



Enhance your portfolio with global dividends

The strength of dividends in your portfolio

Dividends and dividend growth have accounted for an overwhelming majority of stock returns over time, both in the U.S. and globally. With respect to efficient capital allocation and shareholder returns, commitment to a dividend can be a strong guidepost for a company's management team.

In the years following the global financial crisis, the suppression of interest rates by central banks made a strong case for dividend stocks, as they offered more attractive yields than fixed income alternatives. While rising interest rates could create additional alternatives for yield, stocks remain attractive due to their inflation protection features, as companies have more flexibility to protect future cash flows through pricing power and growth initiatives.

The benefits of exposure to global dividends

Enhanced portfolio yields: Dividends remain a critical source of shareholder returns over the long-term and global dividend stocks can provide even greater opportunities for investors.

Downside risk mitigation: Dividend-oriented investments have typically offered lower volatility and reduced downside risk relative to other strategies. Stock prices of companies that distribute reasonable dividends may be less volatile than companies that don't pay dividends. The dividends paid, which is one part of total return, helps mitigate against the potential depreciation of a company's stock price, thereby reducing overall volatility.

Enhance diversification: Global diversification is important because different economies run on different market cycles. By increasing the pool of companies to look at, investors increase their chances of finding the next dividend gem for their portfolios.

Why Mackenzie Global Sustainable Dividend Index ETF

MDVD and MDVD.U seek to replicate the performance of Solactive Developed Markets Sustainable Dividend Select Index (MDVD.U, through a separate series tracking the U.S. index) which invests primarily in equity securities with above average and stable dividend yield in developed markets.

These ETFs are constructed using a rigorous screening process to include securities that have consistently paid, grown and are able to sustain their dividends.



Source: Solactive, as of June 30, 2020

Reasons to invest

By owning MDVD, MDVD.U investors:

- Have the potential to enhance portfolio yields and improve volatility due to higher yield vs. beta and government bonds
- Benefit from a competitive management fee at 0.25%
- Potential for a better tax outcome on distributions versus investing in U.S.-listed ETFs

Investors are increasingly turning to dividend-paying stocks to seek yield and add stability to their portfolios. Exchange traded funds provide access to dividend strategies with the benefits of daily holdings disclosures, low costs and tax efficiency.

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 ETFs, please contact your financial advisor or Mackenzie's Sales Team.

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