QRET

Mackenzie Developed Markets Real Estate Index ETF

Real Estate Investment Trusts – a real opportunity

Diversify your portfolio with global real estate

Real estate investment trusts (REITs) are investment vehicles that offer exposure to many types of real estate. They own, operate, develop, manage, acquire, and/or finance real estate holdings. The REIT structure generally exempts the company from corporate level taxation, provided it delivers 90% or more of its taxable income to shareholders. This has historically resulted in significant income streams for investors.

Why own REITs?

Enhanced portfolio yields: REITs' dividend yields have historically generated a steady stream of income through various market conditions. They can potentially enhance portfolio yields due to the underlying property leases and the requirement that they pay out 90% of their taxable income.

Diversification benefits: Global real estate has historically had a low correlation to other asset classes, from one regional market to another. A global REIT approach provides the opportunity to capture some of the growth being generated in many countries beyond North America.

Downside mitigation: REITs may reduce the downside of a portfolio relative to global equities, as they offer exposure to an entirely different market cycle – the real estate cycle, which is longer than the business cycle that drives returns for most non-REIT stocks. Real estate has outperformed in seven of the 10 market corrections since 1998, in which the MSCI World Index declined more than 10%.

Different types of REITs

Types	Overview
Industrial REITs	Own and manage facilities such as bulk warehouse space, distribution centres, and manufacturing facilities; play an important part in e-commerce and are helping to meet rapid delivery demand.
Residential REITs	Own and manage various property types such rental apartments or multi-tenant housing.
Retail REITs	Own and manage various property types such as malls, shopping centres, outlets.
Office REITs	Own and manage office real estate and rent space in those properties to tenants.
Diversified REITs	Own and manage a mix of property types and collect rent from tenants. An example is a portfolio made up of both office and industrial properties.
Health Care REITs	Own and manage a variety of health care-related services including senior housing, nursing homes, hospitals, medical office buildings.
Lodging REITs	Own and manage hotels and resorts that service a wide spectrum of customers.
Mortgage REITs	Do not own or manage property. Provide financing for income-producing real estate and earn income from the interest on these investments instead of rent payments.
Specialized REITs	Own and manage a unique mix of property types that don't fit within the other REIT sectors; includes trusts that operate and invest in storage properties.

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Investments

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Reasons to invest

By owning QRET, investors:

- Have access to a global diversified approach that provides exposure to 18 countries
- Benefit from a low management fee priced at 0.40%
- May achieve a better tax outcome on distributions, versus investing in US-listed ETFs

> **With continued global trade tensions, a slow approach to raising interest rates in many global economies, and an economic cycle in the late stages, REITs are an attractive investment opportunity for income-oriented investors, as well as those looking for a defensive strategy in their portfolios.**

Why Mackenzie ETFs

ETFs made for Canadians by Canadians.

Mackenzie Investments is one of Canada's leading independent asset management companies. We distribute investment products and services to individual Canadians through their advisors, and to institutions globally. As a Canadian-owned, global asset management firm we've been helping Canadians by offering investment solutions for over 50 years. In a competitive ETF environment, dominated by large U.S. based firms, our ETF commitment has always been in Canada and to Canadians.

We offer a comprehensive suite of ETFs – leveraging a comprehensive approach, strong Canadian ETF expertise and support, and engineered ETFs designed for the Canadian investor.

When it comes to ETFs, our beliefs have always remained at the core at what we do, supporting the Canadian financial industry, the advisors in it and investors who benefit from it. Proudly Canadian, Mackenzie is part of IGM Financial – the world's ninth largest publicly-traded asset manager – and owned by Power Financial Corporation.

For more information about Mackenzie's ETFs, please contact your advisor or visit

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