

Mackenzie Bluewater Next Gen Growth Fund

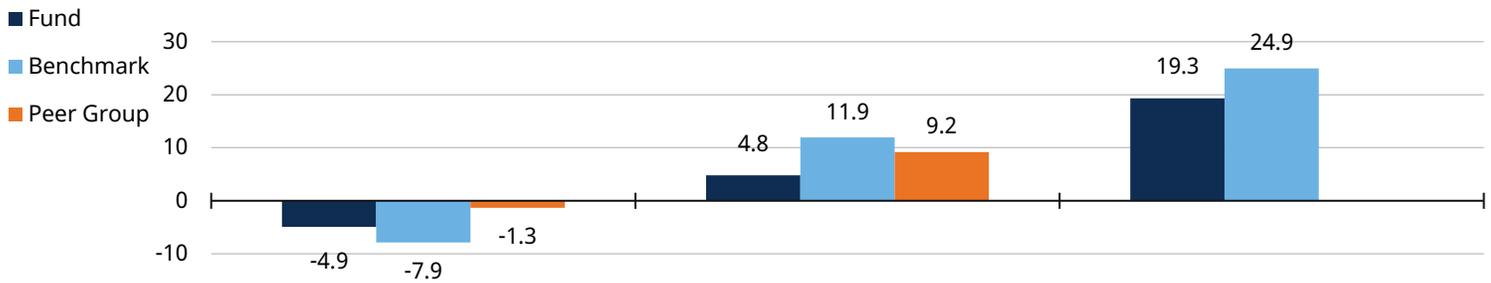
Fund snapshot

Inception date	10/17/2022
AUM (millions in CAD)	47.5
Management Fee	0.80%
MER	1.06%
Benchmark	MSCI World Growth
CIFSC Category	Global Equity
Risk Rating	Medium
Lead portfolio manager	Tyler Hewlett
Investment exp. Since	2001
Target # of holdings	40- 45

Strategy Overview

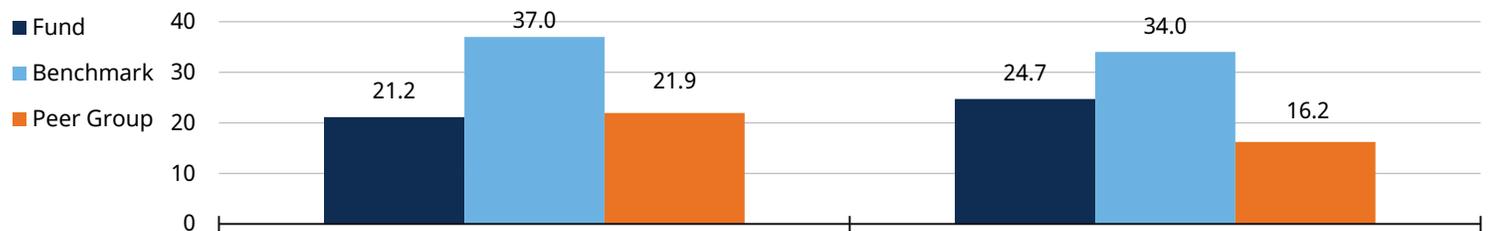
- Seeks dominant businesses underpinned by next-generation products, services and business models, with the goal of creating a long runway of superior growth
- Diversify portfolios with a concentrated, company-focused portfolio of accelerated free cash flow growing businesses from anywhere in the world
- Leverage the strength of the award-winning Mackenzie Bluewater team's investment philosophy and years of investment experience

Trailing returns %



	3 Mth	1 Yr	SI
Excess return	3.0	-7.1	-5.6
% of peers beaten	13	18	NA

Calendar returns %



	2024	2023
Excess return	-15.8	-9.3
% of peers beaten	48	91

Portfolio characteristics

	Portfolio	Benchmark
# of holdings	34	1,352
% top 10 holdings	40.3	46.1
Weighted average market cap	830,228.0	1,651,706.0
EPS growth (FY E)	12.8	17.8
Dividend yield	0.5	1.8
FCF margin	23.6	21.7
P/E Trailing 12M	37.5	31.2
P/E (forecast)	31.1	25.7
Net debt/EBITDA	0.1	0.8
ROE (latest FY)	23.8	24.1

Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	-	-
Sharpe Ratio	-	-
Tracking Error	-	-
Information Ratio	-	-
Alpha	-	-
Beta	-	-
Upside Capture (%)	-	-
Downside Capture (%)	-	-

Regional breakdown

Region	Portfolio	Benchmark	Relative Weight
International	9.6	24.1	-14.5
United States	83.3	72.8	10.5
Canada	6.0	3.1	2.9
Other	1.1	-	1.1

Sector allocation

Sector	Portfolio	Benchmark	Relative Weight
Financials	13.0	7.5	5.5
Energy	-	0.9	-0.9
Materials	-	2.3	-2.3
Industrials	13.2	10.5	2.7
Information Technology	40.6	40.0	0.6
Communication Services	7.7	11.3	-3.6
Utilities	-	0.4	-0.4
Consumer Staples	2.1	4.1	-2.0
Consumer Discretionary	10.6	13.8	-3.2
Real Estate	-	0.4	-0.4
Health Care	11.7	8.9	2.8
Other	1.1	-0.1	1.2

Country allocation

Country	Portfolio	Benchmark	RelativeWeight
United States	83.3	72.8	10.5
Canada	6.0	3.1	2.8
France	5.1	3.0	2.2
Italy	3.0	0.4	2.7
Netherlands	1.4	1.4	-
New Zealand	-	-	-
Other	1.2	19.3	-18.1

Currency exposure

Region	Gross	Benchmark
CAD	32.8	3.1
USD	62.1	73.4
Other	5.1	23.4

Top 10 holdings

Security name	Country	Sector	Weight
Roper Technologies, Inc.	United States	Information Technology	5.0
Amazon.com, Inc.	United States	Consumer Discretionary	4.7
Microsoft Corporation	United States	Information Technology	4.6
Apple Inc.	United States	Information Technology	4.3
Mastercard Incorporated Class A	United States	Financials	3.8
Copart, Inc.	United States	Industrials	3.8
Progressive Corporation	United States	Financials	3.7
Thermo Fisher Scientific Inc.	United States	Health Care	3.6
Amphenol Corporation Class A	United States	Information Technology	3.3
Meta Platforms Inc Class A	United States	Communication Services	3.2

Security level contributors and detractors

	Security	Average Relative weight (%)	% Contribution to return
Contributors	Progressive Corporation	3.2	0.6
	Roper Technologies, Inc.	4.4	0.5
	HEICO Corporation	2.1	0.3
Detractors	Apple Inc.	-5.4	-0.5
	Amazon.com, Inc.	-0.7	-0.6
	ServiceNow, Inc.	2.4	-0.7

Sector attribution relative to the benchmark

	Sector	Average Relative weight (%)	Allocation Effect (%)	Selection Effect (%)	Total Effect (%)
Contributors	Information Technology	0.8	0.0	1.9	1.8
	Consumer Discretionary	-3.6	0.2	1.0	1.3
	Financials	4.5	0.5	0.5	0.9
Detractors	Consumer Staples	-1.8	-0.2	0.0	-0.2
	Health Care	3.3	0.3	-0.4	-0.3
	Materials	-2.1	-0.3	0.0	-0.3

Commentary

1) QFR Highlights

During the quarter the fund returned 1.35% outperforming the MSCI World Growth index by 1.12%.

The story of the quarter was the new Trump administration in the United States. From a portfolio standpoint, our direct exposure to tariff risk remains limited. Our investment philosophy continues to emphasize businesses with durable economic moats, solid balance sheets, and operational agility.

2) Market Overview

The MSCI World Growth index returned -7.87% for the quarter.

After a strong 2024, global equity markets provided mixed performance in the first quarter of 2025. The Canadian market was flat, the U.S. market sold off, while European markets were up sharply. The story of the quarter was unquestionably the new Trump administration in the United States. North American equity markets—and corporate management teams—had generally viewed Trump’s election in late 2024 as a positive. As increasingly disruptive economic policies began to be first threatened and then erratically implemented, markets and managements have become more cautious.

Market volatility has been exacerbated particularly in the US by a market structure that has been increasingly concentrated by the Mag7 and very strong returns by the S&P 500 in recent years. Valuations have also continued to move higher in recent years making the market more susceptible to sharp declines when negative catalysts occur such as the imposition of tariffs. During periods of heightened volatility, such concentration can exacerbate market movements, as declines in these heavily weighted stocks disproportionately impact the overall index.

3) Fund Performance

During the quarter the fund returned -4.60% outperforming the MSCI World Growth index by 3.27%. Stock selection in the information technology and consumer discretionary sectors contributed to relative performance during the quarter. An underweight allocation to the energy and consumer staples sectors detracted from relative performance during the quarter.

4) Security Contributors

Roper Technologies

Roper Technologies is a diversified industrial technology company, specializing in software and engineered products across various sectors, including healthcare, transportation, and construction. It operates through a portfolio of businesses, providing innovative solutions such as diagnostic informatics, freight matching networks, and business management software.

The focus on compounding free cash flow growth and acquiring businesses with wide moats aligns well with the Bluewater philosophy. Their decentralised approach also allows for agility and specialists to run each businesses unit. During the quarter, Roper posted strong organic growth and has proven to be highly resilient to changing tariff policies given 85% of the business is in the US.

Commentary

Progressive Corporation

Progressive Corporation is one of the largest auto insurers in the U.S., known for its direct-to-consumer model, strong data and technology focus, and increasingly diversified portfolio in property and commercial insurance. In an industry that competes on costs, PGR differentiates itself with a business model that competes on superior underwriting. This advantage allows the company to accurately price risk, control costs, and drive consistently superior combined ratios and profitable growth. PGR has continued to post strong results and proven to be highly defensive during this market dislocation.

No allocation to mega cap tech names such as Nvidia and Tesla also contributed to relative performance as both stocks were down significantly during the quarter.

5) Security Detractors

Service Now & Gartner

Both Service Now and Gartner detracted during the quarter as the stocks were weak driven by concerns on global growth and the impact this will have on technology spending. Service Now is a cloud-based enterprise software technology platform that essentially takes manual tasks and automates them with digitization and optimized workflows. We own ServiceNow as a key enabler of global digitization, providing the workflow automation platform that enterprises increasingly rely on as IT spending grows as a share of GDP. In a world where companies are investing digitization their business to make it more efficient, ServiceNow is perfectly positioned to benefit from this multi-decade transformation.

Gartner is a global research and advisory firm that provides unbiased research to assist businesses in strategic decision making. Our thesis is based on a highly recurring, high-retention revenue model with strong pricing power, minimal disruption risk, and inherent operating leverage from scalable content. Its trusted brand, global scale, and lack of real competition position it to compound free cash flow at double-digit rates over time.

6) Portfolio Activities

META Platforms was added to the portfolio during the quarter. META's unmatched scale reaching over 3 billion users globally creates a powerful network effect that reinforces its dominance in digital advertising, where it remains one of the most effective platforms for ROI-driven marketers. Its culture of rapid innovation, driven by a deep bench of technologists and strategic leadership from Zuckerberg, enables Meta to adapt quickly and stay ahead of industry shifts. The company's long-term push toward platform independence, including its open-source AI initiative Llama, reflects a deliberate strategy to mitigate existential risk from mobile gatekeepers like Apple and Google. With structural advantages in data, distribution, and product velocity, Meta is well-positioned to compound value as both an advertising powerhouse and a future-facing tech platform.

Another recent addition, MSCI Inc. is a financial data and analytics company best known for creating and maintaining indices which are benchmarks used globally by investors to track and allocate capital. Our investment in MSCI is based on the long-term demand for data, analytics, and custom indexes that we believe is only accelerating as capital markets grow more complex and data driven. With a strong competitive moat, high retention, proprietary content, and no exposure to supply chain or tariff risks, MSCI is a best-in-class compounder.

Commentary

7) Outlook and Positioning

During volatile periods, the Bluewater team does not alter its core philosophy. Rather than relying on external factors, we emphasize the strength and resilience of the high-quality businesses within our strategies. We make prudent adjustments to portfolio weights to effectively manage risk and seize opportunities, all while maintaining a focus on the long-term compounding of client capital.

The Bluewater strategies were well positioned entering this period of dislocation so have been able to be patient and not a forced seller. One of the key benefits of managing concentrated portfolios is the ability to develop deep, fundamental knowledge of each company the strategies invest in. As the tariff situation continues to evolve, we will be closely monitoring its impact on both our current holdings and companies on our watchlist and actively evaluating opportunities that align with the Bluewater investment philosophy. As with most periods of market volatility, we expect market dislocations to present attractive investment opportunities.

Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns as of March 31, 2025 including changes in share value and reinvestment of all distributions and does not take into account sales, redemption, distribution, or optional charges or income taxes payable by any security holder 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.

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Standard deviation provides a measure of the variability of returns that have occurred relative to the average return. The higher the standard deviation, the greater is the range of returns that has been experienced. Standard deviation is commonly used as a measure of risk.

Percentile rankings are from Morningstar Research Inc., an independent research firm, based on the Canada Fund Global Equity category and reflect the performance of the Mackenzie Bluewater Next Gen Growth Fund for the 3-month, 1-, 3-, 5- and 10-year periods as of March 31, 2025. The percentile rankings compare how a fund has performed relative to other funds in a particular category and are subject to change monthly. The number of Canada Fund Global Equity category funds for Mackenzie Bluewater Next Gen Growth Fund for each period are as follows: one year - 1807 ; three years - 1550 ; five years - 1287 ; ten years - 658.

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