Mackenzie Global Dividend Fund

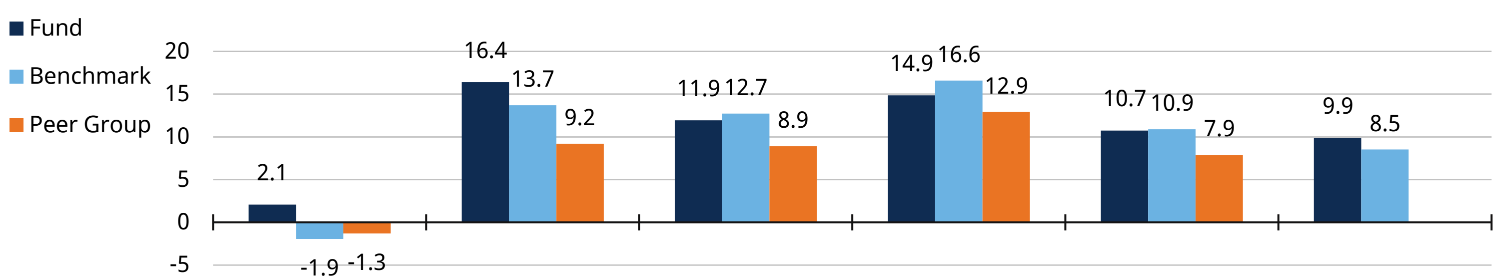
Fund snapshot

Inception date	07/11/2007
AUM (millions in CAD)	7611.2
Management Fee	0.80%
MER	1.05%
Benchmark	MSCI World
CIFSC Category	Global Equity
Risk Rating	Low to Medium
Lead portfolio manager	Darren McKiernan
Investment exp. Since	1995
Target # of holdings	40-80

Strategy Overview

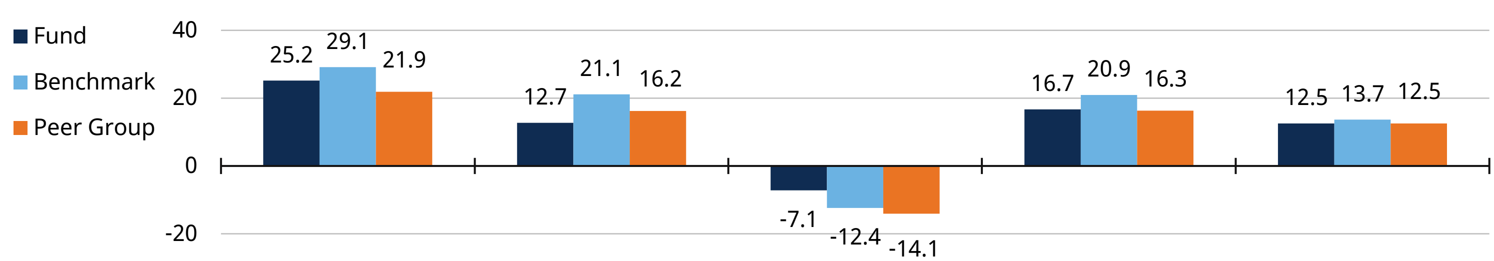
- Seeks to generate dividend income through owning industry leading businesses with growth potential
- Reinvested dividends can contribute substantially to overall equity performance
- Diversify outside of the Canadian market which is concentrated in 3 sectors (financials, energy, and materials)

Trailing returns %



	3 Mth	1 Yr	3 Yr	5Yr	10Yr	SI
Excess return	4.0	2.7	-0.8	-1.7	-0.2	1.4
% of peers beaten	82	92	86	78	95	NA

Calendar returns %



	2024	2023	2022	2021	2020
Excess return	-3.9	-8.4	5.3	-4.2	-1.2
% of peers beaten	70	36	81	50	72

Portfolio characteristics

	Portfolio	Benchmark
# of holdings	79	2,558
% top 10 holdings	30.0	20.5
Weighted average market cap	864,304.6	862,218.6
EPS growth (FY E)	11.6	18.1
Dividend yield	2.1	1.9
FCF margin	22.6	18.3
P/E Trailing 12M	24.4	20.8
P/E (forecast)	19.4	17.9
Net debt/EBITDA	1.1	0.7
ROE (latest FY)	19.8	18.4

Sector allocation

Sector	Portfolio	Benchmark	Relative Weight
Financials	18.1	17.3	0.8
Energy	5.5	4.1	1.4
Materials	2.7	3.4	-0.7
Industrials	12.3	11.1	1.2
Information Technology	20.6	23.6	-3.0
Communication Services	6.1	7.9	-1.8
Utilities	2.3	2.7	-0.4
Consumer Staples	9.4	6.5	2.9
Consumer Discretionary	7.4	10.2	-2.8
Real Estate	1.3	2.2	-0.9
Health Care	13.2	11.1	2.1
Other	1.1	-0.1	1.2

Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	10.7	12.8
Sharpe Ratio	0.8	0.7
Tracking Error	4.0	-
Information Ratio	-0.2	-
Alpha	1.0	-
Beta	0.8	-
Upside Capture (%)	83.2	-
Downside Capture (%)	73.8	-

Country allocation

Country	Portfolio	Benchmark	RelativeWeight
United States	64.2	72.0	-7.8
United Kingdom	7.5	3.8	3.8
Germany	6.8	2.5	4.3
Japan	5.0	5.4	-0.4
France	3.0	2.9	0.1
Switzerland	2.4	2.5	-0.1
Other	11.1	10.9	0.2

Regional breakdown

Region	Portfolio	Benchmark	Relative Weight
United States	64.2	72.0	-7.8
International	32.3	24.9	7.4
Emerging Markets	2.5	-	2.5
Other	1.0	3.1	-2.1

Currency exposure

Region	Gross	Benchmark
CAD	5.7	3.1
USD	64.2	72.4
Other	30.1	24.5

Top 10 holdings

Security name	Country	Sector	Weight
Apple Inc.	United States	Information Technology	4.1
Microsoft Corporation	United States	Information Technology	4.1
Philip Morris International Inc.	United States	Consumer Staples	3.4
JPMorgan Chase & Co.	United States	Financials	2.9
AbbVie, Inc.	United States	Health Care	2.8
Amazon.com, Inc.	United States	Consumer Discretionary	2.8
Meta Platforms Inc Class A	United States	Communication Services	2.5
SAP SE	Germany	Information Technology	2.4
Deutsche Boerse AG	Germany	Financials	2.4
Motorola Solutions, Inc.	United States	Information Technology	2.4

Security level contributors and detractors

	Security	Average Relative weight (%)	% Contribution to return
Contributors	Philip Morris International Inc.	2.5	0.8
	Deutsche Boerse AG	2.0	0.5
	AbbVie, Inc.	2.1	0.4
Detractors	Microsoft Corporation	0.3	-0.5
	Broadcom Inc.	0.4	-0.5
	Apple Inc.	-0.8	-0.5

Sector attribution relative to the benchmark

	Sector	Average Relative weight (%)	Allocation Effect (%)	Selection Effect (%)	Total Effect (%)
Contributors	Consumer Discretionary	-2.1	0.2	0.8	1.1
	Consumer Staples	1.5	0.2	0.8	0.9
	Health Care	1.7	0.1	0.8	0.9
Detractors	Materials	-0.2	0.0	-0.3	-0.3

Commentary

1) QFR Highlights

The Fund returned 2.1% during Q1-2025 and has now returned 12.1% since February 1, 2014 (PM start date). This compares to the MSCI World Index (CAD) which returned -1.9% and 12.1% over the same time periods.

2) Market Overview

The 2024 U.S. election saw Donald Trump return to the presidency, bringing with him an aggressive new trade policy that has quickly upended markets in 2025. On April 2, Trump announced a sweeping new tariff regime: a universal 10% tariff on nearly all imports (with few exceptions like Russia), alongside additional tariffs targeting countries with high trade imbalances or 'unfair practices.' Some sectors, such as semiconductors and energy, received temporary exemptions, but the scope of tariffs is unprecedented, pushing U.S. average tariff rates to their highest in over a century.

Markets reacted sharply—stocks and bonds fell, the dollar weakened, and gold surged as investor faith in "U.S. exceptionalism" waned. Wall Street recession forecasts jumped, and the administration responded by suspending most new tariffs for 90 days (apart from the 10% baseline) on April 9. However, tariffs on China were increased to 125%, though high-demand products like Apple devices and semiconductors were exempted. The market is now factoring in around a 30-40% chance of recession. The administration claims tariffs are meant to fix trade deficits and re-shore manufacturing. Critics argue they function as hidden taxes and could stoke inflation, especially since intermediate goods make up almost half of U.S. imports. Past tariff hikes, such as those in 2018, yielded little long-term benefit.

China, unlike other countries seeking concessions, retaliated aggressively by banning U.S. companies and targeting key exports. Despite rapid escalation, China recently signaled willingness to negotiate, provided rhetoric is toned down and rules are clarified. Whether these hardline tactics bring a deal—or further disruption—remains uncertain, leaving U.S. trade relations and economic outlook highly volatile.

3) Fund Performance

Although markets were down over the period, most sectors of the fund performed positively. Returns (in CAD) were led by the Consumer Staples (+17.1%) and Utilities (+16.7%) sectors. The worst performing sectors were Information Technology (-10.7%) and Materials (-5.8%). The largest detractors over the period came from security selection in the Materials sector. The largest contributors came from security selection in the Health Care, Consumer Discretionary, and Consumer Staples sectors. Stock selection and the fund's slightly underweight allocation to the Information Technology sector also contributed positively to performance over the period.

The investment strategy remains consistent, focusing on high-quality companies with superior financial metrics and appropriate valuations. Amidst ongoing technological, geopolitical, and macroeconomic risks, the portfolio is well positioned to navigate these uncertainties.

4) Security Contributors

Philip Morris

Philip Morris remained a top contributor to our performance this quarter and returned almost 33% (in CAD), as investors continue to reward the portfolio transition to reduced risk products with a higher multiple. Reduced Risk Products (RRPs) continue to grow in the mid-teens, supporting 10% growth for the overall business, and ROICs continue to improve as the business grows. Management remains committed (and confident) to the target of RRP's being over two-thirds of profits by 2030, and eventually 100% in the long run. It also helps that Philip Morris acts as a natural US dollar hedge given it reports in USD and ~85% of its revenues are derived outside the US.

5) Security Detractors

Apple

Apple was down over 11% in the quarter, as continued tariff uncertainty weighed on investor sentiment. Given its global - but highly Southeast Asian-centric - supply chain, Apple remains exposed as a geopolitical pawn in the trade war. While we expected continued uncertainty, management has actively committed to moving manufacturing closer to home and to more friendly soil, such as India. Additionally, we remain positive on the medium-term prospects for the business. This includes the potential for AI at the edge, leveraging its 2.35 billion device installed base and the potential for a new handset cycle. As the recurring services business generates over 1/3rd of profits today and growing, we find Apple's lower multiple more compelling today, and remains a top ten holding in the fund.

6) Portfolio Activities

The portfolio was moderately repositioned with ~15% turnover leading to improved EPS growth, ROIC, and ROE. We are prepared to adjust as the situation evolves, while remaining disciplined to our investment process and philosophy.

We initiated a position in Gilead, one of the world's largest biotech companies, with an unrivalled leadership position in the treatment and prevention of HIV. Its flagship product, Biktarvy, has ~50% market share in the treatment of HIV, while the launch of new long-acting HIV therapies and growth in the oncology portfolio are expected to provide additional growth drivers. We sold out of Merck given increasing concerns about the patent cliff with Keytruda and their ability to replace what will end up being a $35+ billion immuno-oncology drug. While both companies are highly cash generative and offer rich pipeline optionality, Gilead provided superior risk-adjusted returns trading at a discounted valuation with a P/E of 12x and dividend yield of 3.4%.

We sold Ireland-based discount airliner RyanAir and replaced it with a re-initiated position in AENA. We continue to maintain "high value-chain" exposure to travel spend also through our holding of Global Distribution System and hospitality solutions provider Amadeus IT Group. RyanAir is still an excellent business with a strong founder/CEO leading the company. However, given the increased uncertainty around macro conditions and commodity pricing (RyanAir is still an airline, after all), we decided to upgrade the quality of the portfolio with Aena, which is the sole airport operator in Spain. Spain continues to be an attractive tourist destination and has consistently grown air passengers over the past 30 years at 5%+ CAGR (even throughout 9/11). We were previous shareholders before exiting the position in 2020 due to the massive uncertainty the business faced from the pandemic at the time. The Spanish regulatory regime is also attractive under a dual-till regime, providing investors with potential upside on the commercial operations. Aena also provides the portfolio with a 4.5% dividend yield.

7) Outlook and Positioning

In times of market volatility, we like to remind investors - and ourselves! – that corrections are the normal course of doing business in the stock market and that only six of the past 20 market corrections since 1975 turned into bear markets. Indeed, in the US the median returns following a 10% correction average one- and three—year gains of ~15% and 45%, respectively. Global market performance aligns with these numbers. And while the market is currently focused on the risks (rightly so, we might add), there are silver linings that may come into focus in the near future, including but not limited to: central bank easing globally; energy price moderation; legislative compromise via reconciliation; and lower regulation/trade barriers and expansionary fiscal policy within and among countries previously not viewed as capital markets friendly (see: Eurozone, Canada). Stranger things have happened!

For now, volatility is the price of admission. But volatility also creates opportunities. At the outset of "Liberation Day" we went through our Dream Team sub-sector by sub-sector to identify what we believe to be the most exciting risk-adjusted prospects. This is the advantage of our approach: we already have a shortlist of market leading businesses that we understand, have researched, and in many instances have met with management multiple times over the years. Although we generally operate a low-turnover portfolio, we are prepared to act when the opportunity arises. We will continue to take advantage of temporary dislocations while steering clear of macro prognostication. Our portfolio remains positioned around high-quality, well-capitalized businesses that can navigate what is currently a fractured global trading system.

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, 2025 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. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. 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.

This document may contain forward-looking information which reflect our or third party current expectations or forecasts of future events. Forward-looking information is inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed herein. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors, interest and foreign exchange rates, the volatility of equity and capital markets, business competition, technological change, changes in government regulations, changes in tax laws, unexpected judicial or regulatory proceedings and catastrophic events. Please consider these and other factors carefully and not place undue reliance on forward-looking information. The forward-looking information contained herein is current only as of March 31, 2025. There should be no expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.

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.

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 Global Equity category and reflect the performance of the Mackenzie Global Dividend Fund for the 3-month, 1-, 3-, 5- and 10-year periods as of March 31, 2025 . 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 Global Equity category funds for Mackenzie Global Dividend Fund for each period are as follows: one year - 1807 ; three years - 1550 ; five years - 1287 ; ten years - 658.

Morningstar data is shown as of the most recent reporting period by each fund family. Allocations may not equal 100% and will vary overtime. Assets contained within “Other” category are not classified by Morningstar. All information presented in this tool is for informational purposes only and is not intended to be investment advice. The information is not meant to be an offer to sell or a recommendation to buy any investment product. Unless otherwise noted, performance is shown before sales charge. For more fund information, click the POS Documents link.

All information is historical and not indicative of future results. Current performance may be lower or higher than the quoted past performance, which cannot guarantee results. Share price, principal value, and return will vary, and you may have a gain or a loss when you sell your shares. Performance assumes reinvestment of distributions and does not account for taxes. Performance may not reflect any expense limitation or subsidies currently in effect. Short-term trading fees may apply. To obtain the most recent month-end performance, visit Morningstar.com.

This material is for informational and educational purposes only. It is not a recommendation of any specific investment product, strategy, or decision, and is not intended to suggest taking or refraining from any course of action. It is not intended to address the needs, circumstances, and objectives of any specific investor. Mackenzie Investments, which earns fees when clients select its products and services, is not offering impartial advice in a fiduciary capacity in providing this sales and marketing material. This information is not meant as tax or legal advice. Investors should consult a professional advisor before making investment and financial decisions and for more information on tax rules and other laws, which are complex and subject to change.