

# Mackenzie Emerging Markets Fund

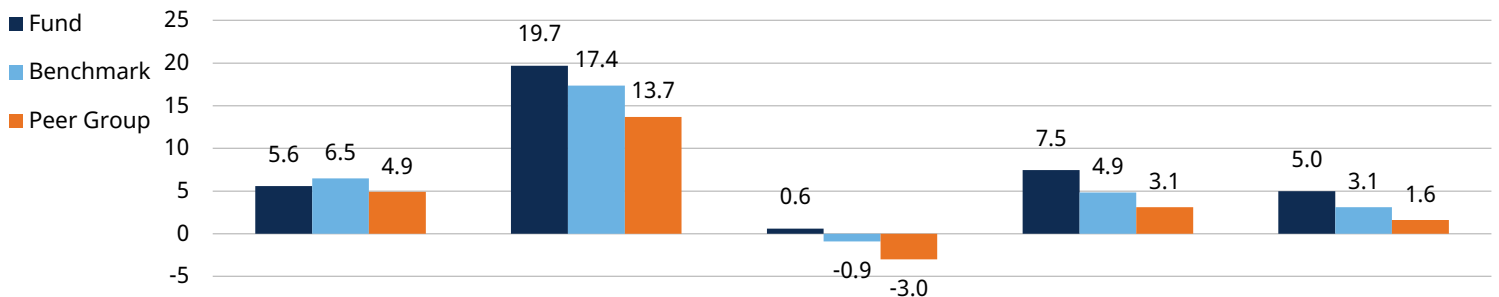
## Fund snapshot

Inception date	06/05/2018
AUM (millions in CAD)	812.7
Management Fee	0.80%
MER	1.06%
Benchmark	MSCI Emerging Mkts IMI
CIFSC Category	Emerging Markets Equity
Risk Rating	Medium
Lead portfolio manager	Arup Datta
Investment exp. Since	1992
Target # of holdings	150

## Strategy Overview

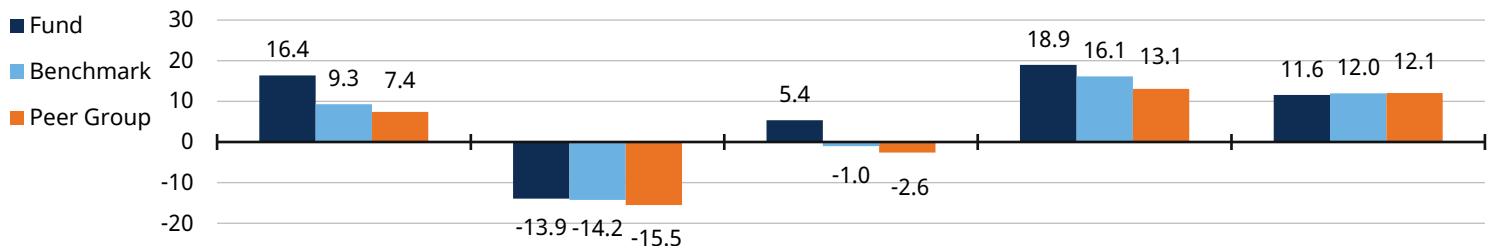
- The Fund seeks long-term capital growth by investing primarily in a portfolio of equity securities of companies in emerging markets.
- Employing a disciplined, risk-aware, systematic investment process, the Fund will focus its investments in those countries where the portfolio manager identifies strongly 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	-0.9	2.3	1.5	2.6	1.9
% of peers beaten	55	89	84	98	93

## 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	166.0	3,361.0
% top 10 holdings	32.1	22.6
Weighted average market cap	172,403.8	182,773.7
EPS growth (FY E)	22.3	32.2
Dividend yield	2.7	2.6
FCF margin	16.6	14.6
P/E Trailing 12M	11.1	15.1
P/E (forecast)	11.0	13.1
Net debt/EBITDA	1.6	-0.1
ROE (latest FY)	14.5	14.8

## Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	14.0	13.8
Sharpe Ratio	-0.2	-0.3
Tracking Error	3.7	-
Information Ratio	0.4	-
Alpha	1.4	-
Beta	1.0	-
Upside Capture (%)	95.2	-
Downside Capture (%)	87.9	-

## Regional breakdown

Region	Portfolio	Relative Weight
Emerging Markets	96.6	-3.4
International	1.0	1.0
United States	0.1	0.1
Other	2.3	2.3

## Sector allocation

Sector	Portfolio	Relative Weight
Financials	18.6	-1.3
Energy	3.1	-1.6
Materials	7.5	-0.1
Industrials	10.4	1.7
Information Technology	25.4	1.2
Communication Services	9.2	1.1
Utilities	2.4	-0.6
Consumer Staples	4.3	-1.0
Consumer Discretionary	12.5	0.3
Real Estate	1.9	-0.2
Health Care	2.3	-1.7
Other	2.1	2.0

## Country allocation

Country	Portfolio	Relative Weight
China	25.6	2.9
Taiwan	20.4	0.4
India	18.0	-2.7
Korea	14.5	2.3
Brazil	3.8	-0.4
United Arab Emirates	2.3	1.2
Other	16.3	-2.7

## Currency exposure

Region	Gross	Benchmark
CAD	0.6	-
USD	2.6	2.2
Other	96.9	97.8

## Top 10 holdings

Security name	Country	Sector	Weight
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	8.6
Tencent Holdings Ltd.	China	Communication Services	4.6
Samsung Electronics Co., Ltd.	Korea	Information Technology	3.5
Hon Hai Precision Industry Co., Ltd.	Taiwan	Information Technology	2.7
MediaTek Inc	Taiwan	Information Technology	2.4
China Construction Bank Corporation Class H	China	Financials	2.1
Kia Corp.	Korea	Consumer Discretionary	1.9
Trent Limited	India	Consumer Discretionary	1.9
Tata Motors Limited	India	Consumer Discretionary	1.9
LIC Housing Finance Ltd	India	Financials	1.8

## Security level contributors and detractors

	Sector	Average Relative Weight (%)	Total Effect (%)
Contributors	Hon Hai Precision Industry Co., Ltd.	1.6	0.4
	Tencent Holdings Ltd.	1.3	0.2
	Taiwan Semiconductor Manufacturing Co., Ltd.	0.7	0.1
Detractors	Tongcheng Travel Holdings Limited	1.2	-0.4
	Li Auto, Inc. Class A	0.5	-0.4
	Banco BTG Pactual SA Units Cons of 1 Sh + 2 Pfd Shs A	1.5	-0.1

## Sector attribution relative to the benchmark

	Sector	Average Relative Weight (%)	Total Effect (%)
Contributors	Communication Services	1.4	0.7
	Industrials	1.3	0.6
	Information Technology	1.2	0.5
Detractors	Consumer Discretionary	0.2	-0.7
	Health Care	-1.5	-0.4
	Energy	-0.5	-0.3

## Commentary

During Q2 2024, Mackenzie Emerging Markets Fund returned 13.62% (gross of fees), outperformed the MSCI Emerging Markets Investable Market index (gross of fees in CAD), which returned 11.06%.

From a geographic perspective, India, South Korea and Taiwan were the primary contributors to relative performance. At sector level, Communication Services, Industrials and Information Technology were the strongest contributors to relative performance. At security level, overweight positions in Yutong Bus Co., Trent Limited and Hon Hai Precision Industry Co. were the key contributors to relative performance.

From a geographic perspective, China, Brazil and Poland were the largest detractors to relative performance. At sector level, Consumer Discretionary and Health Care were the primary detractors to relative performance. At security level, overweight positions in Banco BTG Pactual SA, Li Auto and Tongcheng Travel Holdings Limited were the key detractors to relative performance.

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

We continue to believe in the long-term benefits of emerging markets equities within a diversified portfolio. With broad cooling US inflation and ongoing softening in the US labour market, it is likely boost Fed's confidence to deliver its first rate cut in September. As the Fed's rate cutting cycle becomes more foreseeable, this is 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 June 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.

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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 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 June 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 Emerging Markets Equity funds for Mackenzie Mackenzie Emerging Markets Fund for each period are as follows: one year -267; three years -231 ; five years - 206 ; ten years - 111 .

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