

Mackenzie Bluewater US Growth Fund

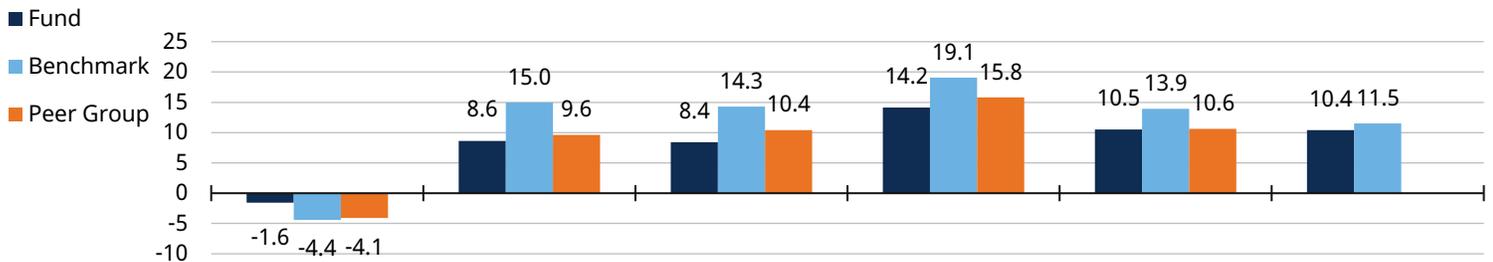
Fund snapshot

Inception date	11/10/2006
AUM (millions in CAD)	786.4
Management Fee	0.80%
MER	1.05%
Benchmark	S&P 500
CIFSC Category	US Equity
Risk Rating	Medium
Lead portfolio manager	David Arpin
Investment exp. Since	1995
Target # of holdings	30 - 35

Strategy Overview

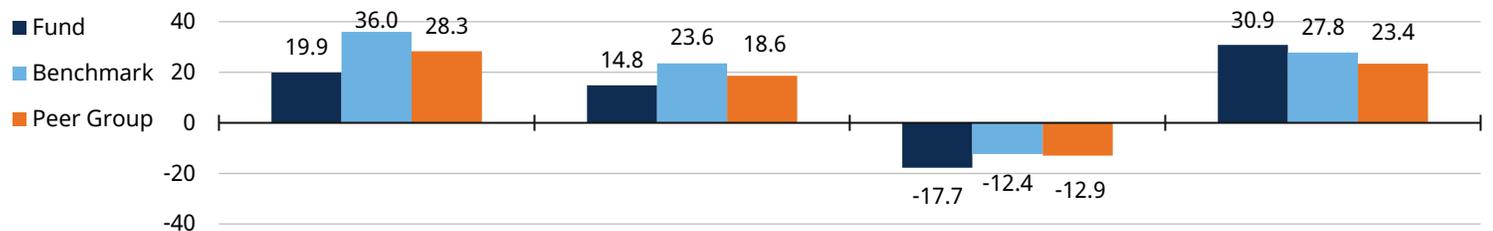
- Seeks US companies that conservatively grow throughout a market cycle
- Active risk management: the portfolio management team is company focused – not index focused, resulting in a portfolio that is different from the benchmark
- A concentrated portfolio of businesses that compound free cash flow growth

Trailing returns %



	3 Mth	1 Yr	3 Yr	5Yr	10Yr	SI
Excess return	2.8	-6.4	-5.9	-4.9	-3.4	-1.1
% of peers beaten	77	41	30	25	47	NA

Calendar returns %



	2024	2023	2022	2021
Excess return	-16.1	-8.7	-5.4	3.1
% of peers beaten	19	37	28	95

Portfolio characteristics

	Portfolio	Benchmark
# of holdings	39	503
% top 10 holdings	44.2	33.6
Weighted average market cap	799,823.9	1,304,577.0
EPS growth (FY E)	10.7	14.1
Dividend yield	0.7	1.3
FCF margin	21.9	20.0
P/E Trailing 12M	35.4	25.3
P/E (forecast)	29.1	21.1
Net debt/EBITDA	1.0	0.8
ROE (latest FY)	23.8	22.7

Performance metrics (3 year trailing)

Metrics	Portfolio	Benchmark
Standard Dev.	14.5	13.7
Sharpe Ratio	0.3	0.8
Tracking Error	4.8	-
Information Ratio	-1.2	-
Alpha	-5.8	-
Beta	1.0	-
Upside Capture (%)	80.5	-
Downside Capture (%)	100.3	-

Regional breakdown

Region	Portfolio	Benchmark	Relative Weight
United States	92.9	100.0	-7.1
International	6.4	-	6.4
Other	0.7	-	0.7

Sector allocation

Sector	Portfolio	Benchmark	Relative Weight
Financials	17.6	14.7	2.9
Energy	-	3.7	-3.7
Materials	5.6	2.0	3.6
Industrials	20.6	8.4	12.2
Information Technology	26.0	29.7	-3.7
Communication Services	5.0	9.2	-4.2
Utilities	-	2.5	-2.5
Consumer Staples	2.2	6.1	-3.9
Consumer Discretionary	5.8	10.3	-4.5
Real Estate	-	2.3	-2.3
Health Care	16.5	11.2	5.3
Other	0.7	-0.1	0.8

Country allocation

Country	Portfolio	Benchmark	RelativeWeight
United States	92.9	100.0	-7.1
Switzerland	3.5	-	3.5
France	1.5	-	1.5
Italy	1.4	-	1.4
Other	0.7	-	0.7

Currency exposure

Region	Gross	Benchmark
CAD	28.6	-
USD	70.0	100.0
Other	1.5	-

Top 10 holdings

Security name	Country	Sector	Weight
Aon Plc Class A	United States	Financials	5.6
Roper Technologies, Inc.	United States	Information Technology	5.4
Apple Inc.	United States	Information Technology	5.1
Microsoft Corporation	United States	Information Technology	5.0
Verisk Analytics, Inc.	United States	Industrials	4.3
Amazon.com, Inc.	United States	Consumer Discretionary	4.0
Stryker Corporation	United States	Health Care	4.0
Linde plc	United States	Materials	3.6
Alcon AG	Switzerland	Health Care	3.5
Copart, Inc.	United States	Industrials	3.4

Security level contributors and detractors

	Security	Average Relative weight (%)	% Contribution to return
Contributors	Roper Technologies, Inc.	4.7	0.6
	Progressive Corporation	2.7	0.6
	Aon Plc Class A	5.0	0.5
Detractors	Microsoft Corporation	-0.9	-0.6
	Amazon.com, Inc.	0.5	-0.6
	Apple Inc.	-1.9	-0.7

Sector attribution relative to the benchmark

	Sector	Average Relative weight (%)	Allocation Effect (%)	Selection Effect (%)	Total Effect (%)
Contributors	Information Technology	-1.4	0.2	1.5	1.7
	Industrials	9.9	0.4	0.6	1.1
	Financials	2.5	0.2	0.6	0.8
Detractors	Health Care	4.8	0.6	-0.8	-0.2
	Consumer Staples	-3.1	-0.3	-0.2	-0.4
	Energy	-3.3	-0.5	0.0	-0.5

Commentary

1) QFR Highlights

During the quarter the fund returned -1.28% outperforming the S&P500 by 3.12%. The Bluewater strategies were well positioned entering this period of dislocation so have been able to be patient and not a forced seller.

2) Market Overview

The S&P500 returned -4.40% in the quarter.

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 -1.28% outperforming the blended benchmark by 3.12%. Stock selection in the information technology, financials, and industrials sectors contributed to relative performance while underweight allocation to the energy and consumer staples sectors detracted.

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.

AON

AON is a global professional services firm that provides risk, health, and human capital solutions to businesses, governments, and organizations.

Our investment thesis is based on owning a low-risk compounder with highly recurring revenue, strong pricing power in a global duopoly with Marsh, and consistent top-line growth of 5–6% supported by margin expansion. Its asset-light model enables double-digit free cash flow growth and steady capital return through 5% annual buybacks. AON has continued to post strong growth and has proven highly defensive during this period of market dislocation.

Commentary

5) Security Detractors

Gartner

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. Gartner was a detractor in the quarter as technology stocks sold off around concerns on global growth and the impact this would have on Gartner underlying growth rates.

No allocation to Berkshire Hathaway and Visa in the financials sector also detracted from relative performance as investors rotated out into non-bank financials during the period.

6) Portfolio Activities

MSCI Inc. and Automatic Data Processing (ADP) are recent additions to the portfolio.

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.

We initiated a new position in ADP given its mission-critical payroll business with exceptionally high switching costs and high client retention. ADP continues to leverage its dominant position to expand into higher-margin software offerings, enhancing both profitability and customer stickiness. Its scale, strong brand, and 90% recurring U.S.-based revenue provide stability, while its purchasing power delivers unique value to clients through cost-effective insurance and benefit solutions. In our view ADP is a long term compounder with a strong track record of execution.

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 US Equity category and reflect the performance of the Mackenzie Bluewater US 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 US Equity category funds for Mackenzie Bluewater US Growth Fund for each period are as follows: one year - 1168 ; three years - 1023 ; five years - 902 ; ten years - 556.

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