

Mackenzie Betterworld Global Equity Fund

Fund snapshot

Inception date	09/09/2021
AUM (millions in CAD)	98.3
Management Fee	0.80%
MER	1.06%
Benchmark	MSCI World
CIFSC Category	Global Equity
Risk Rating	Medium
Lead portfolio manager	Andrew Simpson
Investment exp. Since	2001
Target # of holdings	55-65

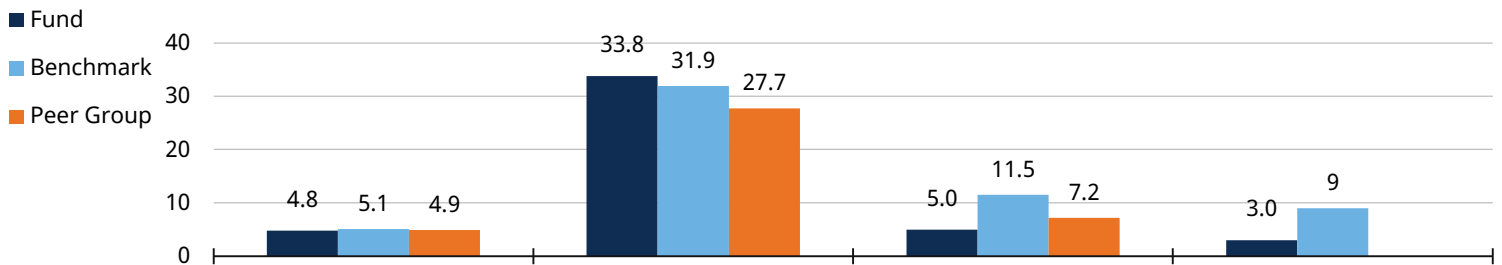
Strategy Overview

A core, benchmark aware and diversified equity portfolio designed to deliver competitive returns and steer capital to sustainable business generating value for all stakeholders and are active owners and encourage good companies to become even better.

Global all cap strategy with a specific focus on large cap companies.

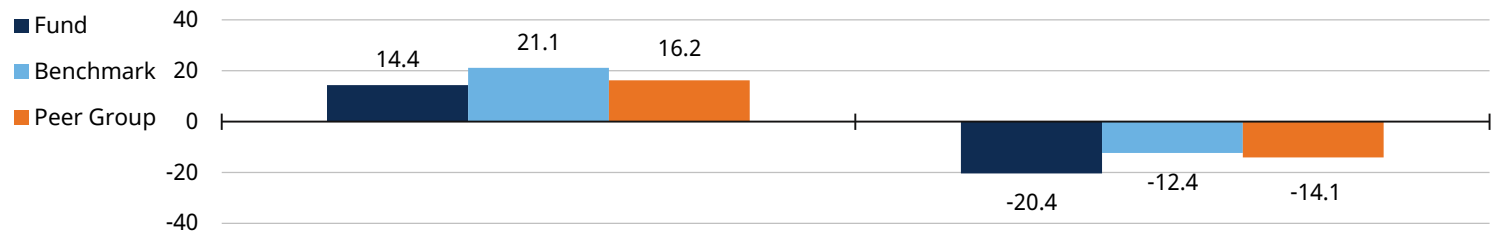
Expert team cumulating decades of experience and a proprietary investment process that combines fundamental and sustainability research along with an active engagement program with companies.

Trailing returns %



	3 Mth	1 Yr	3 Yr	SI
Excess return	-0.3	1.9	-6.5	-6
% of peers beaten	44	88	20	NA

Calendar returns %



	2023	2022
Excess return	-6.7	-8
% of peers beaten	46	17

Portfolio characteristics

	Portfolio	Benchmark
# of holdings	64	1,410
% top 10 holdings	33.6	23.5
Weighted average market cap	1,101,096.3	955,119.2
EPS growth (FY E)	20.65	36.8
Dividend yield	1.2	1.7
FCF margin	18.5	18.0
P/E Trailing 12M	28.0	23.6
P/E (forecast)	23.7	20.4
Net debt/EBITDA	0.8	1.0
ROE (latest FY)	20.2	19.3

Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	16.1	12.6
Sharpe Ratio	0.1	0.7
Tracking Error	5.3	-
Information Ratio	-1.3	-
Alpha	-8.5	-
Beta	1.2	-
Upside Capture (%)	95.8	-
Downside Capture (%)	137.5	-

Regional breakdown

Region	Portfolio	Benchmark	Relative Weight
United States	70.5	71.9	-1.4
International	28.8	25.1	3.7
Canada	-	3.1	-3.1
Other	0.7	-0.1	0.8

Sector allocation

Sector	Portfolio	Benchmark	Relative Weight
Financials	15.3	15.4	-0.1
Energy	-	3.9	-3.9
Materials	4.3	3.8	0.5
Industrials	10.2	11.1	-0.9
Information Technology	24.4	24.8	-0.4
Communication Services	8.3	7.6	0.7
Utilities	5.6	2.7	2.9
Consumer Staples	5.3	6.5	-1.2
Consumer Discretionary	11.9	10.2	1.7
Real Estate	2.7	2.3	0.4
Health Care	11.4	11.7	-0.3
Other	0.6	-	0.6

Country allocation

Country	Portfolio	Benchmark	Relative Weight
United States	70.5	71.9	-1.4
Netherlands	5.3	1.2	4.1
United Kingdom	5.2	3.7	1.5
France	4.9	2.9	2.1
Japan	4.7	5.6	-0.9
Denmark	2.7	0.8	1.8
Other	6.7	13.9	-7.2

Currency exposure

Region	Gross	Benchmark
CAD	0.3	3.1
USD	71.0	72.1
Other	28.8	24.9

Top 10 holdings

Security name	Country	Sector	Weight
Microsoft Corporation	United States	Information Technology	5.5
Apple Inc.	United States	Information Technology	5.4
NVIDIA Corporation	United States	Information Technology	4.9
Amazon.com, Inc.	United States	Consumer Discretionary	3.9
Alphabet Inc. Class A	United States	Communication Services	3.4
JPMorgan Chase & Co.	United States	Financials	2.3
Visa Inc. Class A	United States	Financials	2.0
AstraZeneca PLC	United Kingdom	Health Care	2.0
Costco Wholesale Corporation	United States	Consumer Staples	1.9
Eli Lilly and Company	United States	Health Care	1.9

Security level contributors and detractors

	Security	Average Relative weight (%)	% Contribution to return
Contributors	Apple Inc.	0.7	0.5
	TransUnion	1.2	0.5
	D.R. Horton, Inc.	1.5	0.4
Detractors	Dollar General Corporation	0.6	-0.4
	Alphabet Inc. Class A	1.7	-0.4
	ASML Holding NV	1.0	-0.3

Sector attribution relative to the benchmark

	Sector	Average Relative weight (%)	Allocation Effect (%)	Selection Effect (%)	Total Effect (%)
Contributors	Consumer Discretionary	1.5	0.0	0.8	0.6
	Industrials	-1.0	0.0	0.5	0.4
	Utilities	2.3	0.2	0.2	0.4
Detractors	Health Care	-0.3	0.0	-0.7	-0.6
	Consumer Staples	-0.5	0.0	-0.4	-0.5
	Communication Services	0.6	0.0	-0.5	-0.4

Commentary

Highlights

The fund slightly underperformed its prospectus benchmark (MSCI World) during the quarter.

Fund Performance

The fund returned 4.8% during the quarter, slightly trailing its prospectus benchmark return of 5.1%. Stock selection in consumer discretionary, industrials and materials contributed to fund performance, along with an underweight allocation to energy. Stock selection in health care, consumer staples and communication services were the largest detractors from performance. From a country perspective, stock selection in the United States, Italy, and Netherlands, along with an underweight allocation to Japan contributed to performance. An overweight allocation to Netherlands and Denmark, and an underweight allocation to Canada were detractors from performance.

Security contributors

On an absolute basis, positions in Apple, TransUnion, D.R. Horton, Constellation Energy Corporation and CRH public limited company were the largest contributors over the quarter. On a relative basis, positions in TransUnion, D.R. Horton, Constellation Energy Corporation, Adyen NV and CRH public limited company were top contributors to fund performance versus the benchmark.

Security detractors

On an absolute basis, positions in Dollar General, Alphabet, ASML Holding NV, Novo Nordisk and Microsoft were the largest detractors over the quarter. On a relative basis, positions in Dollar General, ASML Holding NV, Alphabet and Novo Nordisk were top detractors from fund performance versus the benchmark. Not holding Tesla in the fund during the quarter also detracted from performance relative to the benchmark.

Portfolio activities

During the quarter, we initiated seven new positions, two in the industrials sector, one in the utilities sector, one in the consumer discretionary sector, one in the health care sector, one in the financials sector and one in the information technology sector. We exited six positions, one in the industrials sector, one in the health care sector, one in the materials sector, one in the financials sector, one in the consumer staples sectors and one in the consumer discretionary sector. Largest increases in weight were Adyen NV, First Solar, and Merck & Co. Largest decreases in weight were D.R. Horton, Constellation Energy Corporation, and CRH public limited.

Market overview

Overall, the Betterworld Global Equity Fund slightly underperformed its reference benchmark (MSCI World) during the quarter. Global equity markets balanced positive economics factors with continued geopolitical tension especially towards in the end of the quarter. The US Federal Reserve began its easing cycle with a larger-than-expected interest rate cut, which boosted investor confidence and market liquidity. Towards the end of September, new stimulus measures from China was a catalyst resulting in a boost for Chinese equities and global companies with business exposure to China. Geopolitical tensions in the Middle East remained on the front page but escalation did not hamper overall market sentiment. Historically, the energy sector performance has been a good way to gauge this tension.

Commentary

Outlook and Positioning

The team continues to invest with a sustainability core mindset. We aim to be benchmark aware and diversified across sectors (excepting energy). We apply an active bottom-up security process to generate alpha in our portfolio's. Our goal is to steer capital to sustainable businesses generating value for all stakeholders and being active owners to encourage good companies to become even better.

Over the quarter, but especially in September, we noticed some sector rotation from investors, as evidenced by a rotation from large-cap growth stocks towards unloved small caps names. The team believes this trend can continue going into Q4 ahead of the U.S. election. Slower inflation and positive economic indicators, such as steady retail sales and industrial production, supported market optimism during Q3, which the team believes can be another trend that will continue as we head into Q4.

Stock stories

Adobe Systems

- Adobe is a leading creativity and document SaaS platform. The company provides both individuals and enterprises with Creative/Document/Experience Cloud services, which unleash their creativity, accelerate document productivity, and improve digital experience.
- Adobe has a dominant >80% share of the global graphic processing market and a >20% share of the document processing software market.
- The Betterworld team believes the company is well positioned for abundant generative AI use case applications and monetization opportunities.
- As an example, since its launch in March 2023 Adobe FireFly has already generated over 6.5 billion images. Adobe notes that over 40% mobile beta users of Adobe Express have used a GenAI feature which support the free to paid conversion opportunity within their addressable market.

Bloom Energy

- The company produces large-scale solid oxide fuel-cell based onsite power generation platforms that provides highly reliable baseload electricity to businesses, essential services, and critical infrastructure.
- Fortune 100 companies around the world turn to Bloom Energy as a trusted partner to deliver lower carbon energy and resiliency from aging power grids.
- Bloom's management is highly focused on driving profitable and cash-generative growth.
- Customers note Bloom's power generation is cost competitive on a stand-alone basis (no subsidies) and can be rapidly deployed and avoid the need to wait for grid connections.

Commentary

AstraZeneca PLC

- The company is one of the world's leading biopharmaceutical companies with a diversified portfolio of medications that spread across Oncology, Cardiovascular, Renal and Metabolism (CVRM), Respiratory & Immunology (R&I), Rare Disease, vaccine, and Immune Therapies (V&I).
- AstraZeneca has established a relatively balanced regional revenue mix spreading across the U.S., Europe, and emerging markets.
- The company has been at the centre of the global fight against Covid-19 and took a non-profit approach to its initial distribution of its Covid-19 vaccine and ensured pricing was based on regional affordability.
- AstraZeneca also offers an attractive growth outlook with continuing near-term strong execution and a robust pipeline of 179 projects including over 30 in late-stage drugs.

Linde PLC

- Linde is the world's largest industrial gas producer in the world with a market share of more than 30%.
- The company's strength lies in production efficiency and exposure to a diverse group of end markets, including healthcare, manufacturing, electronics, chemicals and energy.
- Linde plans to spend ~\$9.6b in clean energy investments over the next three years, averaging ~\$3b per year. Each \$1b invested could yield an incremental 1% top-line growth.
- The company has been producing hydrogen from various feedstocks for over a 100 years and we expect Linde will be a global leader in producing zero emission green hydrogen from harnessing renewable power in the electrolysis process of converting water to hydrogen.

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 September 30, 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. 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.

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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 Betterworld Global Equity 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 Global Equity category funds for Mackenzie Betterworld Global Equity Fund for each period are as follows: one year - 1732 ; three years - 1501 ; five years - 1262 ; ten years - 630.

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