LBC FINANCIAL SERVICES

MACKENZIE Investments | CONFIDENCE IN A CHANGING WORLD

Less Is More

Minimize and defer to be a tax-efficient investor.

Mackenzie Corporate Class Funds

Single-gear bicycles: Carrying riders for over 100 years

Vegetables, proteins, carbohydrates, nutrients

Tax efficiency is an important consideration for building wealth outside of registered plans such as RRSPs, RESPs and TFSAs. By minimizing and deferring tax on their unregistered investments, investors can build wealth faster.

Average top marginal tax rates across Canada

Interest/ Foreign Dividends	50%
Capital Gains	25%
Eligible Dividends	34%
Non-Eligible Dividends	42%
Return of Capital	0%

The average Canadian family now **spends more of its income on taxes (42.4%) than it does on basic necessities** such as food, shelter, and clothing combined (37.6%).

Source: Taxes versus the Necessities of Life: The Canadian Consumer Tax Index, 2016 edition, Fraser Institute.

Different types of investment income are taxed differently

Interest income

Interest you earn from bonds or GICs is considered ordinary income and is taxable at your marginal rate as it accrues.

Dividends

There are two types of dividends – eligible dividends and non-eligible dividends – and the tax liability is calculated differently for each type.

Capital gains

The increase in the value of your investments is considered a capital gain, and it is taxable when the investment is sold. 50% of the capital gain is included in your income and taxable at your marginal rate.

Return of capital

A payment from a portion of an investor's original investment. A return-of-capital payment is not considered a taxable event as it is not a capital gain or income.

Mackenzie Corporate Class Funds are structured so that distributions are paid to investors as dividends or capital gains, which are two of the more tax-advantaged forms of income. In addition, many of our Corporate Class Funds offer a monthly distribution in the form of a return of capital that is completely tax-deferred.

Mackenzie Corporate Class Funds are designed to minimize and defer tax by providing investors with two key benefits.

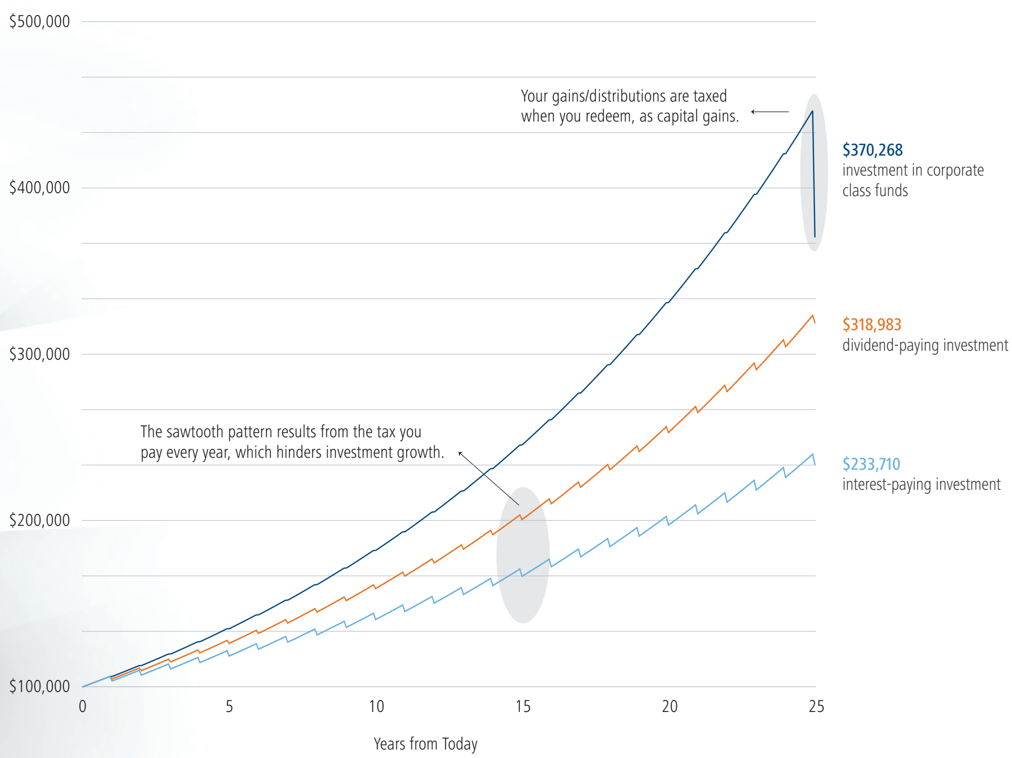
Benefit #1: Tax-efficient growth

If you invest in GICs, bonds, or dividend-paying stocks, you'll pay tax every year for as long as you hold the investment. But if you invest in Mackenzie Corporate Class Funds, you may not pay tax until you redeem your investment.

The French press:
Coffee for purists
since 1929

The less tax you have to pay along the way, the faster your investment will grow.

Growth of $100,000 invested for 25 years in three different investments, each providing a 6% annual rate of return, compounded monthly



Source: Mackenzie Investments

(FOR ILLUSTRATIVE PURPOSES ONLY)

ASSUMPTIONS: The investment in corporate class funds generates gains that are tax-deferred until the end of the 25-year period, then taxed as capital gains at an effective rate of 22%. The dividend-paying investment is taxed annually at 23%. The interest-paying investment is taxed annually at 44%.

Taxes have grown much more rapidly [**by 1,939% since 1961**] than any other single expenditure for the average Canadian family: expenditures on **shelter increased by 1,425%, clothing by 746%, and food by 645% from 1961 to 2015**.

Source: Taxes versus the Necessities of Life: The Canadian Consumer Tax Index, 2016 edition, Fraser Institute.

Benefit #2: Tax-efficient income

Do you draw an income from your investments? If that income comes from interest or dividends – or even from capital gains on investments that you sell – then some of it may be taxed away. In comparison, many Mackenzie Corporate Class Funds provide monthly income, through Series T shares, which is completely tax-deferred. This means you can take smaller before-tax payments from these investments and receive the same after-tax income.

	Interest-paying investment	Dividend-paying investment	Investment in corporate class funds (Series T6)
AMOUNT THAT YOU INVEST	$500,000	$500,000	$500,000
MONTHLY AFTER-TAX INCOME THAT YOU WANT	$2,500	$2,500	$2,500
MONTHLY PRE-TAX CASH INCOME THAT YOUR INVESTMENT MUST PRODUCE	$4,665	$3,548	$2,500
REQUIRED RATE OF RETURN	11.20%	8.52%	6.00%

(FOR ILLUSTRATIVE PURPOSES ONLY.)

Source: Mackenzie Investments

ASSUMPTIONS: Interest income is taxed at a rate of 46.41%. Dividend income is taxed at a rate of 29.54%. Income paid on the Series T6 securities consists entirely of return of capital, which is not taxed, but which reduces the adjusted cost base of these securities. Generally, this means that when you redeem these securities, you will immediately realize a larger capital gain (or a smaller capital loss) than if you had not received the return of capital. The required rate of return is expressed as a per annum rate that is compounded monthly.

By investing in Series T shares of Mackenzie Corporate Class Funds, you can:

- Receive a more tax-efficient cash flow than from GICs or from systematic withdrawal plans
- Receive a predictable monthly income
- Choose a flexible annualized distribution between 1% and 6%, paid monthly

Series T Shares: income now, taxes later

Series T shares of Mackenzie Investments Corporate Class Funds are designed to provide monthly income at a specific rate. For example, Series T6 shares provide annual income, paid in 12 equal installments, equal to 6% of the net asset value per share on the last day of the previous calendar year.

Generally, these distributions will be returns of capital. A return of capital is not taxable; however, it reduces the adjusted cost base ("ACB") of your fund securities. This means that when you redeem your fund securities, you will realize a larger capital gain (or a smaller capital loss) than if you had not received the return of capital.

The distribution rates on Series T shares may be adjusted from time to time at Mackenzie Investments' discretion. You should not confuse the distribution rate with the fund's rate of return or the yield of its portfolio.

Series T shares: how they work

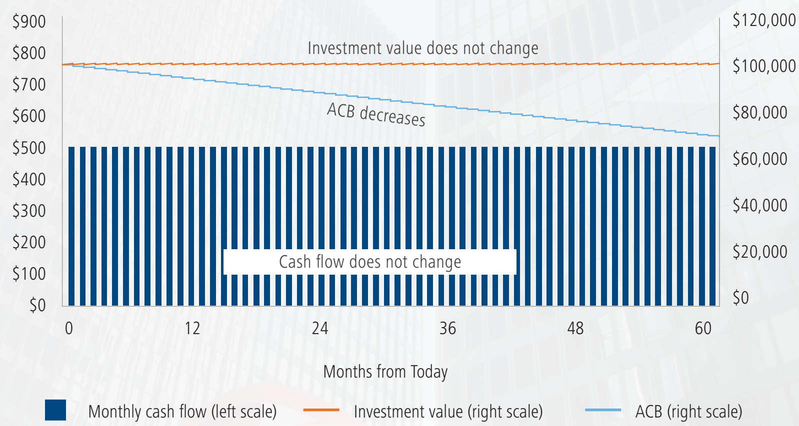
Suppose that you invest $100,000 for five years in Series T6 shares of a Mackenzie Corporate Class Fund. These shares are designed to provide you with monthly income, comprised entirely of return of capital, at a 6% rate that is reset annually based on their year-end net asset value. Three types of outcomes may result:

Outcome 1: Assuming the fund's return is 6% (**equal** to the distribution rate)

1. The value of your investment would remain $100,000.

2. The amount of your income would remain $500 per month (equivalent to $6,000 per year, or 6% of your $100,000 investment), since the net asset value of your shares would not change. You would not pay tax on this income, because it consists of return of capital.

3. The ACB of your investment would decrease by $500 per month, because this is the amount of your monthly return of capital. After five years, the ACB would have decreased to $70,000. If you redeem your Series T6 shares at this time, you would realize a capital gain of $30,000 (their investment value of $100,000 less their ACB of $70,000).



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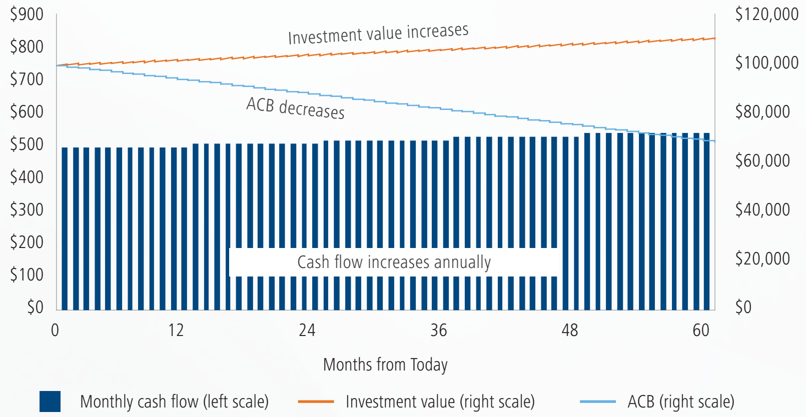
Modernist architecture: Minimal, ordered, open

Outcome 2: Assuming the fund's return is 8% (**greater** than the distribution rate)

1. The value of your investment would increase to $110,815 after five years.
2. The amount of your income would increase by about 2% annually, since the net asset value of your shares increases by about this amount annually. You will not pay tax on this income, because it consists of return of capital.
3. The ACB of your investment would decrease by the amount of your monthly return of capital. After five years, the ACB would have decreased to $68,730. If you redeem your Series T6 shares at this time, you would realize a capital gain of $42,085 (their investment value of $110,815 less their ACB of $68,730).



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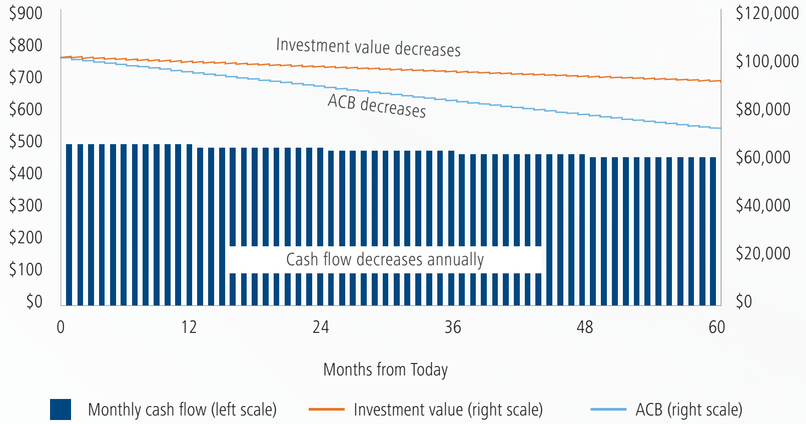
Outcome 3: Assuming the fund's return is 4% (**less** than the distribution rate)

1. The value of your investment would decrease to $90,220 after five years.
2. The amount of your income would decrease by about 2% annually, since the net asset value of your shares decreases by about this amount annually. You will not pay tax on this income, because it consists of return of capital.
3. The ACB of your investment would decrease by the amount of your monthly return of capital. After five years, the ACB will have decreased to $71,200. If you redeem your Series T6 shares at this time, you will realize a capital gain of $19,020 (their investment value of $90,220 less their ACB of $71,200).



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Mackenzie's Corporate Class Funds

ASSET CLASS	CORPORATE CLASS FUND	SERIES	CODE
MONEY MARKET	Mackenzie Canadian Money Market Class	LB	4412
CANADIAN EQUITY	Mackenzie Canadian All Cap Dividend Class	LB	4407
	Mackenzie Canadian All Cap Dividend Class	LX	4408
	Mackenzie Canadian All Cap Value Class	LB	4410
	Mackenzie Canadian Small Cap Value Class	LB	4409
U.S EQUITY	Mackenzie US Mid Cap Growth Class	LB	4421
GLOBAL EQUITY	Mackenzie Global Growth Class	LB	4423
MANAGED ASSETS	Symmetry Balanced Portfolio Class	LB	4426
	Symmetry Balanced Portfolio Class*	LM*	4427*
	Symmetry Balanced Portfolio Class	LX	4428
	Symmetry Conservative Income Portfolio Class	LB	4446
	Symmetry Conservative Income Portfolio Class*	LM*	4447*
	Symmetry Conservative Income Portfolio Class	LX	4448
	Symmetry Conservative Portfolio Class	LB	4429
	Symmetry Conservative Portfolio Class*	LM*	4430*
	Symmetry Conservative Portfolio Class	LX	4431
	Symmetry Equity Portfolio Class	LB	4424
	Symmetry Equity Portfolio Class*	LM*	4452*
	Symmetry Equity Portfolio Class	LX	4463
	Symmetry Growth Portfolio Class	LB	4432
	Symmetry Growth Portfolio Class	LX	4468
	Symmetry Moderate Growth Portfolio Class	LB	4434
	Symmetry Moderate Growth Portfolio Class	LX	4467

*Closed to new investments.
Additional fund series available at mackenzieinvestments.com/fundcodes

For all your investment needs

Talk to your financial advisor to learn how Mackenzie Investments Corporate Class Funds can help you to be a more tax-efficient investor.

ETFs – Mutual Funds – Managed Assets – Private Wealth Pools – Corporate Class Funds

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