

Make a difference to the environment and your portfolio

Why would you invest in an environmental-themed fund?

Climate change is arguably the biggest crisis facing the world. Its effects include flooding, storms, forest fires, drought and the reduced availability of fresh water. These are expected to have a serious, long-term impact on our health, food production, the economy and investment returns.

Global investments to tackle climate change are growing significantly. In 2019, around US\$940B was invested in this space, and in order to meet the Paris Agreement¹, at least US\$60 trillion will need to be invested into renewable energy and carbon-reducing technologies by 2050². Now more than ever, investors have a strong appetite to take a stance against climate change. In fact, almost 80% of investors³ want to discuss responsible investment options with their advisors.

By investing in companies that focus on the transition to renewable energy, clean technologies and greater energy efficiency, you can help to limit the effects of global warming. So, how can you be sure that your investment dollars are going to make a real difference and help combat climate change?

An environmental-themed fund that walks the walk

Currently, there is limited regulation concerning investment funds that define themselves as being “green”. Naturally, there are concerns that some of them may not invest exclusively in climate change solutions. The truth is, not all environmental-themed investment funds are equal, once you look “under the hood”. A study⁴ of 118 global environmental-themed funds and ETFs found that 22 of them held assets in fossil fuels. Investors may feel that fossil fuels don’t belong in a supposedly green fund. They certainly don’t belong in the Mackenzie Global Environmental Equity Fund.

With its assets managed by Greenchip Financial, a Canadian firm that has been dedicated to environmental-themed investing since 2007, the fund aims to invest solely in companies that provide innovative environmental solutions that help in the fight against climate change. The Greenchip team has also bought those companies at what it considers to be a good price.

What’s under the hood

The companies held in the Mackenzie Global Environmental Equity Fund fall into six areas:



Focus: energy efficiency

Energy efficiency is the simple idea of using less energy to perform the same tasks. While the global economy has become more energy-efficient over the last 20 years, the rate of improvement has slowed down⁵. This is having a negative impact on both global warming and the economy. Innovative energy-efficient solutions not only help steer us towards a more sustainable future, but they can also provide great investment opportunities.

The Mackenzie Global Environmental Fund looks for opportunities to invest in technologies that could considerably reduce the amount of residential and industrial energy use.

Some of these companies include:

Signify (Philips Lighting) is the largest manufacturer of LED lights in the world. Lighting accounts for about 17% of global green house gas emissions. LED lights, which use 75% less energy than incandescent lights and last 25 times longer, have brought emissions down considerably.

ABB Ltd., Hitachi Ltd. and Siemens AG manufacture variable speed motors, which have improved electric motor efficiency by as much as 50%. This has a huge impact because electric motors represent 40-50% of global electricity use (and are found for example, in pumps, fans and conveyor belts).

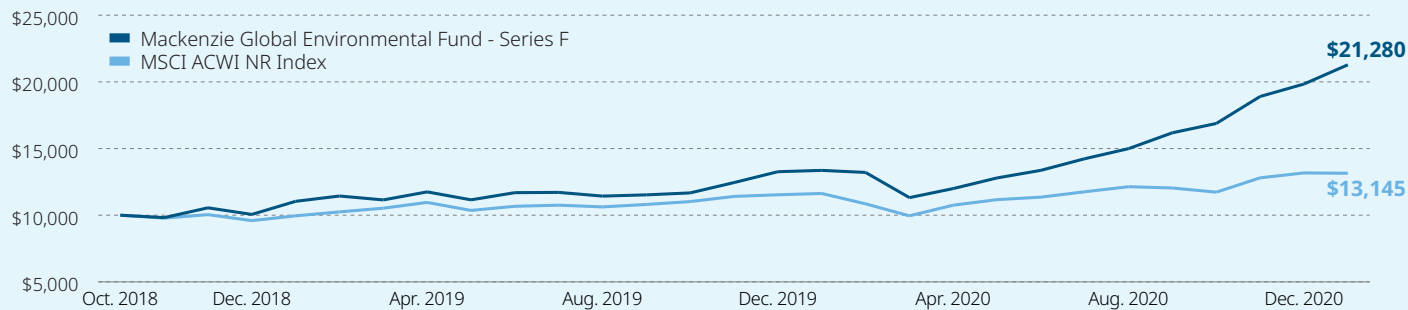
Veolia, one of the largest water and waste-water managers in the world, uses green innovations to reduce emissions in its water, waste and energy management systems. The company also manages highly efficient municipal heating and cooling networks.

Alstom, a global leader in electric rail transport, designs and manufactures some of the most advanced and energy-efficient electric rail and subway systems in the world. It recently started production of its new environmentally-conscious TGV train, which will be made from 97% recycled material.

Investing in the fight against climate change can make sense for the planet and your portfolio

The Mackenzie Global Environmental Equity Fund has significantly outperformed its benchmark since it launched.

Growth of C\$10,000 since inception (October 17, 2018)*



Source: Morningstar, as January 31, 2021.

Talk to your advisor about how the Mackenzie Global Environmental Equity Fund can help make a difference to the environment while growing your investments.

* The performance of Mackenzie Global Environmental Equity Fund Series F for each period is as follows: YTD 7.3%, 1-year 59.3%, since inception 39.0% (as of January 31, 2021). The performance of MSCI All Country World Index for each period is as follows: YTD -0.2%, 1-year 13.0%, since inception 12.7% (as of January 31, 2021).

¹ United Nations Framework Convention on Climate Change: "What is the Paris Agreement?"

² United Nations Environment Programme: "Climate change."

³ Global News: "Canadians want more action on climate change."

⁴ The Globe & Mail: "Greenwashing in ETFs"

⁵ IEA: "Energy Efficiency 2019"

Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rate of return is the historical annual compounded total return as of January 31, 2021 including changes in unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution, or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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.