

# Durable growth investing

## Event summary

The Mackenzie Bluewater team has crafted a distinctive strategy for success: targeting the steady growth of a select group of leading companies with limited competition. By investing in global leaders and prioritizing the growth of free cash flow above market rates, the team aims to deliver consistent returns throughout market cycles while ensuring downside protection.

### What advisors heard?

- Investment philosophy centered around businesses with strong free cash flow: The team looks for superior businesses that are steady, consistent compounders over time. On top of that they look for companies that are benefiting from significant structural change in their industry, which can lead to outsized returns over time. The objective is to invest in companies that exhibit consistent growth, surpassing GDP growth rates in a stable and predictable manner.
- Keeping up with hyper growth poses a challenge for active managers: There has been a dramatic rise in stock market concentration in the past few years — particularly the mega-cap technology names — which presents a challenge for active managers. This concentration risk, coupled with extreme valuations, may benefit Bluewater funds in the event of prolonged market volatility or a normalization in distribution of returns. The Mackenzie Bluewater funds are strategically aligned with current economic conditions, focusing on conservative growth and high-quality businesses with defensible moats and secular growth tailwinds.
- Investing in enablers of secular change is crucial for achieving long-term, sustainable growth. Two key areas that hold significant relevance are the energy transition and digitization. Bluewater's investment philosophy emphasizes identifying the primary drivers of these changes. The team focuses on investing in the key

**David Arpin**  
Portfolio Manager,  
Mackenzie Bluewater  
Team

**Shah Khan**  
Portfolio Manager,  
Mackenzie Bluewater  
Team

**Dave Taylor**  
Portfolio Manager,  
Mackenzie Bluewater  
Team

**Tyler Hewlett**  
Portfolio Manager,  
Mackenzie Bluewater  
Team

enablers of artificial intelligence, (AI), ensuring that the necessary infrastructure and expertise are in place to support this transformative technology. By targeting these enablers, the team aims to capitalize on durable growth in an evolving global landscape.

**What advisors can do about it:**

1. Bluewater's investment philosophy focuses on identifying key enablers of change. These companies are expected to benefit regardless of which specific technologies or companies ultimately succeed. By focusing on companies that enable the energy transition and digitization, Bluewater aims to capitalize on these structural shifts while mitigating the risks associated with investing in rapidly evolving technologies.
2. The Mackenzie Bluewater Canadian Growth Fund is insulated from the impact of tariffs as it holds companies that are either service oriented or produce products more locally, without relying on extended supply chains.
3. The Mackenzie Bluewater Next Gen Growth Fund employs the Bluewater philosophy to invest in global businesses through an innovation lens. These companies share the characteristics valued by the Mackenzie Bluewater Team: established industry leaders, high levels of free cash flow and strong balance sheets.



**For more information about the Mackenzie Bluewater Team, please speak to your Mackenzie sales team.**

**For Advisor Use only.** No portion of this communication may be reproduced or distributed to the public as it does not comply with investor sales communication rules. Mackenzie disclaims any responsibility for any advisor sharing this with investors.

This document may contain forward-looking information which reflect our or third-party current expectations or forecasts of future events. Forward-looking information is inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed herein. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors, interest and foreign exchange rates, the volatility of equity and capital markets, business competition, technological change, changes in government regulations, changes in tax laws, unexpected judicial or regulatory proceedings and catastrophic events. Please consider these and other factors carefully and not place undue reliance on forward-looking information. The forward-looking information contained herein is current only as of January 14, 2025. There should be no expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.

The content of this document (including facts, views, opinions, recommendations, descriptions of or references to, products or securities) is not to be used or construed as investment advice, as an offer to sell or the solicitation of an offer to buy, or an endorsement, recommendation or sponsorship of any entity or security cited. Although we endeavour to ensure its accuracy and completeness, we assume no responsibility for any reliance upon it.

©2025 Mackenzie Investments, 180 Queen St W, Toronto, ON, M5V 3K1. All rights reserved