

Diamonds in the rough

Finding overlooked growth potential before the market

US mid cap companies represent a sweet spot among American equities. Established businesses that are still nimble enough to capitalize on shifting trends can make attractive takeover targets – and these often net a premium price for shareholders.

The Mackenzie Growth team’s investment discipline aims to uncover companies they consider to be “diamonds in the rough”. The team, that manages **Mackenzie US Mid Cap Opportunities Fund and Mackenzie US Small-Mid Cap Growth Fund**¹ seeks out innovative niche companies with competitive advantages and unrecognized growth potential.

Sometimes, larger companies see what the Mackenzie Growth team has seen, and their holdings have become takeover targets. Takeover potential is not part of the team’s investment discipline, but when a portfolio holding is bought out, they view it as a testament to the strength of the team’s investment process.



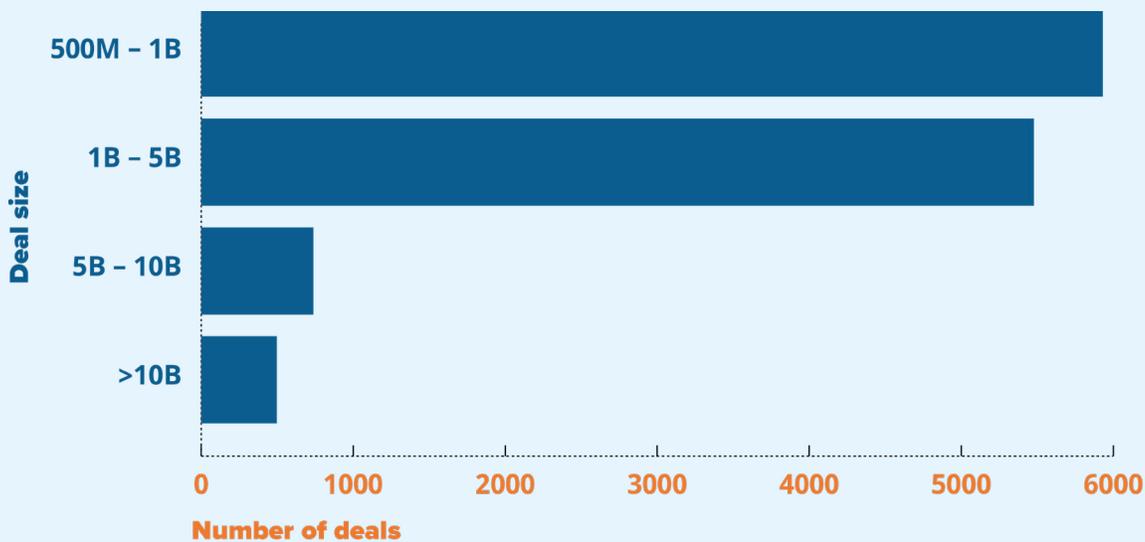
A takeover...

is the purchase of one company by another, generally at a premium to the current share price.

US mid cap businesses...

range in size from approx. \$2 to \$20 billion (USD) in market capitalization.

Deal size breakdown – Number of deals over 10 years (USD)



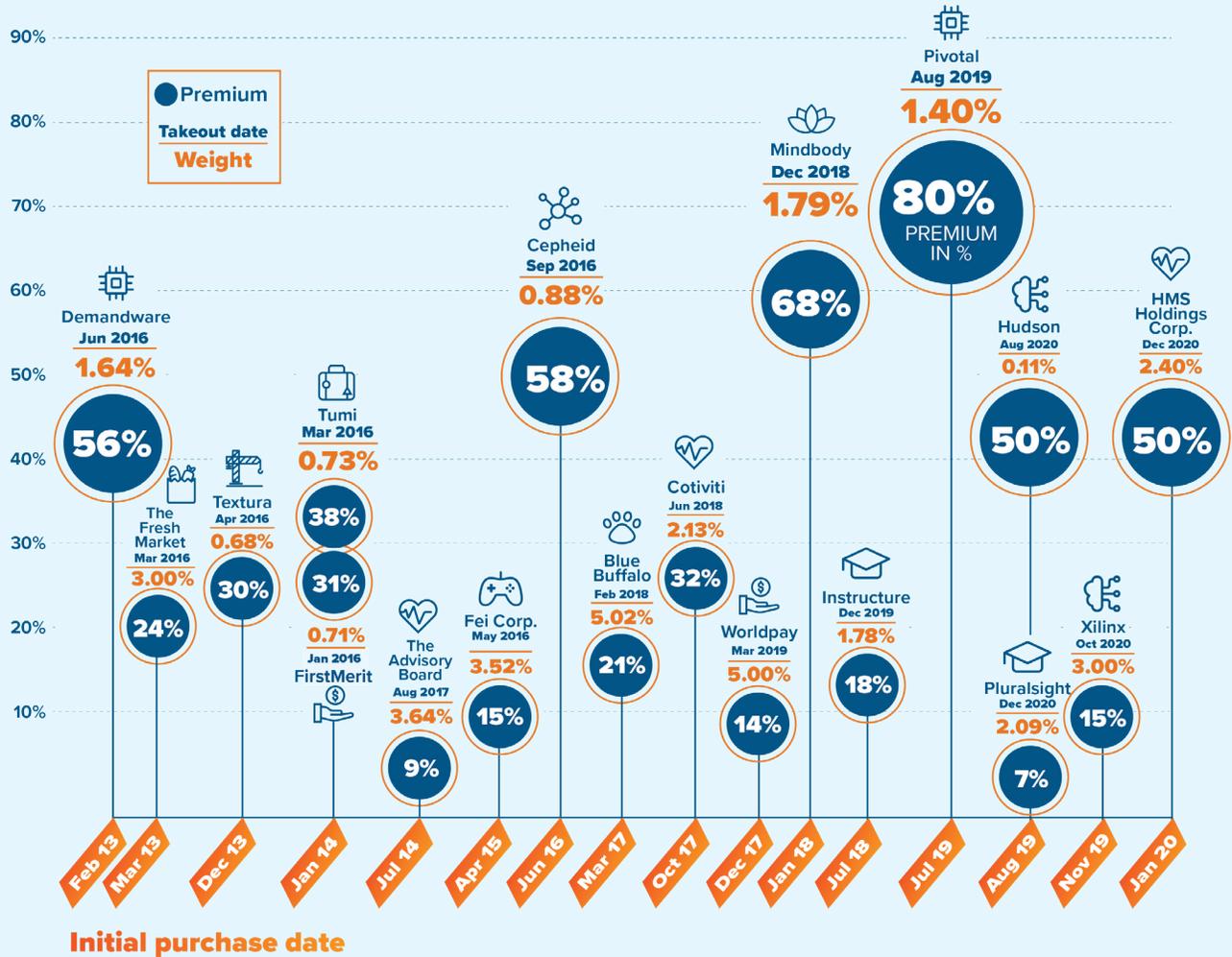
Source: Bloomberg as of November 30, 2020.



Over the last 10 years, the largest number of takeovers in the US have occurred in businesses ranging in size from \$500 million to \$5 billion in market capitalization.

Stocks within Mackenzie US Small-Mid Cap Growth Fund¹ that were taken over in the last five years

Click to learn more about the Fund and its performance.



Source: Mackenzie Investments, as of December 21, 2020. *Premium is the takeout price relative to the market close before the announcement.

Access the mid cap sweet spot with the expertise of the Mackenzie Growth team, learn more about Mackenzie US Mid Cap Opportunities Fund.²

Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Please read the prospectus before investing.

¹ Effective October 29, 2020, all series of the Fund were closed to new Investment, except for purchases from the following types of investors: 1) those that held securities of the fund as of October 29, 2020, and continue to hold these securities; 2) those who purchase through a discretionary account and whose advisor has signed an acknowledgement of portfolio management registration with us to purchase securities of the Fund; and 3) those who purchase through dealer model portfolio programs where the dealer has trading or discretionary authority over the portfolio and the fund was part of the portfolio as of October 30, 2020.

² Investment performance of the Mackenzie US Small-Mid Growth Fund will not be the same as the Mackenzie US Mid Cap Opportunities Fund. Mackenzie US Mid Cap Opportunities Fund invests in US equity securities with a market capitalization between US\$4 billion and US\$40 billion.

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