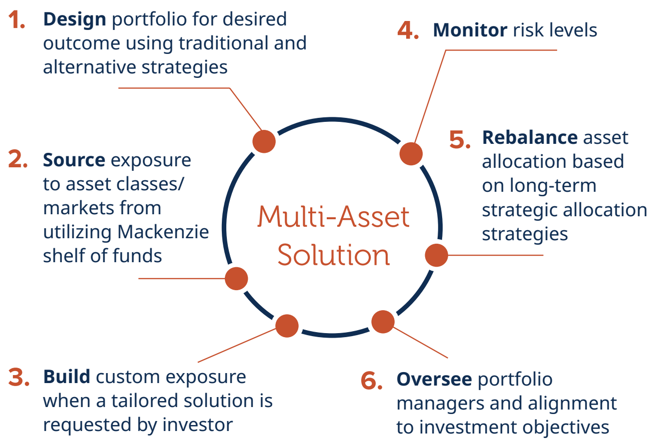
Portfolio construction starts with an optimization process to establish the desired mix between various asset classes that provides the maximum return possible for a given level of risk:

- **Bonds:** including floating rate loans, government, real return, corporate and global bonds.
- **Equities:** diversified by geography, investment style and market capitalization.
- **Alternative investments:** such as precious metals and other alternative investments dependent on dealer approval are also considered.

Core asset mixes provide broad exposure to equity and fixed income markets, ranging from 30% to 100% equity targets. Core asset mixes are developed using the following themes to create fully diversified portfolio solutions:

- Multi-manager structure
- Style neutrality
- Sector diversified
- Target allocations among geographical regions

We create purpose-driven portfolios with better expected outcomes.



How we select our portfolio managers

Mackenzie Investments has a large variety of fund families on their shelf which utilize different investment philosophies. These serve as the building blocks in developing diversified model portfolios. We evaluate existing and prospective managers on three main criteria:

Organizational strength

We examine assets under management, longevity, ownership and commitment, as well as the management team's depth of knowledge, experience, stability and any key person risk.

Investment process

The manager's investment process is examined for clarity, discipline, risk management and integrity to determine whether the fund is a good fit for the specific mandate under consideration.

Performance

We look for strong risk-adjusted returns by examining fund performance, value added relative to the benchmark, and consistency of returns.

Managers are evaluated on each of these factors to develop an overall ranking. We also conduct a personal interview and perform a detailed review of each manager annually.

Mackenzie Investments

Founded in 1967, Mackenzie Investments serves over one million Canadians with approximately $180 billion in AUM, through 17 investment boutiques and 30,000 independent financial advisors.

Mackenzie Private Wealth

Mackenzie Private Wealth is a special team of account management and portfolio administration professionals, devoted exclusively to financial advisors serving HNW clients. Our services include:

Portfolio Architecture Service and Open Architecture Service

- Dedicated Mackenzie Private Wealth portfolio management programs.
- Exclusive to Mackenzie Private Wealth Portfolio Model implementation and management.
- Supplementary expert guidance for advisors to development of tailored portfolio solutions for HNW clients.

Tax and estate planning

- Integrates top quality portfolio management with professional tax and estate planning expertise.
- Clients may receive a complimentary personal Tax and Estate Summary Report, which can facilitate discussion of planning strategies.

Philanthropic planning

Makes long-term philanthropy easy and cost-effective through the Mackenzie Charitable Giving Program – a donor advised fund that allows you to make tax-efficient contributions and direct them to the charity of your choice.

Mackenzie Multi-Asset Strategies Team

Provides guidance for Mackenzie Private Wealth Portfolio Models, including asset mix analysis, portfolio risk oversight and fund manager analysis and selection.