Mackenzie US All Cap Growth Fund

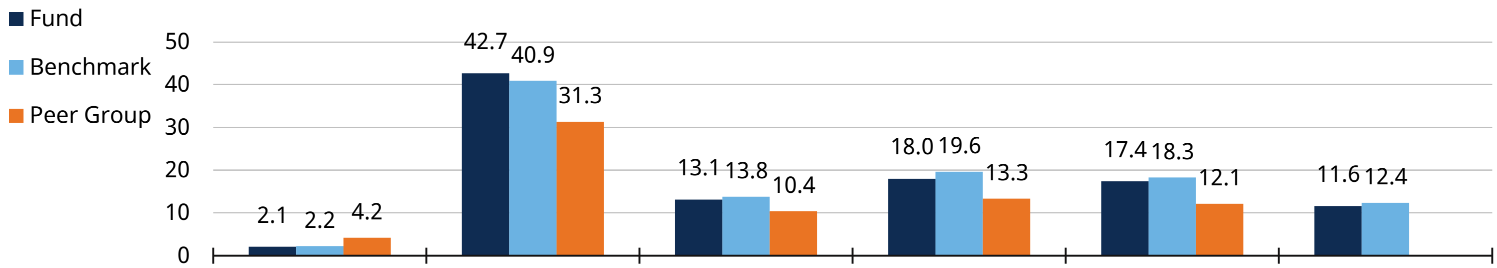
Fund snapshot

Inception date	07/15/2004
AUM (millions in CAD)	1797.7
Management Fee	0.80%
MER	1.05%
Benchmark	Russell 3000 Growth
CIFSC Category	US Equity
Risk Rating	Medium
Lead portfolio manager	Richard Bodzy
Investment exp. Since	2004
Target # of holdings	60-90

Strategy Overview

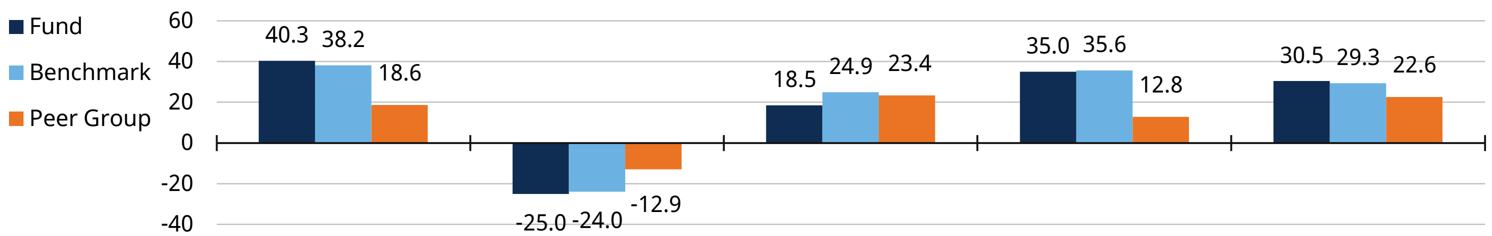
- Seeks to provide long-term capital appreciation by investing primarily in growth stocks domiciled in the US
- Access a range of companies at different stages of a company's life cycle from small, mid-sized to mature companies
- Aims to capture growth at different stages of a company's life cycle

Trailing returns %



	3 Mth	1 Yr	3 Yr	5Yr	10Yr	SI
Excess return	-0.1	1.8	-0.7	-1.6	-0.9	-0.8
% of peers beaten	17	95	75	93	97	NA

Calendar returns %



	2023	2022	2021	2020	2019
Excess return	2.2	-1.0	-6.5	-0.6	1.2
% of peers beaten	95	11	13	91	92

Portfolio characteristics

	Portfolio	Benchmark
# of holdings	59	1,514
% top 10 holdings	56.6	56.9
Weighted average market cap	1,865,759.1	2,032,434.0
EPS growth (FY E)	19.9	21.2
Dividend yield	0.4	0.6
FCF margin	24.5	-7.8
P/E Trailing 12M	44.7	37.3
P/E (forecast)	36.6	31.3
Net debt/EBITDA	-0.2	-0.1
ROE (latest FY)	26.3	29.2

Sector allocation

Sector	Portfolio	Benchmark	Relative Weight
Financials	5.6	6.4	-0.8
Energy	-	0.5	-0.5
Materials	0.9	0.8	0.1
Industrials	9.1	5.4	3.7
Information Technology	43.0	47.5	-4.5
Communication Services	13.3	12.3	1.0
Utilities	-	0.2	-0.2
Consumer Staples	0.3	3.6	-3.3
Consumer Discretionary	14.7	14.0	0.7
Real Estate	1.5	0.6	0.9
Health Care	9.2	8.6	0.6
Other	2.4	0.1	2.3

Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	17.8	17.2
Sharpe Ratio	0.6	0.6
Tracking Error	2.4	-
Information Ratio	-0.3	-
Alpha	-1.0	-
Beta	1.0	-
Upside Capture (%)	100.8	-
Downside Capture (%)	104.5	-

Country allocation

Country	Portfolio	Benchmark	RelativeWeight
United States	94.4	99.8	-5.4
Canada	1.7	-	1.7
United Kingdom	0.9	-	0.9
Switzerland	0.7	-	0.7
Other	2.3	0.2	2.1

Regional breakdown

Region	Portfolio	Benchmark	Relative Weight
United States	94.4	99.8	-5.4
Canada	1.7	-	1.7
International	1.5	-	1.5
Other	2.4	0.2	2.2

Currency exposure

Region	Gross	Benchmark
CAD	0.1	-
USD	98.5	100.0
Other	1.5	-

Top 10 holdings

Security name	Country	Sector	Weight
NVIDIA Corporation	United States	Information Technology	10.0
Apple Inc.	United States	Information Technology	9.6
Microsoft Corporation	United States	Information Technology	8.8
Amazon.com, Inc.	United States	Consumer Discretionary	7.4
Broadcom Inc.	United States	Information Technology	4.2
Alphabet Inc. Class C	United States	Communication Services	4.2
Meta Platforms Inc Class A	United States	Communication Services	3.9
Mastercard Incorporated Class A	United States	Financials	2.6
Eli Lilly and Company	United States	Health Care	2.4
Netflix, Inc.	United States	Communication Services	2.1

Security level contributors and detractors

	Security	Average Relative weight (%)	% Contribution to return
Contributors	Apple Inc.	-2.0	0.8
	Meta Platforms Inc Class A	-0.6	0.4
	Fair Isaac Corporation	1.1	0.3
Detractors	Alphabet Inc. Class C	1.5	-0.6
	Microsoft Corporation	-2.1	-0.5
	Amazon.com, Inc.	1.4	-0.4

Sector attribution relative to the benchmark

	Sector	Average Relative weight (%)	Allocation Effect (%)	Selection Effect (%)	Total Effect (%)
Contributors	Information Technology	-4.3	0.1	0.6	0.7
	Communication Services	0.9	0.0	0.5	0.4
	Industrials	3.4	0.2	0.0	0.2
Detractors	Consumer Discretionary	-0.3	0.0	-0.9	-0.8
	Health Care	1.5	0.0	-0.4	-0.3
	Financials	-0.9	-0.1	0.0	-0.1

Commentary

US equity markets posted solid gains for the third quarter, but also encountered volatility. Most notable was a sharp decline in August, when major US indexes posted their worst 3-day losses since 2022. Early in the quarter, inflation and labor market data raised questions about the strength of the overall economy and whether the US Federal Reserve waited too long to cut interest rates. US equities posted a modest gain in July, and although risk assets continued to be in favor, investors generally moved away from the Magnificent Seven and other mega-cap tech stocks.

In August, the S&P 500 Index declined to a 3-month low as part of a nearly 10% decline from its mid-July peak. The turbulence was caused in part by a weak US employment report that raised recession fears. Stocks rebounded quickly from the selloff and recorded their fourth consecutive monthly gain. After a sharp decline in early September, stocks rebounded and all three major indexes posted gains for the month. Also in September, the Fed announced a 50-basis-point interest-rate cut, its first easing since 2020.

For the quarter, US equities, as measured by the S&P 500 Index, returned 5.89%.

S&P 500 Index sectors that gained were utilities (19.36%), real estate (17.16%), industrials (11.52%), financials (10.66%), materials (9.53%), consumer staples (8.96%), consumer discretionary (7.79%), health care (6.08%), communication services (1.71%), information technology (1.61%). The energy sector posted a loss (–2.34%).

The third quarter of 2024 ended with healthy returns across most major asset classes, despite several bouts of market volatility. In this environment, the strategy posted positive absolute returns and outperformed its benchmark, the Russell 3000 Growth Index. Stock selection within information technology and communication services proved most favorable to relative results while positions within consumer discretionary and healthcare modestly detracted.

Our underweight to Alphabet (communication services) and overweight positions in Howmet Aerospace (industrials), Trane Technologies (industrials) and Fair Isaac (information technology) were among the top relative contributors.

Top detractors from relative performance included underweights to Tesla (consumer discretionary) and Home Depot (consumer discretionary), as well as an overweight position in Dexcom (health care) and Biomarin (healthcare).

Changes in the relative positioning of the strategy are primarily a result of our fundamental, bottom-up process of evaluating the opportunity and risk of individual stocks. As always, sector active weights remain reasonably tight in order to reduce unintended factor risks and accentuate stock-specific risk. Currently, we remain within +/-5% of all sectors. Our largest absolute position is information technology, however we are underweight the sector. We are also underweight consumer staples. The industrials sector is most overweight at this time. We have no exposure to the energy or utilities sectors. For the strategy's geographic exposure, +95% remains in U.S.-listed securities.

Notable new positions during the quarter included Starbucks (consumer discretionary) and General Electric (industrials). Top eliminated positions included Dexcom (health care) and Hubspot (information technology).

US equity markets posted solid gains for the third quarter, but also encountered volatility. Most notable was a sharp decline in August, when major US indexes posted their worst 3-day losses since 2022. Early in the quarter, inflation and labor market data raised questions about the strength of the overall economy and whether the US Federal Reserve waited too long to cut interest rates. US equities posted a modest gain in July, and although risk assets continued to be in favor, investors generally moved away from the Magnificent Seven and other mega-cap tech stocks.

The aim of the mandate is to minimize the impact of economic fluctuations by investing in secular growers with defensible moats and high, sustainable returns. We will continue to focus our investments in companies with 1.) high and long-duration growth, 2.) high and/or improving capital returns, and 3.) an ownership culture. The growth profiles for many of the companies held in the strategy are supported by long-tailed themes, and we explicitly take prior-cycle downside capture into account within our risk framework. Our desire to own high-quality businesses with a narrow range of outcomes has benefited relative returns. This framework has served the strategy well in the past, and we expect it to continue to do so into the future.

Commentary

We continue to see structural tailwinds and exciting multi-year trends that we believe can drive sustained growth for many businesses. As of 30th September 2024, US All Cap Growth stocks, as represented by the Russell 3000 Growth Index, have returned +18% annualized over the trailing 5 years. More broadly, we believe that the innovation in the economy will come from traditional growth sectors in the next 5 years. These sectors include technology, health care, consumer discretionary, and industrials. These four sectors combined make up over 75% of the US all cap growth universe and over 80% of US Large Cap Growth.

For the immediate future, we anticipate a reasonably slow-growth economy in 2H24 and 2025, with some downside risk related to the Fed's ability to thread the needle on interest rates. Interest rates are likely to be stable or move a bit lower, the Consumer is notably slowing, the impact of multiple years of higher inflation will be felt across industries, and the ability for certain companies to grow through the headwinds will differentiate individual stock returns.

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.

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 September 30, 2024. 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 US Equity category and reflect the performance of the Mackenzie US All Cap Growth 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 US Equity category funds for Mackenzie US All Cap Growth Fund for each period are as follows: one year - 1137 ; three years - 982 ; five years - 860 ; ten years - 538.

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.