

# Mackenzie Emerging Markets Fund

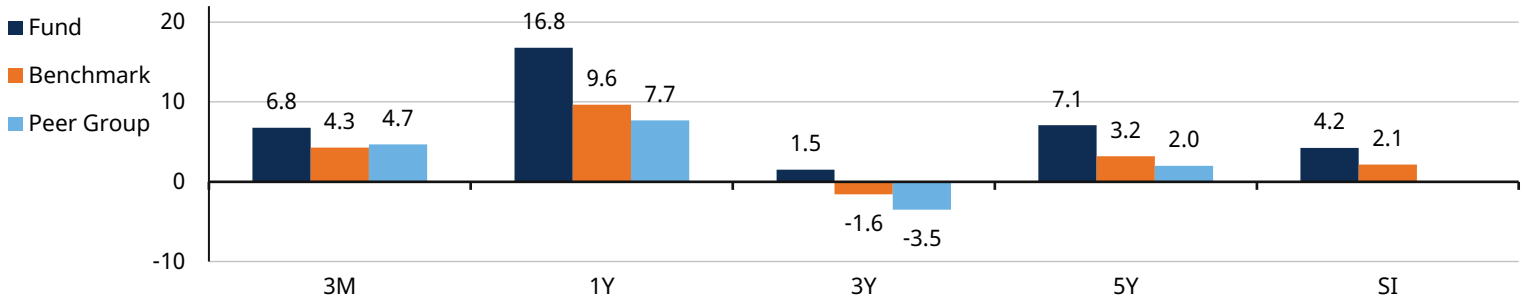
## Strategy snapshot

Inception date	06/05/2018
AUM (millions in CAD)	778.0
Benchmark	MSCI Emerging Mkts IMI
Lead portfolio manager	Arup Datta
Investment exp. since	1992
Target # of holdings	150

## Strategy Overview

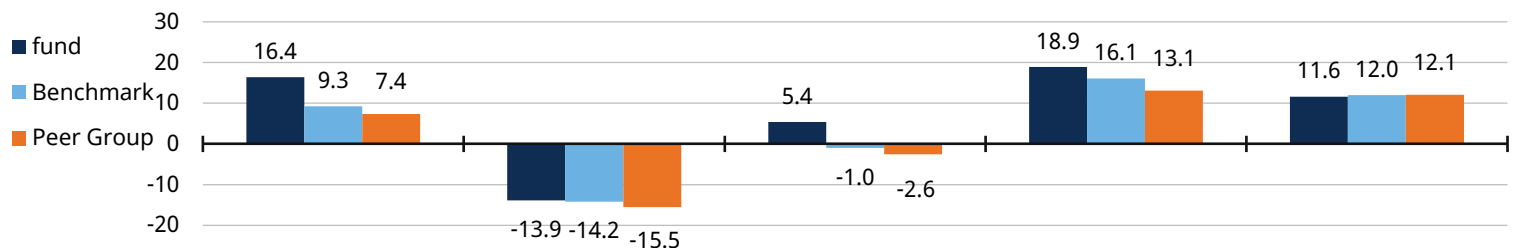
- The Fund seeks long-term capital growth by investing primarily in a portfolio of equity securities of companies in emerging markets.
- Employing a disciplined, risk-aware, systematic investment process, the Fund will focus its investments in those countries where the portfolio manager identifies strongly developing economies and in which the markets are becoming more sophisticated.
- The Fund seeks to outperform the MSCI Emerging Markets IMI Index by 3% over a full market cycle on an annualized basis (gross of fees), with a targeted tracking error of 4.5%

## Trailing returns %



	3 Mth	1 Yr	3 Yr	5Yr	SI
Excess return	2.5	7.2	3.1	3.9	2.1
% of peers beaten	93	94	90	98	89

## Calendar returns %



	2023	2022	2021	2020	2019
Excess return	7.1	0.3	6.4	2.8	-0.4
% of peers beaten	94	66	91	79	47

## Portfolio characteristics

	Portfolio	Benchmark
# of holdings	164	3,429
% top 10 holdings	30.2	20.6
Weighted average market cap	140,164.0	146,063.5
EPS growth (FY E)	21.9	65.2
Dividend yield	3.1	2.7
FCF margin	11.8	7.7
P/E Trailing 12M	9.5	14.2
P/E (forecast)	9.5	12.7
Net debt/EBITDA	1.1	0.4
ROE (latest FY)	14.5	14.5

## Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	14.3	13.7
Sharpe Ratio	-0.1	-0.3
Tracking Error	4.2	-
Information Ratio	0.7	-
Alpha	3.1	-
Beta	1.0	-
Upside Capture (%)	104.5	-
Downside Capture (%)	88.1	-

## Regional breakdown

Region	Weight	Relative weight
Emerging Markets	96.5	-3.5
United States	0.4	0.4
Other	0.4	0.4
Cash	2.8	2.8

## Sector allocation

Sector	Weight	Relative weight
Communication Services	8.8	0.8
Consumer Discretionary	13.7	1.3
Consumer Staples	4.1	-1.7
Energy	5.1	0.3
Financials	18.9	-1.5
Health Care	3.0	-1.4
Industrials	9.6	1.0
Information Technology	23.6	0.8
Materials	6.1	-1.8
Real Estate	1.8	-0.3
Utilities	2.6	-0.2

## Country allocation

Country	Weight	Relative weight
China	25.0	2.2
Taiwan	19.7	1.3
India	18.0	-1.0
Korea	10.1	-2.9
Brazil	6.7	1.5
Saudi Arabia	2.6	-1.7
Other	17.9	0.6

## Currency exposure

Region	Gross	Benchmark
CAD	1.8	0.0
USD	4.1	2.3
Other	94.1	97.7

## Top 10 holdings

Security name	Country	Sector	Weight
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	8.1
Tencent Holdings Ltd.	China	Communication Services	4.2
Samsung Electronics Co., Ltd.	Korea	Information Technology	3.2
MediaTek Inc	Taiwan	Information Technology	2.3
Petroleo Brasileiro SA Pfd	Brazil	Energy	2.0
Larsen & Toubro Ltd.	India	Industrials	2.0
China Construction Bank Corporation Class H	China	Financials	2.0
Tata Motors Limited	India	Consumer Discretionary	1.9
Trent Limited	India	Consumer Discretionary	1.8
Kia Corp.	Korea	Consumer Discretionary	1.7

## Security level contributors and detractors

	Security	Average Relative weight (%)	Total Effect(%)
Contributors	Yutong Bus Co., Ltd. Class A	1.7	0.6
	Indian Oil Corp. Ltd.	1.6	0.5
	Trent Limited	0.6	0.4
Detractors	BYD Electronic (International) Co., Ltd.	1.3	-0.4
	Li Auto, Inc. Class A	0.1	-0.3
	Qualicorp Consultoria e Corretora de Seguros S.A.	0.6	-0.3

## Sector attribution relative to the benchmark

	Sector	Average Relative weight (%)	Total Effect(%)
Contributors	Financials	-1.0	1.1
	Information Technology	1.0	0.7
	Material	-1.6	0.5
Detractors	Utilities	-0.2	-0.1
	Health Care	-1.3	-0.1

## Commentary

### 1) Fund Performance

During Q1 2024, Mackenzie Emerging Markets Fund returned 7.27% (gross of fees), outperformed the MSCI Emerging Markets Investable Market index (gross of fees in CAD), which returned 4.24%.

### 2) Security contributors

From a geographic perspective, India, Taiwan and South Korea were the primary contributors to relative performance. At sector level, Financials, Information Technology and Materials were the strongest contributors to relative performance. At security level, overweight positions in Yutong Bus Co., Indian Oil Corp. and Canara Bank were the key contributors to relative performance.

### 3) Security detractors

From a geographic perspective, China, Brazil and Egypt were the largest detractors to relative performance. At sector level, Utilities and Health Care were the primary detractors to relative performance. At security level, overweight positions in Li Auto, BYD Electronic (International) Co. and Qualicorp Consultoria e Corretora de Seguros S.A. were the key detractors to relative performance.

### 4) Portfolio activities

From this period, stock selection and alpha models were positive. Growth led, followed by Quality and Value, while Informed Investor was flat. Our smaller size bias detracted.

### 5) Outlook, Positioning

We continue to believe in the long-term benefits of emerging markets equities within a diversified portfolio. The recent pickup in US inflation data amid a strong US economic growth outlook, has delayed expectations for the first rate cut to mid-year, however central bankers are poised to deliver their forecasts for multiple rate cuts this year, likely to weaken the US dollar, which typically benefits emerging markets equities.

The team's focus on building "all weather core style" strategy would best position the portfolio for long-term outperformance across various market conditions. As we continue to see emerging markets valuations at attractive discount relative to developed markets, we keep monitoring the dynamics within emerging markets, such as the trade relationships between US and China, Chinese economic recovery, etc.

Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns as of March 31, 2024 including changes in share value and reinvestment of all distributions and does not take into account sales, redemption, distribution, or optional charges or income taxes payable by any security holder that would have reduced returns.

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Percentile rankings are from Morningstar Research Inc., an independent research firm, based on the Canada Fund Emerging Markets Equity category and reflect the performance of the Mackenzie Emerging Markets Fund for the 3-month, 1-, 3-, 5-, and 10-year periods as of March 31, 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 Emerging Markets Equity funds for Mackenzie Emerging Markets Fund for each period are as follows: one year -269; three years -232 ; five years - 209 ; ten years - 109 .

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