MACKENZIE
Investments

Alternative Strategies

Risk Tolerance

Low — High

Mackenzie Private Equity Replication Fund

Accessing private equity return characteristics

Why you should consider a private equity replication fund

Historically, US private equity (PE) is an attractive investment option because it has generally outperformed public stock markets while also posting significantly lower volatility, especially during market downturns, and providing greater portfolio diversification. For many institutional investors, such as pension funds, private equity is an important pillar that constitutes a sizable allocation within their portfolios.

However, private equity is out of reach for most everyday investors because private equity investments are locked in for long periods of time and minimum investment levels are extremely high. Lock-in periods can be anywhere between three and 10 years, while minimum investments range from between $100,000 to $1 million and up. Investing directly in private equity funds is restricted to accredited investors only.

Why the Mackenzie Private Equity Replication Fund?

1 Seeks to provide investor-friendly access to private equity return characteristics

Unlike private equity investments, the Mackenzie Private Equity Replication Fund can be bought and sold daily and has low investment minimums. This makes the Fund an easy solution for individual investors aiming to capture the performance characteristics of US PE.

2 Attractive excess return potential

Historically, PE has been an attractive investment vehicle, generally outperforming public stock markets and bringing significantly lower volatility, particularly during market downturns. The Fund aims to replicate the return and risk characteristics of US PE and to potentially provide additional portfolio diversification.

3 Extensive research, proprietary investment model and a unique approach

The Fund is based on a unique combination of research and expertise, delivering a solution that goes beyond the capabilities of most investment companies. The research of Randolph Cohen, PhD, of Harvard Business School is combined with the quantitative equity expertise of Mackenzie's Global Quantitative Equity Team and the derivatives expertise of Mackenzie's Multi-Asset Strategies Team.

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Mackenzie Private Equity Replication Fund

How it works

Overseen by a diverse and deeply experienced group of investment professionals, the Fund focuses on closely matching private equity investment patterns in four areas, which can help deliver superior results.
It aims to do this by:

1. Selecting the same high-growth industries using real-time data on PE firm activity
2. Matching PE's preferred business characteristics (attractive valuations and high profitability)
3. Prudently adding leverage to better match the return profile of PE
4. Using options to help manage volatility and downside risk

Integrated process:

Industry tilts (PE exposures) + **Stock selection** (PE characteristics) + **Volatility management** (Downside mitigation)

Why invest with Mackenzie

As a Canadian-owned global asset management provider, we've been helping advisors deliver the best possible advice and investment solutions for more than 50 years. With over $147 billion* in assets under management and a comprehensive line of investment solutions, we are one of Canada's leading asset management companies. Our journey began with one client and one advisor working together, and though we've grown, we remain committed to the same belief, advice matters. When we work together with advisors and investors, we can achieve better financial outcomes.

The Mackenzie Private Equity Replication Fund aims to provide access to the return characteristics of US private equity. Talk to your financial advisor to learn more.

*As of September 30, 2020

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