

Mackenzie Global Dividend Fund

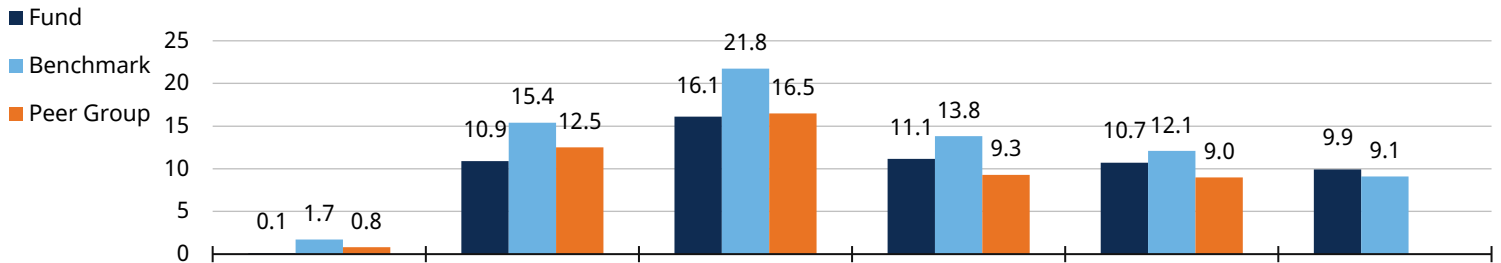
Fund snapshot

Inception date	07/11/2007
AUM (millions in CAD)	8587.6
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	60-80

Strategy Overview

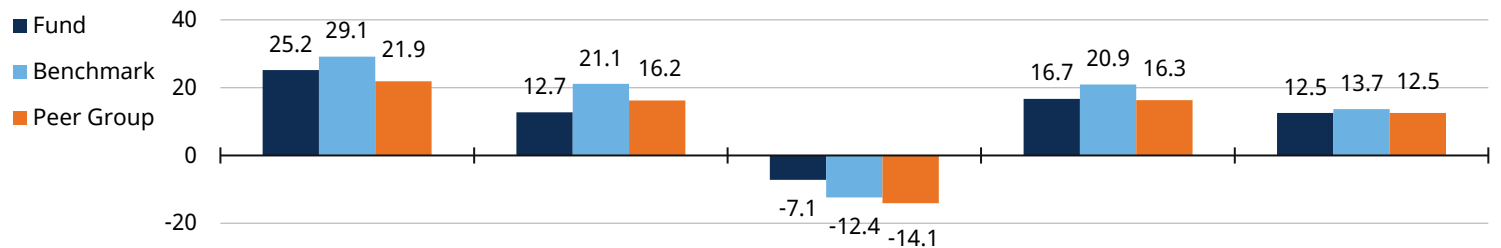
- Seeks to generate dividend income through owning industry leading businesses with growth potential
- Reinvested dividends can contribute substantially to overall equity performance
- Diversify outside of the Canadian market which is concentrated in 3 sectors (financials, energy, and materials)

Trailing returns (%)



	3 Mth	1 Yr	3 Yr	5Yr	10Yr	SI
Excess return	-1.6	-4.5	-5.7	-2.7	-1.4	0.8
% of peers beaten	32	40	47	70	85	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	80	1,320
% top 10 holdings	34.8	27.4
Weighted average market cap	1,450,882.5	1,411,759.5
EPS growth (FY E)	10.0	16.9
Dividend yield	1.9	1.6
FCF margin	21.9	61.7
P/E Trailing 12M	23.9	24.4
P/E (forecast)	21.9	21.9
Net debt/EBITDA	1.2	0.8
ROE (latest FY)	21.1	19.3

Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	7.8	9.7
Sharpe Ratio	1.6	1.8
Tracking Error	3.8	-
Information Ratio	-1.5	-
Alpha	-1.2	-
Beta	0.7	-
Upside Capture (%)	75.9	-
Downside Capture (%)	77.2	-

Regional breakdown (%)

Region	Portfolio	Benchmark	Relative Weight
United States	64.8	71.9	-7.1
Emerging Markets	3.9	-	3.9
International	29.0	24.7	4.3
Other	2.3	3.4	-1.1

Sector allocation (%)

Sector	Portfolio	Benchmark	Relative Weight
Financials	15.8	17.1	-1.3
Energy	4.1	3.3	0.8
Materials	4.0	3.2	0.8
Industrials	10.0	11.1	-1.1
Information Technology	24.4	27.1	-2.7
Communication Services	6.6	8.8	-2.2
Utilities	3.2	2.6	0.6
Consumer Staples	9.5	5.3	4.2
Consumer Discretionary	7.3	10.0	-2.7
Real Estate	0.6	1.8	-1.2
Health Care	12.3	9.8	2.5
Other	2.2	-0.1	2.3

Country allocation (%)

Country	Portfolio	Benchmark	Relative Weight
United States	64.8	71.9	-7.1
United Kingdom	6.7	3.7	3.1
France	5.2	2.6	2.5
Japan	4.5	5.5	-1.0
Germany	3.2	2.4	0.8
Switzerland	2.8	2.4	0.5
Other	12.8	11.5	1.3

Currency exposure (%)

Region	Gross	Benchmark
CAD	6.1	3.4
USD	65.0	72.3
Other	29.0	24.3

Top 10 holdings

Security name	Country	Sector	Weight (%)
Microsoft Corporation	United States	Information Technology	5.1
NVIDIA Corporation	United States	Information Technology	4.8
Apple Inc.	United States	Information Technology	4.4
Alphabet Inc. Class A	United States	Communication Services	3.9
Amazon.com, Inc.	United States	Consumer Discretionary	3.5
Johnson & Johnson	United States	Health Care	2.8
JPMorgan Chase & Co.	United States	Financials	2.8
Philip Morris International Inc.	United States	Consumer Staples	2.4
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology	2.2
AbbVie, Inc.	United States	Health Care	2.2

Security level contributors and detractors

	Security	Average Relative Weight (%)	Contribution To Return (%)
Contributors	Alphabet Inc. Class A	1.4	0.8
	Johnson & Johnson	2.1	0.3
	Taiwan Semiconductor Manufacturing Co., Ltd.	2.1	0.3
Detractors	Meta Platforms Inc Class A	0.1	-0.3
	Motorola Solutions, Inc.	1.5	-0.3
	Microsoft Corporation	1.0	-0.4

Sector attribution relative to the benchmark

	Sector	Average Relative Weight (%)	Allocation Effect (%)	Selection Effect (%)	Total Effect (%)
Contributors	Communication Services	-2.4	-0.1	0.3	0.3
	Consumer Staples	4.2	-0.1	0.1	0.1
	Materials	0.4	0.0	0.0	0.1
Detractors	Health Care	2.9	0.2	-0.4	-0.2
	Industrials	-0.9	0.0	-0.6	-0.5
	Financials	-0.8	0.0	-0.5	-0.6

Commentary

QFR Highlights

- Returns were impacted by sector and style headwinds as markets continued to favor AI-related, momentum-driven, and lower quality names.
- The Fund (Series F) gained 0.1% in Q4 2025 but trailed the MSCI World's 1.7% return.
- The Fund delivered a solid 10.9% absolute return in 2025 but lagged the MSCI World benchmark by 450 basis points, reflecting a very difficult year for quality-oriented investors.

Market Overview

The portfolio's shortfall in Q4 was driven primarily by sector positioning and style headwinds as the market rewarded growth-sensitive and momentum-heavy names. Outperforming areas came from Communication Services (+9% return in the Fund), along with Energy (+1.6%) and Consumer Staples (+1.4%). Healthcare (+5.3%) was the biggest contributor to returns given overall sector strength and it being our largest overweight position, although our stocks lagged versus the sector's returns of +9%. Healthcare rebounded based on renewed confidence that the post-COVID drag on medical devices and services will begin to dissipate alongside greater clarity on US drug pricing policy. Weaker absolute and relative returns in Industrials (-4.9%) and Financials (-0.4%) drove the majority of this quarter's underperformance.

Quality as a factor experienced its weakest relative performance going back 35 years when the factor first began being measured. Looking at what drove global markets beyond technology last year, non-US stocks actually had their strongest relative performance vs the US since 1993, driven by the European and Canadian equities. The shift in monetary and fiscal policy buoyed European stocks (particularly banks) and Canada was driven by banks and mining stocks, which now make up almost 19% of the TSX benchmark. (As a reminder, the fund has consciously never owned any Canadian equities to avoid ownership overlap with our clients' Canadian investments). The Financials sector was up over 23% in 2025. European banks and commodity-oriented businesses historically sat at the lower end of the quality curve and have never been a core focus on the Fund. The changes for the expectations for growth in Europe and the direction of travel with US interest rates generated significant outperformance in the global money center banks. A weaker US dollar, down about 10% vs other currencies over the year, further supported non-US returns as concerns about government deficit spending increased.

Fund Performance

In Q425 the Fund (Series F) gained 0.1% and trailed MSCI World's 1.7% return. This concludes a year in which the fund generated a healthy absolute return of 10.9% but was behind the global benchmark return by 450 basis points. This represents the worst relative result for the Fund since the team took over portfolio management responsibilities at the end of 2013. That's the bad news. The good news is we generated a double-digit return in the context of what was the harshest environment for our investment style in over 30 years, putting the portfolio well-positioned to outperform as market leadership broadens.

During the quarter, Financials and Industrials detracted the most, reflecting our under-exposure in European and Canadian banks and capital goods, and greater exposure to data-based financial firms and commercial and professional services companies, respectively. Healthcare contributed positively to returns but our holdings did not keep pace with the sector.

We remain committed to our long-term investment philosophy focused on quality and durability, viewing periods of style headwinds and market dislocation as a normal part of investing cycles and often an opportunity – while being adaptive of how changes in market structure can influence shorter-term outcomes.

Security Contributors

AngloGold Ashanti was a strong outperformer during the quarter, rising over 20% alongside higher gold prices. Gold strength was driven by inflationary policy expectations tied to the Trump administration, ongoing central bank de-dollarization, and robust retail demand from China. AngloGold benefited from high operating leverage to gold, an attractive valuation (~5x EV/EBITDA with a ~4% dividend yield), and continued portfolio optimization and capital discipline under CEO Alberto Calderon. Over the past several years, the company has reshaped its portfolio toward lower-cost, longer-life assets, supporting stronger margins and free cash flow through the cycle. With a diversified footprint across Africa, Australia, and the Americas, a strong balance sheet, and limited incremental capex needs, AngloGold remains well positioned. The quality and longevity of its asset base provide resilience in weaker gold environments and meaningful upside when prices rise.

Commentary

Security Detractors

Motorola Solutions (-17%) has been a strong long-term performer in the portfolio over time – we first purchased shares in 2015, sold the stock several years later and then repurchased in 2020. It underperformed over the past year as investor capital rotated toward AI-centric technology hardware names and out of software. The stock de-rated despite continued double-digit earnings growth. The business remains fundamentally strong, supported by a record backlog of \$14.6 billion, approximately 75% of which is high-margin software and services. This backlog has steadily grown over multiple years and should continue to benefit from increased municipal spending, with incremental support from federal agencies. The acquisition of Silvus will further improve overall margins, deepen their US military footprint and expand Motorola’s capabilities in mobile ad-hoc networks, extending the company into a multi-billion dollar, rapidly growing addressable market for drone and unmanned systems. We believe the market is mispricing this long-term opportunity. In the meantime, Motorola continues to play a mission-critical role in public safety communications, including high-bandwidth video and voice applications, with long contract durations, high switching costs, and strong revenue visibility.

Portfolio Activities

We initiated a position in National Grid, which operates electricity transmission grid in the UK and Northeastern US. National Grid is a Dream Team company, and we have owned it in the past. We saw an opportunity to re-invest in the company this quarter, as the uncertainty created by their new capital investment program created weakness in the stock price. We believe National Grid is a defensive compounder with clear growth visibility. Its regulated networks in the UK and US sit at the center of a multi-decade grid upgrade cycle, driving high-single digit growth in the regulated asset base and EPS growth. Earnings are linked to inflation and protected by supportive regulatory mechanisms. National Grid offers an attractive dividend yield of 4%.

We initiated a position in Wells Fargo during the quarter, returning to a long-time “dream team” bank and former holding. Wells Fargo is the third-largest U.S. bank by revenues and deposits and has historically been one of the strongest consumer banking franchises in the country. Since a 2016 sales-practices scandal, the bank operated under an asset cap that constrained growth for nearly a decade. In 2025, that cap was lifted following substantial remediation efforts and a new management team focused on sustainable growth. With the constraint removed, Wells Fargo is now able to reinvest across credit cards, investment banking, and trading—areas that historically drove returns. Early progress is evident, with the investment banking franchise climbing to 8th globally in M&A advisory in 2025 (up from 12th two years earlier). A large, low-cost deposit base and national consumer footprint provide a strong foundation for improved earnings growth.

Our remaining shares in Unilever were sold and consolidated our position into Nestle. We believe Unilever is further along its restructuring path capping off a multi-year transformation process with the recent spin-off of their ice cream business – Magnum. Since Nelson Peltz got involved with Unilever in 2022 the stock has outperformed Nestle by 64pts. Unilever remains a Dream Team company, but we think Nestle offers a better return opportunity with the further upside from restructuring the business.

Outlook & Positioning

Markets today are increasingly influenced by systematic strategies, factor-based investing and shorter-term market participants. In other words, active managers who still believe in fundamental research must adapt to a market where roughly two-thirds of price action is driven by quantitative funds, algorithms, and retail traders. Fundamentals still matter—but how and when they are reflected in prices have changed. The edge increasingly comes from understanding why a stock is mispriced today and what will change investor perception tomorrow, not simply identifying intrinsic value, investing, and moving on. Markets have shifted away from being purely bottoms-up and long-term driven. Investor bases are more short-term, factor-aware, and momentum-sensitive. This creates persistent mispricing, particularly when negative momentum or short-term issues make stocks temporarily unownable to a vast cohort of market participants, even if long-term earnings power remains intact. Negative momentum can exacerbate selloffs, while the inflection from negative to stabilizing—often subtle—can itself be a powerful catalyst as short-term constraints ease.

Successful fundamental investors must therefore deeply understand who owns the stock, what data they are reacting to (estimate revisions, factor exposures, overhangs, etc.), and what signals might drive a change in perception—rarely a single event, but often a combination of slowing negative momentum, cyclical shifts, or improving company specific fundamentals. Growth can represent value when earnings power compounds and rerates over time, even if the stock never screens as statistically cheap. Our team have long viewed valuation, quality and growth as part of the continuum rather than in isolation. Maintaining flexibility around that spectrum allows us to identify opportunities across a wide range of businesses while remaining anchored in quality and risk-adjusted returns. We believe this approach positions the portfolio well should market leadership broaden or uncertainty increases and remain optimistic about the long-term prospects for our quality-focused investment style and look forward to better times ahead.

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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 Global Dividend Fund for the 3-month, 1-, 3-, 5- and 10-year periods as of December 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 - 1802 ; three years - 1592 ; five years - 1325 ; ten years - 721.

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