



MACKENZIE  
Investments

# Make a difference to the environment and your portfolio



Mackenzie Greenchip  
Global Environmental All Cap Fund

Mackenzie Greenchip  
Global Environmental Balanced Fund

Sustainable investing spectrum

ESG-INTEGRATED

CORE

THEMATIC

IMPACT



# Why would you invest in environmental-themed funds?

Climate change is arguably the biggest crisis facing the world. Its effects include flooding, storms, forest fires, drought and the reduced availability of fresh water. These are expected to have a serious, long-term impact on our health, food production, the economy and investment returns.

Global investments to tackle climate change are growing significantly. In 2022, McKinsey estimated that the world would need an additional \$1T-\$3.5T each year in order to finance the transition to net zero.<sup>1</sup> In order to meet the Paris Agreement<sup>2</sup>, at least US\$80 trillion will need to be invested into renewable energy and carbon-reducing technologies by 2050<sup>3</sup>. Now more than ever, investors have a strong appetite to take a stance against climate change. In fact, 73% of investors<sup>4</sup> want to discuss responsible investment options with their advisors.

Also, demand for renewable energy has increased because it has become much cheaper to produce in recent years:

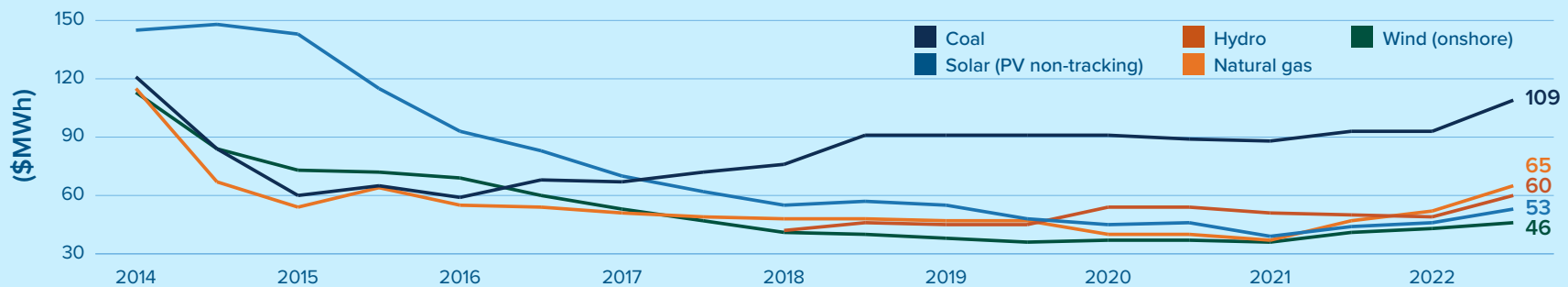
# 73%



**of investors<sup>4</sup> want to discuss responsible investment options with their advisors.**

## Tale of two renewables: Solar and wind are now the cheapest ways to generate new electricity

Historical mean levelized cost of energy (unsubsidized)



Source: Bloomberg LCOE, December 2022



# What is the great energy transition?

By investing in companies that focus on the transition to renewable energy, clean technologies and greater energy efficiency, you can help to limit the effects of global warming. So, how can you be sure that your investment dollars are going to make a real difference and help combat climate change?

In order to meet the Paris Agreement (to lower greenhouse gas emissions in order to limit global warming), the world needs to make a giant economic and societal leap away from fossil fuels and transition over to clean, sustainable energy.

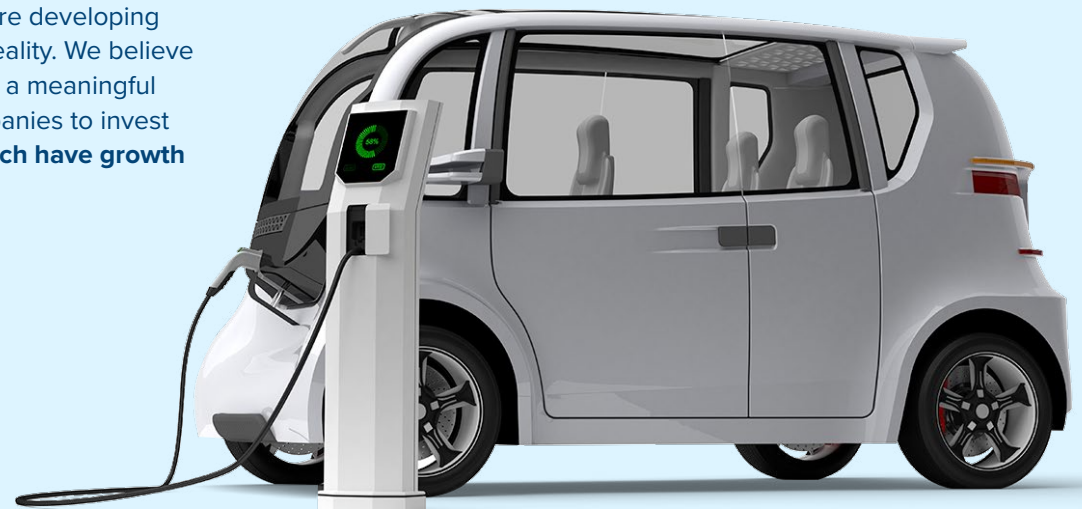
This great energy transition is already happening, with many countries, cities and organizations having set their own carbon-neutrality targets. Fundamental to this is a change in how we produce and consume energy.

A large and growing number of industries, sectors and companies are developing the innovative technologies needed to make this transformation a reality. We believe this represents an unprecedented opportunity for investors to make a meaningful contribution to a sustainable future. However, finding the right companies to invest in - **those that are truly part of the great energy transition and which have growth potential** - can be a challenge.

In order to meet the Paris Agreement, at least

**\$80 trillion USD**

**will need to be invested into renewable energy and carbon-reducing technologies by 2050.<sup>3</sup>**





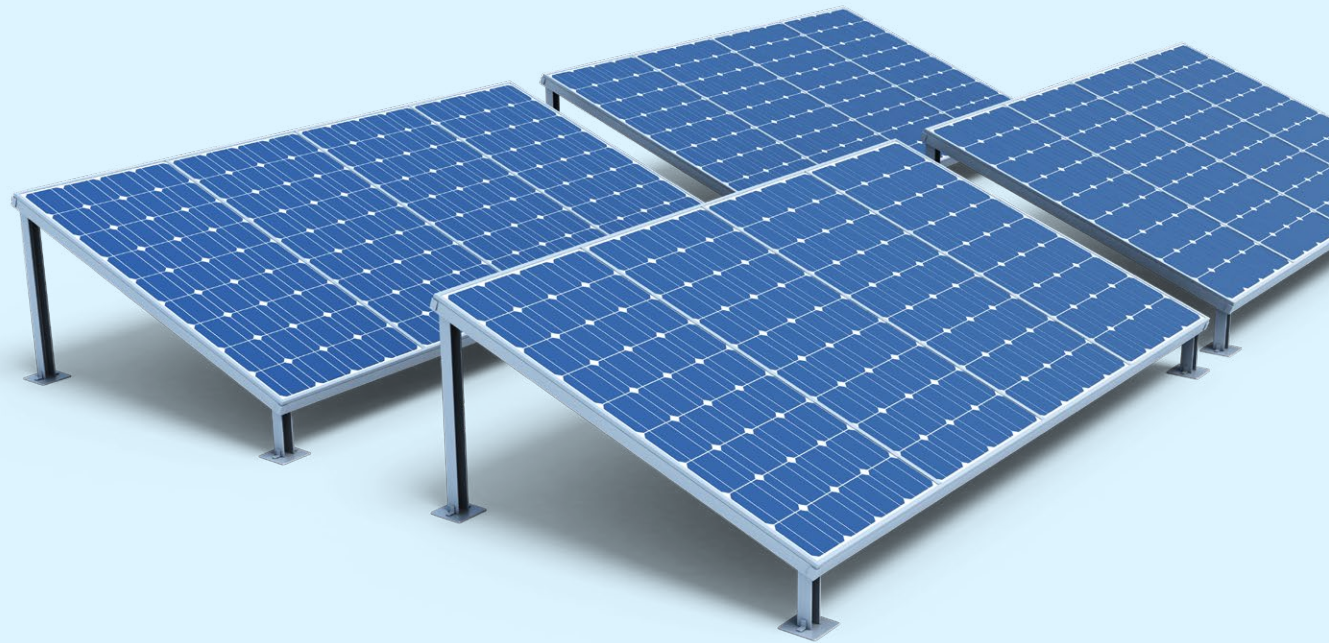
# Environmental-themed funds that walk the walk

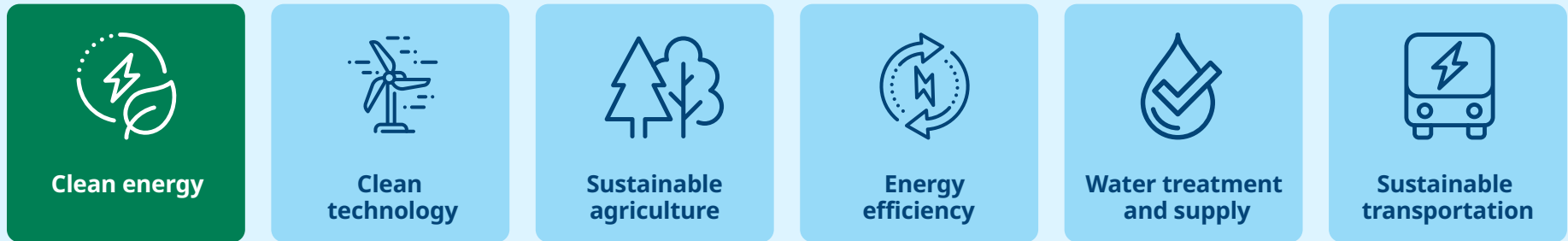
Currently, there is limited regulation concerning investment funds that define themselves as being “green”. Naturally, there are concerns that some of them may not invest exclusively in climate change solutions. The truth is, once you look “under the hood”, **not all environmental-themed investment funds are equal.**<sup>5</sup>

## So, what’s under our hood?

Since inception, the Mackenzie Greenchip team has focused on environmental drivers - the products and services that will power our future in a way that is cleaner and more efficient.

The companies held in the Mackenzie Greenchip Global Environmental All Cap Fund and the Mackenzie Greenchip Global Environmental Balanced Fund fall into six areas that focus on the ‘Great Energy Transition’ and help in fighting climate change.





**Focus:**

# Clean energy

Clean energy is made from zero-carbon energy sources, such as power derived from wind, solar, geothermal, biogas, biomass, hydro and green hydrogen. Renewable energy (such as wind and solar) will play a huge part in the transition from the reliance on carbon energy (oil, coal and gas). Over the last decade, renewable energy has grown on average by 13.7% annually<sup>6</sup> and may grow even faster in the future.

The Mackenzie Greenchip team looks for opportunities to invest in clean energy companies that are extremely innovative and committed to considerable growth.



## Some of these companies include:

### Canadian Solar<sup>7</sup>

one of the world’s largest producers of solar photovoltaic products and energy solution providers. Operating since 2001, the company has now grown to having thousands of customers in over 150 countries, and creates enough green energy to meet the needs of around 13 million households.

### Enel SpA<sup>8</sup>

a multi-national power company and a true pioneer in renewable energy. The Italian company installed one of the largest hydroelectric plants of its kind, the first grid-connected solar installation and Italy’s first wind farm. It continues to find innovative ways to create better renewable power.

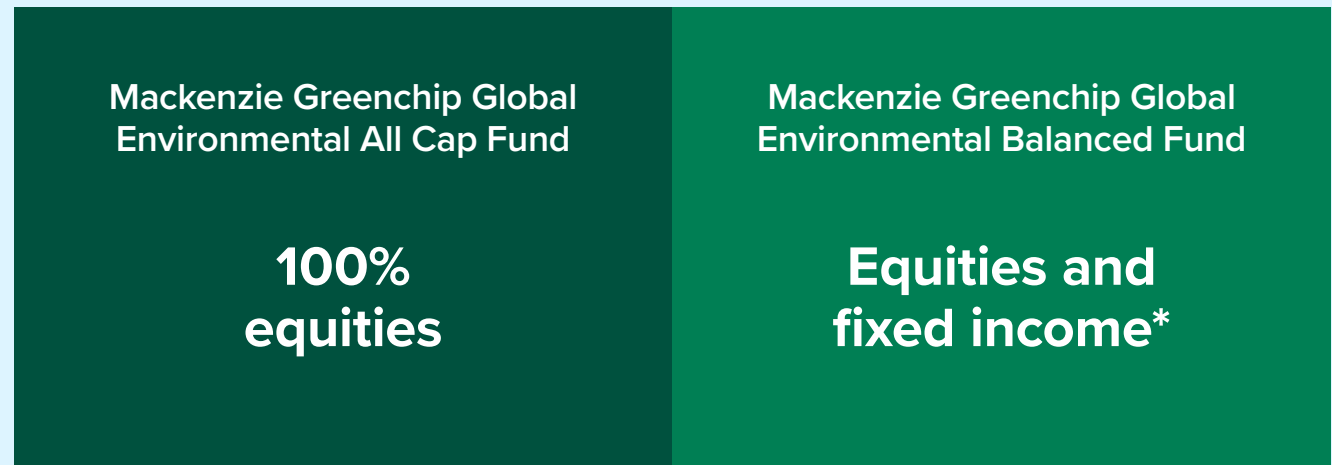
### ENGIE<sup>9</sup>

France’s leading developer of solar and wind power and also a developer of geothermal, biogas and other clean energy. It has operations in almost 70 countries in five continents and has 160,000 employees. It has committed €11 billion (around CA\$16 billion) to a three-year growth program.



# How the two funds are different

The Mackenzie Greenchip Global Environmental All Cap Fund holds equities exclusively, while the Mackenzie Greenchip Global Environmental Balanced Fund holds a mixture of equities and bonds (primarily green bonds, which are used to finance projects that aim to have a positive impact on the environment). This fixed income portion is designed to give the Balanced Fund a more conservative level of risk than the Equity Fund.



\* Generally our portfolio consists of 50-60% equities and 40-50% fixed income. These percentages change sometimes due to different companies we want to hold.

## Investing in the fight against climate change can make sense for the planet and your portfolio

One of the myths surrounding sustainable products is that they underperform compared to traditional products. Learn about how the Mackenzie Greenchip Global Environmental All Cap Fund has significantly outperformed its benchmark since it launched. You can see its performance on its fund page, along with more details on how it can offer growth and stability while investing in companies that are helping to fight climate change.



**Talk to your advisor about  
how the Mackenzie Greenchip Global Environmental All Cap Fund  
and our Mackenzie Greenchip Global Environmental Balanced Fund  
can help make a difference to the environment and your portfolio.**

1 <https://www.mckinsey.com/industries/electric-power-and-natural-gas/our-insights/the-energy-transition-a-region-by-region-agenda-for-near-term-action>

2 United Nations Framework Convention on Climate Change: [“What is the Paris Agreement?”](#)

3 Source: [Renewable energy – powering a safer future | United Nations](#)

4 RIA: [2022 Investor opinion survey](#)

5 The Globe & Mail: [“Greenwashing in ETFs.”](#)

6 Forbes: [“Renewable energy growth continues at a blistering pace.”](#)

7 <https://www.canadiansolar.com/>

8 <https://www.enel.com/company/about-us/our-story>

9 <https://www.engie.com/en>

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