

Mackenzie Bluewater Global Growth Fund

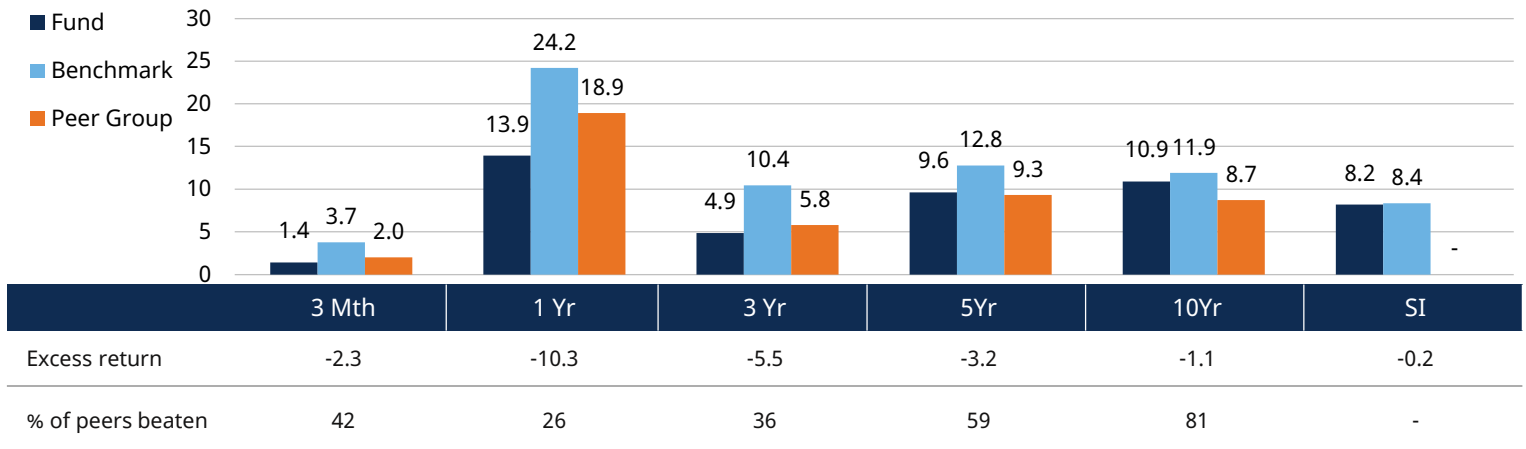
Fund snapshot

Inception date	05/14/2004
AUM (millions in CAD)	1015.3
Management Fee	0.80%
MER	1.07%
Benchmark	MSCI World
CIFSC Category	Global Equity
Risk Rating	Medium
Lead portfolio manager	Dina DeGeer, David Arpin
Investment exp. Since	1995
Target # of holdings	40-45

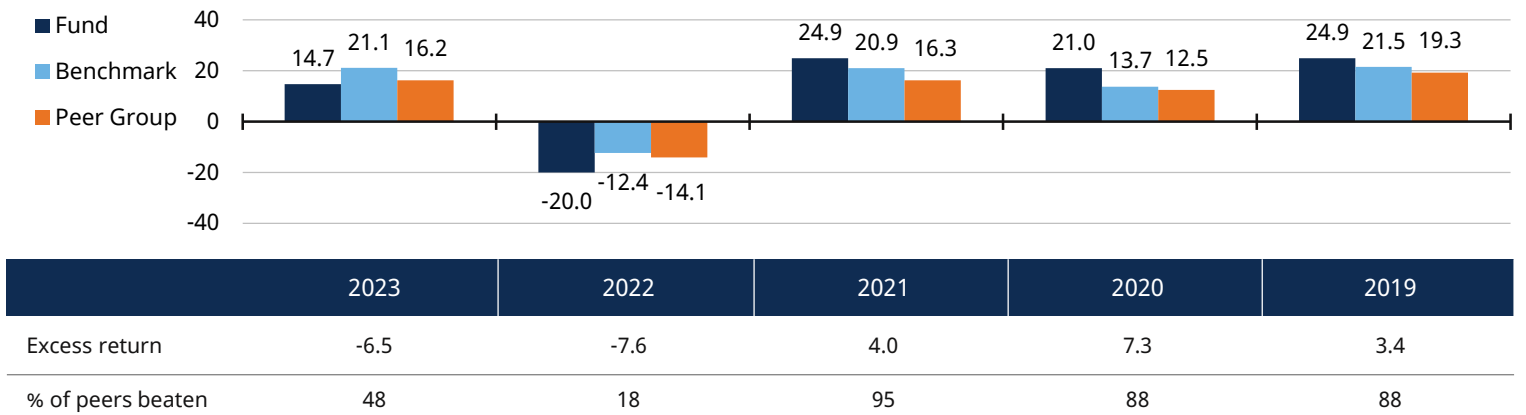
Strategy Overview

- The Fund seeks capital growth over the longer term by investing primarily in a broad range of global equity securities.
- The investment approach follows a company-focused investment style, seeking companies with strong management, good growth prospects and a solid financial position.
- Emphasis is placed on paying reasonable prices for the free cashflow growth that companies in the portfolio are expected to achieve.

Trailing returns %



Calendar returns %



Portfolio characteristics

	Portfolio	Benchmark
# of holdings	43	1,430
% top 10 holdings	38.6	24.6
Weighted average market cap	761,878.4	993,185.0
EPS growth (FY E)	13.7	25.5
Dividend yield	0.8	1.8
FCF margin	20.2	18.5
P/E Trailing 12M	36.0	22.9
P/E (forecast)	29.9	19.7
Net debt/EBITDA	0.8	1.1
ROE (latest FY)	21.9	19.1

Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	16.8	13.0
Sharpe Ratio	0.1	0.6
Tracking Error	6.4	-
Information Ratio	-0.9	-
Alpha	-7.2	-
Beta	1.2	-
Upside Capture (%)	103.0	-
Downside Capture (%)	139.2	-

Regional breakdown

Region	Portfolio	Benchmark	Relative Weight
United States	72.6	72.1	0.5
International	25.7	25.0	0.7
Canada	-	2.9	-2.9
Other	1.8	-	1.8

Sector allocation

Sector	Portfolio	Benchmark	Relative Weight
Financials	11.6	14.8	-3.2
Energy	-	4.3	-4.3
Materials	5.5	3.7	1.8
Industrials	19.6	10.7	8.9
Information Technology	30.0	26.0	4.0
Communication Services	5.2	7.8	-2.6
Utilities	-	2.4	-2.4
Consumer Staples	5.8	6.3	-0.5
Consumer Discretionary	10.2	10.2	-
Real Estate	-	2.1	-2.1
Health Care	10.4	11.8	-1.4
Other	1.8	-	1.8

Country allocation

Country	Portfolio	Benchmark	Relative Weight
United States	72.6	72.1	0.5
France	9.7	2.8	6.9
Netherlands	4.9	1.4	3.5
Switzerland	4.0	2.4	1.6
Sweden	3.5	0.8	2.7
Italy	2.0	0.7	1.3
Other	3.3	19.8	-16.5

Currency exposure

Region	Gross	Benchmark
CAD	23.3	2.9
USD	58.9	72.3
Other	17.8	24.8

Top 10 holdings

Security name	Country	Sector	Weight
Microsoft Corporation	United States	Information Technology	4.8
Schneider Electric SE	France	Industrials	4.2
Roper Technologies, Inc.	United States	Information Technology	4.0
Aon Plc Class A	United States	Financials	3.9
Trane Technologies plc	United States	Industrials	3.8
Linde plc	United States	Materials	3.6
Apple Inc.	United States	Information Technology	3.6
Alphabet Inc. Class A	United States	Communication Services	3.5
Amazon.com, Inc.	United States	Consumer Discretionary	3.4
Accenture Plc Class A	United States	Information Technology	3.1

Security level contributors and detractors

	Security	Average Relative weight (%)	% Contribution to return
Contributors	Apple Inc.	-1.1	0.7
	Alphabet Inc. Class A	1.7	0.7
	Trane Technologies plc	3.6	0.4
Detractors	Fastenal Company	1.7	-0.3
	Accenture Plc Class A	2.9	-0.4
	Aon Plc Class A	3.9	-0.5

Sector attribution relative to the benchmark

	Sector	Average Relative weight (%)	Allocation Effect (%)	Selection Effect (%)	Total Effect (%)
Contributors	Industrials	8.3	-0.4	1.2	0.9
	Communication Services	-3.0	-0.2	0.4	0.2
	Energy	-4.5	0.2	-	0.2
Detractors	Financials	-3.1	0.1	-0.6	-0.4
	Consumer Discretionary	-0.3	-	-0.5	-0.4
	Information Technology	5.2	0.4	-2.8	-2.4

Commentary

QFR Highlights

The S&P500 continued to perform well in Q2, up 5.4%. Ongoing enthusiasm around AI continued to boost related companies amid some strong earnings and outlook statements. Materials and Industrials were the sectors that lagged. The S&P 500 Index commands a premium valuation due to its higher technology exposure. The healthier economy in the United States also suggests that monetary easing will be slower than markets expect, as the Federal Reserve sees less pressure to materially cut rates to stimulate growth. The view is that the economic boost from people returning to work post a recession-driven spike in unemployment is the single largest driver of above trend economic growth rates during the expansion phase of the economic cycle. With unemployment in North America at very low levels, that boost to growth will not be forthcoming. Instead, the team anticipates that global growth will continue to be fairly anemic which is an environment that tends to be supportive of the Bluewater investment process.

Fund Performance

The fund returned 1.7% over the quarter compared to its benchmark which returned 3.7%. Stock selection in Industrials and Communication services contributed to returns whereas stock selection in Information technology and Financials with no allocation to NVIDIA detracted from performance. From a geographic standpoint, security selection in the U.S. and France detracted from relative performance.

Security Contributors

There were a few holdings in the Industrial and Communication Services sector that added meaningful returns to the fund. Alphabet Inc, Trane technologies and Amphenol Corp were top contributors to the funds return.

Alphabet formerly known as Google has been one of the most successful companies of the internet era, as they have come to dominate internet search – a business that has been extremely profitable with substantial growth over the past 20+ years.

Google's unique vertical integration across all aspects of the AI value chain positions the company in an advantageous position to help companies develop and implement AI workflows into their businesses through Google Cloud Platform.

Trane technologies offers a wide range of HVAC offerings. Its strong performance is attributed to robust organic bookings signaling growth across all segments.

Amphenol Corporation provides high technology interconnect, sensor and antenna solutions in automotives, broadband communications, commercial aerospace, defense, Information technology, industrial, mobile devices and networks. The company invests significantly in research and development, leading to new product launches and technological advancements. Strategic acquisitions allow Amphenol to expand its product portfolio and customer base which has led to consistent revenue growth, healthy margins and efficiency in operations.

Security Detractors

Although the overall market rose, a few holdings declined. No allocation to NVIDIA was a significant detractor followed by Aon and Accenture which underperformed.

Portfolio Activities

During the quarter we exited a position in Consumer discretionary and increased our position in Communication services.

Market Overview

Markets continued to show strength during the first half of 2024 as the rally that began in the fourth quarter of 2023. Equity markets have been buoyed by optimism that the Central Bank tightening cycle is behind us, and that a more accommodating monetary policy stance is forthcoming, with recent interest rate cuts from the Bank of Canada and the European Central Bank as evidence. We believe that path forward for monetary policy is more uncertain. The combination of sticky services inflation and global conflicts, which continue to support energy prices, suggest that monetary policy will remain tighter for longer than the market anticipates.

Commentary

Outlook and Positioning

During the quarter, our largest sector underweight was Energy (-4.3%) , financials (-3.2%) and our largest overweight position was in Industrials (8.9%) . The team focuses on conservative growth, seeking companies that are growing at or above market rates but not at extremely fast rates. The focus is on companies who are enablers of important secular changes and benefit from being global leaders in their respective areas. This has helped provide added value to investors by preserving capital through market drawdowns, while at the same time compounding returns for clients.

From a global GDP standpoint, economic growth continues to be uneven, with the United States showing mixed signals but still overall relatively healthy, while Canada, Europe, and Asia are generally softer. The economic health of global consumers also remains challenged, as we continue to see some strain from low-income level consumers, along with evidence that all income cohorts have been trading down for value as a result of years of inflationary pressures and higher interest rates. The healthier economy in the United States suggests that monetary easing will be slower than markets expect, as the Federal Reserve sees less pressure to materially cut rates to stimulate growth.

Stock Stories

Microsoft Corporation : The company's investment in ChatGPT creator Open AI provides it with a significant advantage in the AI race. Azure, its cloud infrastructure platform, is a valuable partner for businesses seeking to harness AI. With this AI integration in products and services the focus is on capturing the corporate AI market. Beyond AI, Microsoft strength lies in cloud services, commercial office software , professional networking and software development which account for its diverse revenue streams.

Roper technology : The company manufactures and distributes industrial equipment and operates through 3 segments : Application software, network software and technology enabled products. Roper utilizes a disciplined, analytical, and process-driven approach to redeploy its excess capital toward high-quality acquisitions. The company had a long-term track record of compounding cash flow and shareholder value.

Schneider Electric : The company is a France based focused on providing a complete range of light switches, electrical sockets and boxes and is the world's largest provider of products and services tied to electrification. The company is positioned to be a clear beneficiary of the drive to build a more sustainable, efficient, and digital energy infrastructure. The current electricity grid operates on a "hub-and-spoke" type of model, the future involves a system that resembles more of a decentralized "mesh style" network involving wind farms, private solar systems and solar farms, battery storage and other forms of generation that are spread out across different areas of the network. Schneider uses advanced software and AI and is now in a highly advantageous position to act as a key enabler of the energy transition as the world moves into the next generation of electrification.

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 June 30, 2024 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.

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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 Global Growth Fund for the 3-month, 1-, 3-, 5-, and 10-year periods as of June 30, 2024. 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 funds for Mackenzie Mackenzie Global Growth Fund for each period are as follows: one year – 1744; three years – 1444; five years – 1263; ten years – 616.

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