MACKENZIE
Investments

2023 SUSTAINABLE INVESTING REPORT

Being responsible creates opportunity and value

Published on: April 1, 2024

About Mackenzie Investments

Mackenzie Investments ("Mackenzie") is a leading investment management firm with $195.7 billion in assets under management (AUM) as of December 31, 2023. Founded in 1967, Mackenzie is a global asset manager with offices across Canada and in Boston, Dublin, London, Hong Kong and Beijing. Mackenzie has three global subsidiaries: Mackenzie Investment Corporation ("MIC" or "Mackenzie USA"), Mackenzie Investments Europe Limited ("MIEL" or "Mackenzie Europe") and Mackenzie Investments Asia Limited ("MIAL" or "Mackenzie Asia"). Mackenzie provides investment solutions and related services to more than one million retail and institutional clients through multiple distribution channels. Our 16 distinct investment teams offer expertise across traditional and non-traditional asset classes and cover a variety of sustainable investment approaches.

Additionally, Mackenzie's strategic investments give our clients exposure to key markets: Northleaf Capital Partners is a private markets investment manager and China Asset Management is a leading asset manager in China. Mackenzie is a part of IGM Financial Inc. (TSX: IGM), one of Canada's premier financial services companies with approximately $240.2 billion in total AUM and advisement as of December 31, 2023. We are committed to delivering competitive, long-term risk-adjusted performance with a pledge to uphold the United Nations-supported Principles for Responsible Investment (PRI).

For more information, visit mackenzieinvestments.com.

About this report

In Mackenzie's third Sustainable Investing Report, we share our approach to sustainability and our progress in integrating environmental, social and governance (ESG) risks and opportunities into our business.

We have adopted the terms "sustainability" and "sustainable investing," but you may also see reference to "responsible investing," "ESG investing" or "socially responsible investing."

The information presented in this report is as of December 31, 2023, unless otherwise stated. All dollar amounts are in Canadian currency, unless otherwise stated.

This report complements information in other publications, including the following:

- Mackenzie Investments 2022 Sustainable Investing Report
- Mackenzie Investments Sustainable Investing Policy
- IGM Financial 2022 Sustainability Report
- IGM Financial 2023 Annual Report

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Message from our CEO

I'm pleased to introduce Mackenzie's 2023 Sustainable Investing Report.

At our company, sustainability is a foundational quality. And, we run our business to the same standards we expect from the companies in which we invest. In 2023, we continued to execute our strategy to drive competitive long-term risk-adjusted returns for our clients. We stayed the course to deliver on our mission to create a more invested world and progressed on our goals toward a sustainable future.

Core to our efforts is the integration of material ESG risks and opportunities across our 16 investment boutiques, and this year our efforts were supported by onboarding Bloomberg data aggregation capabilities. We also brought innovation to the market by introducing the Mackenzie Corporate Knights Global 100 Index ETF and Fund. These give our clients the opportunity to be invested in the world's most sustainable corporations and underscore our leadership in the investment industry. The Mackenzie Greenchip Global Environmental All Cap Fund was designated the #1 thematic sustainable investment fund by the Investment Funds Institute of Canada.

Our achievements would not be possible without our dedicated, passionate and talented people who are aligned with our purpose and who believe that what we do matters in the lives of our clients and greater society. I am honoured that Mackenzie has been recognized as one of Glassdoor's 25 Best Places to Work in Canada in 2023, and our parent company, IGM Financial, was once again included in the list of Canada's Top 100 Employers as well as Best Diversity Employers.

The year was not without its challenges. Rising interest rates, inflation, geopolitical conflicts and market uncertainty contributed to lower investor confidence. We responded by deepening and solidifying our relationships with our clients to ensure they realized the value of being invested in the markets. Engaging with our clients proved particularly important when we learned that a vendor of a supplier had experienced a cyber-attack, and our clients faced a potential data privacy breach. We moved quickly to communicate with impacted clients and offered complimentary credit monitoring while also strengthening our cyber-security protocols.

Though we made progress on our sustainability commitments in 2023, much work is still ahead. We recognize our responsibility to move the public markets forward in the way that we invest, and to offer our clients access to the tremendous opportunities being created by the transition, while managing the associated risks.

I am excited to share the progress we have made.

Luke Gould
President and Chief Executive Officer

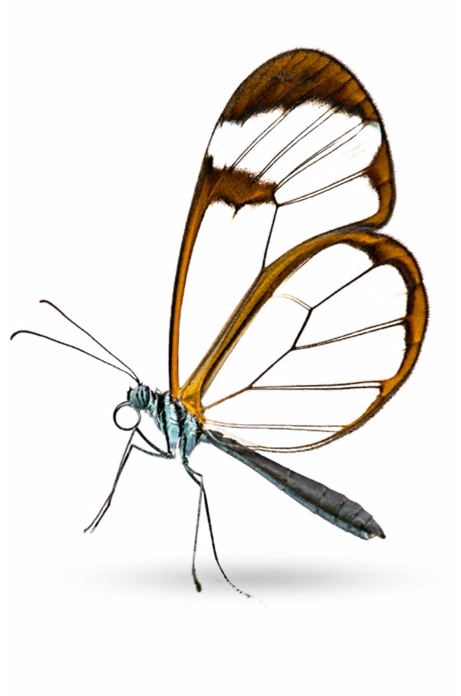
Sustainability is a foundational quality at the core of our values and purpose.

2023 sustainable investing at a glance

Increased transparency and disclosure

Launched **a new tracking technology** to help us document and monitor our engagements, including engagements with our top 100 investee companies contributing ~70% of our equity financed emissions.

Introduced **sustainability indicators on our website's** fund details pages for sustainable investment funds.



Progressed climate action

Launched **Canada's Next Sustainable Changemaker,** presented by Mackenzie, and awarded the winning startup with $25,000.

Introduced **new best-in-class data solutions,** such as Bloomberg DL+ and MSCI ESG, to support disclosure, product development and investment processes.

Strengthened our industry leadership

Selected **as lead sponsor** for the UN PRI in Person 2024 investment conference.

By AUM, the Mackenzie Greenchip Global Environmental All Cap Fund is the **largest thematic sustainable** investment fund in Canada.[1]

1 Canada Sustainable Funds Landscape – 2023 in Review

Delivered learning and insights

Facilitated **education and insights to over 5,000 attendees** at 85 events hosted by Mackenzie and our key partners, including our Earth Day 2023: Transparency Summit.

Grew our sustainable investment offering

Sustainable investment funds exceeded $6 billion in AUM as of December 31, 2023.

Launched **the Mackenzie Corporate Knights** Global 100 Index ETF and Fund.

Increased firm-wide stewardship and capabilities

Engaged with **172 companies** on 862 topics.

Sustainability is enabled by our culture

At Mackenzie, we are invested in creating a world where all stakeholders can be better off and contribute to a positive impact on people and the planet.

IN THIS SECTION

- Our corporate sustainability efforts
- Diversity, equity and inclusion

Our corporate sustainability efforts

1 We lead with sustainability

Glassdoor Top 25 Best Places to Work in Canada

Mackenzie Investments made Glassdoor's Best Places to Work list for the first time, and we have our employees to thank. The Glassdoor Employees' Choice Awards are based solely on the input of employees, ranking Mackenzie Investments among the top 25 Best Places to Work in Canada.

Canada's Top 100 Employers

IGM Financial, our parent company, was recognized as one of Canada's Top 100 Employers by Mediacorp Canada Inc. in its 2023 annual rankings of leading workplaces. The honour noted that we strengthened our dedication to community engagement; diversity, equity and inclusion (DE&I); and environmental initiatives.

Global 100

IGM Financial, our parent company, was named one of the world's most sustainable organizations in Corporate Knights' 2023 Global 100 Most Sustainable Corporations ranking. This is the fifth consecutive year IGM has earned this honour.

2023 IGM employee survey

Our IGM 2023 employee survey revealed that our employee engagement and satisfaction scores are above the industry average:

82% of employees feel they belong at our company

84% of employees feel the company is committed to sustainability

82% of employees feel they can participate in sustainability initiatives

88% of employees indicated that everyone can succeed to their full potential no matter who they are

2 We extend sustainability to our communities

The Mackenzie Together Charitable Foundation

The foundation, which is employee led and funded, supports more than 30 charities across Canada and has donated more than $14.9 million to member charities since its inception in 1999. In 2023, more than 500 Mackenzie employees supported the foundation by volunteering nearly 1,000 collective hours for National Volunteer Week and the company's annual IGM Giving Cup Campaign. The foundation granted more than $670,000 to grassroots charities in 2023.

Food drive

Employees donated more than 2,500 pounds of food, representing a 150% increase from 2022 amidst record-high food insecurity across Canada, to support increased access to safe and nutritious meals.

Frontlines Toronto

In 2023, the Mackenzie Together Charitable Foundation partnered with Frontlines Toronto. In our first year of partnership, Mackenzie employees volunteered at the centre to help in the fight against food insecurity and supported Frontlines' financial education program by hosting a mentoring and education session at the Mackenzie offices.

MACKENZIE **Together**

Frontlines bringing people together

> **Frontlines raises the bar by addressing the pressing needs of children and youth in the Weston community. We need to raise the bar too, not only at Mackenzie, but in our everyday lives, by continuously finding creative ways to give back to those who need it the most.**

Danny Yeo, Legal Counsel, Impact Officer, Mackenzie Together Charitable Foundation

2,500+ pounds

of food donated by employees, representing a **150% increase from 2022.**

Other 2023 highlights include:

Partnered with Alpine Canada to support a more inclusive and sustainable ski sport.

Our Top Peak challenge

For more than 30 years, Mackenzie has proudly supported skiing in Canada, and in 2023, we asked skiing communities to compete for a $100,000 grand prize by telling us how they're putting the planet first with projects that contribute to sustainability.

Launched She Skis program in 2023

She Skis is a daylong mentorship designed to encourage and support girls ages 12 to 16 in ski racing. At our kickoff in Tremblant during the FIS Women's World Cup, young athletes heard from Olympic athletes, including Canadian gold medallist Nancy Greene.

Women in Ski Racing

Our Women in Ski Racing program provides grants to women ski coaches who wish to "level up" their coaching certification, to keep more women in the sport and high-level coaching positions.

Caring Company Certification – 2008 to 2023

Sponsored by Imagine Canada, Caring Company Certification recognizes companies that demonstrate leadership in social impact and community engagement by giving back at least 1% of pre-tax profits to the communities where their employees live and work.

TOP PEAK | she skis | ALPINE CANADA ALPIN | CARING COMPANY CERTIFICATION IMAGINE CANADA

SPOTLIGHT:

PLANTING TREES IN OUR COMMUNITIES

In 2023, our Green Business Resource Group (BRG) partnered with Tree Canada to participate in tree planting events in Montreal, Winnipeg and Mississauga. Together with our IGM colleagues, we planted 650 trees in parks and schoolyards to help naturally capture and store carbon in the fight against climate change.

> **Tree planting with the Green BRG was a great way for me to feel engaged with nature, meet new and familiar colleagues, learn about the amazing things trees do and give a little back to the environment.**

Karl Mendonca, Manager, Compliance

3 We prioritize sustainability education

Sustainable investing advisor webinars and events

In 2023, Mackenzie hosted more than 85 webinars, seminars and due diligence events on the topic of sustainable investing to over 5,000 advisors, investors and clients, highlighting the opportunities available to investors to participate in the energy transition, ESG-labelled debt and other investment vehicles and approaches that are critical to achieving a sustainable future.

Earth Day Transparency Summit

To celebrate Earth Day 2023, Mackenzie hosted a summit featuring guest speakers from the sustainable investments space and presentations by portfolio managers to talk about how they are progressing in building sustainable portfolios. Over 370 Mackenzie advisors and investment staff attended the event.

Employee education opportunities

We offer employees education sessions and workshops on a range of topics, including financial literacy, climate change, employee mental health awareness training, inclusive behaviours and the history of Indigenous Peoples.

Industry partnerships and collaborative efforts are key

As an asset manager, we rely on the collaborative advocacy and educational opportunities that organizations such as Finance Montreal and the Responsible Investment Association (RIA) bring to Canadian investors and advisors. In 2023, we sponsored Finance Montreal's third annual sustainable finance conference with a plenary session titled "Beyond ESG: Time for Action."

Key partner: Responsible Investment Association

As part of our longstanding partnership with RIA, we were pleased to sponsor the 2023 Canadian RI Trends Report, which tracks the national trends and outlook for responsible investment in Canada.

Key findings of the report include:

- The proportion of responsible investing assets increased to 49%, with ESG integration ranking as the most commonly used practice across investment managers.
- Growth is being driven by risks and regulation surrounding climate change, investor demand for ESG/impact and regulatory guidance/requirements.

Gold sponsor at RIA's 2023 annual conference

At the conference, Mackenzie's John Cook, Greenchip's Senior Vice President and Portfolio Manager, gave a plenary presentation on "The Future of Energy: Deploying Capital for a Sustainable Future."

ESG product knowledge event – Virtual Conference, Fall 2023

More than 400 advisors and planners registered to learn about sustainable fixed income solutions available to their clients. Our portfolio managers discussed the burgeoning area of ESG-labelled debt, including green bonds and sustainability-linked bonds.

In 2022, the proportion of responsible investing assets in Canada increased to

49%

with ESG integration ranking as the most commonly used practice across investment managers.

4 We partner with our peers on sustainability

Climate Engagement Canada (CEC)

Mackenzie continues to be a member of CEC to help drive Canada's business transition to climate neutrality alongside other investors and to seek dialogue with corporate issuers in a single unified voice. In 2023, we also served as a member of the CEC Industry Leaders Advisory Panel.

Climate Action 100+

In 2023, we continued our participation in Climate Action 100+.

Net Zero Asset Managers (NZAM) initiative

Our NZAM initiative interim targets were approved and released in December 2022. Our progress towards our interim targets is included in the Progress on our climate change efforts section of this report. Our targets can be found here.

Ceres

We continued to participate in and collaborate with Ceres, a collective network of asset managers, public pension funds, foundations and other organizations to advance leading investment practices, corporate engagement strategies and policy solutions related to sustainability and net zero.

Canadian Chamber of Commerce: Green and Transition Finance Council

We participate in the Green and Transition Finance Council, which collaborates with government, regulators, Indigenous groups and other relevant stakeholders to advocate for tangible progress in the implementation of the financial market tools and instruments required for Canada to compete in the global transition to a sustainable future.

CDP

We have partnered with CDP (formerly the Carbon Disclosure Project) on advancing policies and practices through the 2023–24 CDP Science-Based Targets Campaign, which encourages corporate climate disclosure and science-based climate targets.

International Corporate Governance Network (ICGN)

Mackenzie became a member of ICGN in 2023. The organization advances the highest standards of corporate governance and investor stewardship to create long-term value by contributing to sustainable economies, societies and the environment.

Mackenzie was awarded lead sponsor for PRI in Person 2024 in Toronto.

Diversity, equity and inclusion (DE&I): invested in an inclusive world

At Mackenzie Investments, we strive to create a more inclusive and equitable workplace and seek to contribute positively to a diverse financial services sector. Our DE&I Strategy has three key pillars: inclusive workplace, diverse talent, and support for our clients and brand. Mackenzie's People Experience Centre of Excellence is responsible for the design, development and implementation of our strategy.

We take pride in our practices, policies and approaches, which are inclusive and engaging to all. To support our progress, all Mackenzie people leaders have DE&I goals as part of their annual incentives and objectives.

2023 DE&I highlights:

Hired three full-time positions as part of our commitment to the Women in Capital Markets' (WCM) Return to Bay Street Program, which supports the retention of professional women in our industry after an extended period of leave.

Sponsored the BlackNorth Excellence Gala, which celebrates the contributions of Black communities.

Supported the Women in Asset Management Conference by welcoming 70 students to our offices in Toronto, Winnipeg, Montreal and Calgary.

Mackenzie Women's BRG hosted a speed mentorship event and supported IGM's corporate International Women's Day celebrations.

Became signatories of the WCM Parental Leave Pledge promoting the increase of fathers' and non-birth parents' use of parental leave.

Ongoing commitments in 2023 included:

Signatory to the Canadian Investor Statement on Diversity & Inclusion, which advocates for diversity and inclusion practices in investment portfolios.

Signatory to the UN Women's Empowerment Principles to increase gender representation across investment management executive leadership.

Endorsement of the Truth & Reconciliation Commission's Calls to Action, specifically Action #92, to ensure equitable access to jobs and training opportunities for Aboriginal peoples in the corporate sector.

Business Resource Groups (BRGs)

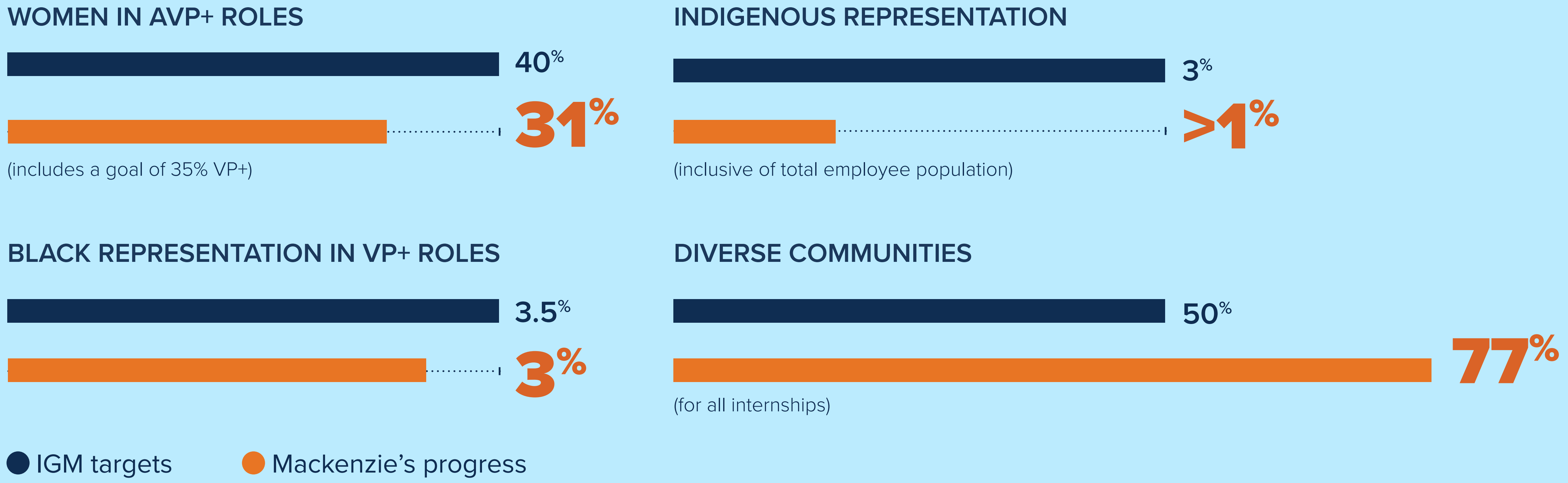
Our seven BRGs are voluntary, employee-led, executive-backed groups formed around a common interest, identity, bond or background across Mackenzie and IGM. The BRGs include DiverseABILITIES, Indigenous, Women, 2SLGBTQIA+, Black Advisory Council, Pan-Asian and Green. They align their programs and initiatives to support IGM's DE&I and sustainability business priorities and have enjoyed huge support from employees with year-over-year membership increase of 300% in BRG initiatives.

83%

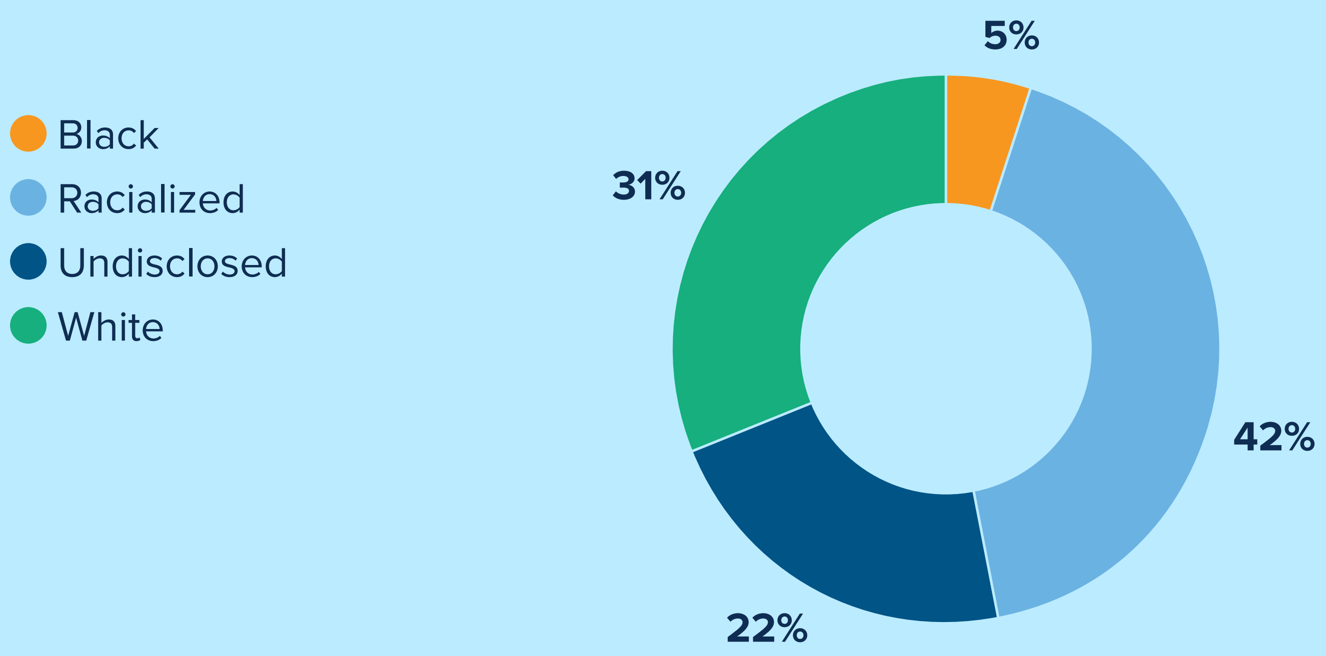
of Mackenzie employees self-identified as part of the *Count Me In!* program,[1] up 13.7% over 2022.

1 Employee self-reporting tool on attributes such as ethnicity, gender, different abilities, sexual orientation and others.

Mackenzie's 2023 progress towards IGM's DE&I targets



MACKENZIE INVESTMENTS' RACE/ETHNICITY SNAPSHOT (*COUNT ME IN!* PROGRAM)



SPOTLIGHT:

SUMMER INTERNSHIPS

We have set a 2025 goal of hiring a minimum of 50% of our summer interns from one or more of the following groups: women, Indigenous Peoples, racialized people, people living with a disability and 2SLGBTQ+ people.

It's a great time to work at Mackenzie! I'm proud of the time, resources and energy that all our leaders, employees and Business Resource Groups continue to invest in advancing diversity, equity and inclusion. But we're not done yet. I'm equally proud of the openness to stay committed to the impactful work ahead.

Jennifer Iozzo, VP, HR Business Partners and Employee Communications

Our approach to sustainable investing

For Mackenzie, sustainable investing means considering the full value chain of the companies we invest in, from the material risks and opportunities that may exist within their direct operations to those within the products and services they deliver to their own clients. Through our diverse investment teams, we are proud to offer our clients a range of investment choices covering a variety of sustainable investing choices. Our knowledgeable and experienced people ensure that sustainability principles are reflected in Mackenzie's investment products that we deliver to our clients.

IN THIS SECTION

An interview with Fate Saghir

Mackenzie's SVP, Head of Sustainability, Chair of the Sustainability Steering Committee

Q: Please share some 2023 highlights for you and your team.

Fate: 2023 was about building on our strong sustainability foundation and advancing our capabilities. We continued to prioritize climate research and engagements, and we added bench strength to our team with regulatory and disclosure expertise. We built additional resources to support financial advisors in their efforts to incorporate sustainable investing into conversations with their clients. While we know this is of interest to investors, it can also be a very personal and sensitive topic to broach and can make for an uncomfortable discussion. In response, we released a simple playbook to assist advisors in initiating and discussing with their clients.

In addition, we made significant investments in our technology and automation. We rolled out a new investee relationship management platform to help us easily document, manage and track our engagements with investee companies and issuers. This provides us with oversight on where we're making progress and where we're behind. We've also partnered with Bloomberg on a technology solution to acquire and aggregate ESG data, which helps us develop more accurate and proprietary insights for our investment processes, disclosures and products.

Q: What challenges did your team face?

Fate: In 2023, we continued to see a backlash against ESG and greater regulatory scrutiny around greenwashing coming out of the US with a spillover into Canada. While some companies are pulling back on their sustainability or ESG practices and communications, we continued our journey. For Mackenzie, sustainability is at the core of who we are, and we're working hard to ensure that our processes and practices are well architected and focus on creating value for our clients and broader stakeholders. Additionally, while financial markets experienced significant micro- and macroeconomic disruptors, resulting in outflows of funds across the industry, it was encouraging to see that sustainable investment funds retained their assets in Canada and Europe. In a tough year, this was the silver lining of investor sentiment and commitment to look beyond short-term performance.

Q: What's in store for 2024 and beyond?

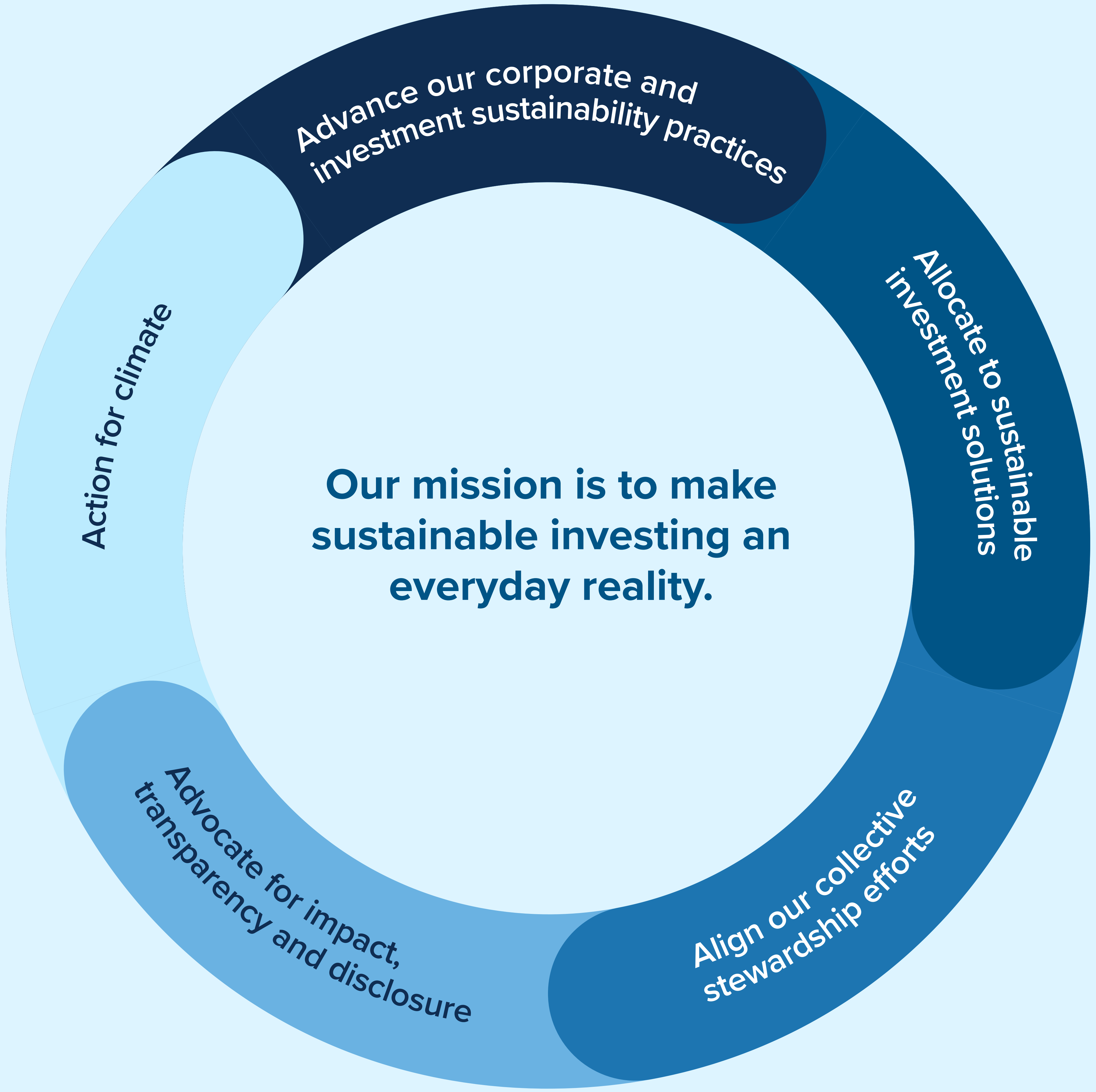
Fate: We're focusing on the energy transition and doubling down on our climate action plan. We want to support all our investment teams with better tools to assess and integrate risks and opportunities that the transition presents as the world aims to meet global net-zero targets. We recognize that the transition will not be easy, but we believe that all companies, regardless of size, sector or geography, have a role to play in decarbonization.

We're also encouraged to see the shift from voluntary to mandatory disclosure standards. We anticipated the adoption of the International Sustainability Standards Board IFRS S1, General Requirements for Sustainability-related Financial Information, and IFRS S2, Climate-related Disclosures, by the Canadian Sustainability Standards Board and subsequent consultation from the Canadian Securities Administrators. As these standards become mandated, as we expect they will, we will be required to report both at the corporate level and across our investment funds. Our work to advance our ESG data capabilities will be integral to our ability to report accurately. Additionally, the Taskforce on Nature-related Financial Disclosures has introduced a new reporting standard on nature-related risk management and disclosure, and we are evaluating appropriate data solutions to ensure we can meet those standards. Finally, we are evaluating the increasing risks associated with cyber security, artificial intelligence and misinformation to determine their materiality across our investments.

It's exciting to be working in such a fast-evolving space and I am confident that the capabilities we've built and the experts we've attracted can mitigate the risks that may arise and realize the opportunities that are expected to come.

Fate Saghir, SVP, Head of Sustainability, Chair of the Sustainability Steering Committee

Delivering on our sustainable investing goals



2023 progress made towards our goals

Advance our corporate and investment sustainability practices

- Invested in operationalizing our data and insights to ensure a single source for sustainability data
- Evaluated new emerging data solutions to further the completeness and accuracy of our data

Allocate to sustainable investment solutions

- Launched Mackenzie Corporate Knights Global 100 Index Fund and ETF
- Launched investor-advisor sustainable investing playbook

Align our collective stewardship efforts

- Completed and operationalized stewardship capabilities
- Developed engagement approach for passive and systematic strategies

Advocate for impact, transparency and disclosure

- Strengthened our collaboration and communications across our firm, mainly, sales, investments, product and marketing
- Published sustainability characteristics on fund pages

Action for climate

- Initiated engagements with 93 of the top 100 companies contributing to 70% of our financed emissions across our equities
- Launched Canada's Next Sustainable Changemaker as an extension to climate action with a net-zero challenge

Updates from the Sustainability Centre of Excellence

Dedicated experts supporting Mackenzie's journey

Working side by side with the investment and corporate teams to support a number of practices and efforts, including ESG integration and stewardship, our Sustainability Centre of Excellence (COE) delivers firm-wide sustainability support and helps increase capabilities across our organization. These efforts range from developing sustainable investment products to offering centralized ESG research and expertise, to aligning our stewardship efforts and bringing transparency related to the firm's activities to investors and advisors. The team has played a significant leadership role in advancing Mackenzie's climate strategy and climate-related stewardship and advocacy.

Deepening our expertise

In 2023, we continued to deepen our expertise by growing our team. We welcomed Rosalind Share as Assistant Vice President, Sustainability Research and Insights. Rosalind joined us from the Canadian Sustainability Standards Board and previously NASDAQ. She brings to her role a depth of experience in technical research, strategy, regulatory reporting and knowledge of standards.

Anita Mero is our Director, Sustainability Disclosures and Oversight. She joined the team with an extensive background in compliance within the financial services sector. Anita leads Mackenzie's sustainability disclosures and oversight, focusing on transparency and improving sustainability practices and processes across our investment boutiques in preparation for upcoming sustainability disclosure requirements.

Enhancing our data capabilities

In 2023, Mackenzie partnered with Bloomberg to use its cloud-based Data License Plus (DL+) ESG Manager solution to host the acquisition, management and publishing of multi-vendor ESG data. This solution helps us integrate ESG data from multiple vendors into our investments.

In 2023, we continued to deepen our expertise by growing our team.

Rosalind Share, AVP, Sustainability Research and Insights

Anita Mero, Director, Sustainability Disclosures and Oversight

As a leading Canadian investment manager, we continue to strengthen our processes and advance our ESG and sustainable investing approaches, and by working with a trusted technology partner like Bloomberg our team is able to operate in a more agile environment.

Fate Saghir, SVP, Head of Sustainability at Mackenzie Investments

Our Sustainable Investing Framework

Our framework guides how we categorize funds and ETFs and serves as a tool for advisors and investors in identifying their sustainable investing priorities.

TYPE OF INVESTING	TRADITIONAL INVESTMENT FUNDS	ESG-INTEGRATED INVESTMENT FUNDS	SUSTAINABLE INVESTMENT FUNDS[1]		
		Investment strategy	Investment objective		
			SUSTAINABLE CORE	SUSTAINABLE THEMATIC	SUSTAINABLE IMPACT
	Only consider financial factors in investment decision with no consideration to non-financial factors	Consider material ESG factors as part of the investment process to mitigate risk	Invest in industries, companies or issuers with progressive ESG practices, relative to their peers, expected to enhance long-term returns	Target specific ESG macro-trends or themes that are expected to generate competitive returns	Outcomes focused on ESG challenges or opportunities take priority over financial return

Level of environmental and social impact → Maximize positive impact

APPROACHES USED

- **Stewardship (such as ESG-focused shareholder engagement)** — ESG-integrated and sustainable investment funds
- **ESG integration (systematic consideration of material ESG factors)** — ESG-integrated and sustainable investment funds
- **Strategy-specific screens or exclusions (negative or norms-based)** — sustainable investment funds
- **Positive tilting or best-in-class (better relative to peers)** — sustainable investment funds
- **Thematic focus (i.e., macro-trend, SDGs, climate, etc.)** — part of sustainable core, sustainable thematic and sustainable impact
- **Impact focused (ESG outcomes)** — sustainable impact

1 Sustainable Investment Funds may use all or some of the sustainable investing approaches described in our framework. Please refer to the applicable prospectus for further details

Sustainable core and sustainable thematic funds

We offer a range of solutions to retail advisors and investors.

SUSTAINABLE CORE

SUSTAINABLE THEMATIC

AVAILABLE TO RETAIL INVESTORS

Sustainable core:

- Mackenzie Corporate Knights Global 100 Index Fund and ETF
- Mackenzie Betterworld Canadian Equity Fund
- Mackenzie Betterworld Global Equity Fund
- Mackenzie Global Sustainable Balanced Fund
- Mackenzie Global Sustainable Bond Fund and ETF

Sustainable thematic:

- Mackenzie Greenchip Global Environmental All Cap Fund
- Mackenzie Greenchip Global Environmental Balanced Fund
- Mackenzie Global Green Bond Fund
- Mackenzie Global Women's Leadership Fund and ETF

Exclusions

Mackenzie-branded sustainable investment solutions (i.e., with a sustainable investment objective) exclude companies with involvement in some controversial weapons, adult entertainment or pornography, gambling, tobacco or private prisons.[1] We also exclude companies involved in anti-personnel land mines and cluster munitions from all our actively managed funds. To learn more about our exclusions, see our Sustainable Investing Policy.

1 We have 10% revenue thresholds on gambling, tobacco and adult entertainment.

SPOTLIGHT:

MACKENZIE CORPORATE KNIGHTS GLOBAL 100 INDEX ETF AND FUND

The Mackenzie Corporate Knights Global 100 Index ETF and Fund are constructed to mimic the Corporate Knights Global 100 Index, which comprises the most sustainable and steadily growing corporations worldwide, as identified by Corporate Knights, a Toronto-based research company. Corporate Knights' Global 100 ranking is based on a detailed methodology that assesses over 6,000 companies with revenue over US$1 billion.

In conversation with Toby Heaps

CEO and Co-Founder, Corporate Knights

Q: Why is sustainable investing important?

Toby: It's vital for investors to back companies that are leading in terms of sustainability practices. The energy transition, for example, is an extremely capital-intensive endeavour, and investment is the jet fuel – or should I say sustainable aviation fuel – for companies that are leading in this space. It's important that as many people as possible participate in the transition, and investing is a great way to do so, because when you invest in the energy transition, you're making a bet on the future. There's something rewarding about using your dollars to help create the future you want for yourself, your family and for generations to come.

Q: What is the one thing you wish investors knew about sustainable investing?

Toby: The sustainable investment thesis is strong. It's not about sacrifice. It's about opportunity. Investors know that you make money by predicting where the growth in economic activity will be. We now have over a decade of sustainable economy data, and everywhere you look, you see annual compound growth rates in excess of the economy at large. According to BloombergNEF, clean energy investments were $1.8 trillion in 2023 and have grown at an annual compounded growth rate of 22% over the past three years. There is momentum here and tremendous opportunity for investors.

According to BloombergNEF, clean energy investments were $1.8 trillion in 2023 and have grown at an annual compounded growth rate of 22% over the past three years. There is momentum here and tremendous opportunity for investors.

We have two decades showing that the Global 100 companies are good investments for our portfolios and the planet, and with the Mackenzie Corporate Knights Global 100 Index funds, anyone with $20 can get table stakes.

Toby Heaps, CEO and Co-Founder, Corporate Knights

Overview of our stewardship priorities

Leading through an active engagement and ownership approach. As long-term stewards of capital, we strive to operate responsibly and encourage the companies we invest in to do the same. We believe that stewardship and good governance require both a firm-wide and a portfolio-level focus to be most effective.

IN THIS SECTION

Overview of our stewardship approach

Regular interactions with companies held in Mackenzie funds ensures that we share our perspectives and expectations with those companies and voice the risks and opportunities we would like companies to address. In 2023, in line with emerging global best practices, we deepened our approach to active ownership and investor stewardship with a particular focus on qualifying what constitutes investor engagement.

Mackenzie defines an engagement as an interaction which has a clear objective(s) or expected outcome(s). This objective seeks improvement to preserve and create long-term value for the investors and/or manage ESG risks. Our enhanced definition of engagement – "identifies clear objectives" – follows a pre-defined process and documents progress and outcomes achieved over time with investee companies or debt issuers.

As a result, our engagement activities shared in this report only include interactions with investee companies or debt issuers which meet our new definition of corporate engagements.

Regular interactions with companies held in Mackenzie funds ensures that we share our perspectives and expectations with those companies and voice the risks and opportunities we would like companies to address.

Our approach to investor stewardship includes the following:

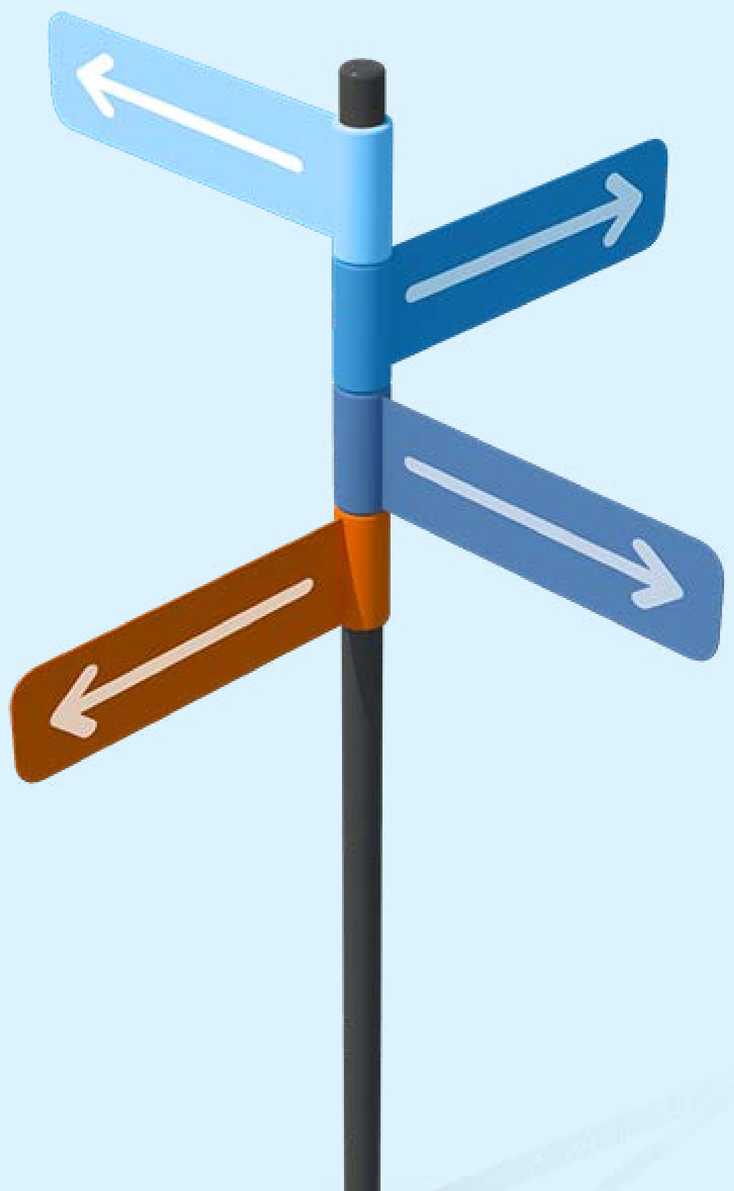
Company-specific engagements – Engaging with companies on material risks specific to a company or portfolio; generally completed by an investment boutique.

Programmatic engagements – Thematic engagement with companies to address a systemic risk or opportunity, generally coordinated as a firm-wide initiative by our Stewardship team or as a thematic initiative within a boutique.

Collaborative engagements – Engaging alongside other investors to address systemic risks, which currently include Climate Engagement Canada and Climate Action 100+.

Proxy voting – Voting at the annual general meetings (AGMs) of companies held in Mackenzie funds on topics such as board election, re-election of the auditor and other ESG-related management and shareholder proposals.

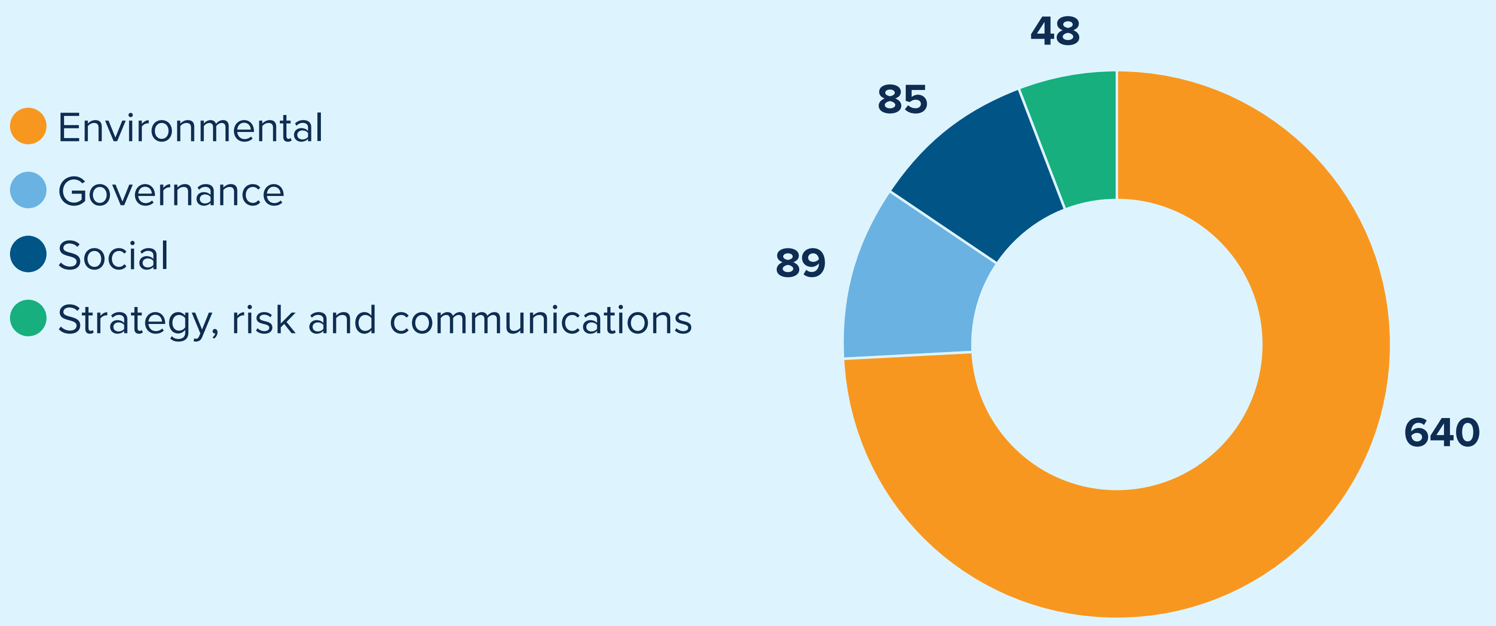
Growing our Mackenzie in-house stewardship capabilities has allowed us to internalize engagement and collaborative efforts with our stakeholders, and at the end of 2022, our longstanding partnership with Hermes was terminated.



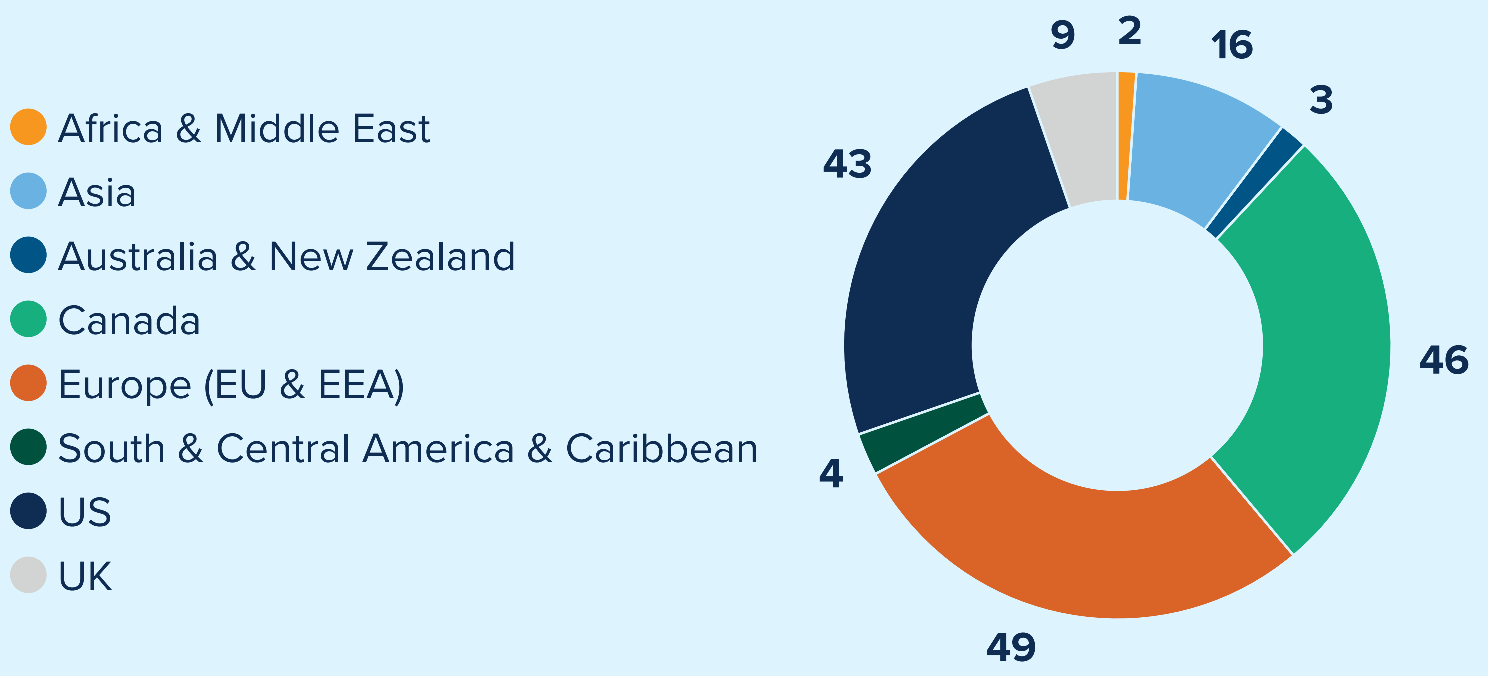
Mackenzie engagements

In 2023, we engaged with 172 companies around the world on 862 topics across the following themes:

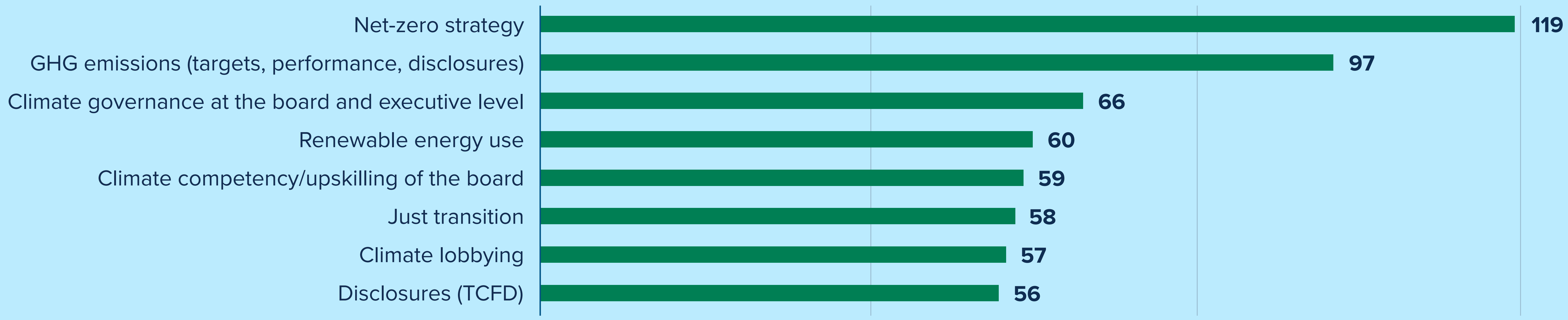
TOTAL ENGAGEMENTS



NUMBER OF COMPANIES ENGAGED BY REGION



TOP ENGAGEMENT DISCUSSION TOPICS



ENGAGEMENT CASE STUDY

CENOVUS ENERGY: METHANE TARGET

Cenovus Energy ("Cenovus") is a Canadian-based integrated energy company with a diversified portfolio of crude oil and natural gas assets across Canada and in Asia Pacific, as well as upgrading, refining and marketing operations in Canada and the US. As one of the largest oil and gas companies transitioning to a low-carbon Canadian economy, Cenovus has set an ambitious goal of achieving net-zero greenhouse gas (GHG) emissions in the company's operations by 2050. Cenovus aims to reduce absolute Scope 1 and 2 emissions by 35% by 2035, which would equate to taking more than 2 million cars off the road.[1]

The Mackenzie North American Equities and Income team, together with members of the Sustainability COE, have been engaging with Cenovus since September 2022 to discuss the company's strategy and progress to date on a net-zero strategy. We were encouraged to hear that Cenovus has set an internal goal to reach near-zero methane emissions across the company's upstream operations, in line with Canada's commitments under the Global Methane Pledge.

In 2023 we continued our ongoing dialogue with Cenovus to encourage additional disclosures on its strategy to achieve its GHG and methane targets, and its alignment with mandatory climate targets in the region.

1 Climate & GHG emissions

ENGAGEMENT CASE STUDY

ON SEMICONDUCTOR CORP.: CLIMATE RISK MANAGEMENT & DISCLOSURE

Semiconductors are typically used to harness, transfer and store renewable energy and are essential to the low-carbon transition. As the demand for clean energy technologies grows, the demand for semiconductors also grows. As investors, it is important for us to have clarity on how companies in this sector monitor and manage climate risks and opportunities as they continue to power the transition to a low-carbon future.

In 2022 and 2023, the Sustainability COE team, along with the Mackenzie Greenchip team (in Q4 2022) and the Mackenzie Bluewater team (in Q3 2023), engaged with **ON Semiconductor Corp.** (“onsemi”), a leading global semiconductor supplier, to understand its approach to climate risk management and disclosure. Based in Arizona, US, onsemi runs a network of manufacturing facilities, offices and design centres across North America, Europe and Asia Pacific. The company’s intelligent power technologies help enable energy efficient solutions across all applications by providing improved power factor, enhanced active-mode efficiency and reduced standby-mode power consumption, thereby reducing overall system costs and enhancing efficiencies.

Through our engagement, we learned that onsemi is committed to aligning with international climate risk frameworks and undertook its first materiality assessment as well as its first climate scenario analysis, in line with TCFD. onsemi completed this project in 2023 and will continue working on operationalizing its results. This assessment will be used by management to identify and manage exposure to climate-related risks (both physical and transition), including water scarcity risk, which is a key material issue for this sector. Mackenzie plans to continue engaging in 2024 to review the insights gleaned from the TCFD scenario analysis in further detail.

Through our engagement, we learned that onsemi is committed to aligning with international climate risk frameworks and undertook its first materiality assessment as well as its first climate scenario analysis, in line with TCFD.

Merriam Haffar, Senior Manager, ESG Corporate Engagement

Firm-wide proxy voting

Proxy voting is an essential component of active ownership consistent with our fiduciary duty and our approach to good governance. We vote proxies with a view to the best interests of investors, taking into consideration material ESG risks. As a multi-boutique asset manager with diverse investments and perspectives, our portfolio managers are encouraged to consider the unique circumstances of their investments.

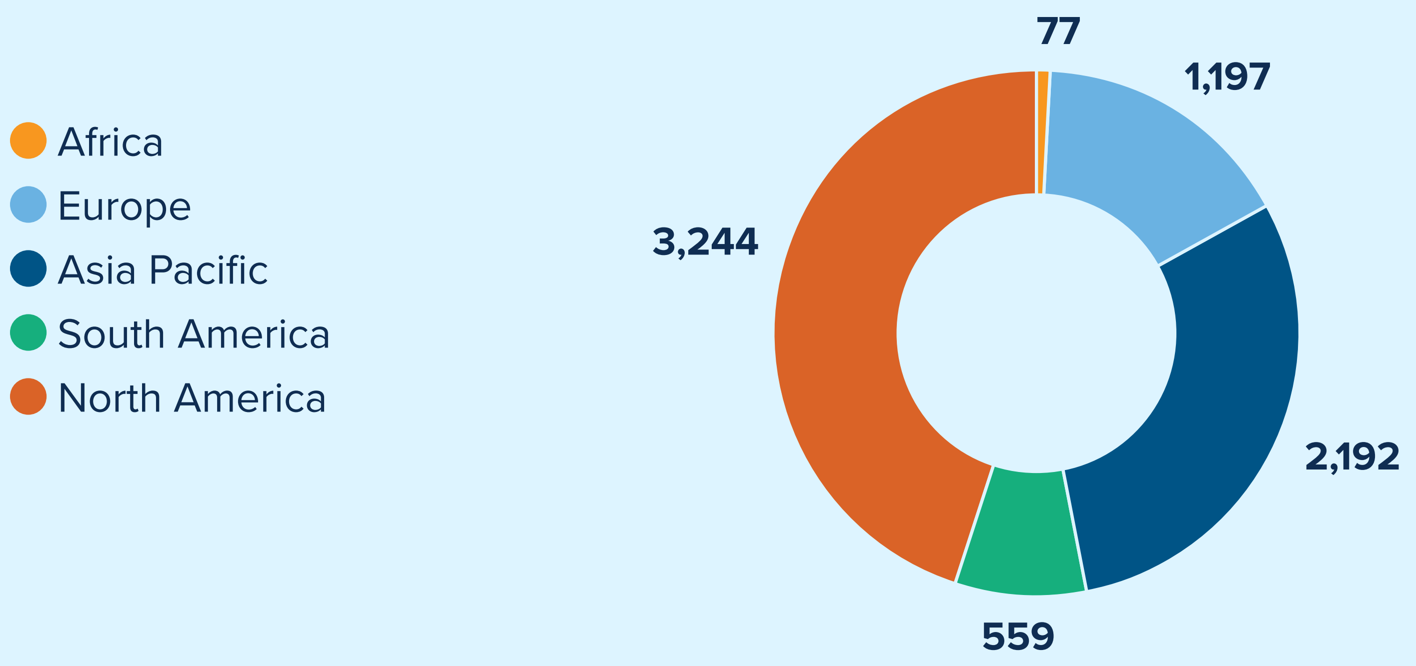
Proxy voting for our traditional or ESG-integrated funds and ETFs is informed by the standard Glass Lewis guidelines, and voting for our sustainable investment solutions is informed by the Glass Lewis ESG guidelines. Our proxy voting guidelines are available on our website.

We conduct our own research and analysis, which at times may lead us to vote against management recommendations. Additionally, when considering shareholder proposals, our portfolio managers may refer to their own research. We consider significant proposals on a case-by-case basis. Our proxy voting record is available on our website.

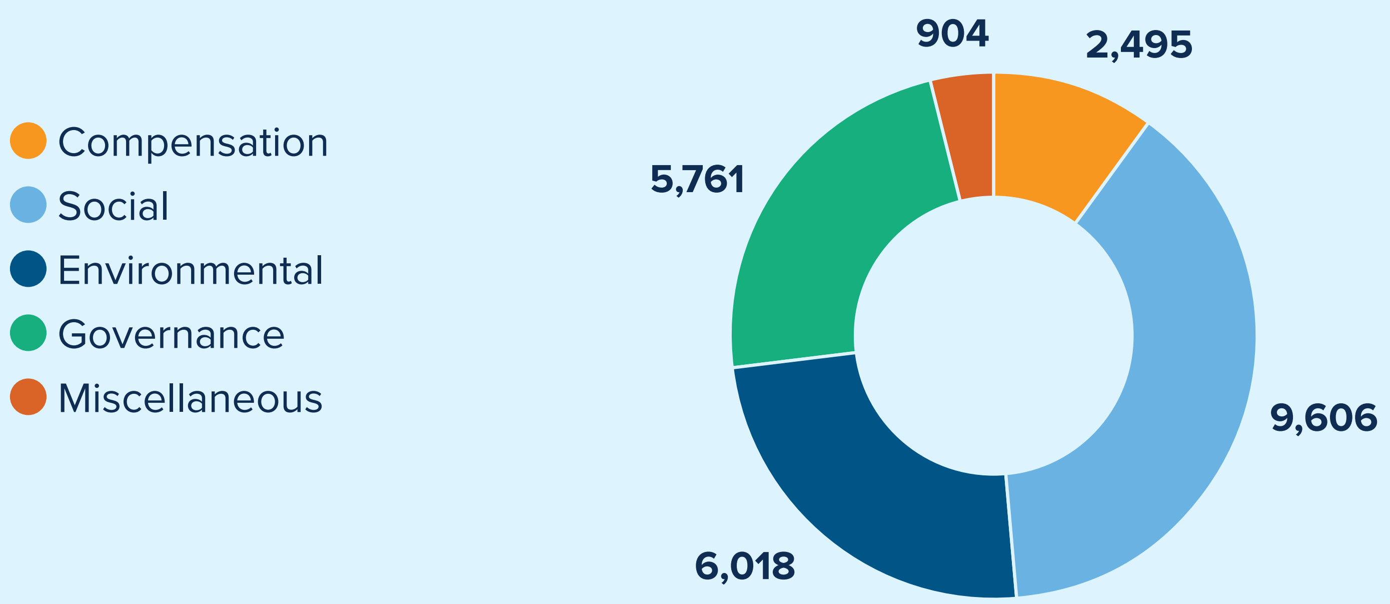
2023 PROXY VOTING ACROSS MACKENZIE

TOTAL MEETINGS VOTED	TOTAL PROXY ITEMS VOTED	VOTES WITH MANAGEMENT[1]	VOTES AGAINST MANAGEMENT	% OF VOTES WITH MANAGEMENT	% OF VOTES AGAINST MANAGEMENT
7,269	500,255	412,230	80,037	82%	16%

NUMBER OF MEETINGS VOTED BY REGION



NUMBER OF PROXY VOTES ON SHAREHOLDER PROPOSALS BY TOPIC



1 Number of votes in favour of management recommendations is calculated excluding votes submitted as 'Take No Action', 'Do Not Vote", and instances where management does not make a recommendation.

PROXY VOTING CASE STUDY

METRO INC.: ALIGNING TO CLIMATE SCIENCE

In 2023, four Mackenzie boutiques – Ivy, Bluewater, Multi-Asset Solutions and Global Quantitative Equity – supported a shareholder proposal filed at one of our widely held Canadian names, **Metro Inc.** The shareholder proposal called for the adoption of science-based targets consistent with Paris-aligned climate goals. Our rationale for supporting this shareholder proposal was that adopting science-based targets would further encourage the development of the company's longer-term GHG emissions reduction goals, which also aligns with Mackenzie's commitment to be a net-zero-aligned asset manager. This shareholder proposal garnered 29% support across the market, and in November 2023, Metro Inc. publicly disclosed that they had committed to setting near-term GHG emissions reduction targets in line with the Science Based Targets initiative (SBTi).

Instances such as this show how Mackenzie uses its vote to create real-world impact on issues, such as climate change, that matter to our investors.

Progress on our climate change efforts

We are invested in the energy transition.

IN THIS SECTION

The world is facing an unprecedented time in human history, with a fundamental shift in how energy is produced and consumed to meet emissions reduction targets necessary to address climate change. At Mackenzie, we believe that physical and transitional climate-related risks have the potential to present negative consequences to the value we can deliver to our clients, with a broader impact on other stakeholders. At the same time, the climate crisis presents opportunities for companies or issuers to actively evolve their business models and create innovative solutions.

Our strategy

Our climate action plan is grounded in the Canadian perspective.

1

Collaborating across our industry to set Canadian standards

- Engage through Climate Engagement Canada
- Report on our commitment to the NZAM initiative
- Advocate with Canadian standard-setters

2

Managing portfolio risks and opportunities to achieve better client outcomes

- Advance our data capabilities to develop environmental insights on investee companies
- Integrate climate risks into investment process

3

Engaging with Canadian corporations to ensure they're prepared for the transition

- Advance engagements with top 100 emitters (financed emissions)
- Provide support to investment teams to engage with outcomes
- Ensure voting guidelines address material climate risks

4

Investing to directly support the transition to a low-carbon economy

- Grow assets in our Greenchip and Betterworld teams
- Increase allocation to green-labelled debt
- Promote Canadian innovations and changemakers through Elevate and Corporate Knights

Our commitment to net zero

In 2023, we maintained our commitment to net zero by engaging with companies to ensure they manage their business in alignment with a net-zero pathway. Additionally, we progressed towards our interim target, which is based on a commitment of $49 billion (2021 baseline) to be managed in line with net zero by 2030, with 50% having validated science-based targets from SBTi or equivalent.[1]

Our progress

Over the past year, the number of companies committed to a science-based target through SBTi increased to over 7,000. Due to increasing regulation for mandatory disclosure and changing consumer and investor sentiment, we witnessed an accelerated momentum for climate disclosure and credible climate transition plans. This impacted our own progress, where we have benefited from external efforts (such as SBTi commitments) as well as our internal efforts (stewardship activities) towards our 2030 goal. As our engagement efforts have taken a Canadian focus, given our portfolio exposures, many of our Canadian strategies and the assets within these strategies have continued to benefit from our internal efforts.

	2021 (BASELINE YEAR)	2022	2023	2030 (INTERIM TARGET YEAR)	2050 (TARGET YEAR)
% of total assets initially committed[2]	24%	29%	25%	–	–
% of initially committed[3] AUM that has committed to SBTi	30%	38%	41%	70%	100%
% of initially committed AUM that has been verified by SBTi	20%	23%	30%	50%	100%

2023 data is based on our committed assets as of December 29, 2023, with accompanying data (SBTi commitments and verified targets data) from MSCI ESG as of February 2024. All percentages have been rounded to the nearest integer.

Our target:

50%

AUM verified by SBTi by 2030

Our 2023 progress:

30%

AUM verified by SBTi

1 Given that AUM figures fluctuate from year to year, we have not disclosed an AUM "figure in interim target year" as it may be difficult to accurately estimate the AUM of our committed assets in 2030.

2 Due to market fluctuations and assets flows, our percentage of assets will change year-over-year.

3 Committed values include commitments and validations through SBTi.

Details of our interim target reporting

As stewards of our clients' capital, Mackenzie is committed to addressing risks and opportunities associated with climate change across all boutiques.[1] Our initial target, based on the Net Zero Investment Framework, includes:

- Investment strategies invested in equities with above-average contributions to Mackenzie's overall Scope 1 and 2 financed equity emissions, where we prioritize stewardship to address our fair share of global decarbonization efforts.
- Sustainable investment strategies invested in equities where sustainability takes priority in the investment objective.

Other asset classes or investment strategies were not included at this time due to lack of data coverage, lack of adequate target methodologies or insufficient standards or regulations.

In setting science-based targets, investment holdings will need to follow criteria for covering Scope 1 and 2 emissions, as well as Scope 3 emissions, as defined by frameworks such as SBTi or equivalent. We continue to measure investment holdings' emissions reduction pathways against 1.5°C science-based pathways, such as those offered by SBTi.

Under our commitment to the NZAM initiative, we are required to review/reassess our interim target within a five-year period of its release (by December 2027) and will continue to report our progress over time through internal and external channels. Internally, we run a target progress check every quarter and report progress to our Sustainability Steering Committee. Externally, our progress will be reported through our sustainability reporting and the reporting efforts of our parent company, IGM. To date, IGM has supported and reported in line with the TCFD recommendations – recognizing the multi-year journey for IGM and its operating companies. Alongside supporting these recommendations, IGM continues to commit to participating in CDP's annual climate-related questionnaire. Additional information on our TCFD-aligned metrics and interim target progress reporting can be found in IGM's CDP submission.

In addition to internal and external disclosure, Mackenzie remains transparent through active collaboration with asset owner clients, industry networks, policymakers, external data providers and investee companies to enable a higher proportion of investment strategies to be managed in line with net zero over time. As noted within the Overview of our stewardship priorities section of this report, we continue to have a focused climate-related engagement and advocacy strategy.

In addition to internal and external disclosure, Mackenzie remains transparent through active collaboration with asset owner clients, industry networks, policymakers, external data providers and investee companies to enable a higher proportion of investment strategies to be managed in line with net zero over time.

1 Some Funds do not integrate climate risk or ESG factors or apply fund-level shareholder engagement into their process. Please refer to the applicable prospectus for further details.

Initiatives launched and supported in 2023

- As a founding member of Climate Engagement Canada, and as part of our stewardship responsibilities, we continued our engagements with the 100 companies contributing to the majority of our financed emissions across our equity portfolios. In 2023, we engaged with 48 companies on their short-term and mid-term climate action plans.
- We continued to strengthen partnerships through several internal initiatives, including hosting climate education sessions to discuss the latest stewardship and engagement best practices and topics such as trends in disclosure and transparency.
- Mackenzie Greenchip, which focuses exclusively on environmental sectors, exceeded $3 billion in AUM in 2023, becoming Canada's largest environmental thematic fund.
- Our Fixed Income team maintained its commitment to allocating over $2 billion in AUM to green-labelled debt. This was significant during a year when fixed income investing was challenged.
- We increased our support of Canadian innovation and raised awareness for the capital needed to fund the transition to a low-carbon economy through strategic partnerships and working with organizations such as Elevate.

Canada's Next Sustainable Changemaker

An estimated $125–$140 billion in annual investments will be required to help Canada reach net-zero emissions by 2050.[1] This represents a gap of over $100 billion against today's investment levels. To do our part to help narrow this gap, Mackenzie, in partnership with Elevate, launched Canada's Next Sustainable Changemaker innovation challenge. This six-week challenge was an opportunity for 10 sustainability-focused startups to earn a $25,000 grant to develop technology to help Canada achieve its net-zero emissions goal. All participants received mentorship and coaching from thought leaders and experts in areas such as sales, marketing and fundraising. They also had the opportunity to meet potential partners and connect with experienced founders in the sustainability space to gain insights into how to scale up their start-up technology.

One of our **2023 Canada's Next Sustainable Changemaker finalists, Eat Impact**, reduces food waste and its environmental impact by rescuing fresh, surplus and imperfect produce to help people eat healthy, save money and do good. Researchers estimate that 20% of food produced in Canada goes to waste each year. This equates to approximately one in every five meals. Reducing food waste is the number one action we can take to shrink human impact on the planet.[2] Eat Impact makes healthy food accessible and affordable by partnering with local farmers and supporting the local economy.

SPOTLIGHT:

CLEAN50 SPONSORSHIP AND AWARDS

- **Clean50 Research & Development (R&D) Award sponsor:** Mackenzie sponsored the R&D Award to support Canadian innovation to a net-zero future. The Clean50 awards recognize and connect forward-thinking leaders from industry, government, academia and environmental non-governmental organizations from every part of Canada.
- **Clean50 Emerging Leader Award:** Rebecca Francolini, Manager, Environmental Strategy at Mackenzie, was honoured as a 2024 Clean50 Emerging Leader.
- **Mackenzie "Top Emitters" Climate Action Program:** This program plays a key role in Mackenzie's plan to reduce its portfolio-level emissions over time and was selected as one of Canada's 2024 Top Clean50 Projects.

1 Green Budget Coalition, Recommendations for Budget 2023
2 Take action to tackle the climate crisis – Canada.ca

Highlights from our investment teams

At Mackenzie, we combine the expertise of 16 investment boutiques with the strength and resources of one of Canada's largest independent asset management firms, to provide sustainable investment solutions for all clients. Our boutique structure offers autonomous decision-making where agility and conviction can drive superior results.

IN THIS SECTION

FEATURED INVESTMENT BOUTIQUES

- Mackenzie Fixed Income team
- Mackenzie Greenchip team
- Mackenzie Betterworld team
- Mackenzie Asia team
- Mackenzie Bluewater team
- Mackenzie North American Equities team
- Mackenzie Global Quantitative Equity team
- Mackenzie Global Equity and Income team
- Mackenzie Growth team
- Mackenzie Resource team
- Mackenzie Ivy team
- Mackenzie Europe team

Sustainable investing oversight

Mackenzie's boutique structure is led by two Chief Investment Officers (CIOs): Lesley Marks leads our Fundamental Equity boutiques and Steve Locke oversees the Fixed Income, Quantitative and Multi-Asset boutiques. Our two CIOs oversee sustainable investing practices and progress across the investment teams.

We speak with Lesley and Steve about 2023 accomplishments and how the teams approach the energy transition.

Q: Please share some of your teams' accomplishments for 2023.

Steve: Our goal is to invest for the best risk-adjusted returns for our clients, and at Mackenzie, we believe that you don't have to sacrifice returns when you invest sustainably. In 2023, we focused on managing all risks and incorporating risk analysis that includes material ESG factors into our investment strategies. Our teams worked closely with our Sustainability COE to obtain the best data possible for more accurate decision-making on how ESG factors are integrated into a portfolio, both from a risk and alpha generation perspective. In the past year, we had meaningful year-over-year growth in our AUM in sustainable debt, which now comprises 5.7% of our total fixed income AUM. We also pushed forward with our "Dear CFO" program to engage with companies we think have the potential to issue a green or sustainability-linked bond where Mackenzie can be the lead order for them in the marketplace. In 2023, we engaged with six newly issued bonds.

Lesley: On the equities side, we focused on continuous improvement and development. We saw integration of ESG factors across all equity boutiques and continued to see growth in AUM, exceeding $3 billion in our Greenchip strategies. At Mackenzie, we now have the largest presence in the retail investing landscape focused on environmental thematic opportunities. We also continued to engage with companies and have evolved our thinking to focus on the impact of our engagements versus only measuring the number of touchpoints with a company. Our programmatic engagement, for example, focuses on issues such as top emitters, which aligns with Mackenzie's climate action plan.

Steve Locke, CIO, Fixed Income & Multi-Asset Strategies

Lesley Marks, CIO, Equities

> **At Mackenzie, we now have the largest presence in the retail investing landscape focused on environmental thematic opportunities.**
>
> **Lesley Marks**, CIO, Equities

Q: How are your teams approaching the energy transition?

Lesley: We approach the energy transition from both a risk and opportunity perspective. On the opportunity side, we're funding companies actively participating in the global energy transformation, whether through emissions reductions or the development of innovative products and services that address climate change. To ensure that we're always taking a thoughtful approach to sustainable investing, we also consider what role the resource sector can play in the energy transition. In 2023, renewable energy accounted for 30% of the total global power mix, so there's still an essential role for ESG-focused resource companies to support the energy transition.

Steve: We're thinking about the energy transition from a debt funding perspective and what is required to move the needle towards meaningful progress. The Sustainable Finance Action Council has estimated that to achieve net-zero emissions in Canada by 2050, annual investment in the green economy will need to grow from the current \$15–\$25 billion to \$125–\$140 billion per year. Our team is involved in several working groups to look at how the fixed income ecosystem can help address this considerable gap. For example, we sit on a Bank of Canada task force that looks at ways to produce more novel structures within the debt markets that will allow debt investors to participate in the energy transition the same way an equity investor can.

Q: What lies ahead in 2024?

Lesley: I can speak for both of us when I say that we will continue to strive for excellence as our teams work towards maintaining our industry leadership position. This means that we'll be doing more research and thought leadership on sustainable investing so that we can share our knowledge and insights on best practices with our advisors, clients and peers to bring our industry along with us. It's also important that we maintain flexibility in our approach to sustainable investing. We have to constantly adapt and move forward in step with an ever-evolving sustainability landscape, which includes staying abreast of complex, global regulatory environments. At Mackenzie, we're fortunate to have the teams, resources and commitment to differentiate ourselves as a company focused on making an impact and managing emerging risks through our sustainable investing initiatives.

> **Our goal is to invest for the best risk-adjusted returns for our clients, and at Mackenzie, we believe that you don't have to sacrifice returns when you invest sustainably.**

Steve Locke, CIO, Fixed Income & Multi-Asset Strategies

Mackenzie Fixed Income team

Team offers

ESG-integrated:
Majority of strategies[1] consider material ESG risks in their investment process

Sustainable core:
Mackenzie Global Sustainable Bond Fund and ETF

Sustainable thematic:
Mackenzie Global Green Bond Fund

TEAM CONTRIBUTORS

Konstantin Boehmer, MBA
SVP, Portfolio Manager, Head of Fixed Income Team

Jon Ennis
VP, Investment Research

Erica Roa
Senior Investment Analyst

Andrew Vasila
Senior Investment Analyst

1 Some Funds do not integrate ESG factors or apply Fund level shareholder engagement into their process. Please refer to the applicable prospectus for further details.

The Mackenzie Fixed Income team believes that active management of both financial risks and non-financial risks is critical to constructing well-positioned, forward-looking portfolios. The team takes a flexible approach to portfolio management through a spectrum of ESG integration and engagement principles aimed at creating a positive impact while delivering an optimal risk-adjusted return.

The team's philosophy continues to evolve, transitioning from qualitative screening to quantitative analytics and emphasizing the tangible impact of the team's investments. These may be measured through the team's investments in ESG-labelled debt instruments such as the use of proceeds debt (green, social and sustainability [GSS] bonds), behaviour debt (sustainability-linked bonds [SLBs]) and impact debt (outcome bonds). The team uses a blended approach to examine the merits of both issuers and instruments to deliver strong investment returns and tangible results.

In 2023, the team expanded its engagement program to accelerate financing towards the energy transition with its second round of "Dear CFO" letters directly to company executives. The team sent 28 letters with our top green and SLB reverse ideas and encouraged the issuance of more than $1 billion in sustainable debt. The team received 17 responses and set up 15 meetings with management. These issuers are all at different stages in considering labelled debt. Some are better suited to be green bond issuers because they have a development pipeline of green projects; others are better suited to be SLB issuers because they have publicly stated ESG goals and targets and would like to further signal their commitment to their goals to all stakeholders.

> **Sustainability-linked debt is one of the best ways to ensure companies achieve their ESG targets and sustainability goals. Companies are generally motivated to issue SLBs to align their financing strategy with their sustainability strategy.**

Jon Ennis, VP, Investment Research

Erica Roa, Senior Investment Analyst

ENGAGEMENT CASE STUDY

NEW PROJECT CATEGORY: NUCLEAR ENERGY

Nuclear power is a relatively new project category for green bonds. There has been a gradual realization that net zero needs nuclear, as electricity generation will need to double or more to facilitate the adoption of electric vehicles and the general electrification of the economy. As such, nuclear is a reasonable replacement for baseload power coming from coal- and gas-fired power generation because of the zero-emission profile. Canada is committed to ensuring nuclear waste is managed responsibly following international best practices and is working with stakeholders to find a long-term solution for the proper disposal of nuclear waste. In 2022, Ontario relied on nuclear power for 54% of electricity output, with 29% coming from Bruce Power.[1] The combination of nuclear, hydro, wind and solar results in a remarkably clean energy grid that has driven significant GHG emissions reductions in the province.

The team encouraged further green bond issuance at Bruce Power through the "Dear CFO" letter program. The company responded to the engagement and followed up with an additional $600 million of green bonds to progress one of Canada's largest infrastructure programs – its Major Component Replacement (MCR) Project, which is part of its broader Life-Extension Program. The MCR Project focuses on replacing key reactor components in Units 3–8; the life extension of each unit will add approximately 30–35 years of operational life. The use of proceeds report for the 2023 bonds indicates that $527.3 million was allocated to Unit 6 MCR and $69 million was allocated to Project 2030. Bruce Power's Project 2030 is the company's goal of achieving a site net peak capacity of 7,000 MW of clean electricity for the early 2030s.

[Bruce Power issues an additional $600 million in Green Bonds, powering Ontario forward as a leader in clean energy production and projects]

Relevant UN SDGs

1 2022 Annual Review and Energy Report

FIXED INCOME ENGAGEMENTS FOR 2023

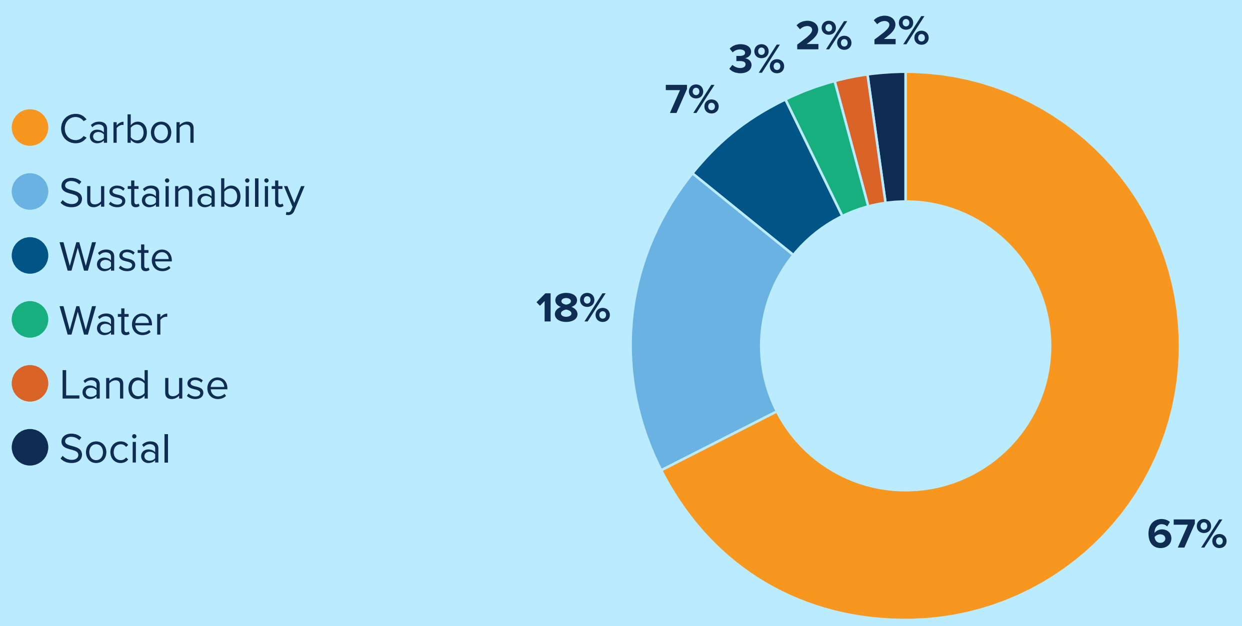
DIRECT ENGAGEMENTS BY TOPIC	TOTAL ENGAGEMENTS	%
Net-zero strategy	45	34.35%
GHG emissions (targets, performance, disclosures)	11	8.40%
Climate competency/ Upskilling of Board	10	7.63%
Climate governance at Board and executive level	10	7.63%
Climate lobbying	10	7.63%
Just transition	10	7.63%
Renewable energy use	10	7.63%
Disclosures (TCFD)	10	7.63%
Other strategy	9	6.87%
Methane abatement	4	3.05%
Diversity disclosures	1	0.76%
Board diversity	1	0.76%
TOTAL	**131**	**100.00%**

Summary of green, sustainability and social bond impact assessments

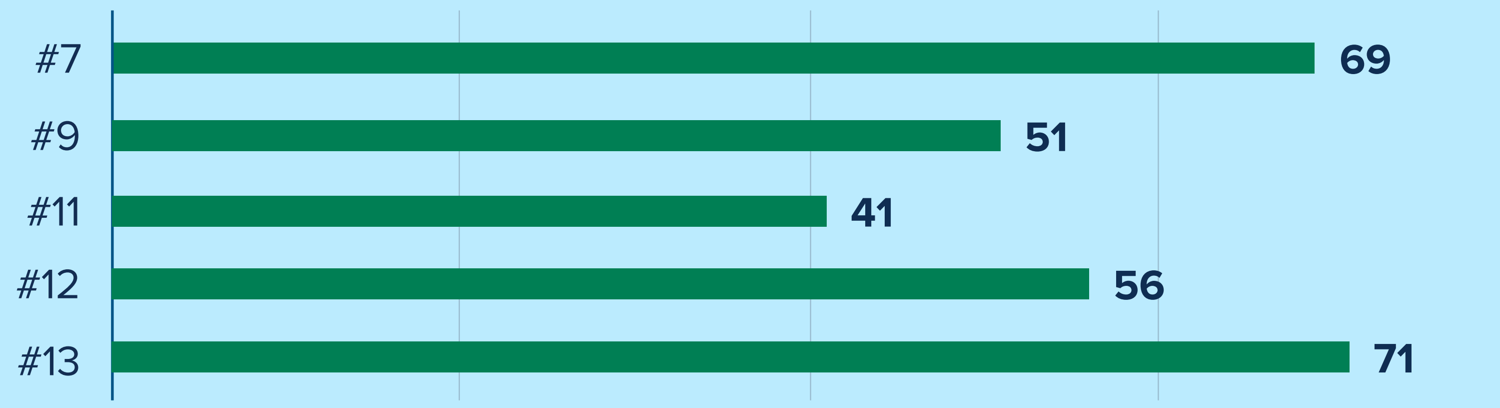
The Mackenzie Fixed Income team's Use of Proceeds Bond Impact Score is composed of two key pillars: assessing the project categories and reporting the quality of issuers. The former considers the sector of impact (carbon, sustainability, water, waste, social and land use) and provides a quality score based on both the team's views and any outstanding project certifications (i.e., Climate Bond Certificate). The latter focuses on the reporting of sector-determined material metrics to assess environmental or social impacts and funds allocated on a project-level basis.

The Fixed Income team supported the Province of Ontario's nine-year, $1.5 billion green bond, launched in February 2023, and the subsequent $1.5 billion re-opening in December 2023. These bond issuances are key milestones in support of Ontario's transition to a net-zero future as they mostly finance clean transportation infrastructure and align with Ontario's Environmental Plan.

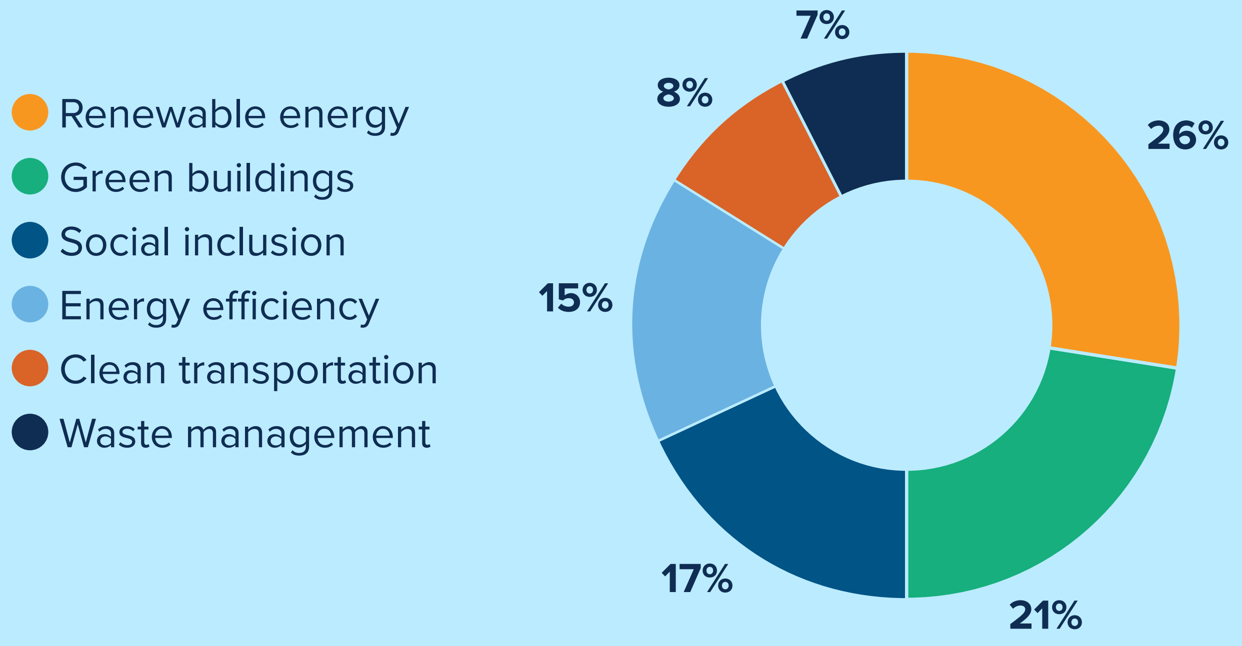
CATEGORY FUNDED BY BONDS



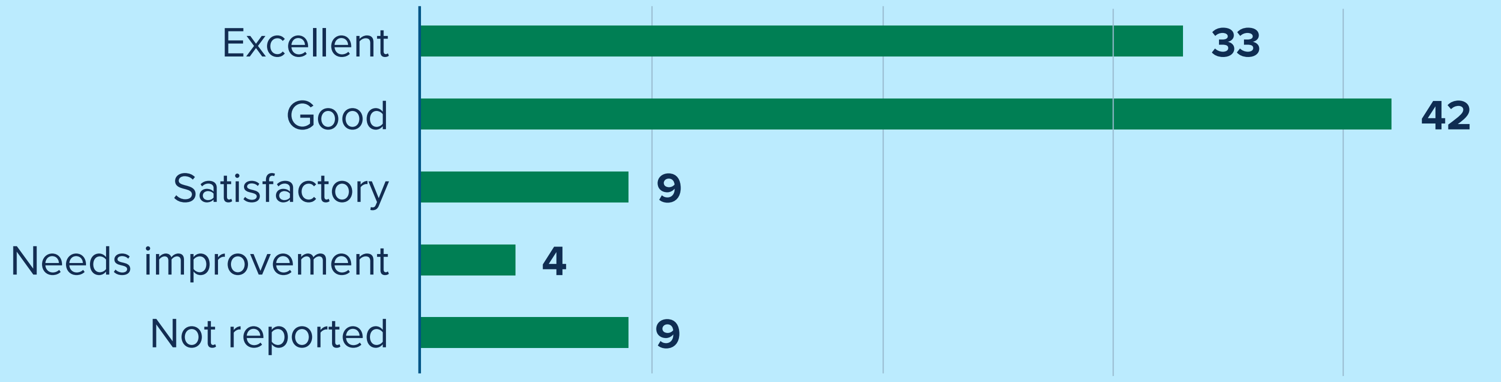
SDG FUNDED BY BONDS



PROJECT TYPE FUNDED BY BONDS



REPORTING ADEQUACY OF ISSUERS



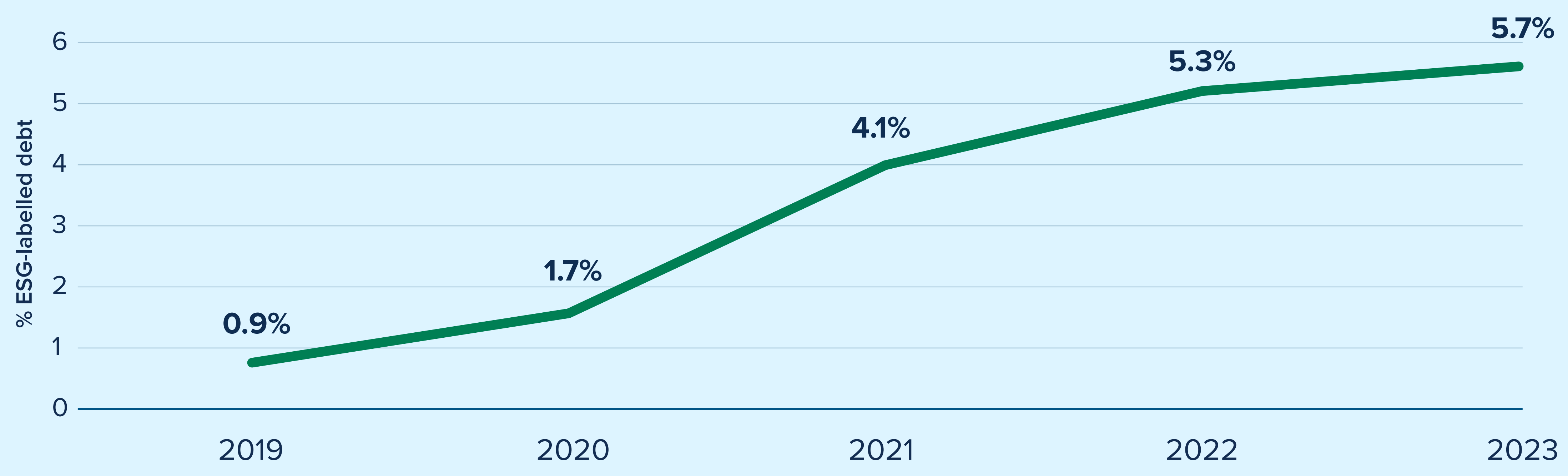
Summary of ESG-labelled bonds

The Fixed Income team continues to increase its allocation to ESG-labelled or use of proceed debt.

ESG-LABELLED DEBT (MILLIONS)

	2019	2020	2021	2022	2023
Green bonds	$292	$709	$1,630	$1,994	$2,080
Sustainability bonds	60	118	421	450	620
Social bonds	26	0	85	77	10
Transition bonds	0	0	12	12	10
Sustainability-linked bonds/loans	0	9	364	314	424
Total ESG-labelled debt	**$378**	**$836**	**$2,512**	**$2,847**	**$3,144**
ESG-labelled debt as % of Fixed Income AUM	**0.9%**	**1.7%**	**4.1%**	**5.3%**	**5.7%**

% ESG-LABELLED DEBT (INCREASED ALLOCATION OF ESG-LABELLED DEBT BY OVER $300 MILLION)



GREEN BOND CASE STUDY

THE GALÁPAGOS BOND: ECUADOR'S DEBT-FOR-NATURE SWAP

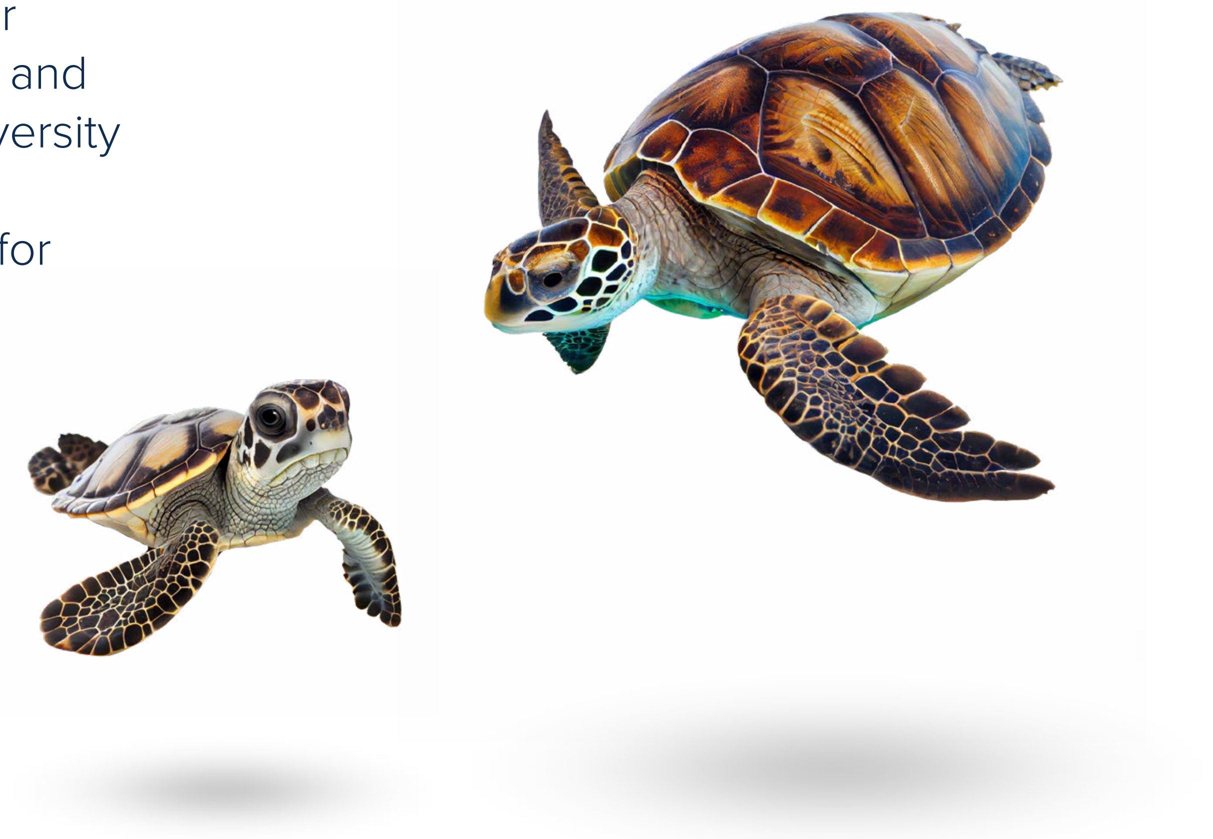
The Fixed Income team participated in Ecuador's landmark Debt-for-Nature Swap, also called the Galápagos Bond. This US$656 million bond enabled Ecuador to repurchase the country's outstanding distressed debt in partnership with the US Development Finance Corporation and Inter-American Development Bank.

The swap, which was highlighted at COP28 in Dubai, offers a unique structure in which investors, issuers and the environment may mutually benefit. The Galápagos Bond will double conservation finance in the Galápagos Islands by helping to enable the creation and preservation of the Hermandad Marine Reserve, a critical migratory passage for endangered species between Ecuador and Costa Rica. The bond champions biodiversity in alignment with the global "30 by 30" initiative to preserve 30% of the planet for nature by 2030.

Relevant UN SDGs

How it works:

The transaction enables Ecuador to reduce the volume and associated servicing costs associated with their prior debts, while capitalizing on the global impact of the country's rich natural capital. In exchange for the debt restructuring and reduced cost of capital, Ecuador will enact policy commitments and direct US$400 million of savings towards marine biodiversity conservation initiatives. The Fixed Income team was excited to participate in such an innovative financing structure and is actively engaging with sovereign, supranational and corporate issuers on impactful transactions in 2024.



Mackenzie Global Sustainable Bond Fund and ETF

Mackenzie Global Sustainable Bond Fund and ETF use GSS bonds as a cornerstone of the funds, and the total allocation is typically greater than 50% in each fund. As of December 31, 2023, the Fund consisted of 48% green bonds, 2% social bonds, 1% transition bonds and 17% sustainability bonds, for a total of 68% in the GSS category. These are known as use of proceeds bonds because they have annual reporting that shows exactly which green and social projects are financed by the bonds. There is an additional 7% weighting to SLBs, which are linked to corporate ESG targets. Issuance of all types of ESG-labelled debt has grown rapidly over the past decade, providing ample opportunity for the team to identify the best labelled bonds to include in the portfolio.

The sustainability bond allocation increased from 11% to 17% due to an uptick in issuance in this category for both governments and corporations. The team continues to integrate fundamental credit and macroeconomic analyses to deliver performance, while constructing portfolios of issuers and instruments to deliver tangible environmental and social results.

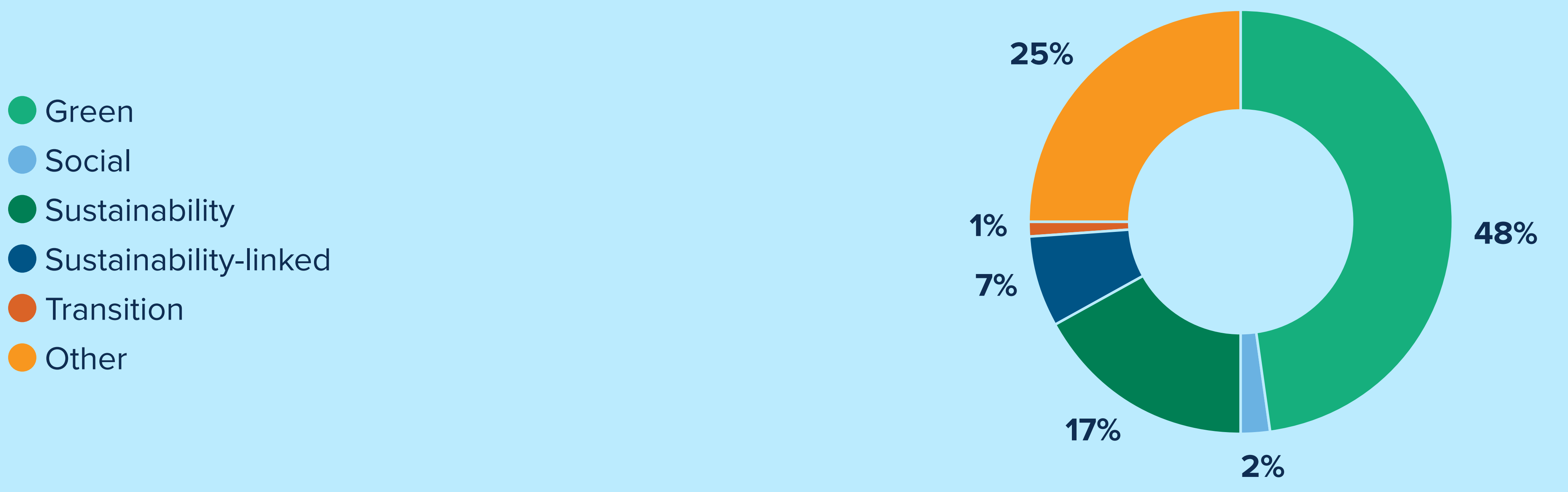
The team starts with government and corporate ESG scores at the issuer level and then completes an assessment of the project category, the specific project type and the reporting quality of every green bond before it is added to the portfolio. Best-in-class issuers make up the other allocation of around 25%. The team considers these issuers to be best in class either on a quantitative basis according to ESG scores and rankings or on a qualitative basis for either environmental or social reasons.

Mackenzie Global Green Bond Fund

Mackenzie Global Green Bond Fund focuses on green bonds and other debt instruments to finance environmental and sustainable solutions. Issuance of green bonds has grown rapidly over the past decade, providing ample opportunity for the team to identify the best green bonds to include in the portfolio, and green bonds continue to be the most popular label for issuers and investors alike. The team starts with government and corporate ESG scores at the issuer level and then completes an assessment of the project category, the specific project type and the reporting quality for every green bond included in the portfolio. The broad categories are carbon, water, waste and land use, and the specific project types are renewable energy, green buildings, energy efficiency, biodiversity, water management and waste management. Green bond reporting varies across issuers and sectors. The assessment covers the key impact metrics on a project-level basis.

As of December 31, 2023, the Fund consisted of 66% green bonds and 10% sustainability bonds, for a total of 76% in the GSS category. The sustainability bond allocation was up from 7% to 10% as there was more issuance in this category. The team continues to integrate both fundamental credit and macroeconomic analyses to deliver performance, while constructing portfolios of issuers and instruments to deliver tangible environmental and social results. Best-in-class issuers make up the other allocation of 22%. The team considers these issuers to be best in class either on a quantitative basis according to ESG scores and rankings or on a qualitative basis for either environmental or social reasons.

MACKENZIE GLOBAL SUSTAINABLE BOND FUND



MACKENZIE GLOBAL GREEN BOND FUND

Mackenzie Greenchip team

Team offers

Sustainable thematic:

Mackenzie Greenchip Global Environmental All Cap Fund

Mackenzie Greenchip Global Environmental Balanced Fund

TEAM CONTRIBUTORS

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Johnathan Prestwich
Investment Analyst

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AVP, Investment Director

Three developments emerged in 2023 that could both speed and slow the energy transition. The first is a realization that inflation will persist and that it was not solely related to Covid-19 driven supply chain disruptions, or the result of profligate government spending, but something more persistent: the supply-demand imbalance resulting from eight billion people vying for declining resources on a finite planet. The "higher for longer" rate response from central banks creates both headwinds and opportunities for the energy transition. It is now apparent that some level of deglobalization seems certain in a world of increasing geopolitical, energy and supply chain insecurity. Additionally, we are seeing signals that the excessive hype surrounding economically uncompetitive clean technologies is starting to wane.

ESG screening improvements

In 2023, the Mackenzie Greenchip team enhanced its proprietary ESG screening processes by adding additional screening criteria to further review any product involvement in coal mining or upstream oil and gas extraction and production. The inclusion of product involvement screening criteria enables the team to more readily identify any potential material controversies in portfolio or candidate companies to allow for proactive discussion with company management. In addition, the team has implemented a qualitative scorecard across their ESG analyses to provide a greater level of standardization and comparability in determining ESG risk ratings on its stoplight system.

CASE STUDY

INVESTING IN ENVIRONMENTAL CHANGEMAKERS

The team entered a position in **Carrier Global** ("Carrier") this past year, which fits into the "Energy Efficiency" environmental sector. Carrier produces heating, ventilation and air conditioning (HVAC) units including heat pumps. The team believes that heat pumps, specifically, will become an increasingly important part of home and commercial/industrial heating requirements as homeowners and businesses seek more electricity-based and energy efficient solutions. Carrier also made several important acquisitions that the team believes differentiate the company from its competitors. Carrier gained a substantial Asian presence and leading technological capabilities through the acquisition of Toshiba Carrier Corp, previously a joint venture between Carrier and Toshiba. They also acquired Viessmann, which has a significant HVAC presence in Europe. The team believes revenue synergy opportunities exist across these different businesses, making them attractive as a more pure-play HVAC, heat pump and energy efficiency company. These acquisitions position the company well for significant growth in the future across a diversified set of end markets.

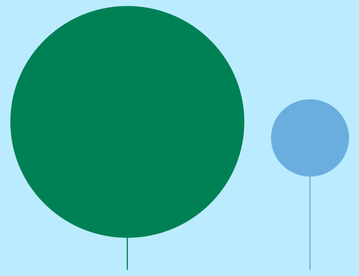
Veolia is a Paris-based global water, waste and energy management company and was Greenchip's top holding as of the end of 2023. The company operates a globally significant water technology business that rivals US-listed peers. They also have significant utility businesses in both Europe and Latin America. Some of their more recent investments and partnerships are providing an indication of where they plan to be as an environmentally focused operator in the coming years. The business has big plans in the battery recycling realm and could develop into a major player in that space. In recent years, they have partnered with French auto manufacturer Renault and a Belgian chemicals company, Solvay, to create closed-loop electric vehicle battery recycling. Veolia has also partnered with GE Renewable Energy to recycle wind turbine blades, which results in over 90% of the blades being reused.[1] Additionally, they have an ambitious "refueling program" that aims to switch all their combined heat and power needs to biofuels and other renewable sources while increasing "green energy" production by 50% by the end of the decade.

1 Veolia recycles GE Renewable Energy's wind turbine blades in US

The Mackenzie Greenchip Global Environmental All Cap Fund contribution for 2023

The following metrics reinforce the Greenchip team's investment approach. Given their focus on climate or transition solutions, the flagship fund carries a higher carbon intensity due to the nature of products and solutions being built (i.e., it takes lots of resources and energy to build solar panels and wind farms). At the same time, we want to ensure that those companies are aligned to finding more carbon and resource efficient ways to manufacture their products and solutions, which is measured by their commitment to SBTi. Additionally, we measure the impact of these solutions to the environmental economy through measures like the alignment to the environmentally focused SDGs and the alignment to environmental solutions.

WACI*



306.1 vs 102.2

WACI measures the Fund's exposure to carbon-intensive companies by calculating tonnes of carbon dioxide equivalent emitted per million US dollars of revenue (tCO_2e/US$M). Climate-oriented solutions tend to be more carbon intensive than their benchmarks, hence the Fund's higher score.

- Mackenzie Greenchip Global Environmental All Cap Fund
- Benchmark: Solactive GBS Dev Mkts Lrg & Mid Cap

* Weighted Average Carbon Intensity (tCO_2e/US$M)

SBTi**

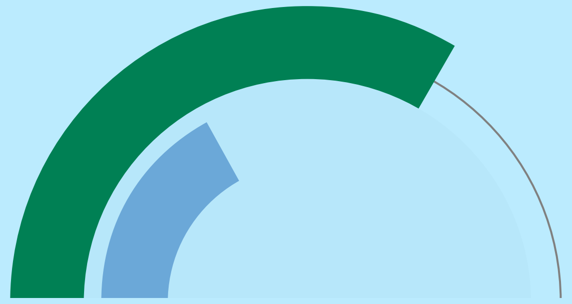
66.6% vs 59.1%

The majority of companies in the Fund have committed to the Science Based Targets initiative (SBTi), meaning that companies are in the process of decarbonizing their operations while producing products and services that will enable the energy transition.

- Mackenzie Greenchip Global Environmental All Cap Fund
- Benchmark: Solactive GBS Dev Mkts Lrg & Mid Cap

** Portfolio weight committed to SBTi

Environmental impact solutions involvement***



77.0% vs 33.9%

Estimated revenues from any of the five environmental themes including alternative energy, energy efficiency, green building, pollution prevention or sustainable water. Portfolio attribute is calculated as portfolio weight exposed to companies with greater than 0% revenue from the five previous listed themes.

- Mackenzie Greenchip Global Environmental All Cap Fund
- Benchmark: Solactive GBS Dev Mkts Lrg & Mid Cap

*** Sourced from MSCI ESG as of February 14, 2024.

The Mackenzie Greenchip Global Environmental All Cap Fund SDG contribution

The flagship strategy continues to contribute positively to the environmentally focused SDGs, including sustainable cities and communities, clean energy and climate.

Relevant UN SDGs

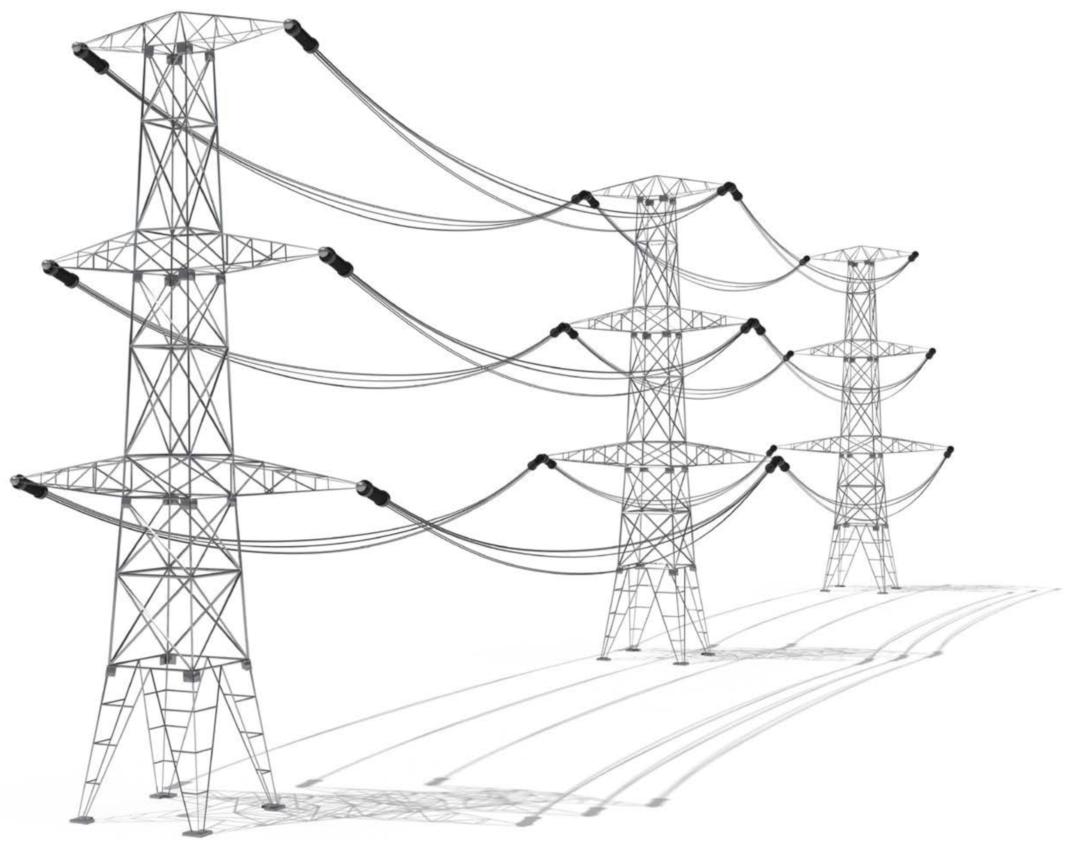
ENGAGEMENT CASE STUDY

ENEL SPA: ENABLING A JUST TRANSITION

In 2023, Mackenzie engaged with **Enel SpA** ("Enel"), a leading multinational integrated power utility, to understand their approach to climate-related governance across the company. Headquartered in Italy, and with operations in around 30 countries around the world, Enel is a global leader in sustainable power and innovation and was one of the first companies to introduce the smart meter in the early 2000s and is currently the world's largest producer of renewable energy.

In Q1 2023, the Mackenzie Sustainability COE and Greenchip teams met with Enel to discuss the company's approach to the just transition. In this discussion, the team learned that board members are deeply committed to enabling a just transition, supporting displaced workers and revitalizing impacted local economies.

Enel pushed forward their plan to achieve net-zero GHG emissions across their value chain by 10 years, from 2050 to 2040. To address the impact that this transition will have on their workforce and communities, Enel is implementing a detailed strategy to promote an inclusive transition in the areas surrounding the coal plants. Specifically, Enel plans – in the 2024–2026 period – to redeploy 80% of the people leaving the coal-fired plants by providing them with up-skilling and re-skilling programs to transition over to other roles within the company, while the remaining 20% will take advantage of early retirement plans. To support this transition, the company has provisioned over 1.5 billion Euro in 2020 through 2023. Mackenzie plans to continue to engage with management in 2024 to discuss the company's progress on their just transition plan.



Investing in sustainable infrastructure and efficiency technologies is the most important thing we can do to improve the long-term health of our economy.

John Cook, SVP, Portfolio Manager, Team Co-Lead

Mackenzie Betterworld team

Team offers

Sustainable core:

Mackenzie Betterworld Global Equity Fund

Mackenzie Betterworld Canadian Equity Fund

TEAM CONTRIBUTORS

Andrew Simpson, CFA
SVP, Portfolio Manager, Team Lead

Baris Ozyetis
AVP, Investment Director

Mackenzie Betterworld differentiates itself by focusing on owning companies that demonstrate a positive impact on people and the planet with business activities and operations that contribute toward the United Nations Sustainable Development Goals (UN SDGs).

One such company is the Danish health-care giant **Novo Nordisk**, one of Europe's largest publicly traded companies. Novo Nordisk operates in three therapeutic areas: diabetes, obesity and rare diseases. While diabetes medication represents 79% of the sales, obesity care presents the highest growth. The company is a leader in diabetes with its blockbuster Ozempic product based on GLP-1 therapy. GLP-1s such as Semaglutide can also be used to treat obesity, which represents a tremendous growth opportunity given the size of the global obesity market, which is estimated to be around 890 million people.[1] Novo Nordisk is aligned with UN SDG 3, "Good Health and Well Being." In addition, sustainability is at the very core of its business model. The company focuses on the accessibility of its products, progress towards zero environmental impact, being respected for adding value to society and being recognized as a sustainable employer. Importantly, the company maintains a solid track record in product safety, which is material to the health-care sector.

In 2023, the Mackenzie Betterworld team engaged with 21 unique companies, holding 24 discussions on 55 ESG topics. We're pleased to highlight examples of positive outcomes from our engagements.

Relevant UN SDGs

3 GOOD HEALTH AND WELL-BEING

1 World Health Organization

Five engagement priorities for Betterworld

- Gender diversity
- Racial diversity
- Feeding the future
- Human rights in the supply chain
- Climate action

Nuclear energy

Our view has evolved after carefully considering the role of nuclear power in the pathway to net zero. In 2023, we removed the nuclear power investment restriction. We believe that in complement with renewables, the growing demand for zero-carbon, reliable baseload power supports the investment case for nuclear in the Mackenzie Betterworld mandates. Additionally, we expect innovation such as Small Modular Reactors (SMR) will present new opportunities for this sector. The SMR design is intended to be scalable, lower costs and construction time, and limit risk with cooling and safety mechanisms that specifically address weak links in prior reactor designs. The smaller size also lowers the capital investment threshold for a new plant and increases the addressable market for SMR projects.

As a result of this change, the team has invested in two companies that we believe directly contribute to UN SDG 7, "Affordable and Clean Energy." In the Canadian strategy, the team made an investment in **AtkinsRealis**, formerly known as SNC-Lavalin. This company is a fully integrated professional services and project management firm with offices around the world dedicated to engineering a better future for our planet and its people. The company's nuclear division represents 12% of revenues[1] and supports clients across the entire nuclear life cycle with a full spectrum of services including consultancy, engineering, procurement and construction management services, field services, technology services, spare parts, reactor support and decommissioning, and waste management. As stewards of the CANDU (Canada Deuterium Uranium) technology, the company also provides new-build and full refurbishment services of CANDU reactors.

Relevant UN SDGs

In the global strategy, the team added **Constellation Energy** ("Constellation"). Constellation is the largest producer of carbon-free energy in the US and the leading competitive retail supplier of power and energy products and services for homes and businesses across 48 states. Constellation's generation fleet powers more than 16 million homes and businesses and is helping to accelerate the nation's transition to clean energy with more than 32,400 MW of generating capacity, of which nearly 90% is carbon free.[2] The company accounts for 10% of the clean power supply in the US.

According to the US Environmental Protection Agency, Constellation has the lowest CO_2 emissions and lowest carbon intensity among investor-owned generators and avoided 123 million metric tonnes of carbon emissions in 2022. The company has set a goal to eliminate 100% of its GHG emissions by 2040 by leveraging innovative technology and enhancing its diverse mix of hydro, wind and solar resources paired with the nation's largest carbon-free nuclear fleet.

We expect the company to be a beneficiary of the US *Inflation Reduction Act* through production tax credits, green hydrogen generation, wind repowering and the ability to extend nuclear fleet asset lives to 80 years.

We believe that the path to net zero in 2050 requires a substantial increase in clean energy to support the evolution of the electricity grid. Nuclear energy will be a part of this transition.

Andrew Simpson, SVP, Portfolio Manager, Team Lead

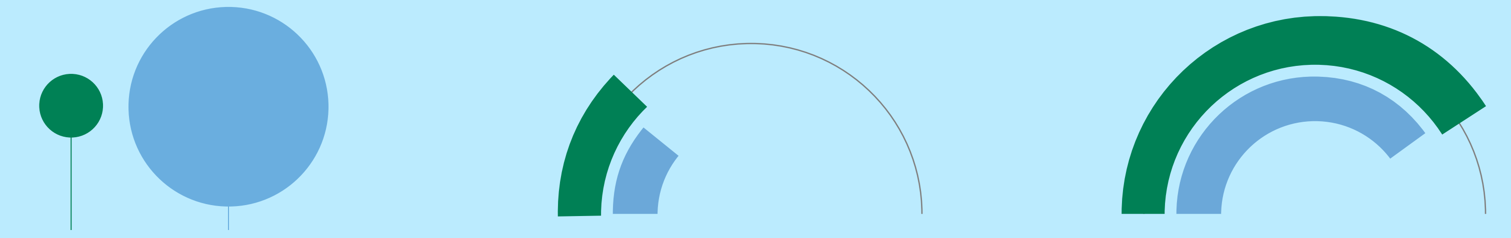
1 Annual reports 2023
2 About Us | Constellation Energy

Sustainability-related characteristics of the Betterworld funds

The Betterworld team focuses on responsibly managed companies, including how those companies manage their sustainability or ESG risks and opportunities, and they also consider the impact of products and services produced by those companies on the future sustainable economy. The characteristics outlined below confirm the team's 2023 focus on board gender diversity, heightening importance of the circular economy and the growing need for the climate risk management.

The Mackenzie Betterworld Canadian Equity Fund continues to deliver better sustainability outcomes relative to its benchmark, managing exposure to climate transition risk.

WACI* | **SBTi**** | **WOMEN ON BOARDS**



81.3 vs 258.4 | **24.7%** vs 22.2% | **81.8%** vs 79.8%

SEVERE CONTROVERSIES 0% vs 0%

Relevant UN SDGs

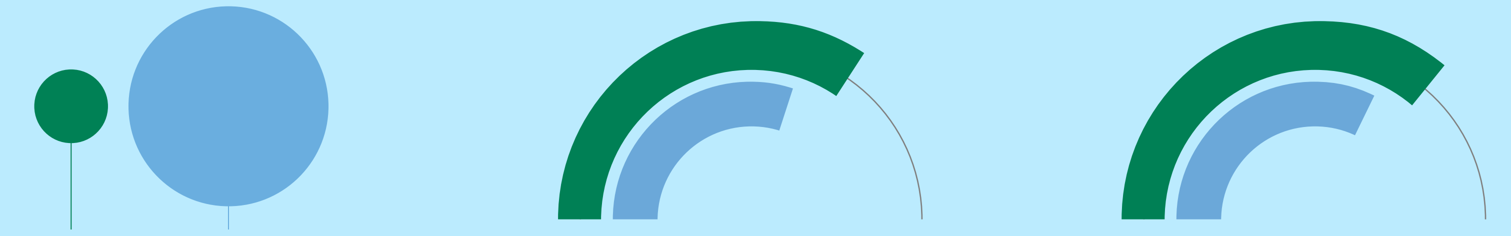
- Mackenzie Betterworld Canadian Equity Fund
- Benchmark: S&P/TSX Composite

* Weighted Average Carbon Intensity (tCO_2e/US$M)

** Portfolio weight committed to SBTi

The Mackenzie Betterworld Global Equity Fund continues to deliver better sustainability outcomes relative to its benchmark, focusing on environmental and social risks.

WACI* | **SBTi**** | **WOMEN ON BOARDS**



37.5 vs 102.2 | **68.5%** vs 59.1% | **71.8%** vs 64.6%

SEVERE CONTROVERSIES 0% vs 0%

Relevant UN SDGs

- Mackenzie Betterworld Global Equity Fund
- Benchmark: Solactive GBS Dev Mkts Lrg & Mid Cap

* Weighted Average Carbon Intensity (tCO_2e/US$M)

** Portfolio weight committed to SBTi

ENGAGEMENT CASE STUDY

COSTCO: REDUCING PLASTICS IN THE SUPPLY CHAIN

Costco, the world's third-largest retailer, operates 874 wholesale warehouses worldwide. We believe that Costco positively impacts people and the planet while balancing the interests of the company's stakeholders. Costco pays industry leading wages and offers training and advancement programs for women, sells their products at fair margins to customers, drives recycling efforts and conducts detailed supply chain reviews to ensure compliance with its standards.

However, the Betterworld team's ESG assessment for Costco noted that the company had lagged other retailers on their disclosed management of plastic packaging, with no disclosure on the quantity of plastic packaging used, nor disclosure of reduction targets. Our team believed that Costco had an opportunity to increase the positive impact of its contribution to UN SDG 12, "Responsible Consumption and Production," and we initiated an engagement campaign with the company in February 2022. We encouraged Costco to publicly report the volume of plastic packaging in the company's Kirkland Signature products.

In January 2023, Costco communicated to the Betterworld team that they had completed an analysis of the volume of plastic packaging related to their Kirkland Signature products. In October 2023, Costco committed to releasing a five-year action plan by December 2024, to outline their plastic packaging reduction strategy for these products and to report on progress made in each year of the plan. In November 2023, Costco confirmed they had tied senior management compensation to plastic packaging reductions. The Betterworld team was also pleased to see that Costco's December 2023 disclosure on packaging included a commitment to reducing plastic packaging and disclosed the reduction of their 2023 plastic packaging footprint of 14.4 million pounds.[1]

1 Letter from Craig and Ron

Mackenzie Asia team

Team offers

ESG-integrated:
Majority of strategies[1] consider material ESG risks in their investment process

TEAM CONTRIBUTORS

Nick Scott
SVP, Portfolio Manager

Ryoichi Hayashi, B.E., M.A., CFA
AVP, Portfolio Manager

1 Some Funds do not integrate ESG factors or apply Fund level shareholder engagement into their process. Please refer to the applicable prospectus for further details.

The Mackenzie Asia team believes that success in fundamental investing is achieved by identifying undervalued, underappreciated companies with a sustainable competitive advantage. The team constantly aims to identify companies that combine credible management, a solid business strategy, a view to sustainability and strong governance.

China has announced an ambitious energy policy to transform the economy to net-zero carbon emissions by 2060, a huge step forward in meeting global climate change goals. As of 2035, only sales of hybrid vehicles and battery electric vehicles will be permitted. This creates many unique investment opportunities in China and across the Asia Pacific region in key industries such as clean energy and electric vehicles.

> **China's highly ambitious environmental policies will transform the world's second-largest economy to one of the leading contributors to the global energy transition.**

Nick Scott, SVP, Portfolio Manager

ENGAGEMENT CASE STUDY

YUM CHINA HOLDINGS: REDUCING CARBON FOOTPRINT

Yum China Holdings ("Yum China") operates fast food restaurants across China as a franchisee of KFC, Pizza Hut, Taco Bell and several local Chinese food brands. The company operates 14,000 restaurants and is the largest restaurant operator and employer in the industry.[1] The large brick-and-mortar footprint contributes to high levels of Scope 1 and 2 carbon intensity (CO_2 emission volume relative to the value of sales). The team engaged with the company to understand what actions Yum China is taking to reduce its carbon footprint. The company has highlighted that it has a target to reduce its Scope 1 and 2 emissions by 63% by 2035 compared to the 2020 baseline. Beyond that, it is targeting net-zero emissions by 2050. To achieve this, the company is installing energy efficient equipment and solar panels to generate electricity for its restaurants and logistics centres.

In 2023, Yum China added ESG criteria for management compensation and plans to roll out a more quantitative ESG framework for compensation. We anticipate a status update on these measures to be included in its 2023 reporting. The team appreciates the company's frank dialogue with investors and its actions to address these issues, and continues to communicate with the company to monitor its progress.

1 Yum China Leads the Restaurant & Leisure Industry for the Fourth Consecutive Year on the Dow Jones Sustainability Index

Mackenzie Bluewater team

Team offers

ESG-integrated:
Majority of strategies[1] integrate material ESG factors

TEAM CONTRIBUTORS

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David Arpin, M.A., CFA
SVP, Portfolio Manager, Team Co-Lead

1 Some Funds do not integrate ESG factors or apply Fund level shareholder engagement into their process. Please refer to the applicable prospectus for further details.

Mackenzie Bluewater identifies and evaluates financially material ESG factors in the investment process through a combination of top-down and bottom-up approaches. The macroeconomic view of the global economy helps identify structural changes in the economy, such as the green transition, and the associated long-term risks and opportunities. From a bottom-up perspective, the team identifies ESG strengths and weaknesses through primary research, assesses the financial materiality of each factor and integrates them into the valuation model assumptions.

In our view, ESG factors can materially impact both a company's financial performance and its valuation in the market. As a result, we incorporate ESG factors in our research and portfolio management process to target attractive risk-adjusted returns.

David Arpin, SVP, Portfolio Manager, Team Co-Lead

CASE STUDY

TRANE TECHNOLOGIES: ENVIRONMENTAL CONSIDERATIONS IN INVESTMENT DECISIONS

Trane Technologies ("Trane") is a global leader in sustainable climate solutions in the HVACR market. Trane's products are used for commercial and residential buildings as well as in transport refrigeration solutions. The global push for decarbonization, combined with the fact that 40% of all the energy consumed by commercial buildings is used for heating and cooling,[1] has created a material growth tailwind for the company. This top-down analysis combined with fundamental research incorporating ESG factors helped the Bluewater team identify significant areas of accelerated growth in Trane's operations.

Through fundamental analysis and direct interactions with Trane's management team, the Bluewater team concluded that Trane's thermal management systems will become a significant growth driver for their business. These systems replace traditional HVACR units powered by fossil fuels with a low-carbon, purely electrified solution, and have a rapid payback for commercial customers. As a result, Trane is seeing accelerated adoption of its products and business growth at a multiple of GDP as it assists its customers' efforts to achieve their climate commitments in a manner that drives a strong return on investment. Based on these considerations, the team has initiated a position in Trane Technologies.

1 Cooling buildings worldwide

Mackenzie North American Equities team

Team offers

ESG-integrated:
Majority of strategies[1] integrate material ESG factors

TEAM CONTRIBUTORS

William Aldridge, MBA, CFA
SVP, Portfolio Manager, Team Co-Lead

Dean Highmoor
AVP, Portfolio Manager

1 Some Funds do not integrate ESG factors or apply Fund level shareholder engagement into their process. Please refer to the applicable prospectus for further details.

The North American Equities team emphasizes investing in quality companies that exhibit an attractive expected return relative to the risks. The team's investment analysis includes considering ESG factors through a three-step process: identifying ESG risks, engagement, and analysis and investment recommendation.

In 2023, our team focused on governance issues, namely board succession processes, auditor tenure and compensation, as well as evaluation of newly proposed corporate structures or entities. Given the increase in military conflicts and growing political polarization, we also increased our focus on the Board's approach to handling geopolitical risks. In addition, we continued our climate change related engagements, with an emphasis on the reduction of methane emissions.

We have generally found that our most successful and resilient investments are in companies that successfully consider the needs of all stakeholders.

William Aldridge, SVP, Portfolio Manager, Team Co-Lead

ENGAGEMENT CASE STUDY

NORTHLAND POWER INC.: DECARBONIZATION AND NET-ZERO STRATEGY

Northland Power Inc., one of Canada's first independent energy producers, has a key role to play in enabling the low-carbon transition and meeting the growing global demand for reliable, affordable and lower-carbon electricity. To help achieve this, Northland Power has been focused on further evolving its portfolio mix towards renewables and building additional capacity and storage in this area.

In 2022, the Mackenzie North American Equities team engaged with Northland Power to discuss the company's longer-term strategy for net zero and the decarbonization of its gas and renewables portfolio. Our team learned that Northland Power is well positioned to meet Canadian federal government climate targets for this sector and has also committed to halting investments in new natural gas facilities. The team encouraged management to provide additional disclosures regarding the company's decarbonization goals over the longer term.

During the company's Investor Day Conference in February 2023, Northland Power announced a commitment to achieving net zero across all scopes of GHG emissions by 2040. This equates to a 95% reduction in absolute GHG emissions across all scopes from a 2019 baseline.[1] This announcement was supported by the release of a decarbonization roadmap. It builds on the company's previously announced medium-term (2030) GHG intensity reduction target for Scope 1 and 2 emissions and its goal to increase gross renewable energy capacity by 6 GW, which is anticipated to be driven largely by investments in offshore wind. The team continued their ongoing dialogue with management again in Q2 2023 to discuss the company's financing needs and potential sources for upcoming offshore wind projects, in line with its newly announced net-zero and renewables strategy.

1 2022 Sustainability Report

Mackenzie Global Quantitative Equity team

Team offers

ESG-integrated:
Majority of strategies[1] consider material ESG risks in their investment process

TEAM CONTRIBUTORS

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Haijie Chen, PhD, CFA
VP, Portfolio Manager

1 Some Funds do not integrate ESG factors or apply Fund level shareholder engagement into their process. Please refer to the applicable prospectus for further details.

The Global Quantitative Equity team practices a core style of investing that employs fundamental ideas in a disciplined, risk-aware manner to generate alpha. This process is conducted through a proprietary predictive stock-selection model developed by the team.

In 2023, the team switched to a version 2.0 ESG model from the version 1.0 model initially deployed in 2021. The upgraded ESG model uses a Global Industry Classification Standard subindustry-based materiality map that feeds data from Sustainalytics in addition to the data sources already utilized in our original model. The new model also supplements the ESG performance score with a score that reflects a company's reporting effort. In 2024, the team plans to further enhance the data feeds by incorporating data from an additional third-party vendor, MSCI, into their ESG model.

The team systematically incorporates a 5% to 12% weight in ESG factors in the model, believing that it enables exposure to companies with stronger ESG characteristics and that companies focused on sustainability typically possess favourable quality characteristics. The team works closely with the Mackenzie Sustainability COE to keep up to date with the growing ESG data landscape and comply with clients' sustainability-related requirements. Additionally, the team leverages the Sustainability COE's stewardship expertise and capabilities to engage with investee companies on its behalf.

> **ESG matters throughout the world. For us, it means favouring companies with better ESG performance than industry peers.**
>
> **Arup Datta**, SVP, Portfolio Manager, Team Lead

ENGAGEMENT CASE STUDY

UNIVERSAL HEALTH SERVICES: ENHANCED GOVERNANCE DISCLOSURES

In Q4 2023, the Mackenzie Sustainability COE team met with **Universal Health Services** (UHS) on behalf of our Global Quantitative Equity team. During 2023, UHS encountered a negative patient-related controversy at one of their hospitals, and during our engagement we focused our discussions on increased public disclosure of patient and employee complaint procedures and increased oversight of cyber-security risks relating to confidential patient data. Following our engagement, UHS agreed to provide more granular disclosure of patient and employee complaint procedures in their 2023 ESG report and confirmed that they had increased the frequency of their cyber-security risk reporting to the board to quarterly, effective immediately. Although UHS confirmed that the regulatory incident in one of their hospitals is now sufficiently concluded, we urged the management team to focus on the internal auditing of facilities in 2024.

Mackenzie Global Equity and Income team

Team offers

ESG-integrated:
Majority of strategies[1] consider material ESG risks in their investment process

TEAM CONTRIBUTORS

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Katherine Owen, MBA, CFA
VP, Portfolio Manager

1 Some Funds do not integrate ESG factors or apply Fund level shareholder engagement into their process. Please refer to the applicable prospectus for further details.

The Mackenzie Global Equity and Income team searches for business models it believes can grow sustainably and generate reliable returns over the long term. The team integrates material ESG factors in its valuation and portfolio construction process to identify and position stocks with the most attractive risk-adjusted returns. Material ESG factors are uncovered through the team's research and due diligence meetings as well as external research providers such as Sustainalytics. They are then incorporated into long-term financial forecasts in the discounted cash flow valuations on a stock-by-stock basis, which are assessed along with ESG and non-ESG company scores prior to making investment decisions.

Identifying companies that make progress on their ESG characteristics can generate a source of alpha for our clients.

Darren McKiernan, SVP, Portfolio Manager, Team Lead

ENGAGEMENT CASE STUDY

EQUIFAX: DECARBONIZATION AND NET-ZERO STRATEGY

As a global data, analytics and technology leader based in Atlanta, US, and with operations across America, Europe and Asia Pacific, **Equifax** offers consumer credit reporting, fraud prevention, and other data and analytics services. Equifax's largest carbon impact stems from its operations of office facilities and data centres, and in 2023, our team, along with the Sustainability COE, formally engaged the company to understand their decarbonization goals and approach to reducing GHG emissions. During this engagement, we learned that Equifax is working to set near-term GHG emissions targets validated by SBTi, which will put the company on the path to net-zero emissions by 2040. This was encouraging news, and we plan to continue engaging with the company in 2024 to discuss their decarbonization levers and roadmap. Equifax aims to reduce emissions and cut down on long-term expenses, which should enhance profitability.

CASE STUDY

GLENCORE: ESG CONSIDERATIONS IN INVESTMENT DECISIONS

Glencore is one of the largest globally diversified natural resource companies. Over 80% of its mining production comes from metals such as copper, nickel and cobalt – where they are a low-cost producer – and metals that will be critical inputs for the transition to renewable energy. However, Glencore's production of thermal coal has deterred some investors from owning the stock due to ESG reasons. Geopolitical tensions have highlighted the necessity to depend on coal as a reliable substitute for natural gas supplied by countries in war zones. Glencore plans to wind down the coal business over time, and the company is on track to close 12 mines by 2035.

Glencore faces bribery and corruption risks due to operating concessions of immovable assets of significant value to lower income nations, some of which have weak governance. The company faces a challenge to ensure 100% compliance with labour best practices, including occupational health and safety by local contractors. As such, we have incorporated potential fines in our cash flow analysis. However, the company is the only large global diversified miner targeting to be a net-zero total emissions company by 2050 with plans to reduce Scope 1, 2 and 3 emissions by 50% by 2035.

Moreover, Glencore is also one of the world's largest recyclers of end-of-life electronics, batteries and battery metals. Their significant smelting and refining assets are designed to handle a wide range of complex feeds, allowing them to process recyclable materials at a significantly lower cost and overall carbon footprint. In addition, a new management team has provided better governance, along with settlements made for prior misconduct by previous management. With a new management team, an improving ESG profile and very strong cash returns to shareholders, we were comfortable initiating a position in Glencore and continue to hold the stock.

Glencore is one of the world's largest recyclers of end-of-life electronics, batteries and battery metals.

Mackenzie Growth team

Team offers

ESG-integrated:

Majority of strategies[1] consider material ESG risks in their investment process

TEAM CONTRIBUTORS

Phil Taller, MBA, CFA
SVP, Portfolio Manager, Team Lead

John Lumbers, CFA
VP, Portfolio Manager

1 Some Funds do not integrate ESG factors or apply Fund level shareholder engagement into their process. Please refer to the applicable prospectus for further details.

Our team digs deep to uncover smaller companies with unrealized growth potential. We scour the small-mid cap market in the US, where tomorrow's great companies are being forged in the world's most highly developed entrepreneurial ecosystem.

We invest in companies that are building a more efficient world. By identifying long-term trends, we can target sectors and industries at the forefront of change. Our team researches companies from all perspectives, including ESG, to identify opportunities and risks that are considered relevant and material to the geographical exposure of companies such as labour rights, supply chain sustainability and climate risk, among others.

> **We have always included thinking about how our companies and their management teams treat their customers, employees, shareholders and society at large in our process. Only a business that adds value over time to their stakeholders will survive long term. As investors in businesses for the long term, we treat these issues seriously.**

Phil Taller, SVP, Portfolio Manager, Team Lead

CASE STUDY

HEALTH-CARE COMPANY: GOVERNANCE CONSIDERATIONS IN INVESTMENT DECISIONS

For several years, we have been shareholders of a US-based group purchasing organization that helps health-care providers, such as hospitals and health agencies, realize savings through collective purchasing power. During the AGM in 2022, a proposal was put forward to award management retention bonuses. Our team's position was that management should be paid upon the fruition of their strategy, so we held discussions with them in advance of the AGM. As governance plays a key role in the overall assessment of our investee companies, we maintained our position following these discussions and voted against the proposal. In 2023, we continued to monitor the company, and our expert calls pointed out that the new strategy would not work. As a result, we decided to divest of the position in Q4 2023.

Mackenzie Resource team

Team offers

ESG-integrated:
Majority of strategies[1] consider material ESG risks in their investment process

TEAM CONTRIBUTORS

Benoit Gervais, MSc, CFA
SVP, Portfolio Manager, Team Lead

Onno Rutten, MSc, MBA
VP, Portfolio Manager

1 Some Funds do not integrate ESG factors or apply Fund level shareholder engagement into their process. Please refer to the applicable prospectus for further details.

To capture risks and opportunities, the Resource team has built a robust ESG accounting framework that integrates sector-specific metrics across our investable universe. In 2023, the team focused on sectoral ESG research of the most emission-intensive industries, such as cement and steel, to understand their contribution to global emissions, the feasibility of transitioning and the role they could play in the future. The analysis of emission-intensive sectors is critical, as energy transition and other ESG considerations are poised to change industries' competitive landscapes. We see the world moving to an "all-in" cost structure that includes a fee for the environmental footprint of products.

> **The transition to a sustainable world will be resource intensive. We have the relationships, experience and expertise to find global opportunities, while encouraging companies to be more responsible.**

Benoit Gervais, SVP, Portfolio Manager, Team Lead

CASE STUDY

CEMENT AND INSULATION PRODUCTS: ESG CONSIDERATIONS IN PORTFOLIO ALLOCATION DECISIONS

Two examples of portfolio allocation decisions were observed in the construction materials sector, specifically in cement and insulation products. From our research, it is apparent that the cement industry has viable avenues to decarbonize approximately 30%[1] of its emissions. Beyond this, the path towards zero emissions cement is becoming clearer through commercial opportunities and technologies. Another key area with potential for sustainable growth is insulation materials. Buildings account for approximately 26% of global emissions.[2] Utilizing insulating materials with higher efficiency standards offers an opportunity to reduce operational building emissions and improve building standards for commercial and residential infrastructure. Based on these observations, we have initiated positions in companies with exposure in cement and insulation materials.

1 The Energy Mix
2 Buildings – Energy System – IEA

Mackenzie Ivy team

Team offers

ESG-integrated:
Majority of strategies[1] consider material ESG risks in their investment process

TEAM CONTRIBUTORS

Matt Moody, MBA, CFA
SVP, Portfolio Manager, Team Lead

Hussein Sunderji, MBA, CFA
VP, Portfolio Manager

1 Some Funds do not integrate ESG factors or apply Fund level shareholder engagement into their process. Please refer to the applicable prospectus for further details.

The Ivy team looks for companies positioned to perform over the next decade, not just the next quarter. That is why we believe in the importance of integrating ESG factors into the investment analysis to assist us in identifying those companies whose corporate strategy and culture support a long-term sustainable business. Following a three-step ESG integration process that includes identification, assessment and integration process of ESG factors, the team ensures that ESG analysis is incorporated holistically in every investment decision.

Through rigorous research and analysis, which includes ESG factors, we aim to identify companies with competitive advantages and success drivers that can be sustained over long periods.

Matt Moody, SVP, Portfolio Manager, Team Lead

CASE STUDY

HALMA: ESG CONSIDERATIONS IN PORTFOLIO ALLOCATION DECISIONS

Halma is a UK-based collection of small- to medium-sized engineering firms. We rate the company highly from an ESG perspective as Halma has long focused on products tied to safety, health and the environment – from fire detection to wastewater treatment and ophthalmology. The societal benefit of the company's products is the common thread across Halma's portfolio of businesses. A core part of the company's strength is the priority it places on the development of its people. In addition, its governance is strong, as demonstrated by its qualified and diversified board of directors and the thoughtful way in which it structures the oversight and advice it provides to the small companies under its umbrella. Throughout 2023, Halma's stock price declined. While it still traded at a sizeable premium to the broader market, we were comfortable increasing our position size due to the confidence we have in the company's quality and ability to perform in line with our long-term expectations – a confidence which is in large part tied to our assessment of ESG-related factors.

PROXY VOTING CASE STUDY

SEVEN & I HOLDINGS: BOARD RECRUITMENT AND INDEPENDENCE

We have been shareholders in **Seven & I** for several years, and in early 2023, the company was the target of a campaign by an activist investor. The investor was calling for improvements to governance and capital allocation, but also called for significant changes to the board and upper management, as well as a change to the corporate structure. These changes were proposed at Seven & I's annual meeting held in May. In advance of the meeting and shareholder vote, we conducted several meetings with Seven & I management and directors, and were also able to observe the nominees from the dissident investor. Our view was that existing management had laid out a credible path for improvement and the activist investor's proposal may not be in the best long-term interest of all stakeholders, so we voted accordingly. The company ended up prevailing in the proxy contest. We believe this was a good outcome when considering the interests of all stakeholders.

Mackenzie Europe team

Team offers

ESG-integrated:
Majority of strategies[1] consider material ESG risks in their investment process

TEAM CONTRIBUTORS

Seamus Kelly
SVP, Portfolio Manager, Team Lead

Bryan Mattei
VP, Portfolio Manager

Francesca Ricchetti
ESG Analyst

1 Some Funds do not integrate ESG factors or apply Fund level shareholder engagement into their process. Please refer to the applicable prospectus for further details.

The Mackenzie Europe team invests in companies it has determined to have a sustainable competitive advantage in attractive markets. This translates into companies well positioned to generate superior long-term, risk-adjusted returns. To enable ESG integration, the team has developed an in-house framework for assessing investments.

Through their risk-based approach, the team identifies companies that are underperforming relative to peers with respect to ESG metrics or where policies and disclosures fail to meet best practices. In 2023, Mackenzie Europe continued to integrate environmental and social factors into its investment process, where governance has always been a key area of focus.

Over the past year, the team identified several investment opportunities related to structural themes it will continue to follow in 2024. Among these are energy transition and renewable energy, with a particular focus on carbon capture, utilization and storage technologies, substitution and recycling, electrification, sustainable aviation fuel, and waste and water management.

How a company integrates ESG factors into their strategy is an important element of value creation and crucial for long-term sustainable growth. As active shareholders, we advocate for the alignment of incentives among management, investors and the wider stakeholder community.

Seamus Kelly, SVP, Portfolio Manager, Team Lead

MIEL'S REGULATORY OBLIGATIONS UNDER SHAREHOLDER RIGHTS DIRECTIVE II (SRD II)

In accordance with the requirements of the EU SRD II, Mackenzie Europe is committed to disclosing how the engagement policy and proxy voting activities are carried out during the reporting period. The Mackenzie Europe team maintains an active dialogue with investee companies on material themes from a financial and sustainability perspective. Engagements are a means to influence corporate behaviour and positive change.

Team engagements

As part of its engagement process, the team regularly meets with companies to discuss how they can improve their ratings and overall ESG standing. The team evaluates potential material issues and assesses a company's progress since the previous engagement. An improving ESG trajectory helps support the investment case. Engagement also assists in identifying companies that may have material or deteriorating ESG issues that the market may not discount.

The Mackenzie Europe team engaged with 52 unique companies in 2023, holding 60 discussions on ESG topics.

DIRECT ENGAGEMENTS BY TOPIC[1]	NUMBER OF TOPICS DISCUSSED	TOTAL ENGAGEMENTS (%)
Environmental	154	54.42%
Governance	53	18.73%
Social	53	18.73%
Strategy, risk and communications	23	8.13%
TOTAL	**283**	**100%**

1 European team – includes Europe's participation in 2023 Top 100 engagements + Europe's own company-specific engagements

ENGAGEMENT CASE STUDY

BOUYGUES S.A.: HUMAN RIGHTS DISCLOSURE

Bouygues S.A. is a French diversified group that provides construction, energy and services, media and telecommunication services. The company is in the process of improving its disclosure on certain human rights risks to align it with best practices. Since October 2022, we have been engaging with Bouygues on this issue and have suggested actions to improve transparency.

In 2023, the company outlined its steps towards mapping out human rights and supply chain management risks and its reassessment of the methodology to do so. The company also aims to implement a new human rights policy to align it with market standards. These amendments will be implemented within the group and integrated into value chain management. Moreover, the company and its business segments have improved their human resource management, starting with qualitative engagement surveys to implement appropriate actions to benefit the workforce from 2024 onwards.

The team suggested an increase in disclosure related to labour rights and diversity within the workforce, such as a more thorough rationale behind the company's turnover and the disclosure of a gender pay gap. Moving forward, we will continue to monitor these issues, evaluate the progress in resolving them and suggest additional measures to enhance the company's disclosure.

Significant proxy votes in 2023

Schneider Electric: Executive compensation

In April 2023, the team engaged with Schneider Electric regarding the remuneration to be granted to the departing CEO. Issues raised with the company included the decision not to prorate the 2022 long-term incentive grant and to potentially award full vesting, even though the CEO had held an executive role within the company for less than one and a half years out of the three-year performance period. The company explained the rationale behind the choice, emphasizing that the departing CEO would not receive any grant under the long-term incentive plan in 2023, nor any other form of severance payment or non-compete indemnity. Given the company's performance under the former CEO and the fact that our concerns were addressed and somewhat mitigated, we supported the proposal, which was passed with a majority of votes at the AGM.

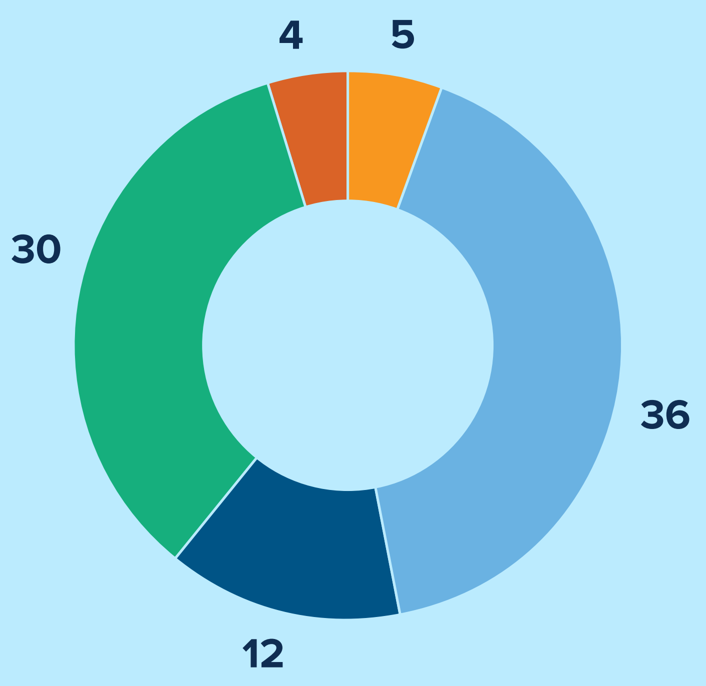
Smurfit Kappa Group PLC: Departing CEO remuneration

At the 2023 Smurfit Kappa AGM, the company asked for the approval of the Remuneration Report on an advisory basis and, therefore, of executive compensation for the 2022 financial year. The company's annual bonus plan incorporates a health and safety metric that pays out based on the total recordable incident rate (TRIR). During the year under review, this ESG-related metric was 0.51, which resulted in a maximum payout (10% of the total and 15% of the base salary) under the health and safety metric.[1] However, the company reported that, despite the TRIR outcome, there was one subcontractor fatality in 2022. Given that this fatality did not result in any discretionary downward adjustment of this part of the bonus, the team decided to vote against the Remuneration Report. The lack of consideration by the board of this fatality in determining payouts was considered a serious breach of moral and ethical code.

2023 PROXY VOTES ON SHAREHOLDER PROPOSALS BY TOPIC

Topic (% in favour)	
Compensation	0.0%
Social	30.5%
Environmental	50.0%
Governance	36.6%
Miscellaneous	25.0%

Number of proposals voted



PROXY VOTING

TOTAL MEETINGS VOTED	TOTAL PROXY ITEMS VOTED	VOTES WITH MANAGEMENT[2]	VOTES AGAINST MANAGEMENT	% OF VOTES WITH MANAGEMENT	% OF VOTES AGAINST MANAGEMENT
274	8,647	7,757	413	90%	5%

1 Annual Report 2023
2 Number of votes in favour of management recommendations is calculated excluding votes submitted as 'Take No Action' and instances where management does not make a recommendation.

ESG metrics definitions

ESG METRICS	DEFINITIONS	SOURCE
Impact to the UN SDGs	The percentage of the portfolio's market value exposed to companies that are Aligned or Strongly Aligned with the 17 UN SDGs based on the nature of their products and services and their operational alignment to the goal and their involvement in controversies, as per the SDG Impact Rating. Data is updated on an annual basis through the integration of the newest annual/segment reporting by a company. Data is as of February 14, 2024. Under our internal methodology, at least 70% of a portfolio's weight must be eligible and covered in order for the metric to be covered.	MSCI ESG and Mackenzie Portfolio Analytics
Weighted Average Carbon Intensity (WACI) tCO_2e/US$M	WACI, a carbon-intensity metric, measures a fund's exposure to carbon-intensive companies expressed in tonnes of carbon dioxide equivalent (tCO_2e) per USD million sales. This metric acts as a comparable between the fund and the benchmark, utilizing MSCI's Scope 1 and Scope 2 greenhouse gas emissions data. Data is as of February 14, 2024. Under our internal methodology, at least 70% of a portfolio's weight must be eligible and covered in order for the metric to be reported.	MSCI ESG
Board Diversity (Women)	Board diversity is demonstrated through company filings; depicted as the percentage of women on a company's Board of Directors. The attribute shown is the portfolio weight of companies with at least 30% women on board. Company filing is done on an annual basis. Data is as of February 14, 2024. Under our internal methodology, at least 70% of a portfolio's weight must be eligible and covered in order for the metric to be reported.	Company filing data has been sourced from Bloomberg
Severe Controversies	Sustainalytics assesses company involvement in controversial events on a scale from no evidence of controversies to severe (Category 5). Data is as of February 14, 2024.	Morningstar Inc.
ESG-Labelled Debt Exposure	ESG-labelled debt includes four categorizations: 1. Green Bonds: Debt issued to companies or governments, with the use of proceeds directed towards financing environmentally related projects, certified by second-party opinion providers. 2. Social Bonds: Debt issued with the intention of addressing social issues or supporting the transition to positive social outcomes. 3. Sustainable Bonds: Bonds with use of proceeds that combine environmental and social issues, allowing companies and governments to have a wider-ranging influence. 4. Sustainability-linked Bonds: Debt with sustainability targets that the issuer needs to achieve before maturity, otherwise a financial penalty is applied as a coupon step up paid to the bondholder. ESG-labelled debt indicators depend on the release of sufficient evidence of underlying security documentation at the time of issuance. As additional information becomes available, indicators may be updated thereafter. All data is as of end of Q4 2023. This metric is not subject to our coverage threshold of 70% and is applicable for fixed income instruments only.	Bloomberg
Science Based Targets	Science-based targets are emission reduction targets that are aligned with climate science to reduce emissions in line with net zero and/or the Paris Agreement goals. The Science Based Targets initiative (SBTi) validates the pathway of science-based company targets. SBTi updates their database on a rolling basis, depending on when targets have been validated and when commitments have been made. All data used is as of February 14, 2024. This metric is voluntary for a company and our coverage threshold of 70% is not applicable.	MSCI ESG

To enable comparisons between our portfolios, we adjust our portfolio metrics to approximate 100% ratings coverage for all dataset utilized within our ESG Analysis for equity and corporate fixed income instruments. Due to the nature of ESG Data coverage, non-eligible securities, such as Cash & Equivalents, ETFs, Government Securities, Commodities, Derivatives, Short Positions, and Mutual Funds have been excluded from the analysis, as they are not applicable and/or available. The ESG-Labelled Debt indicator is applicable for fixed income instruments only – including corporate and sovereign securities. As per our methodology, we have only reported ESG metrics for funds with above 70% portfolio weight coverage taking into account only the eligible securities. This threshold is not applicable for our ESG-Labelled Debt or Science-Based Targets metrics.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing.
Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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 December 31, 2023. 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.

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Each Fund's ESG characteristics and performance may differ from time to time. Each Fund's ESG scores do not evaluate the ESG-related investment objectives of, or any ESG strategies used by the Fund and is not indicative of how well ESG factors are integrated by the Fund. Other providers may also prepare fund-level ESG scores using their own methodologies, which may differ from the methodologies of the data providers shown in this report. Please refer to the simplified prospectus for each Fund for further information about each Fund's investment objectives and strategies.

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