

Investment Manager Research (IMR) – Mackenzie Investments Update

Today, Mackenzie Investments (Mackenzie) announced changes to their investment boutiques and teams, which impacts some of Canada Life funds. Overall, the Investment Manager Research (IMR) team is comfortable with the strategic direction Mackenzie is heading with these changes.

The Impact

Mackenzie’s streamlining of their investment boutiques to better align to their core competencies, reduce overlap and coverage across teams, and strengthen their overall investment capabilities. Effectively, with these changes the number of Mackenzie investment boutiques reduces from 17 to 16 with the amalgamation of Mackenzie’s North American Equity team with the GLC team. The combination of these teams creates one larger entity focused primarily on North American Equity and Income mandates. This new boutique will increase the investment resources allocated to the Mackenzie’s overall North American strategies.



Other enhancements announced include a more modest impact to Mackenzie’s Multi-Asset Strategies Team (MAS). The changes impacting the MAS team will better align resources and support research capabilities across the team. The MAS team is a 20-person team focused on client solutions across the risk-return spectrum. The team continues to be led by Nelson Arruda, who is Senior Vice President and team lead for MAS.

While no change to the Global Quantitative Equity team led by Arup Data, Mackenzie is moving their low volatility center of excellence to Data’s team from the MAS team.

Impacted Fund Details



The following details the changes to Canada Life funds, including change in IMR grade, where applicable, and rationale.

Canada Equity Funds

Impacted Fund	Previous Lead Portfolio Manager/s	New Lead Portfolio Manager/s	Available on the Canada Life Top shelf? (Y/N)	Previous IMR Rating	Current IMR Rating
Canadian Equity (Mackenzie)	Ben Fawcett, Greg Chu	Patricia Nesbitt, Dylan Fricker	N		
Canadian Large Cap Growth (Mackenzie)	Ben Fawcett, Greg Chu	Patricia Nesbitt, Dylan Fricker	N		

As the IMR team already reviews Patricia Nesbitt on a similar mandate the funds will be assigned grades consistent with the Nesbitt’s existing mandates.

Canada Dividend Funds

Impacted Fund	Previous Lead Portfolio Manager/s	New Lead Portfolio Manager/s	Available on the Canada Life Top shelf? (Y/N)	Previous IMR Rating	Current IMR Rating
Canadian Concentrated Dividend (Mackenzie)	Brad Cann, Adam Rivers	Tim Johal, Chris Grundy	Y		
Dividend (Mackenzie)	Clay Bitner, Chris Grundy	Tim Johal, Chris Grundy	Y		
Canadian Diversified Dividend (Mackenzie)	Clay Bitner, Chris Grundy	Tim Johal, Chris Grundy	N		



As the IMR team already reviews Tim Johal on a similar mandate the funds will be assigned grades consistent with the Johal's existing mandates.

Mid-Cap Canada Fund

Impacted Fund	Previous Lead Portfolio Manager/s	New Lead Portfolio Manager/s	Available on the Canada Life Top shelf? (Y/N)	Previous IMR Rating	Current IMR Rating
Mid Cap Canada (Mackenzie)	Bryan Shearer, Erik Sjoberg	Scott Carscallen, Dongwei Ye, Erik Sjoberg	Y		



Mid-cap Canada is going to a manager not currently covered by IMR on this type of mandate and will therefore be assigned a yellow grade for at least two quarters.

Science & Technology Fund

Impacted Fund	Previous Lead Portfolio Manager/s	New Lead Portfolio Manager/s	Available on the Canada Life Top shelf? (Y/N)	Previous IMR Rating	Current IMR Rating
Science & Technology (Mackenzie)	Martin Rose	Tyler Hewlett, David Taylor	N		

Science & Technology is going to a manager not currently covered by IMR on this type of mandate and will therefore be assigned a yellow grade for at least two quarters.

Canadian Low Volatility Fund

Impacted Fund	Previous Lead Portfolio Manager/s	New Lead Portfolio Manager/s	Available on the Canada Life Top shelf? (Y/N)	Previous IMR Rating	Current IMR Rating
Canadian Low Volatility (Mackenzie)	Larry Llaguno, Richard Zhu, Eric Ng	Arup Datta	Y		

Canadian Low Volatility is going to a manager not currently covered by IMR on this type of mandate and will therefore be assigned a yellow grade for at least two quarters.

Global Infrastructure Equity Fund

Impacted Fund	Previous Lead Portfolio Manager/s	New Lead Portfolio Manager/s	Available on the Canada Life Top shelf? (Y/N)	Previous IMR Rating	Current IMR Rating
Global Infrastructure Equity (Mackenzie)	Larry Llaguno, Richard Zhu, Eric Ng	Michael Kapler, Richard Zhu	Y		

Global Infrastructure Equity currently has a yellow grade due to qualitative assessment. The IMR team continues to review Mackenzie's capabilities in this space relative to peers. We will maintain this yellow grade as the new team assumes responsibility for the mandate.

The Investment Manager Research team's view

The IMR team believes that these strategic enhancements to Mackenzie's investment boutiques will further strengthen their investment capabilities and outcomes to client portfolios. Mackenzie's streamlining of their investment boutiques to enhance their investment excellence is consistent with the general trend we have witnessed across the industry, which we believe to be in the best interests of clients as the result is generally stronger investment capabilities.

Overall, the IMR team is comfortable with these changes and strategic direction Mackenzie is heading. Mackenzie is one of Canada's leading asset managers and is a key sub advisor to Canada Life. As such, the IMR team has in-depth familiarity with Mackenzie's boutique approach, their portfolio managers, and investment capabilities across various strategies. While there will be portfolio management changes to the impacted Canada Life funds, the IMR team is very familiar with the incoming managers, some of whom currently manage similar strategies on our platforms. In addition, there will be no immediate changes to the impacted Canada Life fund's investment strategies, investment policy statements, benchmarks, investment category, risk ratings, or fees to clients. The incoming portfolio managers will continue to manage the impacted funds to their current investment policy statements and guidelines.

While some of these funds have been placed “Under Review” (yellow), this rating does not constitute a sell recommendation by IMR. The IMR team is comfortable with the strategic direction Mackenzie is heading with these changes. The IMR team will continue to review and monitor these investment changes and continue to assess any potential impact to the funds.

Disclaimers

The views expressed in this update are current as of May 17, 2023 and are subject to change without notice. This update is presented only as a general source of information and is not intended as a solicitation to buy or sell specific investments, nor is it intended to provide tax or legal advice.

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