

Mackenzie Canadian Small Cap Fund

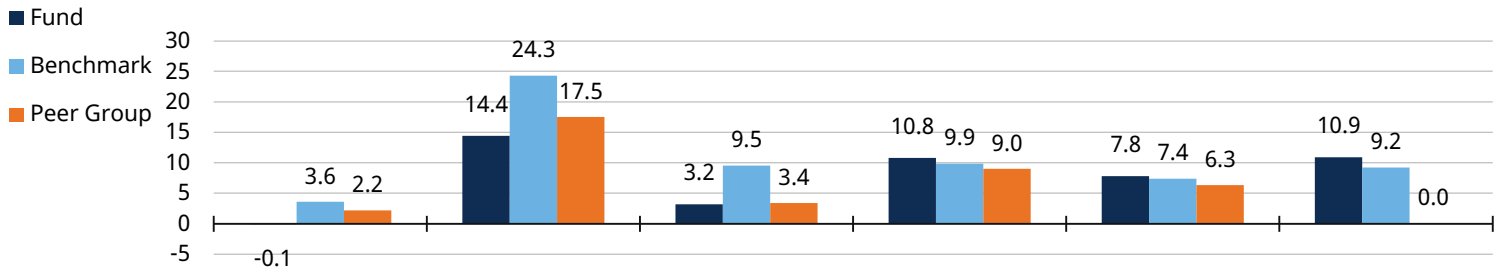
Fund snapshot

Inception date	06/05/2009
AUM (millions in CAD)	169.3
Management Fee	0.75%
MER	0.99%
Benchmark	S&P/TSX Completion
CIFSC Category	Canadian Small/Mid Cap Equity
Risk Rating	Medium
Lead portfolio manager	Scott Carscallen
Investment exp. Since	1994
Target # of holdings	50-80

Strategy Overview

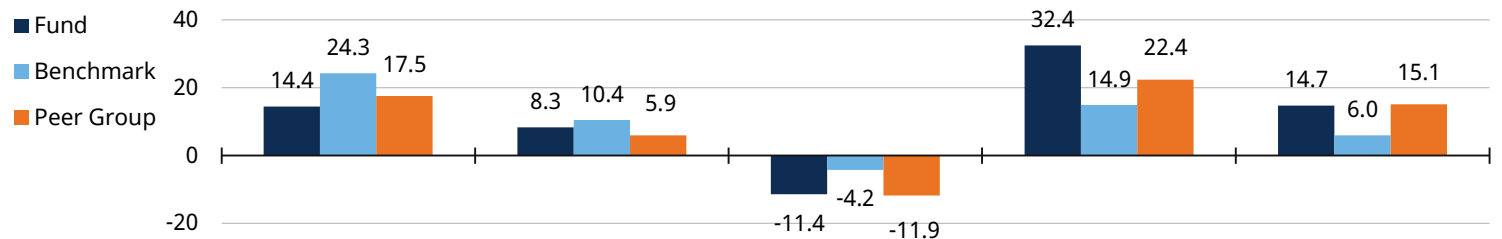
- Managed by an experienced investment team offering focused and specialized Canadian small cap expertise
- Small cap investment opportunities can enhance potential for returns and add diversity

Trailing returns %



	3 Mth	1 Yr	3 Yr	5Yr	10Yr	SI
Excess return	-3.7	-9.9	-6.4	0.9	0.4	1.7
% of peers beaten	9	29	46	68	77	NA

Calendar returns %



	2024	2023	2022	2021	2020
Excess return	-9.9	-2.2	-7.2	17.6	8.8
% of peers beaten	29	60	47	92	60

Portfolio characteristics

	Portfolio	Benchmark
# of holdings	55	163
% top 10 holdings	36.3	24.8
Weighted average market cap	5,485.2	10,839.2
EPS growth (FY E)	36.9	27.3
Dividend yield	1.3	2.1
FCF margin	12.0	2.8
P/E Trailing 12M	23.5	15.3
P/E (forecast)	18.7	15.0
Net debt/EBITDA	1.7	2.8
ROE (latest FY)	10.3	10.3

Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	14.3	14.2
Sharpe Ratio	-0.1	0.4
Tracking Error	6.9	-
Information Ratio	-0.9	-
Alpha	-5.8	-
Beta	0.9	-
Upside Capture (%)	76.7	-
Downside Capture (%)	102.5	-

Regional breakdown

Region	Portfolio	Benchmark	Relative Weight
Canada	99.2	100.0	-0.8
Other	0.8	-	0.8

Sector allocation

Sector	Portfolio	Benchmark	Relative Weight
Financials	14.2	16.6	-2.4
Energy	13.9	17.1	-3.2
Materials	10.5	20.6	-10.1
Industrials	30.1	18.5	11.6
Information Technology	11.2	6.1	5.1
Communication Services	-	1.0	-1.0
Utilities	-	7.1	-7.1
Consumer Staples	1.7	2.1	-0.4
Consumer Discretionary	5.3	1.8	3.5
Real Estate	8.5	7.4	1.1
Health Care	2.0	1.6	0.4
Other	0.8	-	0.8

Country allocation

Country	Portfolio	Benchmark	Relative Weight
Canada	99.2	100.0	-0.8
Other	0.8	-	0.8

Currency exposure

Region	Gross	Benchmark
CAD	100.0	100.0
USD	-	-

Top 10 holdings

Security name	Country	Sector	Weight
Definity Financial Corp.	Canada	Financials	4.6
Element Fleet Management Corporation	Canada	Industrials	4.4
Descartes Systems Group Inc.	Canada	Information Technology	4.0
Savaria Corporation	Canada	Industrials	3.8
Aritzia, Inc.	Canada	Consumer Discretionary	3.5
Alamos Gold Inc.	Canada	Materials	3.4
TECSYS Inc.	Canada	Information Technology	3.3
Trisura Group Ltd.	Canada	Financials	3.2
Colliers International Group Inc.	Canada	Real Estate	3.1
Richelieu Hardware Ltd	Canada	Industrials	2.9

Security level contributors and detractors

	Security	Average Relative weight (%)	% Contribution to return
Contributors	Descartes Systems Group Inc.	1.7	0.6
	TECSYS Inc.	3.0	0.4
	Definity Financial Corp.	3.6	0.3
Detractors	ADENTRA Inc	2.7	-0.4
	StorageVault Canada Inc.	1.5	-0.5
	Cargojet Inc.	2.3	-0.6

Sector attribution relative to the benchmark

	Sector	Average Relative weight (%)	Allocation Effect (%)	Selection Effect (%)	Total Effect (%)
Contributors	Materials	-10.8	0.9	0.0	0.9
	Energy	-3.6	-0.1	0.4	0.3
	Utilities	-7.0	0.2	0.0	0.2
Detractors	Information Technology	3.8	0.9	-1.6	-0.7
	Financials	-1.2	-0.1	-1.9	-2.0
	Industrials	11.8	0.4	-2.8	-2.3

Commentary

Fund Performance

In Q4 2024, the fund underperformed the completion index largely due to selection within industrials and financials.

Industrials was the largest sector allocation where underperformance vs the completion index was due to a higher allocation to holdings impacted by negative sentiment on potential policy changes to be implemented under Trump. Both tariff exposed names, as well as rate sensitive sectors saw weakness.

Security contributors

The energy sector was our strongest contributor in the quarter, where natural gas players broadly saw strength in the quarter given an improved outlook on weather as well as potential power generation demands to fuel data center investment. North American Construction Group also performed well on the back of a solid earnings report and contract awards.

The technology sector was also a strong contributor given our allocation towards supply chain software solution providers. This space has seen solid results and growing interest for customers looking to be more efficient, while addressing an evolving landscape of potential tariffs and shifts in where products are sourced and produced.

The top individual contributors in the fund were software providers, the first being Descartes Systems, a top ten holding with a solid earnings report in the quarter. As a facilitator of supply chain management, Descartes has an optimistic outlook as a solution for companies looking for solutions to address new tariff, reshoring, and trade challenges under Trump.

Tecsys was also strong in the quarter, another software provider in supply chain, benefiting from an optimistic outlook and booking trends.

A number of our energy holdings had solid quarters, particularly in gas given helpful weather conditions, and improving sentiment given AI/DC power demands. Nuvista, Tamarack Valley, Topaz Energy, Athabasca Oil, Kelt Exploration, and Headwater Exploration all outperformed the completion.

Security detractors

election within industrials and financials were the key factors that detracted from relative performance in Q4.

The largest individual detractor was Cargojet which fell subject to a short report in the quarter.

Storagevault Canada was a headwind given slowing trends driven by slower real estate activity.

Adentra sold off with building products more broadly given concerns on impacts of rising rates as well as tariffs on the sector.

Portfolio activities

We increased our allocation to software in the quarter by adding Docebo, Computer Modelling Group and Kneat.com in the quarter given a positive view on the space.

In industrials we added AtkinsRealis given an attractive outlook and relative valuation, while Badger Daylighting was added given an attractive valuation and outlook for construction activity in the United States.

A new position in Mainstreet Equity was established given a strong track record as well as a differentiated strategy and structure vs traditional REITs.

Winpak and Ag Growth were reduced on the back of deteriorating outlooks given their exposure to tariffs.

EQB and Colliers were trimmed given valuation

Calian Technologies was sold in the quarter.

Outlook, Positioning

The outlook has become more uncertain given changes in government in both the United States and Canada, which may impact sentiment despite what has been a solid environment for earnings in small cap. Our prior enthusiasm for small caps to benefit from moderating inflation and lower rates has been tempered, as central bank easing on the front end has not translated into easier conditions for consumers. Having said that, fears of a recession have improved significantly over the course of 2024, and the economy enters 2025 in a healthy state.

There was a flurry of takeover activity in the small cap space in 2024, and this may continue as small caps remain inexpensive relative to large caps.

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 December 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. 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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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 Canadian Small/Mid Cap Equity category and reflect the performance of the Mackenzie Canadian Small Cap Fund for the 3-month, 1-, 3-, 5- and 10-year periods as of December 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 Canadian Small/Mid Cap Equity category funds for Mackenzie Canadian Small Cap Fund for each period are as follows: one year - 174 ; three years - 170 ; five years - 154 ; ten years - 114.

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