

Mackenzie Greenchip Team

2025 recap and looking ahead into 2026

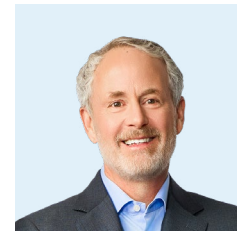
The long-standing drivers of the energy transition are not going away. Energy security now joins the list for 2026.

Equity markets were surprisingly strong in 2025. For Mackenzie Greenchip specifically, the driving forces of the global energy transition seemed to have overpowered the US president's inclination to abandon it. Last month the Trump administration published its global security priorities including his reassertion of the Monroe Doctrine (which in 1823 unilaterally declared the Western Hemisphere to be solely America's sphere of influence). It was kind of a year-end push that nations everywhere must reconsider their security, including energy security.

Equity valuations are not as attractive as they were at this time last year. That said, we still calculate some upside for our portfolio. We like our utility holdings, power related componentry, electric metals, and what I will describe as specific out-of-favour cyclicals. In a digitally focused era, the value of real assets remains underappreciated.

We continue to find better energy transition businesses, trading at better valuations, outside of the United States. Our underweighting of US stocks — currently a 12% allocation versus 63% for the MSCI ACWI — separates Mackenzie Greenchip from most global equity managers.

In 2008, when we launched the strategy, we had identified about 250 companies whose products and services would contribute to the transition. Today, our investment universe¹ has grown to 2,061 businesses with a cumulative market cap over \$16 trillion (USD). One would think finding new holdings would get easier — it has not.



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



Company visits and due diligence

It takes a great deal of work and travel to find value today. Consider our travel schedule in 2025: Johnathan Prestwich met with industrial and utility companies in South Korea and Europe, with several trips to the United States as well; Rohit Bhargat visited mines in Panama, the Democratic Republic of Congo and Zambia, as well as a battery plant in Estonia; Ileana Chintea attended investor conferences across North America and toured nuclear projects in Ontario; Greg Payne spent almost two weeks in each of Brazil and Central Europe.

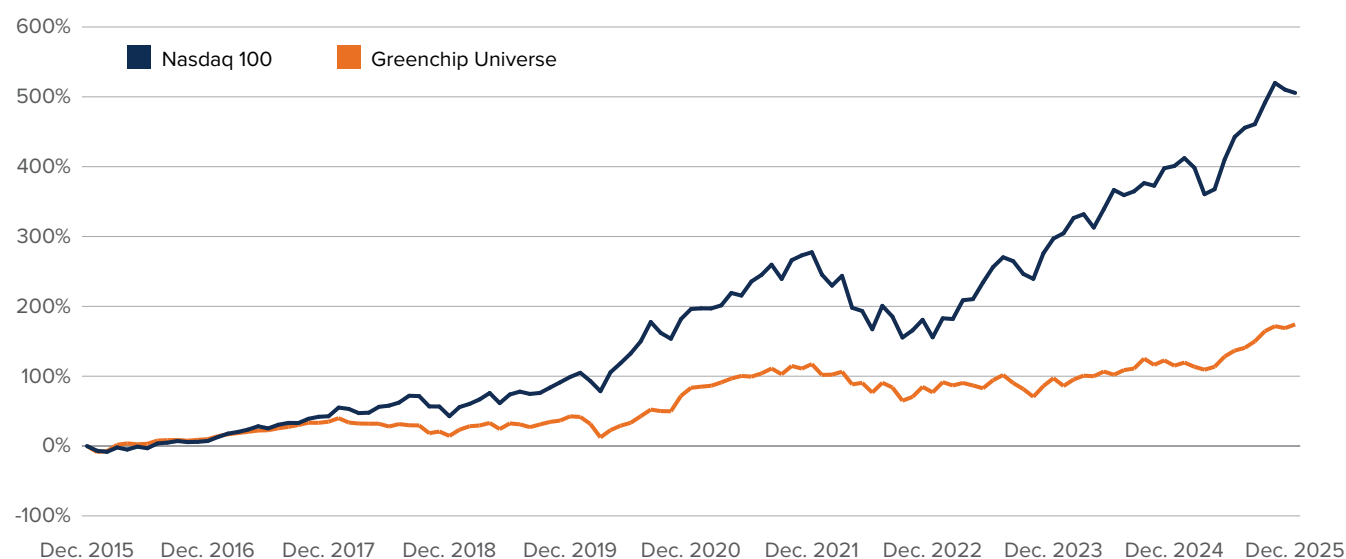
When we are not travelling, a steady stream of companies come to our offices. I am always proud of the thoughtful, sometimes difficult, questions our analysts ask executives about their businesses. It is all in service of making the right assumptions in our models. The search for better investments in a world of generally overpriced stocks never ceases.

What's left for 2026?

A recurring theme in my recent conversations with investors has been “after such a strong year of performance in 2025, is there anything left in the tank for future investors?” As stated above, there are definitely areas remaining where we see future upside. The chart below also helps illustrate how we think about relative potential returns. We recognize that it can lead to two very different reactions: if you are a momentum investor, you would want to pile even more of your assets into the Nasdaq 100/US tech stocks. But if you're a value manager, like us, and believe that the price you pay for a security is an important factor in determining the eventual returns that you get as an investor, then you might consider leaning more heavily into the Greenchip universe.¹

The earnings multiples back this up. The Nasdaq 100 is currently trading at a forward P/E of 25x versus 20x for the Greenchip universe, while our fund is only trading at 15x. Our mission is to identify and hold 30-50 stocks from the Greenchip universe that offer the best *relative* upside — we like our chances.

Greenchip universe¹ vs. Nasdaq 100: 10-year performance



Source: Bloomberg, as of December 31, 2025



To summarize, 2025 was a better year than we anticipated. No one really knows what the future has in store for us, but you can have some confidence in our process, our team and the drivers of the great energy transition.

- 1 The Greenchip team's proprietary investment universe consists of approximately 2,000 companies that meet its investment criteria and are actively evaluated for potential inclusion in the portfolio.

The performance of Mackenzie Greenchip Global Environmental All Cap Fund, Series F, for each period is as follows: YTD 43.62%, 1-year 43.62%, 3-year 15.38%, 5-year 10.78%, since inception 18.05% (as of December 31, 2025). The performance of MSCI All Country World Index for each period is as follows: YTD 16.60%, 1-year 16.60%, 3-year 21.24%, 5-year 12.87%, since inception 22.80% (as of December 31, 2025).

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.

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