

# Innovation without speculation.

*Time to read: 10 min*

## Investing in the next generation of growth

The Fourth Industrial Revolution's breakthroughs are happening at an unprecedented speed. Game-changing companies that are driving next-gen innovation represent a highly attractive long-term investment opportunity. Unfortunately, many of these companies won't succeed beyond the concept stage.

## Introducing the Mackenzie Bluewater Next Gen Growth Fund

The fund leverages the Mackenzie Bluewater team's proven investment process that aims to find innovative, leading businesses of any size, anywhere in the world, that are consistently profitable and built for the long term.

The team believes this concentrated portfolio of companies will benefit from product innovation, service innovation or business model innovation, which enables them to create new and unique revenue streams. These companies are not in the concept stage: they are established, but always focused on the next round of innovations that the team believes will lead to a long runway of durable, above average growth.

For example, companies at the leading edge of the energy transition and greater digitization stand to benefit from these major economic shifts. Over the coming decades, electric vehicles will become mainstream and digitization will improve efficiency in virtually every sector.

### Emerging secular themes

#### Electrification / EV / energy transition

- Platform change (ICE to EV)
- EV moving from luxury to mainstream
- Trends evolving rapidly with numerous beneficiaries – semiconductors, software, antennas, electronic interconnect, grid transition, factory re-tooling
- Positioning: RACE, SNPS
- Multi-decade opportunity and we are early

#### Digitization / automation

- Every business harnessing analytics and data
- Evolved from smartphones and ecommerce / ecommerce to digitizing for the purpose of saving money, time and lives; making better decisions; and AI/automation
- Positioning: NOW, IT, KEYS, ISRG
- Long runway for earnings and cashflow

## The Mackenzie Plus

- + **Innovative leaders** with next-gen products, services and business models
- + **High conviction portfolio** of accelerated free cash flow growing businesses
- + **Experienced team** with a proven track record

## Managed by

### Mackenzie Bluewater team

The portfolio management team aims to achieve durable growth through all phases of the market cycle. It takes significant ownership stakes in stable, industry-dominant businesses worldwide that are growing organically and at a faster pace than the economy and their peers.

#### Tyler Hewlett, CFA

*Vice President, Portfolio Manager*

Fifteen years at a leading investment firm as lead portfolio manager on a number of strategies, focusing on North American equities.

#### Dave Taylor, CFA

*Vice President, Portfolio Manager*

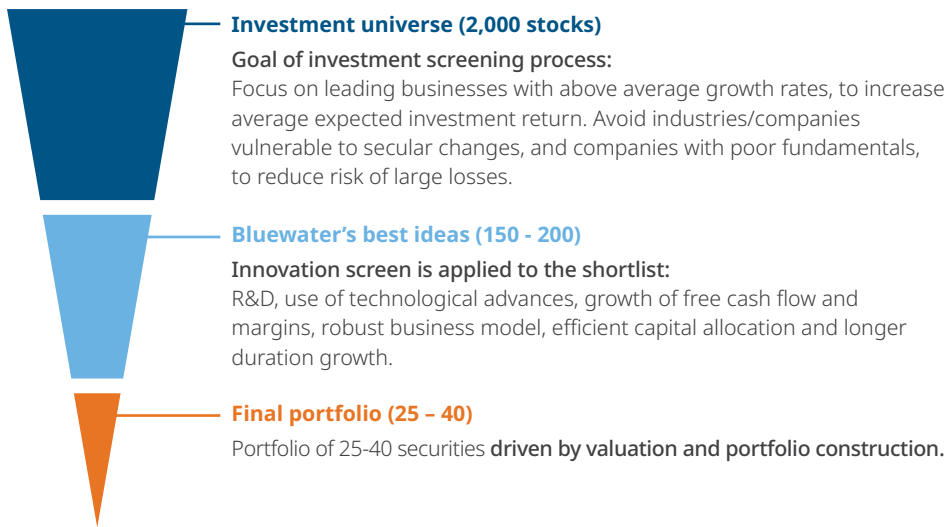
Ten years at a leading investment firm as a portfolio manager on a number of strategies.

## Focusing on businesses that leave the competition behind

Mackenzie Bluewater doesn't speculate on companies in the concept stage, or momentum-based fads or trends. Instead, it focuses on established, innovative leaders with significant competitive advantages and the potential for long-term growth.

These leading companies exploit technological advances, and have a proven history of growth (by increasing free cash flow through top-line growth and expanding margins), robust business models, efficient capital allocation and durable, competitive advantages.

### Investment process designed to identify the next generation of growth



## Mackenzie Bluewater, a proven investment management team

The Mackenzie Bluewater team has a conservative growth philosophy designed to manage risk while outperforming. Its disciplined approach focuses on best-in-class, leading companies with the potential to outperform both the overall economy and their competitors.

The fund's co-lead managers, Tyler Hewlett and Dave Taylor, have long-standing experience of actively managing portfolios of companies that use innovation to execute, transform and future-proof their business, across all market cycles and market caps.



**“We seek companies that will use innovation to create a long-term competitive advantage in growth.”**

— Tyler Hewlett, CFA  
Vice President, Portfolio Manager  
Mackenzie Bluewater Team

**“We don't speculate on innovation, but prefer to invest in innovative businesses that bring significant long-term value creation.”**

— Dave Taylor, CFA  
Vice President, Portfolio Manager  
Mackenzie Bluewater Team

## Fund codes and management fees

Series	Prefix	C\$				Mgmt Fee %	Admin Fee %
		FE	RC*	LL2*	LL3*		
A	MFC	9518	-	9521	9520	2.00	0.28
F	MFC	9523	-	-	-	0.80	0.15
FB	MFC	9526	-	-	-	1.00	0.28
PW	MFC	9529	-	-	-	1.80	0.15
PWFB	MFC	9530	-	-	-	0.80	0.15
T5	MFC	9536	-	9539	9538	2.00	0.28
T8	MFC	9540	-	9543	9542	2.00	0.28

## Fund series descriptions:

**Series A** – Bundled series that is available in front-end, redemption charge and low load purchase options.

**Series F** – An asset-based (or fee-based) series where the advisory fee is charged separately. Your dealer has entered into an agreement with Mackenzie Investments relating to the distribution of these securities.

**Series FB** – The advisory fee is unbundled and can be negotiated between the investor/advisor. Your dealer has entered into an agreement with Mackenzie Investments relating to the distribution of these units.

**Series PW** – Investors are automatically enrolled to series PW once \$100,000 of household assets with Mackenzie mutual funds is reached.

**Series PWFB** – Investors are automatically enrolled to series PWFB once \$100,000 of household assets with Mackenzie mutual funds is reached.

**Series T5/T8** – Series that pays out an annual 5% or 8% monthly cash flow on commission based series.

Additional fund series available at [mackenzieinvestments.com/fundcodes](http://mackenzieinvestments.com/fundcodes)

\* Effective June 1, 2022, the redemption charge purchase option, and the low-load purchase option are no longer available for purchase, including those made through systematic purchase plans such as pre-authorized contribution plans. Switching from securities of a Mackenzie Fund previously purchased under the redemption charge or low-load purchase options to securities of another Mackenzie Fund, under the same purchase option, will continue to be available until such redemption schedules expire.

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.

The content of this brochure (including facts, views, opinions, recommendations, descriptions of or references to, products or securities) is not to be used or construed as investment advice, as an offer to sell or the solicitation of an offer to buy, or an endorsement, recommendation or sponsorship of any entity or security cited. Although we endeavour to ensure its accuracy and completeness, we assume no responsibility for any reliance upon it. Index performance does not include the impact of fees, commissions, and expenses that would be payable by investors in the investment products that seek to track an index.

The payment of distributions is not guaranteed and may fluctuate. The payment of distributions should not be confused with a fund's performance, rate of return or yield. If distributions paid by the fund are greater than the performance of the fund, your original investment will shrink. Distributions paid as a result of capital gains realized by a fund, and income and dividends earned by a fund are taxable in your hands in the year they are paid. Your adjusted cost base will be reduced by the amount of any returns of capital. If your adjusted cost base goes below zero, you will have to pay capital gains tax on the amount below zero.

## Why Mackenzie

Our mission is to create a more invested world together, so that all Canadians can be better off.

## Invested in the future, together

We build unshakeable relationships with advisors to help investors reach their potential through a broad range of innovative investment solutions for all investor needs. We're committed to investing in a responsible, sustainable future, while making investments easier to understand.

## Specialist expertise and solutions

Mackenzie offers a choice of 17 investment boutiques—specialist teams that pursue distinct strategies and opportunities.

## Backed by strength

One of Canada's largest asset managers, Mackenzie is part of IGM Financial and the Power Financial Group of Companies, trusted advice champions with over C\$1,237 billion in assets. (31/12/21)



Speak to your Financial Advisor to learn more about **Mackenzie Bluewater Next Gen Growth Fund.**