

# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Mackenzie Financial Corporation, as Manager of Mackenzie Emerging Markets Fund (the "Fund"). The Manager is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with International Financial Reporting Standards. The Manager is also responsible for the development of internal controls over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors (the "Board") of Mackenzie Financial Corporation is responsible for reviewing and approving the financial statements and overseeing the Manager's performance of its financial reporting responsibilities. The Board meets regularly with the Manager, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

Effective March 31, 2023, KPMG LLP was appointed as the external auditor of the Fund. It is appointed by the Board. The external auditor has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the securityholders its opinion on the financial statements. Its report is set out below.

On behalf of Mackenzie Financial Corporation,  
Manager of the Fund



Luke Gould  
President and Chief Executive Officer



Terry Rountes  
Chief Financial Officer, Funds

June 5, 2023

## INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Emerging Markets Fund (the "Fund")

### Opinion

We have audited the financial statements of the Fund, which comprise:

- the statement of financial position as at March 31, 2023
- the statement of comprehensive income for the period then ended as indicated in note 1
- the statement of changes in financial position for the period then ended as indicated in note 1
- the statement of cash flows for the period then ended as indicated in note 1 and
- notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2023, and its financial performance and cash flows for the period then ended as indicated in note 1 in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Matter – Comparative Information

The financial statements for the period ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 15, 2022.

# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## INDEPENDENT AUDITOR'S REPORT (cont'd)

### Other Information

Management is responsible for the other information. Other information comprises:

– the information included in the Annual Management Report of Fund Performance of the Fund.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in the Annual Management Report of Fund Performance of the Fund filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Fund.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants, Licensed Public Accountants  
Toronto, Ontario  
June 5, 2023

# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## STATEMENTS OF FINANCIAL POSITION

at March 31 (in \$ 000 except per security amounts)

	2023	2022
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Investments at fair value	702,790	701,603
Cash and cash equivalents	9,459	15,557
Dividends receivable	1,052	3,261
Accounts receivable for investments sold	10,783	6,665
Accounts receivable for securities issued	28	688
<b>Total assets</b>	<b>724,112</b>	<b>727,774</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable for investments purchased	7,876	8,461
Accounts payable for securities redeemed	233	410
Due to manager	1,731	73
<b>Total liabilities</b>	<b>9,840</b>	<b>8,944</b>
<b>Net assets attributable to securityholders</b>	<b>714,272</b>	<b>718,830</b>

## STATEMENTS OF COMPREHENSIVE INCOME

for the periods ended March 31 (in \$ 000 except per security amounts)

	2023	2022
	\$	\$
<b>Income</b>		
Dividends	29,280	29,622
Interest income for distribution purposes	–	2,038
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(68,365)	7,844
Net unrealized gain (loss)	39,669	(88,911)
Securities lending income	39	32
<b>Total income (loss)</b>	<b>623</b>	<b>(49,375)</b>
<b>Expenses (note 6)</b>		
Management fees	902	583
Administration fees	304	266
Interest charges	13	1
Commissions and other portfolio transaction costs	4,235	4,637
Independent Review Committee fees	2	2
Other	1	1
<b>Expenses before amounts absorbed by Manager</b>	<b>5,457</b>	<b>5,490</b>
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	<b>5,457</b>	<b>5,490</b>
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>(4,834)</b>	<b>(54,865)</b>
Foreign withholding tax expense (recovery)	4,982	2,887
Foreign income tax expense (recovery)	2,197	2,679
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>(12,013)</b>	<b>(60,431)</b>

	Net assets attributable to securityholders (note 3)			
	per security		per series	
	2023	2022	2023	2022
Series A	9.64	10.30	7,733	7,739
Series AR	9.63	10.29	694	676
Series CL	9.60	10.21	26,648	32,783
Series D	9.73	10.37	288	46
Series F	9.76	10.41	71,998	27,561
Series FB	9.84	10.49	92	92
Series O	9.60	10.25	7,172	5,909
Series PW	9.70	10.35	12,533	11,357
Series PWFB	9.85	10.51	937	867
Series PWR	10.79	11.52	373	314
Series PWX	9.72	10.38	83	44
Series R	9.60	10.21	71,261	94,730
Series S	9.72	10.37	514,460	536,712
			<b>714,272</b>	<b>718,830</b>

	Increase (decrease) in net assets attributable to securityholders from operations (note 3)			
	per security		per series	
	2023	2022	2023	2022
Series A	(0.45)	(1.20)	(347)	(817)
Series AR	(0.42)	(1.17)	(29)	(66)
Series CL	(0.29)	(0.66)	(894)	(2,069)
Series D	0.67	(1.26)	10	(5)
Series F	0.14	(1.38)	835	(2,494)
Series FB	(0.35)	(0.84)	(4)	(8)
Series O	(0.06)	(0.87)	(38)	(430)
Series PW	(0.33)	(1.24)	(392)	(1,102)
Series PWFB	(0.21)	(1.07)	(20)	(82)
Series PWR	(0.44)	(1.69)	(12)	(39)
Series PWX	0.23	(1.84)	2	(6)
Series R	(0.35)	(1.83)	(2,883)	(15,117)
Series S	(0.16)	(0.77)	(8,241)	(38,196)
			<b>(12,013)</b>	<b>(60,431)</b>

The accompanying notes are an integral part of these financial statements.

# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the periods ended March 31 (in \$ 000 except per security amounts)

	Total		Series A		Series AR		Series CL		Series D	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
Beginning of period	718,830	605,442	7,739	6,401	676	516	32,783	–	46	25
Increase (decrease) in net assets from operations	(12,013)	(60,431)	(347)	(817)	(29)	(66)	(894)	(2,069)	10	(5)
Distributions paid to securityholders:										
Investment income	(30,578)	(22,477)	(158)	(90)	(14)	(7)	(1,243)	(111)	(7)	(1)
Capital gains	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(30,578)	(22,477)	(158)	(90)	(14)	(7)	(1,243)	(111)	(7)	(1)
Security transactions:										
Proceeds from securities issued	94,420	301,191	3,141	7,260	207	533	872	36,069	280	38
Reinvested distributions	26,219	19,630	158	89	14	7	155	–	7	1
Payments on redemption of securities	(82,606)	(124,525)	(2,800)	(5,104)	(160)	(307)	(5,025)	(1,106)	(48)	(12)
Total security transactions	38,033	196,296	499	2,245	61	233	(3,998)	34,963	239	27
Increase (decrease) in net assets attributable to securityholders	(4,558)	113,388	(6)	1,338	18	160	(6,135)	32,783	242	21
<b>End of period</b>	<b>714,272</b>	<b>718,830</b>	<b>7,733</b>	<b>7,739</b>	<b>694</b>	<b>676</b>	<b>26,648</b>	<b>32,783</b>	<b>288</b>	<b>46</b>
<b>Increase (decrease) in fund securities (in thousands) (note 7):</b>										
Securities outstanding – beginning of period			751	559	66	45	3,210	–	4	2
Issued			333	633	21	46	96	3,317	30	3
Reinvested distributions			17	8	2	1	17	–	1	–
Redeemed			(299)	(449)	(17)	(26)	(546)	(107)	(5)	(1)
Securities outstanding – end of period			802	751	72	66	2,777	3,210	30	4

  

	Series F		Series FB		Series O		Series PW		Series PWFB	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
Beginning of period	27,561	11,360	92	104	5,909	4,885	11,357	7,944	867	693
Increase (decrease) in net assets from operations	835	(2,494)	(4)	(8)	(38)	(430)	(392)	(1,102)	(20)	(82)
Distributions paid to securityholders:										
Investment income	(2,179)	(588)	(3)	(2)	(288)	(186)	(287)	(144)	(30)	(22)
Capital gains	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(2,179)	(588)	(3)	(2)	(288)	(186)	(287)	(144)	(30)	(22)
Security transactions:										
Proceeds from securities issued	55,637	24,811	22	168	2,436	2,188	3,384	7,104	190	516
Reinvested distributions	1,923	478	3	2	285	184	286	144	29	22
Payments on redemption of securities	(11,779)	(6,006)	(18)	(172)	(1,132)	(732)	(1,815)	(2,589)	(99)	(260)
Total security transactions	45,781	19,283	7	(2)	1,589	1,640	1,855	4,659	120	278
Increase (decrease) in net assets attributable to securityholders	44,437	16,201	–	(12)	1,263	1,024	1,176	3,413	70	174
<b>End of period</b>	<b>71,998</b>	<b>27,561</b>	<b>92</b>	<b>92</b>	<b>7,172</b>	<b>5,909</b>	<b>12,533</b>	<b>11,357</b>	<b>937</b>	<b>867</b>
<b>Increase (decrease) in fund securities (in thousands) (note 7):</b>										
Securities outstanding – beginning of period	2,647	985	9	9	577	431	1,097	691	82	59
Issued	5,778	2,146	2	14	258	194	357	622	21	43
Reinvested distributions	210	43	–	–	32	17	31	13	3	2
Redeemed	(1,258)	(527)	(2)	(14)	(120)	(65)	(192)	(229)	(11)	(22)
Securities outstanding – end of period	7,377	2,647	9	9	747	577	1,293	1,097	95	82

The accompanying notes are an integral part of these financial statements.

# MACKENZIE EMERGING MARKETS FUND

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## STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

for the periods ended March 31 (in \$ 000 except per security amounts)

	Series PWR		Series PWX		Series R		Series S	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	<b>314</b>	<b>109</b>	<b>44</b>	<b>5</b>	<b>94,730</b>	<b>8,911</b>	<b>536,712</b>	<b>564,489</b>
Increase (decrease) in net assets from operations	(12)	(39)	2	(6)	(2,883)	(15,117)	(8,241)	(38,196)
Distributions paid to securityholders:								
Investment income	(7)	(5)	(4)	(1)	(3,421)	(3,449)	(22,937)	(17,871)
Capital gains	—	—	—	—	—	—	—	—
Total distributions paid to securityholders	(7)	(5)	(4)	(1)	(3,421)	(3,449)	(22,937)	(17,871)
Security transactions:								
Proceeds from securities issued	98	324	38	45	3,005	161,393	25,110	60,742
Reinvested distributions	7	5	4	1	411	826	22,937	17,871
Payments on redemption of securities	(27)	(80)	(1)	—	(20,581)	(57,834)	(39,121)	(50,323)
Total security transactions	78	249	41	46	(17,165)	104,385	8,926	28,290
Increase (decrease) in net assets attributable to securityholders	59	205	39	39	(23,469)	85,819	(22,252)	(27,777)
<b>End of period</b>	<b>373</b>	<b>314</b>	<b>83</b>	<b>44</b>	<b>71,261</b>	<b>94,730</b>	<b>514,460</b>	<b>536,712</b>
<b>Increase (decrease) in fund securities (in thousands) (note 7):</b>								
<b>Securities outstanding – beginning of period</b>	<b>27</b>	<b>9</b>	<b>4</b>	<b>—</b>	<b>9,275</b>	<b>786</b>	<b>51,748</b>	<b>49,158</b>
Issued	10	24	5	4	331	13,715	2,718	5,291
Reinvested distributions	1	—	—	—	46	75	2,519	1,610
Redeemed	(3)	(6)	—	—	(2,227)	(5,301)	(4,056)	(4,311)
<b>Securities outstanding – end of period</b>	<b>35</b>	<b>27</b>	<b>9</b>	<b>4</b>	<b>7,425</b>	<b>9,275</b>	<b>52,929</b>	<b>51,748</b>

The accompanying notes are an integral part of these financial statements.

# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## STATEMENTS OF CASH FLOWS

for the periods ended March 31 (in \$ 000)

	2023	2022
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	(12,013)	(60,431)
Adjustments for:		
Net realized loss (gain) on investments	66,207	(11,071)
Change in net unrealized loss (gain) on investments	(39,669)	88,911
Purchase of investments	(1,163,415)	(1,446,173)
Proceeds from sale and maturity of investments	1,130,623	1,419,225
(Increase) decrease in accounts receivable and other assets	2,209	(2,496)
Increase (decrease) in accounts payable and other liabilities	1,658	(918)
<b>Net cash provided by (used in) operating activities</b>	<b>(14,400)</b>	<b>(12,953)</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	93,784	141,130
Payments on redemption of securities	(81,487)	(121,037)
Distributions paid net of reinvestments	(4,359)	(2,847)
<b>Net cash provided by (used in) financing activities</b>	<b>7,938</b>	<b>17,246</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(6,462)</b>	<b>4,293</b>
Cash and cash equivalents at beginning of period	15,557	11,687
Effect of exchange rate fluctuations on cash and cash equivalents	364	(423)
<b>Cash and cash equivalents at end of period</b>	<b>9,459</b>	<b>15,557</b>
Cash	8,270	6,107
Cash equivalents	1,189	9,450
<b>Cash and cash equivalents at end of period</b>	<b>9,459</b>	<b>15,557</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	31,489	27,126
Foreign taxes paid	7,179	6,557
Interest received	–	2,038
Interest paid	13	1

The accompanying notes are an integral part of these financial statements.

# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## SCHEDULE OF INVESTMENTS

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES</b>					
3SBio Inc.	China	Health Care	1,912,500	2,664	2,573
Aboitiz Power Corp.	Philippines	Utilities	408,848	348	379
Aekyung Industrial Co. Ltd.	South Korea	Consumer Staples	24,464	488	463
After You PCL	Thailand	Consumer Discretionary	182,909	93	77
Air China Ltd. H	China	Industrials	1,758,000	2,204	2,133
Al Rajhi Bank	Saudi Arabia	Financials	15,727	499	418
Aldrees Petroleum and Transport Services Co.	Saudi Arabia	Energy	28,246	766	969
Alibaba Group Holding Ltd.	China	Consumer Discretionary	774,594	18,674	13,325
Alliance Global Group Inc.	Philippines	Industrials	195,900	61	60
Alesa SAB de CV	Mexico	Consumer Discretionary	1,139,383	3,383	3,690
Alujain Corp.	Saudi Arabia	Materials	10,369	136	137
AmorePacific Group	South Korea	Consumer Staples	162,158	7,290	6,466
Anadolu Efes Biracilik ve Malt Sanayii AS	Turkey	Consumer Staples	960,998	3,792	4,335
Anyang Iron & Steel Inc.	China	Materials	3,323,700	1,405	1,397
AP (Thailand) PCL - Foreign	Thailand	Real Estate	8,092,600	3,284	3,843
AU Optronics Corp.	Taiwan	Information Technology	13,602,000	11,380	11,170
Axiomtek Co. Ltd.	Taiwan	Information Technology	124,000	446	424
Banco BTG Pactual SA - Unit	Brazil	Financials	340,700	2,254	1,786
Banco do Brasil SA	Brazil	Financials	661,900	6,789	6,907
Barloworld Ltd.	South Africa	Industrials	70,345	480	477
Beijing Capital International Airport Co. Ltd. H	China	Industrials	4,935,966	4,609	4,918
Bizim Toptan Satis Magazalari AS	Turkey	Consumer Staples	179,262	340	320
BOW Technology Group Co. Ltd. Class A	China	Information Technology	1,997,400	1,643	1,752
BYD Co. Ltd. H	China	Consumer Discretionary	348,500	14,090	13,851
Canara Bank	India	Financials	413,832	1,920	1,943
Cencosud SA	Chile	Consumer Staples	2,242,034	3,912	5,890
Central Retail Corp PCL For.	Thailand	Consumer Discretionary	5,639,000	9,083	9,981
China Construction Bank Corp. H	China	Financials	14,634,999	14,856	12,806
China Eastern Airlines Corp. Ltd. H Shares	China	Industrials	1,226,000	659	653
China Merchants Land Ltd.	China	Real Estate	4,249,751	890	372
China Oilfield Services Ltd. H	China	Energy	1,090,000	1,757	1,513
China Petroleum and Chemical Corp. H (Sinopec)	China	Energy	8,552,000	5,077	6,817
China Resources Phoenix Healthcare Holdings Co. Ltd.	China	Health Care	2,344,479	2,929	2,752
China Southern Airlines Co. Ltd.	China	Industrials	7,121,046	6,494	6,899
China Tower Corp. Ltd.	China	Communication Services	64,558,000	10,030	10,564
China Unicom (Hong Kong) Ltd.	China	Communication Services	4,280,758	3,368	4,574
Chipbond Technology Corp.	Taiwan	Information Technology	1,484,000	4,687	4,569
Cholamandalam Investment and Finance Co. Ltd.	India	Financials	745,815	9,296	9,368
Chong Kun Dang Holdings Corp.	South Korea	Health Care	22,358	2,742	1,175
Cia de Saneamento do Parana	Brazil	Utilities	136,000	628	657
CNOOC Energy Technology & Services Ltd.	China	Energy	1,362,400	864	888
Contemporary Amperex Technology Co. Ltd.	China	Industrials	47,100	3,777	3,796
Coretronic Corp.	Taiwan	Information Technology	785,000	2,000	2,370
Daewon Pharmaceutical Co. Ltd.	South Korea	Health Care	114,401	2,161	1,709
DataTec Ltd.	South Africa	Information Technology	56,404	150	162
Dayang Enterprise Holdings BHD	Malaysia	Energy	1,338,700	513	552
Delta Electronics Inc.	Taiwan	Information Technology	716,000	8,039	9,596
DMCI Holdings Inc.	Philippines	Industrials	8,377,293	1,327	2,402
DongKuk Steel Mill Co. Ltd.	South Korea	Materials	185,671	2,349	2,356
Doosan Bobcat Inc.	South Korea	Industrials	190,865	6,403	8,686
Embraer SA	Brazil	Industrials	97,500	494	541
Emirates NBD PJSC	United Arab Emirates	Financials	1,567,593	7,485	7,593
Enel Chile SA	Chile	Utilities	3,840,911	248	285
The Erawan Group PCL	Thailand	Consumer Discretionary	1,372,700	279	267
Evergreen Fibreboard BHD	Malaysia	Materials	2,897,228	585	258
Evergreen Marine Corp.	Taiwan	Industrials	144,000	1,129	1,018
Excelsior Medical Co. Ltd.	Taiwan	Health Care	40,950	111	145
Ezz Steel Co. SAE	Egypt	Materials	1,710,221	2,004	2,616
The Federal Bank Ltd.	India	Financials	1,122,297	2,532	2,449
Formosa International Hotels Corp.	Taiwan	Consumer Discretionary	151,000	1,971	1,868
Gazprom Neft PJSC	Russia	Energy	163,630	1,431	112
Gerdau SA Pfd. ADR	Brazil	Materials	15,172	124	101
Global Unichip Corp.	Taiwan	Information Technology	199,000	5,391	9,698
GOLFZON Co. Ltd.	South Korea	Consumer Discretionary	28,245	3,345	3,769

# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES (cont'd)</b>					
Grupa Azoty SA	Poland	Materials	28,447	380	321
Grupo Financiero Banorte SAB de CV Series O	Mexico	Financials	732,600	5,632	8,350
GS Holdings Corp.	South Korea	Industrials	151,546	7,040	6,364
Guangzhou Baiyun International Airport Co. Ltd.	China	Industrials	272,000	822	840
Guangzhou Baiyun International Airport Co. Ltd. (Shanghai Stock Exchange)	China	Industrials	103,300	287	319
Habib Bank Ltd.	Pakistan	Financials	1,283,609	1,150	448
Hansol Paper Co. Ltd.	South Korea	Materials	148,893	2,133	1,815
Hanwha Corp.	South Korea	Industrials	45,508	1,203	1,242
Heineken Malaysia Bhd	Malaysia	Consumer Staples	31,600	225	257
Huazhu Group Ltd.	China	Consumer Discretionary	175,635	12,025	11,636
Hugel Inc.	South Korea	Health Care	1,955	263	261
Humedix Co. Ltd.	South Korea	Health Care	73,671	1,992	1,764
Hybe Co. Ltd.	South Korea	Communication Services	20,204	3,941	3,952
Hyosung Heavy Industries Corp.	South Korea	Industrials	39,124	2,897	2,718
Hyundai Motor Co.	South Korea	Consumer Discretionary	37,876	6,697	7,284
HyVision System Inc.	South Korea	Information Technology	17,635	346	353
ICICI Bank Ltd.	India	Financials	63,955	869	928
InBody Co. Ltd.	South Korea	Health Care	66,721	2,004	2,022
Industrial and Commercial Bank of China Ltd. H	China	Financials	6,432,000	4,444	4,632
Infosys Ltd. ADR	India	Information Technology	222,210	5,519	5,242
InterGlobe Aviation Ltd.	India	Industrials	7,389	245	233
ITC Ltd.	India	Consumer Staples	1,683,923	9,134	10,642
Jagran Prakashan Ltd.	India	Communication Services	188,165	212	225
Jazeera Airways Co. KSCP	Kuwait	Industrials	28,684	231	229
JBS SA	Brazil	Consumer Staples	431,600	3,230	2,056
Jindal Steel & Power Ltd.	India	Materials	1,228,420	9,892	11,097
JNBY Design Ltd.	China	Consumer Discretionary	326,233	793	507
JSW Steel Ltd.	India	Materials	142,526	1,579	1,617
JYP Entertainment Corp.	South Korea	Communication Services	134,969	9,446	10,867
Karur Vysya Bank Ltd.	India	Financials	1,506,788	1,154	2,595
KGHM Polska Miedz SA	Poland	Materials	34,227	1,264	1,319
Kia Motors Corp.	South Korea	Consumer Discretionary	23,083	1,907	1,949
Kingdom Holding Co.	Saudi Arabia	Financials	66,236	213	187
Korea Real Estate Investment & Trust Co. Ltd.	South Korea	Real Estate	1,430,830	3,054	1,960
Kot Addu Power Co. Ltd.	Pakistan	Utilities	4,823,074	1,456	554
KPJ Healthcare BHD	Malaysia	Health Care	4,181,000	1,428	1,450
Kyeryong Construction Industrial Co. Ltd.	South Korea	Industrials	68,008	2,927	1,224
Lakshmi Machine Works Ltd.	India	Industrials	2,925	636	481
Lens Technology Co. Ltd.	China	Information Technology	3,912,400	9,513	10,498
Liuzhou Iron & Steel Co. Ltd. (Shanghai Stock Exchange)	China	Materials	501,700	385	416
LiveChat Software SA	Poland	Information Technology	3,962	177	178
LSR Group OJSC	Russia	Real Estate	9,754	139	17
LT Group Inc.	Philippines	Industrials	3,453,100	832	853
Magnit PJSC	Russia	Consumer Staples	60,314	5,598	9
Magnitogorsk Iron & Steel Works OJSC	Russia	Materials	764,360	776	223
Mahindra & Mahindra Financial Services Ltd.	India	Financials	2,235,495	8,747	8,538
Manappuram Finance Ltd.	India	Financials	730,407	1,431	1,494
Meezan Bank Ltd.	Pakistan	Financials	126,483	115	57
Megaworld Corp.	Philippines	Real Estate	9,151,901	458	456
Meituan Dianping	China	Consumer Discretionary	685,970	17,494	16,854
Metalurgica Gerdau SA	Brazil	Materials	3,579,500	12,610	11,299
Minerva SA	Brazil	Consumer Staples	436,200	1,373	1,227
MINISO Group Holding Ltd. ADR	China	Consumer Discretionary	28,130	717	675
Narayana Hrudayalaya Ltd.	India	Health Care	161,253	1,931	2,057
Nasmedia Co. Ltd.	South Korea	Communication Services	35,894	962	912
National Commercial Bank	Saudi Arabia	Financials	712,782	12,591	11,808
Nickel Asia Corp.	Philippines	Materials	89,500	15	15
NMDC Ltd.	India	Materials	4,454,523	9,021	8,200
Novatek Microelectronics Corp.	Taiwan	Information Technology	642,000	11,182	12,326
NTPC Ltd.	India	Utilities	1,136,954	2,745	3,286
Offshore Oil Engineering Co. Ltd.	China	Energy	6,965,500	8,904	8,411
Oil & Natural Gas Corp. Ltd.	India	Energy	1,464,687	3,663	3,657
Old Mutual Ltd.	South Africa	Financials	9,724,841	10,585	8,724



# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES (cont'd)</b>					
Orbia Advance Corp SAB de CV	Mexico	Materials	269,989	727	794
OTP Bank NYRT	Hungary	Financials	91,184	2,912	3,516
PetroChina Co. Ltd. H	China	Energy	2,096,000	1,110	1,682
PICC Property & Casualty Co. Ltd. H	China	Financials	8,300,000	9,534	11,468
Power Finance Corp.	India	Financials	3,540,096	8,235	8,874
Powertech Technology Inc.	Taiwan	Information Technology	314,000	1,272	1,267
PPC Ltd.	South Africa	Materials	1,997,641	610	443
Praram 9 Hospital PCL Foreign	Thailand	Health Care	699,400	441	575
PT Bank Mandiri (Persero) TBK	Indonesia	Financials	1,936,400	1,694	1,804
PT Matahari Department Store TBK	Indonesia	Consumer Discretionary	4,227,576	1,612	1,885
PT Mitra Adiperkasa TBK	Indonesia	Consumer Discretionary	20,254,134	1,630	2,766
Pyeong Hwa Automotive Co. Ltd.	South Korea	Consumer Discretionary	62,956	756	494
Quinenco SA	Chile	Industrials	180,610	538	950
Rec Ltd.	India	Financials	4,761,265	8,704	9,073
Reinet Investments SCA	Luxembourg	Financials	189,820	4,875	5,249
S Hotels & Resorts PCL For.	Thailand	Consumer Discretionary	12,012,735	2,169	1,948
Samsung Electronics Co. Ltd.	South Korea	Information Technology	213,451	14,625	14,266
Sappi Ltd.	South Africa	Materials	1,454,881	5,827	5,060
Saudi Electricity Co.	Saudi Arabia	Utilities	373,807	3,259	3,154
Sberbank of Russia PJSC	Russia	Financials	3,090,820	15,038	52
SeAH Steel Corp.	South Korea	Materials	16,130	2,441	2,190
Seoyon Co. Ltd.	South Korea	Consumer Discretionary	254,538	2,239	2,238
Seoyon E-Hwa Co. Ltd.	South Korea	Consumer Discretionary	189,169	1,832	2,700
Shanghai International Airport Co. Ltd. Class A	China	Industrials	988,863	11,060	10,887
Shoppers Stop Ltd.	India	Consumer Discretionary	6,480	78	69
Shriram Transport Finance Co. Ltd.	India	Financials	186,819	3,719	3,882
Sok Marketer Ticaret AS	Turkey	Consumer Staples	1,571,140	2,547	3,200
Sri Trang Gloves Thailand PCL	Thailand	Health Care	6,128,827	2,602	2,473
SSY Group Ltd.	Hong Kong	Health Care	564,894	453	462
Steel Authority of India Ltd.	India	Materials	4,036,103	7,287	5,520
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	Information Technology	1,900,001	45,137	45,418
Talaat Moustafa Group	Egypt	Real Estate	523,112	282	199
Taokaenoi Food & Marketing PCL	Thailand	Consumer Staples	4,623,032	2,114	1,755
Tata Consultancy Services Ltd.	India	Information Technology	267,871	14,661	14,198
Teco Electric & Machinery Co. Ltd.	Taiwan	Industrials	2,271,000	4,260	4,302
Telecom Egypt Co.	Egypt	Communication Services	495,016	608	537
Tencent Holdings Ltd.	China	Communication Services	594,911	38,722	39,322
Thoresen Thai Agencies PCL	Thailand	Industrials	2,925,300	951	909
Tingyi (Cayman Islands) Holding Corp.	China	Consumer Staples	2,940,000	7,170	6,646
Travelsky Technology Ltd.	China	Consumer Discretionary	1,856,399	4,851	4,697
Uni-President China Holdings Ltd.	China	Consumer Staples	2,536,594	3,679	3,465
Universal Robina Corp.	Philippines	Consumer Staples	153,990	550	553
Universal Vision Biotechnology Co. Ltd.	Taiwan	Health Care	308,550	4,209	5,410
Value Added Technology Co. Ltd.	South Korea	Health Care	10,341	385	350
Varun Beverages Ltd.	India	Consumer Staples	162,466	1,968	3,714
Visionox Technology Inc.	China	Information Technology	301,800	402	443
Vyborg Shipyard JSC	Russia	Industrials	21,305	319	55
Wistron Corp.	Taiwan	Information Technology	2,756,000	3,978	5,135
Wiwynn Corp.	Taiwan	Information Technology	133,000	4,491	6,672
X5 Retail Group NV	Russia	Consumer Staples	31,111	825	48
Xinyuan Real Estate Co. Ltd.	China	Real Estate	6,159	220	34
YPF SA ADR	Argentina	Energy	17,878	91	266
YTL Power International BHD	Malaysia	Utilities	820,000	195	232
Zamp SA	Brazil	Consumer Discretionary	1,385,181	2,530	1,719
<b>Total equities</b>				<b>713,216</b>	<b>702,790</b>
Transaction costs				(919)	—
<b>Total investments</b>				<b>712,297</b>	<b>702,790</b>
Cash and cash equivalents					9,459
Other assets less liabilities					2,023
<b>Net assets attributable to securityholders</b>					<b>714,272</b>

# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## SUMMARY OF INVESTMENT PORTFOLIO

MARCH 31, 2023

PORTFOLIO ALLOCATION	% OF NAV
Equities	98.4
Cash and short-term investments	1.3
Other assets (liabilities)	0.3

REGIONAL ALLOCATION	% OF NAV
China	31.5
Taiwan	17.0
India	16.7
South Korea	12.8
Brazil	3.7
Thailand	3.1
Other	2.6
Saudi Arabia	2.3
South Africa	2.1
Mexico	1.8
Cash and short-term investments	1.3
Turkey	1.1
United Arab Emirates	1.1
Chile	1.0
Indonesia	0.9
Luxembourg	0.7
Other assets (liabilities)	0.3

SECTOR ALLOCATION	% OF NAV
Information technology	21.9
Financials	18.9
Consumer discretionary	14.6
Communication services	9.9
Industrials	8.8
Materials	8.0
Consumer staples	7.1
Health care	3.5
Energy	3.5
Cash and short-term investments	1.3
Utilities	1.2
Real estate	1.0
Other assets (liabilities)	0.3

MARCH 31, 2022

PORTFOLIO ALLOCATION	% OF NAV
Equities	97.6
Cash and short-term investments	2.2
Other assets (liabilities)	0.2

REGIONAL ALLOCATION	% OF NAV
China	29.3
Taiwan	15.8
India	15.5
South Korea	15.0
South Africa	5.1
Brazil	4.8
Saudi Arabia	2.6
Thailand	2.4
Malaysia	2.3
Cash and short-term investments	2.2
Other	1.4
Chile	0.8
Philippines	0.8
Indonesia	0.7
Mexico	0.6
Luxembourg	0.5
Other assets (liabilities)	0.2

SECTOR ALLOCATION	% OF NAV
Information technology	22.1
Financials	19.4
Consumer discretionary	13.0
Materials	11.1
Industrials	7.9
Communication services	7.9
Energy	5.9
Consumer staples	4.8
Health care	2.9
Cash and short-term investments	2.2
Real estate	1.4
Utilities	1.2
Other assets (liabilities)	0.2

# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the periods ended or as at March 31, 2023 and 2022, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Where a series of a Fund was terminated during either period, the information for the series is provided up to close of business on the termination date. Refer to Note 10 for the formation date of the Fund and the inception date of each series.

The Fund is organized as an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust as amended and restated from time to time. The address of the Fund's registered office is 180 Queen Street West, Toronto, Ontario, Canada. The Fund is authorized to issue an unlimited number of units (referred to as "security" or "securities") of multiple series. Series of the Fund are available for sale under Simplified Prospectus or exempt distribution options.

Mackenzie Financial Corporation ("Mackenzie") is the manager of the Fund and is wholly owned by IGM Financial Inc., a subsidiary of Power Corporation of Canada. Canada Life Investment Management Ltd. ("CLIML") is wholly owned by The Canada Life Assurance Company ("Canada Life"), a subsidiary of Power Corporation of Canada. Investments in companies within the Power Group of companies held by the Fund are identified in the Schedule of Investments.

### 2. Basis of Preparation and Presentation

These audited annual financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). A summary of the Fund's significant accounting policies under IFRS is presented in Note 3.

These financial statements are presented in Canadian dollars, which is the Fund's functional and presentation currency, and rounded to the nearest thousand unless otherwise indicated. These financial statements are prepared on a going concern basis using the historical cost basis, except for financial instruments that have been measured at fair value.

These financial statements were authorized for issue by the Board of Directors of Mackenzie Financial Corporation on June 5, 2023.

### 3. Significant Accounting Policies

#### (a) Financial instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives. The Fund classifies and measures financial instruments in accordance with IFRS 9, *Financial Instruments* ("IFRS 9"). Upon initial recognition, financial instruments are classified as fair value through profit or loss ("FVTPL"). All financial instruments are recognized in the Statement of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial assets are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation is discharged, cancelled or expires. Investment purchase and sale transactions are recorded as of the trade date.

Financial instruments are subsequently measured at FVTPL with changes in fair value recognized in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

The cost of investments is determined on a weighted average cost basis.

Realized and unrealized gains and losses on investments are calculated based on the weighted average cost of investments and exclude commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income – Commissions and other portfolio transaction costs.

Gains and losses arising from changes in the fair value of the investments are included in the Statement of Comprehensive Income for the period in which they arise.

The Fund accounts for its holdings in unlisted open-ended investment funds, private funds and exchange-traded funds, if any, at FVTPL. For private funds, Mackenzie will rely on the valuations provided by the managers of the private funds, which represents the Fund's proportionate share of the net assets of these private funds.

The Fund's redeemable securities entitle securityholders the right to redeem their interest in the Fund for cash equal to their proportionate share of the net asset value of the Fund, amongst other contractual rights. The Fund's redeemable securities meet the criteria for classification as financial liabilities under IAS 32, *Financial Instruments: Presentation*. The Fund's obligation for net assets attributable to securityholders is presented at the redemption amount.

IAS 7, *Statement of Cash Flows*, requires disclosures related to changes in liabilities and assets, such as the securities of the Fund, arising from financing activities. Changes in securities of the Fund, including both changes from cash flows and non-cash changes, are included in the Statement of Changes in Financial Position. Any changes in the securities not settled in cash as at the end of the period are presented as either Accounts receivable for securities issued or Accounts payable for securities redeemed in the Statement of Financial Position. These accounts receivable and accounts payable amounts typically settle shortly after period-end.

#### (b) Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (b) Fair value measurement (cont'd)

Investments listed on a public securities exchange or traded on an over-the-counter market are valued on the basis of the last traded market price or close price recorded by the security exchange on which the security is principally traded, where this price falls within the quoted bid-ask spread for the investment. In circumstances where this price is not within the bid-ask spread, Mackenzie determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Mutual fund securities of an underlying fund are valued on a business day at the price calculated by the manager of such underlying fund in accordance with the constituting documents of such underlying fund. Unlisted or non-exchange traded investments, or investments where a last sale or close price is unavailable or investments for which market quotations are, in Mackenzie's opinion, inaccurate, unreliable, or not reflective of all available material information, are valued at their fair value as determined by Mackenzie using appropriate and accepted industry valuation techniques including valuation models. The fair value determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the fair value may be determined using valuation techniques that are not supported by observable market data.

Cash and cash equivalents which includes cash on deposit with financial institutions and short-term investments that are readily convertible to cash, are subject to an insignificant risk of changes in value, and are used by the Fund in the management of short-term commitments. Cash and cash equivalents are reported at fair value which closely approximates their amortized cost due to their nature of being highly liquid and having short terms to maturity. Bank overdraft positions are presented under current liabilities as bank indebtedness in the Statement of Financial Position.

The Fund may use derivatives (such as written options, futures, forward contracts, swaps or customized derivatives) to hedge against losses caused by changes in securities prices, interest rates or exchange rates. The Fund may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, to gain exposure to other currencies, to seek to generate additional income, and/or for any other purpose considered appropriate by the Fund's portfolio manager(s), provided that the use of the derivative is consistent with the Fund's investment objectives. Any use of derivatives will comply with Canadian mutual fund laws, subject to the regulatory exemptions granted to the Fund, as applicable.

Valuations of derivative instruments are carried out daily, using normal exchange reporting sources for exchange-traded derivatives and specific broker enquiry for over-the-counter derivatives.

The value of forward contracts is the gain or loss that would be realized if, on the valuation date, the positions were to be closed out. The change in value of forward contracts is included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

The value of futures contracts or swaps fluctuates daily, and cash settlements made daily, where applicable, by the Fund are equal to the change in unrealized gains or losses that are best determined at the settlement price. These unrealized gains or losses are recorded and reported as such until the Fund closes out the contract or the contract expires. Margin paid or deposited in respect of futures contracts or swaps is reflected as a receivable in the Statement of Financial Position – Margin on derivatives. Any change in the variation margin requirement is settled daily.

Premiums paid for purchasing an option are recorded in the Statement of Financial Position – Investments at fair value.

Premiums received from writing options are included in the Statement of Financial Position as a liability and subsequently adjusted daily to fair value. If a written option expires unexercised, the premium received is recognized as a realized gain. If a written call option is exercised, the difference between the proceeds of the sale plus the value of the premium, and the cost of the security is recognized as a realized gain or loss. If a written put option is exercised, the cost of the security acquired is the exercise price of the option less the premium received.

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at March 31, 2023.

The Fund categorizes the fair value of its assets and liabilities into three categories, which are differentiated based on the observable nature of the inputs and extent of estimation required.

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly. Examples of Level 2 valuations include quoted prices for similar securities, quoted prices on inactive markets and from recognized investment dealers, and the application of factors derived from observable data to non-North American quoted prices in order to estimate the impact of differences in market closing times.

Financial instruments classified as Level 2 investments are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices. Short-term investments classified as Level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.

The estimated fair values for these securities may be different from the values that would have been used had a ready market for the investment existed; and

Level 3 – Inputs that are not based on observable market data.

The inputs are considered observable if they are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumption that market participants would use when pricing the asset or liability.

See Note 10 for the fair value classifications of the Fund.

#### (c) Income recognition

Interest income for distribution purposes represents the coupon interest received by the Fund which is accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds, which are amortized on a straight-line basis. Dividends are accrued as of the ex-dividend date. Unrealized gains or losses on investments, realized gains or losses on the sale of investments, including foreign exchange gains or losses on such investments, are calculated on an average cost basis. Distributions received from an underlying fund are included in interest income, dividend income, realized gains (losses) on sale of investments or fee rebate income, as appropriate, on the ex-dividend or distribution date.

# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (c) Income recognition (cont'd)

Income, realized gains (losses) and unrealized gains (losses) are allocated daily among the series on a pro-rata basis.

#### (d) Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are costs incurred to acquire, issue or dispose of financial assets or liabilities. They include fees and commissions paid to agents, exchanges, brokers, dealers and other intermediaries. The total brokerage commissions incurred by the Fund in connection with portfolio transactions for the periods, together with other transaction charges, is disclosed in the Statements of Comprehensive Income. Brokerage business is allocated to brokers based on the best net result for the Fund. Subject to this criteria, commissions may be paid to brokerage firms which provide (or pay for) certain services, other than order execution, which may include investment research, analysis and reports, and databases or software in support of these services. Where applicable and ascertainable, the value of these services generated during the periods is disclosed in Note 10. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

#### (e) Securities lending, repurchase and reverse repurchase transactions

The Fund is permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the Fund's Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date.

Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions included in the Statement of Comprehensive Income and recognized when earned. Securities lending transactions are administered by The Bank of New York Mellon (the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased.

Note 10 summarizes the details of securities loaned and collateral received as at the end of period, as well as a reconciliation of securities lending income during the period, if applicable. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions.

#### (f) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. Note 10 summarizes the details of such offsetting, if applicable, subject to master netting arrangements or other similar agreements and the net impact to the Statements of Financial Position if all such rights were exercised.

Income and expenses are not offset in the Statement of Comprehensive Income unless required or permitted to by an accounting standard, as specifically disclosed in the IFRS policies of the Fund.

#### (g) Currency

The functional and presentation currency of the Fund is Canadian dollars. Foreign currency purchases and sales of investments and foreign currency dividend and interest income and expenses are translated to Canadian dollars at the rate of exchange prevailing at the time of the transactions.

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net realized gain (loss).

The fair value of investments and other assets and liabilities, denominated in foreign currencies, are translated to Canadian dollars at the rate of exchange prevailing on each business day.

#### (h) Net assets attributable to securityholders per security

Net assets attributable to securityholders per security is computed by dividing the net assets attributable to securityholders of a series of securities on a business day by the total number of securities of the series outstanding on that day.

#### (i) Net asset value per security

The daily Net Asset Value ("NAV") of an investment fund may be calculated without reference to IFRS as per the Canadian Securities Administrators' ("CSA") regulations. The difference between NAV and Net assets attributable to securityholders (as reported in the financial statements), if any, is mainly due to differences in fair value of investments and other financial assets and liabilities and is disclosed in Note 10.

#### (j) Increase (decrease) in net assets attributable to securityholders from operations per security

Increase (decrease) in net assets attributable to securityholders from operations per security in the Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to securityholders from operations for the period, divided by the weighted average number of securities outstanding during the period.

#### (k) Mergers

In a fund merger, the Fund acquires all of the assets and assumes all of the liabilities of the terminating fund at fair value in exchange for securities of the Fund on the effective date of the merger.

#### (l) Future accounting changes

The Fund has determined there are no material implications to the Fund's financial statements arising from IFRS issued but not yet effective.

# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## NOTES TO FINANCIAL STATEMENTS

### 4. Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make estimates and assumptions that primarily affect the valuation of investments. Estimates and assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

The following discusses the most significant accounting judgments and estimates made in preparing the financial statements:

#### Use of Estimates

##### *Fair value of securities not quoted in an active market*

The Fund may hold financial instruments that are not quoted in active markets and are valued using valuation techniques that make use of observable data, to the extent practicable. Various valuation techniques are utilized, depending on a number of factors, including comparison with similar instruments for which observable market prices exist and recent arm's length market transactions. Key inputs and assumptions used are company specific and may include estimated discount rates and expected price volatilities. Changes in key inputs, could affect the reported fair value of these financial instruments held by the Fund.

#### Use of Judgments

##### *Classification and measurement of investments*

In classifying and measuring financial instruments held by the Fund, Mackenzie is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. Mackenzie has assessed the Fund's business model, the manner in which all financial instruments are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Fund's financial instruments.

##### *Functional currency*

The Fund's functional and presentation currency is the Canadian dollar, which is the currency considered to best represent the economic effects of the Fund's underlying transactions, events and conditions taking into consideration the manner in which securities are issued and redeemed and how returns and performance by the Fund are measured.

##### *Interest in unconsolidated structured entities*

In determining whether an unlisted open-ended investment fund or an exchange-traded fund in which the Fund invests ("Underlying Funds"), but that it does not consolidate, meets the definition of a structured entity, Mackenzie is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity. These Underlying Funds do meet the definition of a structured entity because:

- I. The voting rights in the Underlying Funds are not dominant factors in deciding who controls them;
- II. the activities of the Underlying Funds are restricted by their offering documents; and
- III. the Underlying Funds have narrow and well-defined investment objective to provide investment opportunities for investors while passing on the associated risks and rewards.

As a result, such investments are accounted for at FVTPL. Note 10 summarizes the details of the Funds' interest in these Underlying Funds, if applicable.

### 5. Income Taxes

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. The Fund maintains a December year-end for tax purposes. The Fund may be subject to withholding taxes on foreign income. In general, the Fund treats withholding tax as a charge against income for tax purposes. The Fund will distribute sufficient amounts from net income for tax purposes, as required, so that the Fund will not pay income taxes other than refundable tax on capital gains, if applicable.

Losses of the Fund cannot be allocated to investors and are retained in the Fund for use in future years. Non-capital losses may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 10 for the Fund's loss carryforwards.

### 6. Management Fees and Operating Expenses

Mackenzie is paid a management fee for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements relating to the purchase and sale of the investment portfolio and making arrangements with registered dealers for the purchase and sale of securities of the Fund by investors. The management fee is calculated on each series of securities of the Fund as a fixed annual percentage of the daily net asset value of the series.

Each series of the Fund, except B-Series, is charged a fixed rate annual administration fee ("Administration Fee") and in return, Mackenzie bears all of the operating expenses of the Fund, other than certain specified fund costs. The Administration Fee is calculated on each series of securities of the Fund as a fixed annual percentage of the daily net asset value of the series.

Other fund costs include taxes (including, but not limited to GST/HST and income tax), interest and borrowing costs, all fees and expenses of the Mackenzie Funds' Independent Review Committee (IRC), costs of complying with the regulatory requirement to produce Fund Facts, fees paid to external service providers associated with tax reclaims, refunds or the preparation of foreign tax reports on behalf of the Funds, new fees related to external services that were not commonly charged in the Canadian mutual fund industry and introduced after the date of the most recently filed simplified prospectus, and the costs of complying with any new regulatory requirements, including, without limitation, any new fees introduced after the date of the most recently filed simplified prospectus.

All expenses relating to the operation of the Fund attributable to B-Series securities will be charged to that particular series. Operating expenses include legal, audit, transfer agent, custodian, administration and trustee services, cost of financial reporting and Simplified Prospectus printing, regulatory filing fees and other miscellaneous expenses specifically attributable to the B-Series securities and any applicable taxes.

# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## NOTES TO FINANCIAL STATEMENTS

### 6. Management Fees and Operating Expenses (cont'd)

Mackenzie may waive or absorb management fees and/or Administration Fees at its discretion and stop waiving or absorbing such fees at any time without notice. Refer to Note 10 for the management fee and Administration Fee rates charged to each series of securities.

### 7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at March 31, 2023 and 2022 and securities issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the Fund in accordance with the investment objectives as discussed in Note 10.

### 8. Financial Instruments Risk

#### i. Risk exposure and management

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7, *Financial Instruments: Disclosures* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at March 31, 2023, grouped by asset type, with geographic and sector information.

Mackenzie seeks to minimize potential adverse effects of financial risks on the Fund's performance by employing professional, experienced portfolio advisors, by monitoring the Fund's positions and market events daily, by diversifying the investment portfolio within the constraints of the Fund's investment objectives, and where applicable, by using derivatives to hedge certain risk exposures. To assist in managing risks, Mackenzie also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines, and securities regulations.

#### ii. Liquidity risk

Liquidity risk arises when the Fund encounters difficulty in meeting its financial obligations as they become due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. In order to monitor the liquidity of its assets, the Fund utilizes a liquidity risk management program that calculates the number of days to convert the investments held by the Fund into cash using a multi-day liquidation approach. This liquidity risk analysis assesses the Fund's liquidity against predetermined minimum liquidity percentages established for different time periods and is monitored quarterly. In addition, the Fund has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

In order to comply with securities regulations, the Fund must maintain at least 85% of its assets in liquid investments (i.e., investments that can be readily sold).

#### iii. Currency risk

Currency risk is the risk that financial instruments which are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's functional currency, will fluctuate due to changes in exchange rates. Generally, foreign denominated investments increase in value when the value of the Canadian dollar (relative to foreign currencies) falls. Conversely, when the value of the Canadian dollar rises relative to foreign currencies, the values of foreign denominated investments fall.

Note 10 indicates the foreign currencies, if applicable, to which the Fund had significant exposure, including both monetary and non-monetary financial instruments, and illustrates the potential impact, in Canadian dollar terms, to the Fund's net assets had the Canadian dollar strengthened or weakened by 5% relative to all foreign currencies, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

The Fund's sensitivity to currency risk illustrated in Note 10 includes potential indirect impacts from underlying funds and Exchange Traded Funds ("ETFs") in which the Fund invests, and/or derivative contracts including forward currency contracts. Other financial assets and liabilities (including dividends and interest receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

#### iv. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Generally, these securities increase in value when interest rates fall and decrease in value when interest rates rise.

If significant, Note 10 summarizes the Fund's interest-bearing financial instruments by remaining term to maturity and illustrates the potential impact to the Fund's net assets had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, all other variables held constant. The Fund's sensitivity to interest rate changes was estimated using weighted average duration. In practice, the actual trading results may differ and the difference could be material.

The Fund's sensitivity to interest rate risk illustrated in Note 10 includes potential indirect impacts from underlying funds and ETFs in which the Fund invests, and/or derivative contracts. Cash and cash equivalents and other money market instruments are short term in nature and are not generally subject to significant amounts of interest rate risk.

#### v. Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies. Except for certain derivative contracts, the maximum risk resulting from financial instruments is equivalent to their fair value. The maximum risk of loss on certain derivative contracts such as forwards, swaps, and futures contracts is equal to their notional values. In the case of written call (put) options and short futures contracts, the loss to the Fund continues to increase, theoretically without limit, as the fair value of the underlying interest increases (decreases). However, these instruments are generally used within the overall investment management process to manage the risk from the underlying investments and do not typically increase the overall risk of loss to the Fund. This risk is mitigated by ensuring that the Fund holds a combination of the underlying interest, cash cover and/or margin that is equal to or greater than the value of the derivative contract.

# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## NOTES TO FINANCIAL STATEMENTS

### 8. Financial Instruments Risk (cont'd)

#### v. Other price risk (cont'd)

Other price risk typically arises from exposure to equity and commodity securities. If significant, Note 10 illustrates the potential increase or decrease in the Fund's net assets, had the prices on the respective exchanges for these securities increased or decreased by 10%, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

The Fund's sensitivity to other price risk illustrated in Note 10 includes potential indirect impacts from underlying funds and ETFs in which the Fund invests, and/or derivative contracts.

#### vi. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Note 10 summarizes the Fund's exposure, if applicable and significant, to credit risk.

If presented, credit ratings and rating categories are based on ratings issued by a designated rating organization. Indirect exposure to credit risk may arise from fixed-income securities, such as bonds, held by underlying funds and ETFs, if any. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

To minimize the possibility of settlement default, securities are exchanged for payment simultaneously, where market practices permit, through the facilities of a central depository and/or clearing agency where customary.

The carrying amount of investments and other assets represents the maximum credit risk exposure as at the date of the Statement of Financial Position. The Fund may enter into securities lending transactions with counterparties and it may also be exposed to credit risk from the counterparties to the derivative instruments it may use. Credit risk associated with these transactions is considered minimal as all counterparties have a rating equivalent to a designated rating organization's credit rating of not less than A-1 (low) on their short-term debt and of A on their long-term debt, as applicable.

#### vii. Underlying funds

The Fund may invest in underlying funds and may be indirectly exposed to currency risk, interest rate risk, other price risk and credit risk from fluctuations in the value of financial instruments held by the underlying funds. Note 10 summarizes the Fund's exposure, if applicable and significant, to these risks from underlying funds.

### 9. Other Information

#### Abbreviations

Foreign currencies, if any, are presented in these financial statements using the following abbreviated currency codes:

Currency Code	Description	Currency Code	Description	Currency Code	Description
AUD	Australian dollars	HUF	Hungarian forint	PLN	Polish zloty
AED	United Arab Emirates Dirham	IDR	Indonesian rupiah	QAR	Qatar Rial
BRL	Brazilian real	ILS	Israeli shekel	RON	Romanian leu
CAD	Canadian dollars	INR	Indian rupee	RUB	Russian ruble
CHF	Swiss franc	JPY	Japanese yen	SAR	Saudi riyal
CKZ	Czech koruna	KOR	South Korean won	SEK	Swedish krona
CLP	Chilean peso	MXN	Mexican peso	SGD	Singapore dollars
CNY	Chinese yuan	MYR	Malaysian ringgit	THB	Thailand baht
COP	Colombian peso	NGN	Nigerian naira	TRL	Turkish lira
DKK	Danish krone	NOK	Norwegian krona	USD	United States dollars
EGP	Egyptian pound	NTD	New Taiwan dollar	VND	Vietnamese dong
EUR	Euro	NZD	New Zealand dollars	ZAR	South African rand
GBP	United Kingdom pounds	PEN	Peruvian nuevo sol	ZMW	Zambian kwacha
GHS	Ghana Cedi	PHP	Philippine peso		
HKD	Hong Kong dollars	PKR	Pakistani rupee		



# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## NOTES TO FINANCIAL STATEMENTS

### 10. Fund Specific Information (in '000, except for (a))

#### (a) Fund Formation and Series Information

Date of Formation: March 9, 2018

The Fund may issue an unlimited number of securities of each series. The number of issued and outstanding securities of each series is disclosed in the Statements of Changes in Financial Position.

**Series Offered by Mackenzie Financial Corporation** (180 Queen Street West, Toronto, Ontario, M5V 3K1; 1-800-387-0614; [www.mackenzieinvestments.com](http://www.mackenzieinvestments.com))

Series A are offered to retail investors investing a minimum of \$500.

Series AR securities are offered to retail investors in a Registered Disability Savings Plan offered by Mackenzie.

Series CL securities are offered exclusively to mutual funds and segregated funds managed by The Canada Life Assurance Company and its subsidiaries.

Series D securities are offered to retail investors investing a minimum of \$500 through a discount brokerage or other account approved by Mackenzie.

Series F securities are offered to retail investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$500; they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie.

Series FB securities are offered to retail investors investing a minimum of \$500. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor.

Series O securities are offered only to investors investing a minimum of \$500,000 who are enrolled in Mackenzie Portfolio Architecture Service or Open Architecture Service; certain institutional investors; investors in a qualified group plan, and certain qualifying employees of Mackenzie and its subsidiaries.

Series PW securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000.

Series PWFB securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor.

Series PWR securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000 in a Registered Disability Savings Plan offered by Mackenzie.

Series PWX securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor.

Series R securities are offered only to other funds managed by Mackenzie on a non-prospectus basis in connection with fund-of-fund arrangements.

Series S securities are offered to The Canada Life Assurance Company and certain other mutual funds, but may be sold to other investors as determined by Mackenzie.

Effective June 1, 2022, an investor may purchase the Fund only under a sales charge purchase option. The sales charge under the sales charge purchase option is negotiated by the investor with their dealer. Securities purchased before June 1, 2022, under the redemption charge purchase option, low-load 3 purchase option and low-load 2 purchase option (collectively the "deferred sales charge purchase options") may continue to be held in investor accounts. Investors may switch from securities of a Mackenzie fund previously purchased under these deferred sales charge purchase options to securities of other Mackenzie funds, under the same purchase option, until such time as the redemption schedule has expired. For further details, please refer to the Fund's Simplified Prospectus and Fund Facts.

Series	Inception/ Reinstatement Date	Management Fee	Administration Fee
Series A	June 5, 2018	2.00%	0.28%
Series AR	June 5, 2018	2.00%	0.31%
Series CL	January 28, 2022	n/a	n/a
Series D	June 5, 2018	1.00% <sup>(3)</sup>	0.20%
Series F	June 5, 2018	0.80%	0.15%
Series FB	June 5, 2018	1.00%	0.28%
Series O	June 5, 2018	— <sup>(1)</sup>	n/a
Series PW	June 5, 2018	1.80%	0.15%
Series PWFB	June 5, 2018	0.80%	0.15%
Series PWR	April 1, 2019	1.80%	0.15%
Series PWX	June 5, 2018	— <sup>(2)</sup>	— <sup>(2)</sup>
Series R	June 5, 2018	n/a	n/a
Series S	June 5, 2018	— <sup>(1)</sup>	0.03%

(1) This fee is negotiable and payable directly to Mackenzie by investors in this series.

(2) This fee is payable directly to Mackenzie by investors in this series through redemptions of their securities.

(3) Prior to April 4, 2022, the management fee for Series D was charged to the Fund at a rate of 1.25%.

# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## NOTES TO FINANCIAL STATEMENTS

### 10. Fund Specific Information (in '000, except for (a)) (cont'd)

#### (b) Tax Loss Carryforwards

Total Capital Loss \$	Total Non-Capital Loss \$	Expiration Date of Non-Capital Losses													
		2029 \$	2030 \$	2031 \$	2032 \$	2033 \$	2034 \$	2035 \$	2036 \$	2037 \$	2038 \$	2039 \$	2040 \$	2041 \$	2042 \$
104,646	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

#### (c) Securities Lending

	March 31, 2023		March 31, 2022	
	(\$)	(%)	(\$)	(%)
Value of securities loaned	1,491		2,039	
Value of collateral received	1,604		2,169	

  

	March 31, 2023		March 31, 2022	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	49	100.0	50	100.0
Tax withheld	(1)	(2.0)	(11)	(22.0)
	48	98.0	39	78.0
Payments to Securities Lending Agent	(9)	(18.4)	(7)	(14.0)
Securities lending income	39	79.6	32	64.0

#### (d) Commissions

	(\$)
March 31, 2023	474
March 31, 2022	427

#### (e) Risks Associated with Financial Instruments

##### *i. Risk exposure and management*

The Fund seeks long-term capital growth by investing primarily in equities of companies in emerging markets. The Fund will focus its investments in those countries where the portfolio manager identifies strongly developing economies and in which the markets are becoming more sophisticated.

# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## NOTES TO FINANCIAL STATEMENTS

### 10. Fund Specific Information (in '000, except for (a)) (cont'd)

#### (e) Risks Associated with Financial Instruments (cont'd)

##### ii. Currency risk

The tables below summarize the Fund's exposure to currency risk.

Currency	March 31, 2023				Impact on net assets			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)	Strengthened by 5%		Weakened by 5%	
					(\$)	%	(\$)	%
HKD	168,911	(733)	–	168,178				
NTD	121,388	2,372	–	123,760				
INR	114,140	34	–	114,174				
KOR	91,549	1,111	–	92,660				
CNY	44,221	2,347	–	46,568				
BRL	26,192	36	–	26,228				
THB	21,828	(221)	–	21,607				
ZAR	20,115	(137)	–	19,978				
USD	18,026	(942)	–	17,084				
SAR	16,673	842	–	17,515				
MXN	12,834	(2,211)	–	10,623				
TRL	7,855	–	–	7,855				
AED	7,593	(286)	–	7,307				
CLP	7,125	–	–	7,125				
IDR	6,455	–	–	6,455				
PHP	4,718	(228)	–	4,490				
HUF	3,516	–	–	3,516				
EGP	3,352	–	–	3,352				
MYR	2,749	(86)	–	2,663				
VND	–	1,642	–	1,642				
PLN	1,818	(196)	–	1,622				
PKR	1,059	–	–	1,059				
NGN	–	970	–	970				
RUB	444	–	–	444				
KWD	229	–	–	229				
Total	702,790	4,314	–	707,104				
% of Net Assets	98.4	0.6	–	99.0				
Total currency rate sensitivity					(35,355)	(4.9)	35,355	4.9

# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## NOTES TO FINANCIAL STATEMENTS

### 10. Fund Specific Information (in '000, except for (a)) (cont'd)

#### (e) Risks Associated with Financial Instruments (cont'd)

##### ii. Currency risk (cont'd)

Currency	March 31, 2022				Impact on net assets			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)	Strengthened by 5%		Weakened by 5%	
					(\$)	%	(\$)	%
HKD	137,124	432	–	137,556				
NTD	113,655	112	–	113,767				
KOR	107,673	690	–	108,363				
INR	92,416	3,678	–	96,094				
CNY	47,647	–	–	47,647				
USD	45,528	90	–	45,618				
ZAR	40,501	3,394	–	43,895				
BRL	34,616	(3,707)	–	30,909				
SAR	18,542	708	–	19,250				
THB	17,509	–	–	17,509				
MYR	16,557	479	–	17,036				
CLP	5,957	–	–	5,957				
PHP	5,730	–	–	5,730				
MXN	4,535	862	–	5,397				
IDR	5,333	–	–	5,333				
TRL	3,545	–	–	3,545				
PKR	2,507	–	–	2,507				
VND	634	858	–	1,492				
NGN	317	625	–	942				
EGP	884	14	–	898				
RUB	393	–	–	393				
Total	701,603	8,235	–	709,838				
% of Net Assets	97.6	1.1	–	98.7				
Total currency rate sensitivity					(35,492)	(4.9)	35,492	4.9

\* Includes both monetary and non-monetary financial instruments

##### iii. Interest rate risk

As at March 31, 2023 and 2022, the Fund did not have a significant exposure to interest rate risk.

##### iv. Other price risk

The table below summarizes the Fund's exposure to other price risk.

Impact on net assets	Increased by 10%		Decreased by 10%	
	(\$)	(%)	(\$)	(%)
March 31, 2023	70,279	9.8	(70,279)	(9.8)
March 31, 2022	70,160	9.8	(70,160)	(9.8)

##### v. Credit risk

As at March 31, 2023 and 2022, the Fund did not have a significant exposure to credit risk.

# MACKENZIE EMERGING MARKETS FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## NOTES TO FINANCIAL STATEMENTS

### 10. Fund Specific Information (in '000, except for (a)) (cont'd)

#### (f) Fair Value Classification

The table below summarizes the fair value of the Fund's financial instruments using the fair value hierarchy described in note 3.

	March 31, 2023				March 31, 2022			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	67,457	634,817	516	702,790	97,212	603,252	1,139	701,603
Short-term investments	–	1,189	–	1,189	–	9,450	–	9,450
Total	67,457	636,006	516	703,979	97,212	612,702	1,139	711,053

The Fund's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

During the period ended March 31, 2023, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at March 31, 2023, these securities were classified as Level 2 (2022 – Level 2).

During the period ended March 31, 2023, equities with a fair value of \$6,611 (2022 – \$15,994) were transferred from Level 1 to Level 2 and a fair value of \$Nil (2022 – \$348) were transferred from Level 2 to Level 1 as a result of changes in the inputs used for valuation.

The table below presents a reconciliation of financial instruments measured at fair value using unobservable inputs (Level 3) for the periods ended March 31, 2023 and 2022:

	March 31, 2023	March 31, 2022
	Equities (\$)	Equities (\$)
Balance – beginning of period	1,139	–
Purchases	8,712	14,474
Sales	(16,344)	(12,736)
Transfers in	–	283
Transfers out	–	–
Gains (losses) during the period:		
Realized	6,890	2,494
Unrealized	119	(3,376)
Balance – end of period	516	1,139
Change in unrealized gains (losses) during the period attributable to securities held at end of period	57	(23,729)

Changing one or more of the inputs to reasonably possible alternative assumptions for valuing Level 3 financial instruments would not significantly affect the fair value of those instruments.

#### (g) Investments by the Manager and Affiliates

The investments held by the Manager, other funds managed by the Manager, and funds managed by affiliates of the Manager, investing in series CL, IG or S of the Fund, as applicable (as described in *Fund Formation and Series Information* in note 10), were as follows:

	March 31, 2023	March 31, 2022
	(\$)	(\$)
The Manager	280	348
Other funds managed by the Manager	71,261	94,730
Funds managed by affiliates of the Manager	541,108	569,495

#### (h) Offsetting of Financial Assets and Liabilities

As at March 31, 2023 and 2022, there were no amounts subject to offsetting.

#### (i) Interest in Unconsolidated Structured Entities

As at March 31, 2023 and 2022, the Fund had no investments in Underlying Funds.