

# STRATEGIC CHARITABLE GIVING FOUNDATION

## ***Annual Audited Financial Statements***

For the Year Ended December 31, 2021



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Strategic Charitable Giving Foundation

### ***Opinion***

We have audited the financial statements of Strategic Charitable Giving Foundation (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- 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 Entity as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### ***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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity 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.



### ***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 Canadian accounting standards for not-for-profit organizations, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditors' 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 auditors' 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.



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- 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 Entity's 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 15, 2022

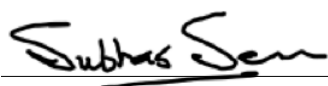
# STRATEGIC CHARITABLE GIVING FOUNDATION

## STATEMENT OF FINANCIAL POSITION

December 31, 2021, with comparative information for 2020

	2021	2020
	\$	\$
<b>Assets</b>		
Current assets		
Cash	4,032,150	3,577,576
Due from brokers	5,643,155	11,004,504
	<u>9,675,305</u>	<u>14,582,080</u>
Investments (Note 3)	404,367,136	323,088,350
Investment in life insurance	6,700,256	4,609,637
	<u>420,742,697</u>	<u>342,280,067</u>
<b>Total assets</b>		
	<u>420,742,697</u>	<u>342,280,067</u>
<b>Liabilities, Deferred Contributions and Fund Balances</b>		
Current liabilities		
Accounts payable and accrued liabilities	474,530	–
Administration fees payable (Note 4a and 5)	780,587	608,905
Grants payable	2,067,992	380,996
Total liabilities	<u>3,323,109</u>	<u>989,901</u>
Deferred contributions	<u>6,700,256</u>	<u>4,609,637</u>
Fund balances		
Endowment funds	432,181,805	369,242,751
Unrestricted fund	(21,462,473)	(32,562,222)
Total fund balances	<u>410,719,332</u>	<u>336,680,529</u>
<b>Total liabilities, deferred contributions and fund balances</b>	<u>420,742,697</u>	<u>342,280,067</u>

On behalf of the Board:



Subhas Sen – Chairman of the Board



Herman Facchinelli – Treasurer

See accompanying notes to the financial statements.

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# STRATEGIC CHARITABLE GIVING FOUNDATION

## STATEMENT OF OPERATIONS

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
	\$	\$
<b>Revenue</b>		
Dividend and interest income from eligible mutual funds	18,463,488	8,150,185
Realized gain	4,845,820	278,985
Other investment income	20,023	16,881
Total revenue	<u>23,329,331</u>	<u>8,446,051</u>
<b>Expenses</b>		
Charitable administration fees (Note 4a)	1,555,287	1,158,847
Commission on disposition of securities	23,343	21,278
Operating expenses (Note 4b)	258,861	175,428
Interest and bank charges	7,866	7,627
Total expenses	<u>1,845,357</u>	<u>1,363,180</u>
<b>Excess of revenue over expenses before the following:</b>	<u>21,483,974</u>	<u>7,082,871</u>
Disbursements to charities	(23,384,184)	(21,556,884)
Change in unrealized gains	12,999,959	6,742,514
<b>Excess/(Shortfall) of revenue over expenses</b>	<u>11,099,749</u>	<u>(7,731,499)</u>

## STATEMENT OF CHANGES IN FUND BALANCES

Year ended December 31, 2021, with comparative information for 2020

	Endowment Funds	Unrestricted Fund	Total
	\$	\$	\$
Fund balances, January 1, 2021	369,242,751	(32,562,222)	336,680,529
Excess of revenue over expenses	–	11,099,749	11,099,749
Endowment contributions	62,939,054	–	62,939,054
Fund balances, December 31, 2021	<u>432,181,805</u>	<u>(21,462,473)</u>	<u>410,719,332</u>
Fund balances, January 1, 2020	329,715,813	(24,830,723)	304,885,090
Shortfall of revenue over expenses	–	(7,731,499)	(7,731,499)
Endowment contributions	39,526,938	–	39,526,938
Fund balances, December 31, 2020	<u>369,242,751</u>	<u>(32,562,222)</u>	<u>336,680,529</u>

See accompanying notes to the financial statements.

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# STRATEGIC CHARITABLE GIVING FOUNDATION

## STATEMENT OF CASH FLOWS

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
	\$	\$
<b>Cash provided by/(used in)</b>		
<b>Operating Activities</b>		
Excess/(Shortfall) of revenue over expenses	11,099,749	(7,731,499)
Net change in non-cash items:		
Net realized (gain) on investments	(4,845,820)	(278,985)
Change in unrealized (gain)	(12,999,959)	(6,742,514)
Change in non-cash working capital	7,694,557	(8,153,866)
<b>Net cash used in operating activities</b>	<u>948,527</u>	<u>(22,906,864)</u>
<b>Financing Activities</b>		
Endowment contributions	62,939,054	39,526,938
Deferred contributions	2,090,619	529,370
<b>Net cash provided in financing activities</b>	<u>65,029,673</u>	<u>40,056,308</u>
<b>Investing Activities</b>		
Purchase of investments	(188,809,169)	(92,010,916)
Proceeds from sale of investments	123,285,543	76,133,418
<b>Net cash used in investing activities</b>	<u>(65,523,626)</u>	<u>(15,877,498)</u>
<b>Net increase in cash during the year</b>	<b>454,574</b>	<b>1,271,946</b>
Cash – beginning of year	<u>3,577,576</u>	<u>2,305,630</u>
<b>Cash – end of year</b>	<u>4,032,150</u>	<u>3,577,576</u>

See accompanying notes to the financial statements.

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# STRATEGIC CHARITABLE GIVING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### 1. Organization and Objective of the Strategic Charitable Giving Foundation

The Strategic Charitable Giving Foundation (the "Foundation") was formed on March 17, 2006, with operations commencing on July 4, 2006, as a non-profit charitable organization. It is registered as a public foundation with the Canada Revenue Agency and with the Quebec Ministry of Revenue. It is exempt from income taxes provided certain requirements under the Income Tax Act (Canada) ("Tax Act") are met. As such, it can issue charitable donation receipts. The Foundation was previously incorporated under the Canada Corporations Act and was continued under the Canadian Not-For-Profit Corporations Act in April 2013.

The Foundation manages and administers the assets of the three charitable giving fund programs (individually the "Program" or collectively the "Programs") developed by each of Mackenzie Financial Corporation ("Mackenzie"), Quadrus Investment Services Ltd. ("Quadrus") and Investors Group Inc. ("Investors Group"). Mackenzie is the Foundation's charitable administration provider. The charitable giving funds, also known as donor-advised funds, are dedicated to helping donors increase and sustain their charitable giving. The objective of the Foundation is to receive and maintain charitable giving funds and to apply all or part of the principal and income from those funds to eligible charities.

A Board of Directors (the "Board") governs the Foundation. A majority of the Board is independent of Mackenzie, Quadrus, Investors Group, and their affiliates. The Board has sole discretion over each donor advised account (individually an "Account" and collectively the "Accounts") in the Programs and the activities relating to these Accounts. Although the Board has ultimate authority over each Account, it will generally act on the recommendations of the donor (or parties authorized by the donor) with respect to naming the Account, appointing a financial advisor for the Account, investing among the eligible Mackenzie, Quadrus and Investors Group funds, making grants to eligible charities and recommending how the Account will be managed after the donor's lifetime.

These financial statements reflect the combined assets of donor advised funds in the Programs developed within the Foundation.

### 2. Significant Accounting Policies

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of The Chartered Professional Accountants Canada Handbook.

#### (a) Use of judgment, estimates and assumptions

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

#### (b) Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in endowment net assets.

Donations of assigned insurance policies from living donors, including subsequent donated premiums, are treated as deferred contributions when received and recognized as an endowment contribution in the year the death benefit becomes payable to the Foundation.

#### (c) Financial instruments

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.



# STRATEGIC CHARITABLE GIVING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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

#### (c) Financial instruments (cont'd)

The fair value of investments as at the financial reporting period end is determined as follows:

- (i) Donations of securities are recorded at their market value on the date received by the Foundation. The Foundation is subject to equity and other risks pending the sale of donated securities. Donations of assigned life insurance policies are recorded at their cash surrender value on the date the Foundation becomes the named beneficiary of the policy; the cash surrender value is updated annually. Donations of cash and net proceeds from the sale of donated securities are invested in eligible mutual funds.
- (ii) Mutual fund securities for the applicable series are valued on a business day at the price calculated by the manager of such mutual fund in accordance with the constating documents of such mutual fund.

Investments in securities listed on a public securities exchange or traded on an over-the-counter market are valued at the closing bid price. Where no closing bid price is available the last sale or close price is used. 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.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

#### (d) Investment transactions and income recognition

Investment transactions are accounted for on a trade date basis. Income from investments other than a mutual fund is recognized on an accrual basis. Interest income is accrued based on the number of days the investment is held during the year. Dividends are accrued as of the ex-dividend date. Gains or losses on the sale of investments, including any foreign exchange gains or losses on such investments, are calculated on an average cost basis. Distributions received from a mutual fund are included in interest income, dividend income or realized gains (losses) on sale of investments, as applicable.

#### (e) Foreign exchange

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 Operations – Realized gains (losses).

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.

# STRATEGIC CHARITABLE GIVING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### 3. Investments

As at December 31, 2021

Number of units / shares	Name of Mutual Funds	Fair value	Average cost	Unrealized Gain/(Loss)
	<b>Eligible Mutual Funds</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>Mackenzie</b>			
173,072	Mackenzie Balanced ETF Portfolio	2,067,927	1,985,673	82,254
428,371	Mackenzie Canadian Growth Balanced	6,614,954	5,824,956	789,998
28,221	Mackenzie Conservative ETF Portfolio	317,343	310,429	6,914
1,840	Mackenzie Conservative Income ETF Portfolio	20,610	20,202	408
1,793,948	Mackenzie Global Strategic Income Fund	24,233,952	23,358,257	875,695
23,888	Mackenzie Global Sustainable Balanced Fund	287,135	251,585	35,550
673,706	Mackenzie Growth ETF Portfolio	8,777,191	7,829,473	947,718
1,814,895	Mackenzie Income Fund	9,176,958	9,818,655	(641,697)
20,450	Mackenzie Ivy Canadian Balanced Fund	259,751	239,118	20,633
594,220	Mackenzie Ivy Global Balanced Fund	8,588,350	8,020,148	568,202
423,787	Mackenzie Moderate Growth ETF Portfolio	5,195,380	4,888,548	306,832
16,247	Mackenzie Monthly Income Balanced Portfolio	173,352	166,312	7,040
1,999	Mackenzie Monthly Income Conservative Portfolio	19,669	19,973	(304)
469,441	Mackenzie Private Global Income Balanced Pool	6,719,244	6,256,289	462,955
533,886	Mackenzie Private Income Balanced Pool	7,554,945	7,403,091	151,854
639,373	Mackenzie Strategic Income Fund	7,964,588	8,126,281	(161,693)
5,976,829	Symmetry Balanced Portfolio	79,034,630	73,951,318	5,083,312
80,827	Symmetry Conservative Income Portfolio	896,466	905,403	(8,937)
246,177	Symmetry Conservative Portfolio	3,141,619	3,048,359	93,260
221,319	Symmetry Growth Portfolio	3,360,109	3,303,414	56,695
2,067,398	Symmetry Moderate Growth Portfolio	28,197,120	27,079,655	1,117,465
		<b>202,601,293</b>	<b>192,807,139</b>	<b>9,794,154</b>
	<b>Quadrus</b>			
2,261	Canada Life Advanced Portfolio	45,652	46,493	(841)
569,722	Canada Life Balanced Portfolio	9,678,034	8,825,599	852,435
3,185	Canada Life Canadian Income Fund	52,850	49,881	2,969
234,477	Canada Life Moderate Portfolio	3,251,773	3,087,333	164,440
115,426	Canada Life Monthly Income Fund	1,213,205	1,312,668	(99,463)
928,847	Canada Life Strategic Income Fund	12,106,744	12,017,775	88,969
		<b>26,348,258</b>	<b>25,339,749</b>	<b>1,008,509</b>
	<b>Investors Group</b>			
2,058,996	IG Core Portfolio – Income Focus	25,572,821	24,217,891	1,354,930
1,633,078	IG Core Portfolio – Income Balanced	21,046,809	19,010,549	2,036,260
590,388	IG Core Portfolio – Balanced	7,874,029	7,679,209	194,820
3,919,522	IG Mackenzie Dividend Fund	68,199,193	60,454,116	7,745,077
913,491	IG Managed Risk Portfolio – Balanced	11,546,343	10,969,970	576,373
3,151,683	IG Managed Risk Portfolio – Income Balanced	38,252,235	34,203,677	4,048,558
		<b>172,491,430</b>	<b>156,535,412</b>	<b>15,956,018</b>

# STRATEGIC CHARITABLE GIVING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### 3. Investments (cont'd)

As at December 31, 2021

Number of units / shares	Name of Mutual Funds / Securities	Fair value	Average cost	Unrealized Gain/(Loss)
<b>Ineligible Mutual Funds</b>		\$	\$	\$
<b>Other Mutual Funds / Equities / Bonds</b>				
100	Advanced Micro Devices, Inc.	18,354	18,354	—
130	AGF U.S. Small Mid Cap Fund LL	10,859	10,859	—
250	Apple Inc.	55,903	55,903	—
205	Bank of America	11,634	11,634	—
180	Bank of Montreal	24,405	24,405	—
54,000	Birchcliff Energy Ltd	345,060	345,060	—
85	BMO Nasdaq 100 Equity HG CD ETF	10,040	10,040	—
494	Cambridge Canadian Equity Corporate Class FE	10,000	10,000	—
515	Canoe Energy Portfolio Class FE	3,853	3,853	—
70	Dynamic Global Dividend Fund Ser F NL	2,096	2,096	—
660	Dynamic Power Aamerican Growth Class Ser F NL	21,000	21,000	—
350	Dynamic Power Global Growth CLASS SER F NL	13,485	13,485	—
2,065	Dynamic Strategic Yield Fund Ser I NL	30,000	30,000	—
155	Eli Lilly & CO	54,177	54,177	—
1,231	Fidelity American Equity Class Ser F NL	35,000	35,000	—
350	Fidelity Global Innovators Class Ser B FE	10,387	10,387	—
3,294	Fidelity Insights Class SR F8 NL	120,000	120,000	—
491	Fidelity Insights Currency Neutral Class Ser F NL	11,902	11,902	—
49,435	Franklin Quotential Balanced Growth Portfolio – Series PF NL	614,411	614,411	—
125	Gartner Inc	53,016	53,016	—
9,085	IG Putnam US Growth Class U	420,128	420,128	—
400	IGM Financial	18,660	18,660	—
282	iProfile Active Allocation Private Pool II Ser I NL	3,000	3,000	—
87	iProfile Alternatives Private Pool Ser I NL	900	900	—
673	iProfile Canadian Equity Private Class Ser I NL	12,088	12,088	—
608	iProfile Canadian Equity Private Pool Ser I NL	17,206	17,206	—
19	iProfile Emerging Markets Private Class	350	350	—
23	iProfile Emerging Markets Private Pool Ser I NL	930	930	—
237	iProfile ETF Private Pool Ser I NL	2,700	2,700	—
2,418	iProfile Fixed Income Private Pool Ser I NL	32,940	32,940	—
868	iProfile Global Neutral Balanced Portfolio Ser I NL	10,000	10,000	—
336	iProfile International Equity Private Class	5,950	5,950	—
146	iProfile International Equity Private Pool Ser I NL	1,800	1,800	—
165	iProfile Low Volatility Private Pool Ser I NL	1,800	1,800	—
87	iProfile U.S. Equity Pool I	2,500	2,500	—
141	iProfile U.S. Equity Private Pool Ser I NL	3,900	3,900	—
868	iProfile US Equity Private Class	31,450	31,450	—
808	Manulife Dividend Inc. Class FE	24,000	24,000	—
2,000	Manulife Financial Corporation	47,840	47,840	—
157	Microsoft Corp.	67,203	67,203	—
25	National Bank of Canada	2,434	2,434	—
50	Nvidia Corp	18,612	18,612	—
700	Ocidental Pete Corp	25,844	25,844	—
1,579	Scotia Innova Balanced Income Portfolio Class NL	21,208	21,208	—
70	Sec Technology Spdr SBI	15,514	15,514	—
1,000	Select Income Corporate Class	15,106	15,106	—
15,862	Select Income Managed Corporate Class 100I FE	191,046	191,046	—
268	Sun Life Financial	18,870	18,870	—
250	TC Energy Corp	14,708	14,708	—
230	Tesla Motors Inc	314,503	314,503	—
166	Thomson Reuters Corp-New	25,112	25,112	—
1,062	Toronto Dominion Bank	102,271	102,271	—
		<b>2,926,155</b>	<b>2,926,155</b>	—
<b>Total Investments</b>		<b>404,367,136</b>	<b>377,608,455</b>	<b>26,758,681</b>

# STRATEGIC CHARITABLE GIVING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### 3. Investments (cont'd)

As at December 31, 2020

Number of units / shares	Name of Mutual Funds	Fair value	Average cost	Unrealized Gain/(Loss)
		\$	\$	\$
<b>Eligible Mutual Funds</b>				
<b>Mackenzie</b>				
52,285	Mackenzie Balanced ETF Portfolio	582,126	558,715	23,411
421,255	Mackenzie Canadian Growth Balanced Fund	5,826,692	5,508,341	318,351
9,254	Mackenzie Consolidated ETF Portfolio, Series A-SC	100,320	100,320	–
13,222	Mackenzie Consolidated Income ETF Portfolio, Series PW	143,458	140,831	2,627
1,613,022	Mackenzie Global Strategic Income Fund	22,332,110	20,944,646	1,387,464
24,558	Mackenzie Global Sustainability & Impact Balanced Fund	285,111	256,811	28,300
63,851	Mackenzie Growth ETF Portfolio	726,239	688,694	37,545
1,833,692	Mackenzie Income Fund	7,199,498	7,788,929	(589,431)
14,599	Mackenzie Ivy Canadian Balanced Fund	216,142	224,051	(7,909)
555,408	Mackenzie Ivy Global Balanced Fund	7,919,820	7,245,030	674,790
105,669	Mackenzie Moderate Growth ETF Portfolio A-SC	1,189,308	1,088,027	101,281
16,602	Mackenzie Monthly Income Balanced Portfolio	170,802	169,778	1,024
1,490	Mackenzie Monthly Income Conservative Portfolio, Series A	14,764	15,001	(237)
460,432	Mackenzie Private Global Income Balanced Pool	6,488,966	6,166,048	322,918
285,345	Mackenzie Private Income Balanced Pool	4,232,629	4,167,573	65,056
1,600,554	Mackenzie Strategic Income Fund	19,679,927	19,218,968	460,959
5,249,299	Symmetry Balanced Portfolio	67,614,472	64,313,388	3,301,084
81,337	Symmetry Conservative Income Portfolio	903,641	880,369	23,272
239,814	Symmetry Conservative Portfolio	3,049,710	2,965,591	84,119
45,072	Symmetry Growth Portfolio	748,491	726,189	22,302
1,485,464	Symmetry Moderate Growth Portfolio	19,941,009	19,396,852	544,157
		<b>169,365,235</b>	<b>162,564,152</b>	<b>6,801,083</b>
<b>Quadrus</b>				
459,504	Balanced Folio Fund	7,768,645	6,817,926	950,719
192,128	Moderate Folio Fund	2,641,335	2,441,992	199,343
114,098	Monthly Income Fund (London Capital)	1,212,541	1,305,312	(92,771)
4,945	Income Fund (Portico)	81,387	73,065	8,322
		<b>11,703,908</b>	<b>10,638,295</b>	<b>1,065,613</b>
<b>Investors Group</b>				
1,907,344	IG Core Portfolio – Income Focus	23,314,666	22,223,604	1,091,062
1,627,069	IG Core Portfolio – Income Balanced	20,037,263	18,631,305	1,405,958
172,928	IG Core Portfolio – Balanced	2,162,063	2,072,272	89,791
3,772,900	Investors Dividend Fund	58,537,297	57,610,972	926,325
385,537	IG Managed Risk Portfolio – Balanced	4,493,925	4,309,559	184,366
2,782,880	IG Managed Risk Portfolio – Income Balanced	31,877,831	29,683,307	2,194,524
		<b>140,423,045</b>	<b>134,531,019</b>	<b>5,892,026</b>

# STRATEGIC CHARITABLE GIVING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### 3. Investments (cont'd)

As at December 31, 2020

Number of units / shares	Name of Mutual Funds / Securities	Fair value	Average cost	Unrealized Gain/(Loss)
	<b>Ineligible Mutual Funds</b>	\$	\$	\$
	<b>Other Mutual Funds / Equities / Bonds</b>			
14,000	Altgas Ltd.	14,830	14,830	—
2,254	Apple Inc.	382,547	382,547	—
516	Bank of Montreal	49,938	49,938	—
14,000	Bell Canada	15,147	15,147	—
32	Brookfield Asset Management	1,684	1,684	—
13	Canadian Pacific Rail	5,740	5,740	—
148	Capital Group Global Equity Fund	7,383	7,383	—
18	Carrier Global Corp	857	857	—
215	CI Canadian Investment Corporate Class FE	5,000	5,000	—
46	CIBC	5,014	5,014	—
200	Cymbria Corp	10,500	10,500	—
2,642	Dynamic Global Dividend Fund	25,000	25,000	—
1,969	DynamicEdge Equity Class Portfolio	50,000	50,000	—
412	Fidelity Asiastar Class	10,000	10,000	—
7,266	Franklin Strategic Income Fund	61,655	61,655	—
5,000	HSBC Bank Canada	5,093	5,093	—
22	IA Clarington Sarbit US Equity Fund	152	152	—
309	IA Clarington U.S. Equity Class (Unhedged)	7,230	7,230	—
2,330	IG Core Portfolio – Balanced	30,305	30,305	—
14,000	Inter Pipeline Ltd.	14,785	14,785	—
821	Invesco Diversified Yield Class	14,000	14,000	—
315	Invesco Global Diversified Companies Class	10,000	10,000	—
3,468	Investors Global Fund	60,000	60,000	—
269	Mackenzie Cundill Value Class Series CS	5,000	5,000	—
194	Mackenzie Cundill Value Class Series F	3,784	3,784	—
320	Manulife U.S Equity GIF Select	13,074	13,074	—
7,000	National Bank of Canada Monthly Deposit Account	7,624	7,624	—
1,825	NIO Inc.	112,694	112,694	—
248	PH&N Global Equity Fund	7,243	7,243	—
10,000	Province of Newfoundland Savings Account	13,074	13,074	—
28,000	Rogers Communications Inc.	29,939	29,939	—
33	Royal Bank of Canada	3,451	3,451	—
727	Standard Life Canadian Dividend Growth Fund DSC	20,000	20,000	—
23,408	Telus Corp	590,116	590,116	—
44	Toronto Dominion Bank	3,164	3,164	—
6	Viatrix Inc.	139	139	—
		<b>1,596,162</b>	<b>1,596,162</b>	<b>—</b>
<b>Total Investments</b>		<b>323,088,350</b>	<b>309,329,628</b>	<b>13,758,722</b>

# STRATEGIC CHARITABLE GIVING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### 3. Investments (cont'd)

The Foundation holds investments in eligible mutual funds which are subject to currency risk, interest rate risk and other price risk. These risks will also impact future cash flow streams of the Foundation, including dividend and interest income, gains and losses and administration fees.

Currency risk arises when the fair value of financial instruments that are denominated in a currency other than the Canadian dollar, which is the Foundation's reporting currency, fluctuates due to changes in exchange rates.

Interest rate risk arises when the fair value of interest-bearing financial instruments fluctuates due to changes in the prevailing levels of market interest rates.

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.

The Foundation manages these risks by holding a diverse portfolio of eligible mutual funds. Each fund is actively managed by a team of professional, experienced portfolio advisors, who monitor the funds' positions and market events daily, and diversify the Funds' portfolios within the constraints of each Fund's investment objective.

The Foundation does not enter into any derivative instrument arrangements for hedging or speculative purposes.

There has been no change to the risk exposure from 2020.

### 4. Related Party Transactions

#### (a) Charitable administration fees

The charitable administration fee is payable to Mackenzie, a related party, and is chargeable to all Accounts under the Mackenzie and Quadrus Programs at a fixed rate of 0.55% of the Account Balance.

The charitable administration fee is chargeable to Accounts administered under the Investors Group program at a fixed rate of 0.55% of the Account Balance. Prior to October 1, 2019, the charitable administration fee was charged at a flat fee of \$500 per year for Accounts established between December 31, 2015 and September 30, 2019 and \$250 per year for Accounts established prior to January 1, 2016. For those Investor Group Accounts where this flat fee is less than the fixed rate fee, the flat fee will continue to be charged.

In addition to the charitable administration fees charged by the Foundation, the Foundation's investments in eligible mutual funds are also subject to management fees and operating expenses charged by those mutual funds.

#### (b) Operating expenses

Under the Charitable Administration Services Agreement (the "Agreement") between the Foundation and Mackenzie, Mackenzie arranges for the provision of other services for the Foundation and includes such items as: external auditor and legal fees, regulatory filing fees, insurance and printing of the annual report. These operating expenses are paid by Mackenzie from the charitable administration fees chargeable to the Accounts.

Also included in operating expenses are managements fees paid to Mackenzie for certain high net worth mutual fund series offered under the Mackenzie Program for qualifying donors of \$200,604 (2020 – \$160,813). Rather than collecting a management fee directly from the mutual fund, Mackenzie collects a management fee by redeeming securities from these mutual fund series. The proceeds from these redemptions are payable to Mackenzie by the Foundation.

### 5. Administration Fee Payable

Included in administration fee payable are government remittances payable of \$25,561 (2020 – \$20,728) related to harmonized sales taxes payable.

# STRATEGIC CHARITABLE GIVING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### 6. Program Enhancements

#### (a) 2021 Program Enhancements

Effective January 1, 2021, the list of eligible funds under the Quadrus program was revised to only include the following funds:

- Canada Life Conservative Fund
- Canada Life Moderate Fund
- Canada Life Balanced Fund
- Canada Life Advanced Fund

All other mutual funds have been removed from the list of eligible mutual funds available under the Quadrus program, however investments in these other mutual funds made prior to January 1, 2021, may continue to be held.

#### (b) 2020 Program Enhancements

For the year ended December 31, 2020, no program enhancements were implemented.

### 7. COVID-19

Governments worldwide have enacted emergency measures to combat the spread of a novel strain of coronavirus (COVID-19). These measures, which include the implementation of travel bans, closing of non-essential businesses, self-imposed quarantine periods and social distancing, have caused significant volatility in global equity markets and material disruption to global businesses. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

Mackenzie, as the Foundation's charitable administration provider, has implemented its business continuity plan as a result of these events, which have included moving substantially all employees, including those that provide administrative services to the Foundation, to work from home and further supporting the Foundation's information technology infrastructure.

The distribution of vaccines has resulted in the easing of restrictions in many economies and has contributed to strong gains in certain economic sectors during 2021. However, there is uncertainty regarding the effectiveness of vaccines against new variants of the virus, and this contributes towards uncertainty of the timing of a full economic recovery. As a result, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Foundation in future periods.