

Interim Unaudited Financial Statements

For the Six-Month Period Ended September 30, 2018

These Interim Unaudited Financial Statements do not contain the Interim Management Report of Fund Performance (“MRFP”) of the investment fund. You may obtain a copy of the Interim MRFP, at no cost, by contacting us using one of the methods noted under Fund Formation and Series Information or by visiting the SEDAR website at www.sedar.com. Copies of the Annual Financial Statements or Annual MRFP may also be obtained, at no cost, using any of the methods outlined above.

Securityholders may also contact us using one of these methods to request a copy of the investment fund’s proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS

Mackenzie Financial Corporation, the Manager of the Fund, appoints independent auditors to audit the Fund’s Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Interim Financial Statements, this must be disclosed in an accompanying notice.

The Fund’s independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.



MACKENZIE EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

GLOBAL EQUITY FUND

STATEMENTS OF FINANCIAL POSITION

*In thousands (except per security figures)
As at*

	Sep. 30 2018	Mar. 31 2018 (Audited)		Sep. 30 2018	Mar. 31 2018 (Audited)
	\$	\$		\$	\$
ASSETS			Net assets attributable to securityholders		
Current assets			per security (note 3)		
Investments at fair value	369,986	1,077,929	Series A	18.39	21.35
Cash and cash equivalents	34,307	7,981	Series D	13.35	15.52
Dividends receivable	1,304	1,621	Series F	33.80	39.26
Accounts receivable for investments sold	31,579	–	Series FB	11.65	13.54
Accounts receivable for securities issued	138	1,680	Series I	23.46	27.26
Taxes recoverable (note 5)	250	68	Series J	9.75	14.25
Total assets	437,564	1,089,279	Series OJ	9.75	–
			Series M	30.35	35.25
			Series O	31.88	37.12
			Series PW	12.78	14.84
			Series PWF	–	15.41
			Series PWFB	9.91	11.52
			Series PWX	14.33	16.68
			Series R	10.65	18.58
			Series S	9.80	35.31
			Series U	17.21	19.99
			Quadrus Series	28.12	32.64
			H Series	32.53	37.79
			HW Series	9.78	–
			L Series	14.78	17.17
			N Series	15.49	18.04
			QF Series	11.43	13.28
			QFW Series	9.78	–
LIABILITIES					
Current liabilities					
Accounts payable for investments purchased	19,229	8			
Accounts payable for securities redeemed	40,146	358			
Accrued expenses and miscellaneous payables	1,838	1,173			
Due to manager	178	26			
Total liabilities	61,391	1,565			
Net assets attributable to securityholders	376,173	1,087,714			
Net assets attributable to securityholders					
per series (note 3)					
Series A	65,228	71,278			
Series D	2,591	4,663			
Series F	58,548	45,660			
Series FB	48	62			
Series I	2,092	2,159			
Series J	61	2			
Series OJ	5	–			
Series M	2,894	3,390			
Series O	136,477	354,904			
Series PW	26,416	10,694			
Series PWF	–	15,991			
Series PWFB	598	486			
Series PWX	857	1,063			
Series R	16,319	112,158			
Series S	1	387,035			
Series U	10,226	15,917			
Quadrus Series	32,941	38,967			
H Series	1,089	1,683			
HW Series	364	–			
L Series	9,148	10,351			
N Series	8,680	9,980			
QF Series	1,496	1,271			
QFW Series	94	–			

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

MACKENZIE EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

GLOBAL EQUITY FUND

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended September 30 (note 1)
In thousands (except per security figures)

	2018	2017
	\$	\$
Income		
Dividends	12,173	14,144
Interest income	24	11
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	362,611	12,126
Net unrealized gain (loss)	(445,638)	48,857
Securities lending income	47	70
Total income (loss)	(70,783)	75,208

Expenses (note 6)

Management fees	1,904	1,662
Administration fees	292	293
Interest charges	81	–
Commissions and other portfolio transaction costs	3,248	171
Independent Review Committee fees	1	2
Other	7	2
Expenses before amounts absorbed by Manager	5,533	2,130
Expenses absorbed by Manager	–	–
Net expenses	5,533	2,130

Increase (decrease) in net assets attributable to securityholders from operations before tax

	(76,316)	73,078
Foreign withholding taxes	1,496	1,556
Foreign income taxes	1,906	–

Increase (decrease) in net assets attributable to securityholders from operations

	(79,718)	71,522
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Increase (decrease) in net assets attributable to securityholders from operations per series

Series A	(8,552)	3,667
Series D	(447)	38
Series F	(6,889)	1,909
Series FB	(6)	5
Series I	(274)	132
Series J	(1)	1
Series OJ	–	–
Series M	(424)	194
Series O	(31,844)	24,996
Series PW	(2,522)	468
Series PWF	(730)	586
Series PWFB	(71)	7
Series PWX	(114)	60
Series R	(5,536)	9,809
Series S	(12,739)	25,169
Series U	(1,762)	1,111
Quadrus Series	(4,985)	2,144
H Series	(202)	106
HW Series	(5)	–

	2018	2017
	\$	\$
L Series	(1,327)	528
N Series	(1,110)	563
QF Series	(179)	29
QFW Series	1	–
Increase (decrease) in net assets attributable to securityholders from operations per security		
Series A	(2.50)	1.17
Series D	(1.98)	0.58
Series F	(4.49)	2.25
Series FB	(1.54)	0.96
Series I	(3.25)	1.56
Series J	(0.33)	2.12
Series OJ	(0.25)	–
Series M	(4.43)	1.95
Series O	(4.31)	2.46
Series PW	(1.67)	0.82
Series PWF	(0.84)	0.91
Series PWFB	(1.33)	0.56
Series PWX	(1.89)	1.02
Series R	(2.09)	1.23
Series S	(2.39)	2.29
Series U	(2.59)	1.12
Quadrus Series	(4.16)	1.77
H Series	(4.64)	2.19
HW Series	(0.27)	–
L Series	(2.14)	0.91
N Series	(2.06)	1.15
QF Series	(1.58)	0.68
QFW Series	0.12	–

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



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MACKENZIE EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

GLOBAL EQUITY FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the periods ended September 30 (note 1)
In thousands

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Series A		Series D		Series F		Series FB		Series I	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	71,278	61,713	4,663	421	45,660	28,900	62	78	2,159	1,947
Increase (decrease) in net assets from operations	(8,552)	3,667	(447)	38	(6,889)	1,909	(6)	5	(274)	132
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(869)	(778)	(63)	(16)	(920)	(661)	(1)	(2)	(35)	(39)
Total dividends paid to securityholders	(869)	(778)	(63)	(16)	(920)	(661)	(1)	(2)	(35)	(39)
Security transactions:										
Proceeds from securities issued	7,381	7,740	704	1,072	29,399	6,979	11	100	–	–
Proceeds from securities issued on merger	18,008	–	73	–	3,682	–	5	–	238	–
Reinvested dividends	863	875	61	17	543	302	1	2	33	40
Payments on redemption of securities	(22,881)	(13,535)	(2,400)	(170)	(12,927)	(6,364)	(24)	(132)	(29)	(105)
Total security transactions	3,371	(4,920)	(1,562)	919	20,697	917	(7)	(30)	242	(65)
Total increase (decrease) in net assets	(6,050)	(2,031)	(2,072)	941	12,888	2,165	(14)	(27)	(67)	28
End of period	65,228	59,682	2,591	1,362	58,548	31,065	48	51	2,092	1,975

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	3,339	3,400	301	32	1,163	864	5	7	79	84
Issued	369	410	49	77	807	201	1	8	–	–
Issued on merger	955	–	5	–	107	–	–	–	10	–
Reinvested dividends	43	46	4	1	15	9	–	–	1	2
Redeemed	(1,158)	(726)	(165)	(12)	(360)	(186)	(2)	(11)	(1)	(5)
Securities outstanding – end of period	3,548	3,130	194	98	1,732	888	4	4	89	81

	Series J		Series OJ		Series M		Series O		Series PW	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	2	26	–	–	3,390	2,972	354,904	324,954	10,694	2,339
Increase (decrease) in net assets from operations	(1)	1	–	–	(424)	194	(31,844)	24,996	(2,522)	468
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	–	–	–	–	(46)	(48)	(9,493)	(11,360)	(154)	(117)
Total dividends paid to securityholders	–	–	–	–	(46)	(48)	(9,493)	(11,360)	(154)	(117)
Security transactions:										
Proceeds from securities issued	–	–	–	–	–	–	14,706	5,554	14,179	6,191
Proceeds from securities issued on merger	62	–	5	–	–	–	44,310	–	7,306	–
Reinvested dividends	–	–	–	–	45	53	9,491	12,685	144	121
Payments on redemption of securities	(2)	(25)	–	–	(71)	(16)	(245,597)	(29,652)	(3,231)	(1,194)
Total security transactions	60	(25)	5	–	(26)	37	(177,090)	(11,413)	18,398	5,118
Total increase (decrease) in net assets	59	(24)	5	–	(496)	183	(218,427)	2,223	15,722	5,469
End of period	61	2	5	–	2,894	3,155	136,477	327,177	26,416	7,808

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	–	2	–	–	96	99	9,562	10,255	721	185
Issued	–	–	–	–	–	–	426	170	1,020	486
Issued on merger	6	–	–	–	–	–	1,362	–	557	–
Reinvested dividends	–	–	–	–	1	2	272	386	10	9
Redeemed	–	(2)	–	–	(2)	(1)	(7,341)	(901)	(242)	(90)
Securities outstanding – end of period	6	–	–	–	95	100	4,281	9,910	2,066	590

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

MACKENZIE EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

GLOBAL EQUITY FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

For the periods ended September 30 (note 1)
In thousands

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Series PWF		Series PWFB		Series PWX		Series R		Series S	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	15,991	5,662	486	–	1,063	749	112,158	124,763	387,035	323,174
Increase (decrease) in net assets from operations	(730)	586	(71)	7	(114)	60	(5,536)	9,809	(12,739)	25,169
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(323)	(220)	(11)	(4)	(28)	(30)	(35,601)	(4,497)	(104,598)	(11,362)
Total dividends paid to securityholders	(323)	(220)	(11)	(4)	(28)	(30)	(35,601)	(4,497)	(104,598)	(11,362)
Security transactions:										
Proceeds from securities issued	641	4,764	215	164	29	183	15,985	7,015	26,787	24,892
Proceeds from securities issued on merger	–	–	9	–	11	–	–	–	1	–
Reinvested dividends	208	107	11	4	28	33	35,601	–	104,598	12,676
Payments on redemption of securities	(15,787)	(755)	(41)	(1)	(132)	(84)	(106,288)	(11,834)	(401,083)	(26,998)
Total security transactions	(14,938)	4,116	194	167	(64)	132	(54,702)	(4,819)	(269,697)	10,570
Total increase (decrease) in net assets	(15,991)	4,482	112	170	(206)	162	(95,839)	493	(387,034)	24,377
End of period	–	10,144	598	170	857	911	16,319	125,256	1	347,551

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	1,038	432	42	–	64	53	6,037	7,940	10,960	10,722
Issued	43	355	20	17	1	12	1,340	433	844	804
Issued on merger	–	–	1	–	1	–	–	–	–	–
Reinvested dividends	14	8	1	–	2	2	3,079	–	4,298	405
Redeemed	(1,095)	(56)	(4)	–	(8)	(6)	(8,924)	(723)	(16,102)	(865)
Securities outstanding – end of period	–	739	60	17	60	61	1,532	7,650	–	11,066

	Series U		Quadrus Series		H Series		HW Series		L Series	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	15,917	17,057	38,967	34,032	1,683	1,479	–	–	10,351	8,002
Increase (decrease) in net assets from operations	(1,762)	1,111	(4,985)	2,144	(202)	106	(5)	–	(1,327)	528
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(194)	(276)	(448)	(430)	(30)	(36)	–	–	(147)	(141)
Total dividends paid to securityholders	(194)	(276)	(448)	(430)	(30)	(36)	–	–	(147)	(141)
Security transactions:										
Proceeds from securities issued	–	381	3,302	2,336	201	217	369	–	1,491	1,468
Proceeds from securities issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested dividends	192	306	448	482	30	39	–	–	147	157
Payments on redemption of securities	(3,927)	(1,268)	(4,343)	(3,896)	(593)	(174)	–	–	(1,367)	(1,089)
Total security transactions	(3,735)	(581)	(593)	(1,078)	(362)	82	369	–	271	536
Total increase (decrease) in net assets	(5,691)	254	(6,026)	636	(594)	152	364	–	(1,203)	923
End of period	10,226	17,311	32,941	34,668	1,089	1,631	364	–	9,148	8,925

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	796	1,004	1,194	1,226	45	46	–	–	603	548
Issued	–	22	110	82	5	6	37	–	94	97
Issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested dividends	10	17	14	16	1	1	–	–	9	10
Redeemed	(212)	(72)	(147)	(135)	(18)	(5)	–	–	(87)	(72)
Securities outstanding – end of period	594	971	1,171	1,189	33	48	37	–	619	583

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



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MACKENZIE EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

GLOBAL EQUITY FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

For the periods ended September 30 (note 1)
In thousands

	2018	2017	2018	2017	2018	2017	2018	2017
	N Series		QF Series		QFW Series		Total	
	\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS								
Beginning of period	9,980	7,125	1,271	346	–	–	1,087,714	945,739
Increase (decrease) in net assets from operations	(1,110)	563	(179)	29	1	–	(79,718)	71,522
Dividends paid to securityholders:								
Ordinary	–	–	–	–	–	–	–	–
Capital gains	(215)	(269)	(25)	(11)	–	–	(153,201)	(30,297)
Total dividends paid to securityholders	(215)	(269)	(25)	(11)	–	–	(153,201)	(30,297)
Security transactions:								
Proceeds from securities issued	2,880	1,105	735	339	93	–	119,108	70,500
Proceeds from securities issued on merger	–	–	–	–	–	–	73,710	–
Reinvested dividends	215	298	25	12	–	–	152,684	28,209
Payments on redemption of securities	(3,070)	(605)	(331)	(31)	–	–	(824,124)	(97,928)
Total security transactions	25	798	429	320	93	–	(478,622)	781
Total increase (decrease) in net assets	(1,300)	1,092	225	338	94	–	(711,541)	42,006
End of period	8,680	8,217	1,496	684	94	–	376,173	987,745
Increase (decrease) in fund securities (note 7):								
Securities outstanding – beginning of period	553	463	96	31	–	–		
Issued	172	68	60	29	10	–		
Issued on merger	–	–	–	–	–	–		
Reinvested dividends	13	19	2	1	–	–		
Redeemed	(178)	(38)	(27)	(3)	–	–		
Securities outstanding – end of period	560	512	131	58	10	–		

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MACKENZIE
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MACKENZIE EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

GLOBAL EQUITY FUND

STATEMENTS OF CASH FLOWS

For the periods ended September 30 (note 1)
In thousands

	2018	2017
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	(79,718)	71,522
Adjustments for:		
Net realized loss (gain) on investments	(363,508)	(12,126)
Change in net unrealized loss (gain) on investments	445,638	(48,857)
Purchase of investments	(1,055,080)	(33,827)
Proceeds from sale and maturity of investments	1,413,770	125,203
Change in dividends receivable	317	1,345
Change in taxes recoverable	(182)	–
Change in accrued expenses	665	–
Change in due to manager	152	–
Net cash from operating activities	362,054	103,260
Cash flows from financing activities		
Proceeds from securities issued	104,841	58,048
Payments on redemption of securities	(440,018)	(92,615)
Dividends paid net of reinvestments	(517)	(5,086)
Net cash from financing activities	(335,694)	(39,653)
Net increase (decrease) in cash and cash equivalents	26,360	63,607
Cash and cash equivalents at beginning of period	7,981	(56,975)
Effect of exchange rate fluctuations on cash and cash equivalents	(34)	17
Cash and cash equivalents at end of period	34,307	6,649
Cash	34,307	6,649
Cash equivalents	–	–
Cash and cash equivalents at end of period	34,307	6,649
Supplementary disclosures on cash flow from operating activities:		
Dividends received	12,490	15,489
Foreign taxes paid	2,737	1,556
Interest received	24	11
Interest paid	81	–

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



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INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

GLOBAL EQUITY FUND

SCHEDULE OF INVESTMENTS

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS					
Vale SA Frn Sub Perpetual 09-30-2049	Brazil	Corporate–Non Convertible	BRL 5,300	–	–
Total bonds				–	–
EQUITIES					
Advanced Info Service PCL	Thailand	Telecommunication Services	755,500	5,992	6,073
Anhui Conch Cement Co. Ltd. H	China	Materials	792,000	5,997	6,178
Anta Sports Products Ltd.	China	Consumer Discretionary	259,000	1,645	1,606
Astral Foods Ltd.	South Africa	Consumer Staples	87,418	2,440	1,969
AU Optronics Corp.	Taiwan	Information Technology	8,612,000	4,831	4,712
Autohome Inc. ADR	China	Information Technology	7,300	780	730
Baidu Inc. ADR	China	Information Technology	33,575	7,299	9,923
Banco do Brasil SA	Brazil	Financials	687,300	6,607	6,470
Banco do Estado do Rio Grande do Sul SA	Brazil	Financials	731,791	3,923	3,504
Banco Macro SA ADR	Argentina	Financials	50,284	4,349	2,688
Bangkok Dusit Medical Services PCL	Thailand	Health Care	3,136,900	3,311	3,199
Bashneft PAO	Russia	Energy	4,859	170	180
Bioteque Corp.	Taiwan	Health Care	298,000	1,625	1,226
BOC Aviation Ltd.	Singapore	Industrials	307,264	2,816	3,079
Cheil Communications Inc.	South Korea	Consumer Discretionary	11,062	275	279
China Communication Services Corp. Ltd.	Hong Kong	Telecommunication Services	194,540	228	232
China Construction Bank Corp. H	China	Financials	10,035,000	12,595	11,333
China Huarong Asset Management Co. Ltd.	China	Financials	13,207,000	5,541	3,140
China Merchants Land Ltd.	China	Real Estate	203,041	51	39
China Mobile Ltd.	China	Telecommunication Services	553,000	7,001	7,043
China Railway Group Ltd.	China	Industrials	655,000	821	839
China Resources Cement Holdings Limited	Hong Kong	Industrials	3,666,562	5,194	5,514
China Resources Pharmaceutical Group Co. Ltd.	China	Health Care	67,394	136	138
China South City Holdings Ltd.	China	Real Estate	964,000	242	204
China Telecom Corp. Ltd. H	China	Telecommunication Services	1,648,000	1,002	1,058
China Tian Lun Gas Holdings Ltd.	China	Utilities	442,970	592	525
China Water Affairs Group Ltd.	Hong Kong	Utilities	312,000	465	452
CNOOC Ltd.	China	Energy	3,445,997	7,585	8,818
Com7 PCL	Thailand	Consumer Discretionary	807,634	674	727
Construtora Tenda SA	Brazil	Consumer Discretionary	323,305	2,866	2,738
Coretronic Corp.	Taiwan	Information Technology	1,071,000	2,308	2,444
Creativ Industrial Group GDR	Ukraine	Consumer Staples	214,662	–	–
Creativ Industrial Group	Ukraine	Consumer Staples	16,394	–	–
Daelim Industrial Co. Ltd.	South Korea	Industrials	2,385	229	229
Danawa Co. Ltd.	South Korea	Information Technology	44,272	1,113	1,131
DRB-Hicom BHD	Malaysia	Consumer Discretionary	289,701	219	196
Dubnovantazhavtotrans GDR	Ukraine	Consumer Staples	274,779	–	–
Ecopetrol SA Sponsored ADR	Colombia	Energy	88,300	2,616	3,073
Exxaro Resources Ltd.	South Africa	Energy	76,035	977	1,010
F&F Co. Ltd.	South Korea	Consumer Discretionary	9,171	638	900
Far Eastern New Century Corp.	Taiwan	Industrials	327,000	502	495
Feng TAY Enterprise Co. Ltd.	Taiwan	Consumer Discretionary	123,000	988	981
FirstRand Ltd.	South Africa	Financials	1,107,402	5,279	6,866
Ford Otomotiv Sanayi AS	Turkey	Consumer Discretionary	127,380	2,117	1,789
Formosa Chemicals & Fibre Corp.	Taiwan	Materials	1,027,000	5,089	5,576
Fubon Financial Holding Co. Ltd.	Taiwan	Financials	2,999,000	6,834	6,589



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MACKENZIE EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

GLOBAL EQUITY FUND

SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
Gazprom Neft PJSC	Russia	Energy	10,633	73	78
Gazprom PJSC	Russia	Energy	2,510,138	7,638	8,098
Geely Automobile Holdings Ltd.	China	Consumer Discretionary	363,000	1,167	935
Genting BHD	Malaysia	Consumer Discretionary	434,723	1,223	1,060
Genting Malaysia BHD	Malaysia	Consumer Discretionary	96,100	153	150
Globe Telecom Inc.	Philippines	Telecommunication Services	3,100	164	163
Grupo Financiero Banorte SAB de CV Series O	Mexico	Financials	619,089	3,878	5,787
GS Engineering & Construction Corp.	South Korea	Industrials	9,233	492	562
Guangzhou R&F Properties Co. Ltd. H	China	Real Estate	2,299,022	6,377	5,458
Haci Omer Sabanci Holding AS	Turkey	Financials	1,044,729	1,582	1,702
Hana Financial Group Inc.	South Korea	Financials	130,440	6,730	6,766
Handsome Co.	South Korea	Consumer Discretionary	25,344	1,145	1,105
Hansol Paper Co. Ltd.	South Korea	Materials	7,515	184	177
HCL Technologies Ltd.	India	Information Technology	96,701	1,808	1,875
Hotel Shilla Co. Ltd.	South Korea	Consumer Discretionary	38,360	4,715	4,846
Huvis Corp.	South Korea	Consumer Discretionary	10,066	122	107
Hyundai Development Co.	South Korea	Industrials	192,156	6,352	5,124
Ildong Pharmaceutical Co. Ltd.	South Korea	Health Care	4,128	124	129
Industrial and Commercial Bank of China Ltd. H	China	Financials	1,980,000	1,878	1,870
Industries Qatar QSC	Qatar	Industrials	20,002	874	885
Infosys Ltd. ADR	India	Information Technology	443,880	3,080	5,834
Inter RAO UES PJSC	Russia	Utilities	19,449,000	1,518	1,575
Inventec Corp.	Taiwan	Information Technology	1,852,000	2,107	2,152
Itau Unibanco Holding SA Pref. ADR	Brazil	Financials	106,526	1,207	1,512
KB Financial Group Inc.	South Korea	Financials	115,189	7,595	7,269
Korea Gas Corp.	South Korea	Utilities	1,619	116	114
Kumho Petrochemical Co. Ltd.	South Korea	Materials	15,828	2,049	1,815
LG Innotek Co. Ltd.	South Korea	Information Technology	5,793	1,058	880
LG Uplus Corp.	South Korea	Telecommunication Services	112,423	2,350	2,395
Luye Pharma Group Ltd.	China	Health Care	1,873,966	2,686	2,172
Maanshan Iron and Steel Co. Ltd. H	China	Materials	288,000	197	200
Magnitogorsk Iron & Steel Work OJSC	Russia	Materials	1,349,182	1,294	1,388
Mahindra & Mahindra Ltd.	India	Consumer Discretionary	399,598	4,588	6,131
MegaStudyEdu Co. Ltd.	South Korea	Consumer Discretionary	28,825	1,059	899
Mindtree Ltd.	India	Information Technology	66,441	1,200	1,224
MiX Telematics Ltd. ADR	South Africa	Information Technology	38,505	816	719
Momo Inc.	China	Information Technology	101,897	6,080	5,768
Nemak SAB de CV	Mexico	Consumer Discretionary	126,500	125	123
NIIT Technologies Ltd.	India	Information Technology	161,973	3,387	3,167
Novatek Microelectronics Corp.	Taiwan	Information Technology	872,000	5,677	5,585
Novolipetsk Steel PJSC	Russia	Materials	550,150	1,815	1,930
PetroChina Co. Ltd. H	China	Energy	6,606,000	6,698	6,914
Petroleo Brasileiro SA-Petrobras Pfd.	Brazil	Energy	406,700	2,528	2,742
Petronas Chemicals Group BHD	Malaysia	Materials	157,300	440	460
Pick n Pay Stores Ltd.	South Africa	Consumer Staples	19,758	152	124
Ping An Insurance (Group) Co. of China Ltd. H	China	Financials	748,101	5,940	9,819
Power Finance Corp.	India	Financials	3,237,844	5,070	4,391
Powertech Technology Inc.	Taiwan	Information Technology	203,000	771	717
President Chain Store Corp.	Taiwan	Consumer Staples	393,000	3,276	5,976
PT Astra International TBK	Indonesia	Consumer Discretionary	3,069,300	1,948	1,956



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GLOBAL EQUITY FUND

SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
PT Bank Rakyat Indonesia (Persero) TBK	Indonesia	Financials	5,216,100	795	1,425
PT Suryainti Permata TBK	Indonesia	Real Estate	173,647,393	–	–
PT Tambang Batubara Bukit Asam TBK	Indonesia	Energy	6,013,000	2,100	2,253
PTT Exploration and Production PCL	Thailand	Energy	199,900	1,193	1,239
Randon SA Implementos e Participacoes	Brazil	Industrials	134,194	350	269
Ruentex Industries Ltd.	Taiwan	Consumer Discretionary	1,034,000	2,693	2,662
Rural Electrification Corp. Ltd.	India	Financials	813,267	1,722	1,419
Samjin Pharmaceutical Co. Ltd.	South Korea	Health Care	18,304	1,066	1,240
Samsung Electro-Mechanics Co.	South Korea	Information Technology	36,351	6,588	5,883
Samsung Electronics Co. Ltd.	South Korea	Information Technology	63,506	1,791	3,435
Sasol Ltd.	South Africa	Materials	63,999	3,192	3,201
Severstal PAO	Russia	Materials	227,410	4,647	4,894
Shimao Property Holdings Ltd.	China	Real Estate	1,465,000	5,319	4,721
Shinsegae Co. Ltd.	South Korea	Consumer Discretionary	3,307	1,548	1,396
Sinopharm Group Co. H	China	Health Care	620,978	3,946	3,926
Sinotruk Hong Kong Ltd.	China	Industrials	1,317,876	2,444	3,707
SK Holdings Co. Ltd.	South Korea	Industrials	12,111	3,666	4,047
SK Hynix Inc.	South Korea	Information Technology	92,662	9,671	7,887
SK Telecom Co. Ltd.	South Korea	Telecommunication Services	17,944	5,734	5,892
SLC Agricola SA	Brazil	Consumer Staples	182,641	3,191	3,560
Supermax Corp. BHD	Malaysia	Health Care	1,431,037	1,665	1,448
Synnex Technology International Corp.	Taiwan	Information Technology	413,000	832	682
TaiDoc Technology Corp.	Taiwan	Health Care	191,000	1,286	1,134
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	Taiwan	Information Technology	17,100	978	976
Tata Consultancy Services Ltd.	India	Information Technology	206,727	3,862	8,046
TCL Electronics Holdings Ltd.	China	Consumer Discretionary	375,759	245	231
Tekfen Holding AS	Turkey	Industrials	329,304	1,471	1,520
Telkom SA SOC Ltd.	South Africa	Telecommunication Services	596,717	2,901	2,816
Tenaga Nasional BHD	Malaysia	Utilities	318,400	1,524	1,537
Texhong Textile Group Ltd.	Hong Kong	Consumer Discretionary	389,819	794	754
Tupy SA	Brazil	Consumer Discretionary	61,543	414	399
Turkiye Is Bankasi Series C	Turkey	Financials	439,460	351	415
Uni-President Enterprises Corp.	Taiwan	Consumer Staples	2,119,000	6,914	7,163
United Microelectronics Corp.	Taiwan	Information Technology	9,272,000	6,818	6,351
Vale SA ADR	Brazil	Materials	321,640	5,854	6,168
Vukile Property Fund Ltd.	South Africa	Real Estate	199,183	362	367
Vyborg Shipyard JSC	Russia	Industrials	21,305	184	161
Wal-Mart de Mexico SAB de CV Series V	Mexico	Consumer Staples	270,032	755	1,064
Wipro Ltd.	India	Information Technology	468,270	2,769	2,704
Xtep International Holdings Ltd.	China	Consumer Discretionary	3,638,712	2,927	2,721
YeaRimDang Publishing Co. Ltd.	South Korea	Consumer Discretionary	107,387	1,543	888
Zhen Ding Technology Holding Ltd.	Taiwan	Information Technology	229,000	712	662
Total equities				356,285	369,986
Transaction costs				(306)	–
Total investments				355,979	369,986
Cash and cash equivalents					34,307
Other assets less liabilities					(28,120)
Total net assets					376,173



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MACKENZIE EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

GLOBAL EQUITY FUND

SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2018	
Portfolio Allocation	% of NAV
Equities	98.4
Cash and short-term investments	9.1
Other assets (liabilities)	(7.5)

Regional Allocation	% of NAV
China	26.7
South Korea	17.4
Taiwan	14.9
India	9.2
Cash and short-term investments	9.1
Brazil	7.3
Russia	4.9
South Africa	4.5
Thailand	3.0
Mexico	1.9
Hong Kong	1.8
Other	1.8
Indonesia	1.5
Turkey	1.4
Malaysia	1.3
Singapore	0.8
Other assets (liabilities)	(7.5)

Sector Allocation	% of NAV
Information technology	22.1
Financials	22.1
Materials	10.0
Consumer discretionary	9.5
Energy	9.1
Cash and short-term investments	9.1
Telecommunication services	6.8
Industrials	5.6
Consumer staples	5.3
Health care	3.9
Real estate	2.9
Utilities	1.1
Other assets (liabilities)	(7.5)

March 31, 2018	
Portfolio Allocation	% of NAV
Equities	99.1
Cash and short-term investments	0.7
Other assets (liabilities)	0.2

Regional Allocation	% of NAV
China	21.0
India	19.2
Brazil	9.9
South Africa	9.6
Taiwan	9.4
Hong Kong	7.1
South Korea	6.2
Indonesia	3.9
Russia	3.7
Mexico	2.5
Thailand	2.1
Other	1.5
Peru	1.3
Argentina	0.9
Chile	0.8
Cash and short-term investments	0.7
Other assets (liabilities)	0.2

Sector Allocation	% of NAV
Financials	34.9
Information technology	33.9
Consumer staples	13.3
Consumer discretionary	7.6
Industrials	4.0
Materials	2.4
Energy	2.2
Cash and short-term investments	0.7
Telecommunication services	0.5
Health care	0.3
Other assets (liabilities)	0.2



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NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2018 and 2017, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2018, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Refer to Note 9 for the formation date of the Fund and the inception date of each series.

The Fund is comprised of one or more classes of shares (referred to as "security" or "securities") of Mackenzie Financial Capital Corporation ("Capitalcorp"), a mutual fund corporation incorporated under the laws of the Province of Ontario, and is authorized to issue up to 1,000 classes of securities of multiple series. The address of the Fund's registered office is 180 Queen Street West, Toronto, Ontario, Canada. Reference is made to the Fund's Simplified Prospectus for additional information on the Fund's structure.

The foregoing financial statements and accompanying notes to the financial statements presented herein are for the Fund. Separate financial statements of each of the other funds of Capitalcorp have also been prepared.

Mackenzie Financial Corporation ("Mackenzie") is the manager of the Fund and is wholly owned by IGM Financial Inc., a subsidiary of Power Financial Corporation, which itself is a subsidiary of Power Corporation of Canada. The Great-West Life Assurance Company, London Life Insurance Company and The Canada Life Assurance Company (collectively, the "Related Insurance Companies") are wholly owned by Great-West Lifeco Inc., which is also a subsidiary of Power Financial Corporation. 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 unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including international Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2018. 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 assets and liabilities that have been measured at fair value.

These financial statements were authorized for issue by the Board of Directors of Mackenzie Financial Corporation on November 13, 2018. Standards issued but not yet effective for the current accounting year, as applicable, are described in Note 3.

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. As such, 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 Fund's redeemable securities contain multiple dissimilar contractual obligations and therefore 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 year-end.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

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 and exchange-traded funds, if any, at FVTPL. Mackenzie has concluded that unlisted open-ended investment funds and exchange-traded funds in which the Fund invests, do not meet either the definition of a structured entity or the definition of an associate.

(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.

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 constating 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.

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

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. Refer to "Exemptions from National Instrument 81-102" in the Annual Information Form of the Fund for further details, including the complete conditions of these exemptions, 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 unrealized gains or losses on a "mark to market" basis. 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 futures contracts or swaps. Any change in the variation margin requirement is settled daily.

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 September 30, 2018.



NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(c) Income recognition

Interest income from interest bearing investments is recognized using the effective interest method. Dividends are accrued as of the ex-dividend date. 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.

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, advisers, brokers and dealers. 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 third-party services that were paid for by brokers during the periods is disclosed in Note 9. 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.

Securities lending transactions are administered by Canadian Imperial Bank of Commerce (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. 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 is included in the Statement of Comprehensive Income – Securities lending income and recognized when earned.

Note 9 summarizes the details of securities loaned and collateral received, as well as a reconciliation of securities lending income, if applicable.

(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 9 summarizes the details of such offsetting, if applicable.

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) Foreign 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. Refer to Note 9 for the Fund's NAV per security.

(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.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(k) Mergers

The Fund applies the acquisition method of accounting for Fund mergers. Under this method, one of the Funds in each merger is identified as the acquiring Fund, and is referred to as the Continuing Fund, and the other Fund involved in the merger is referred to as the Terminated Fund. This identification is based on the comparison of the relative net asset values of the Funds as well as consideration of the continuation of such aspects of the Continuing Fund as: investment advisors; investment objectives and practices; type of portfolio securities; and management fees and expenses.

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.

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 and application of the fair value option

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.

Structured entities and associates

In determining whether an unlisted open-ended investment fund or an exchange-traded fund in which the Fund invests, but that it does not consolidate, meets the definitions of either a structured entity or of an associate, Mackenzie is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity or of an associate. Mackenzie has assessed the characteristics of these underlying funds and has concluded that they do not meet the definition of either a structured entity or of an associate because the Fund does not have contracts or financing arrangements with these underlying funds and the Fund does not have an ability to influence the activities of these underlying funds or the returns it receives from investing in these underlying funds.

5. Income Taxes

Capitalcorp qualifies as a mutual fund corporation under the provisions of the Income Tax Act (Canada). The taxation year-end for Capitalcorp is March 31.

Capitalcorp is a single legal entity for tax purposes and is not taxed on a fund-by-fund basis. As such, non-capital and capital losses of Capitalcorp may be applied against the income and/or capital gains attributable to Capitalcorp as a whole irrespective of the Fund from which the income, gains and/or losses arose. Therefore, where a Fund has positive net taxable income, the current tax liability has been offset with the utilization of unused tax losses of Capitalcorp to the extent possible.

Taxable Canadian dividends received and capital gains realized by Capitalcorp are subject to tax in a similar manner as any other corporation. Any taxes paid in respect of Canadian dividends or capital gains are refundable upon the payment of Canadian dividends or capital gains dividends, respectively, to securityholders based on a formula which includes proceeds paid on securities of Capitalcorp redeemed by securityholders. As a result, no tax provision is made in respect of Canadian dividends or capital gains. Any refundable tax allocated to the Fund is included in the Statement of Financial Position – Taxes recoverable. Payment of Canadian dividends, if any, will be made by Capitalcorp's taxation year-end and capital gains dividends, if any, will be paid within 60 days of Capitalcorp's taxation year-end. Dividends are declared separately for each series of each Fund.

NOTES TO FINANCIAL STATEMENTS

5. Income Taxes (cont'd)

Income from other sources, such as interest and foreign income ("Ordinary Income"), is taxed at standard corporate rates. To the extent that Capitalcorp has positive Ordinary Income net of expenses ("Net Ordinary Income") Capitalcorp will be required to pay corporate income tax as a whole. The Fund is allocated a portion of this expense based on its series' contribution to Capitalcorp's overall tax liability. Any income tax expense allocated to the Fund is included in the Statement of Comprehensive Income – Income taxes. Due to deductible expenses and tax credits available to Capitalcorp, no taxes are currently payable in respect of Ordinary Income.

Capitalcorp follows the asset and liability method of accounting for income taxes whereby deferred income tax assets and liabilities reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred income tax assets and liabilities are measured based on the enacted or substantively enacted tax rates which are expected to be in effect when the underlying items of Net Ordinary Income are expected to be realized.

Temporary differences between the carrying value of assets and liabilities for accounting and tax purposes give rise to deferred income tax assets and liabilities. Where the fair value of the portfolio investments exceeds their cost, a deferred tax liability arises. This deferred tax liability for refundable taxes payable is offset with the refund expected upon payment of capital gains dividends. Where the cost of the portfolio investments exceeds their market value, a deferred tax asset is generated. A full valuation allowance is taken to offset this asset given the uncertainty that such deferred assets will ultimately be realized. Unused capital and non-capital losses, as disclosed below, also represent deferred tax assets for which a full valuation allowance has been established.

As at the last taxation year-end, there were no capital and non-capital losses available to carry forward for tax purposes.

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 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 9 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 September 30, 2018 and 2017 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 9.

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 September 30, 2018, grouped by asset type, with geographic and sector information.

NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

i. Risk exposure and management (cont'd)

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 come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. In accordance with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e., investments that can be readily sold). In addition, the Fund retains sufficient cash and short-term investment positions to maintain adequate liquidity. The Fund also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

iii. Currency risk

Currency risk arises when the fair value of financial instruments that are denominated in a currency other than the Canadian dollar, which is the Fund's reporting currency, fluctuates due to changes in exchange rates. Note 9 summarizes the Fund's exposure, if applicable and significant, to currency risk.

iv. Interest rate risk

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. Cash and cash equivalents do not expose the Fund to significant amounts of interest rate risk. Note 9 summarizes the Fund's exposure, if applicable and significant, to 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, 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. Note 9 summarizes the Fund's exposure, if applicable and significant, to other price risk.

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 9 summarizes the Fund's exposure, if applicable and significant, to credit risk.

All transactions in listed securities are executed with approved brokers. 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 9 summarizes the Fund's exposure, if applicable and significant, to these risks from underlying funds.



NOTES TO FINANCIAL STATEMENTS

9. Fund Specific Information (in '000s, except for (a))

(a) Fund Formation and Series Information

Date of Formation October 26, 2000

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)

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

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 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; 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 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 affiliated funds and certain institutional investors in connection with fund-of-fund arrangements.

Series S securities are offered to the Related Insurance Companies and certain other mutual funds, but may be sold to other investors as determined by Mackenzie.

Series OJ securities were created specifically for the purpose of implementing mergers affecting the Fund and are not available for sale.

Series I, Series J, Series M and Series U securities are no longer available for sale.

Series PWF securities are no longer available for sale. Effective June 1, 2018, Series PWF securities were consolidated into Series F securities.

Series Distributed by Quadrus Investment Services Ltd. (255 Dufferin Ave., London, Ontario, N6A 4K1; 1-888-532-3322; www.quadrusgroupoffunds.com)

Quadrus Investment Services Ltd. ("Quadrus") is the principal distributor of the series of securities listed below:

Quadrus Series securities are offered to investors investing a minimum of \$500.

H Series securities are offered to investors investing a minimum of \$500, who are enrolled in a Quadrus-sponsored fee-for-service or wrap program and who are subject to an asset-based fee.

HW Series securities are offered to high net worth investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000, who are enrolled in a Quadrus-sponsored fee-for-service or wrap program and who are subject to an asset-based fee.

L Series securities are offered to investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000.

N Series securities are offered to investors investing a minimum of \$100,000, who have eligible minimum total holdings of \$500,000, and who have entered into an N type series account agreement with Mackenzie and Quadrus.

QF Series securities are offered to retail investors investing a minimum of \$500. Investors are required to negotiate their advisor service fee, which cannot exceed 1.25%, with their financial advisor.

QFW Series securities are offered to high net worth investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.25%, with their financial advisor.

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NOTES TO FINANCIAL STATEMENTS

9. Fund Specific Information (in '000s, except for (a)) (cont'd)

(a) Fund Formation and Series Information (cont'd)

An investor in the Fund may choose among different purchase options that are available under each series. These purchase options are a sales charge purchase option, a redemption charge purchase option, various low-load purchase options and a no-load purchase option. The charges under the sales charge purchase option are negotiated by investors with their dealers. The charges under the redemption charge and low-load purchase options are paid to Mackenzie if an investor redeems securities of the Fund during specific periods. Not all purchase options are available under each series of the Fund, and the charges for each purchase option may vary among the different series. For further details on these purchase options, please refer to the Fund's Simplified Prospectus and Fund Facts.

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Sep. 30, 2018	Mar. 31, 2018
Series A	November 1, 2000	2.00%	0.28%	18.39	21.37
Series D	January 2, 2014	1.25%	0.20%	13.35	15.53
Series F	August 9, 2002	0.80% ⁽⁵⁾	0.15% ⁽⁸⁾	33.80	39.29
Series FB	October 26, 2015	1.00%	0.28%	11.65	13.55
Series I	November 22, 2000	1.35%	0.28%	23.46	27.28
Series J	July 6, 2018 ⁽¹¹⁾	1.75%	0.30%	9.75	14.26
Series OJ	July 6, 2018	1.70%	0.30%	9.75	—
Series M	August 9, 2002	Up to 1.75%	0.28%	30.35	35.28
Series O	August 9, 2002	— ⁽¹⁾	—*	31.88	37.15
Series PW	October 17, 2013	1.80% ⁽⁶⁾	0.15%	12.78	14.85
Series PWF	None issued ⁽¹³⁾	0.90%	0.15%	—	15.42
Series PWFB	April 3, 2017	0.80% ⁽⁷⁾	0.15%	9.91	11.53
Series PWX	February 5, 2014	— ⁽²⁾	— ⁽²⁾	14.33	16.69
Series R	July 3, 2007	—*	—*	10.65	18.59
Series S	July 6, 2018 ⁽¹²⁾	— ⁽¹⁾	0.03%	9.80	35.34
Series U	May 5, 2009	1.75%	0.28%	17.21	20.00
Quadrus Series	August 9, 2002	2.00% ⁽³⁾	0.28%	28.12	32.67
H Series	August 9, 2002	1.00% ⁽⁴⁾	0.15% ⁽⁹⁾	32.53	37.82
HW Series	August 7, 2018	0.80%	0.15%	9.78	—
L Series	December 16, 2011	1.80% ⁽¹⁰⁾	0.15%	14.78	17.18
N Series	December 6, 2011	— ⁽¹⁾	— ⁽¹⁾	15.49	18.05
QF Series	July 12, 2016	1.00% ⁽⁴⁾	0.28%	11.43	13.30
QFW Series	August 7, 2018	0.80%	0.15%	9.78	—

* Not applicable.

(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 February 28, 2018, the management fee for Quadrus Series was charged to the Fund at a rate of 2.10%.

(4) Prior to February 28, 2018, the management fee for this series was charged to the Fund at a rate of 1.10%.

(5) Prior to June 1, 2018, the management fee for Series F was charged to the Fund at a rate of 1.00%.

(6) Prior to June 1, 2018, the management fee for Series PW was charged to the Fund at a rate of 1.90%.

(7) Prior to June 1, 2018, the management fee for Series PWFB was charged to the Fund at a rate of 0.90%.



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GLOBAL EQUITY FUND

NOTES TO FINANCIAL STATEMENTS

9. Fund Specific Information (in '000s, except for (a)) (cont'd)

(a) Fund Formation and Series Information (cont'd)

- (8) Prior to June 1, 2018, the administration fee for Series F was charged to the Fund at a rate of 0.20%.
- (9) Prior to June 28, 2018, the administration fee for H Series was charged to the Fund at a rate of 0.20%.
- (10) Prior to June 28, 2018, the management fee for L Series was charged to the Fund at a rate of 1.85%.
- (11) The series' original start date was December 30, 2010. All securities in the series were redeemed on April 24, 2018. The series was reinstated at a price of \$10.00 per security on July 6, 2018.
- (12) The series' original start date was August 24, 2004. All securities in the series were redeemed on June 5, 2018. The series was reinstated at a price of \$10.00 per security on July 6, 2018.
- (13) The series' original start date was November 21, 2013. All securities in the series were consolidated into Series F on June 11, 2018.

(b) Investments by Mackenzie and Affiliates

As at September 30, 2018, Mackenzie, other funds managed by Mackenzie and Related Insurance Companies had an investment of \$11, \$16,319 and \$1 (March 31, 2018 – \$Nil, \$112,158 and \$387,035), respectively, in the Fund.

(c) Securities Lending

The value of securities loaned and collateral received from securities lending at September 30, 2018 and March 31, 2018, were as follows:

	September 30, 2018	March 31, 2018
	(\$)	(\$)
Value of securities loaned	–	111,862
Value of collateral received	–	118,129

Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments and financial institutions.

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended September 30, 2018 and 2017 is as follows:

	2018		2017	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	63	100.0	94	100.0
Tax withheld	–	–	(1)	(1.1)
	63	100.0	93	98.9
Payments to Securities Lending Agent	(16)	(25.4)	(23)	(24.5)
Securities lending income	47	74.6	70	74.4

(d) Commissions

The value of third-party services paid for by brokers during the period, is disclosed in the table below:

	(\$)
September 30, 2018	39
September 30, 2017	–



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NOTES TO FINANCIAL STATEMENTS

9. Fund Specific Information *(in '000s, except for (a)) (cont'd)*

(e) Fund Merger

At a meeting held on June 22, 2018, investors in Mackenzie Emerging Markets Opportunities Class (the "Terminating Fund") approved the merger of the Terminating Fund into the Fund. The merger was effective after the close of business on July 6, 2018. The merger was effected by transferring the net asset of the Terminating Fund in exchange for the securities of the Fund at fair market value. Series A, Series D, Series F, Series FB, Series I, Series J, Series OJ, Series O, Series PW, Series PWFB, Series PWX and Series S of the Terminating Fund were issued 955 Series A securities, 5 Series D securities, 107 Series F securities, 0.4 Series FB securities, 10 Series I securities, 6 Series J securities, 0.5 Series OJ securities, 1,362 Series O securities, 557 Series PW securities, 1 Series PWFB securities, 1 Series PWX securities and 0.1 Series S securities of the Fund in exchange for net assets of \$73,710, which was the fair value on July 6, 2018. The merger has been accounted for as an acquisition of the Terminating Fund.

Following the merger, the Terminating Fund was terminated. Mackenzie paid the expenses incurred to the effect the merger.

(f) Large Redemption Transactions

On May 22, 2018, funds managed by Mackenzie redeemed approximately \$95,442 of securities in the Fund. On May 28, 2018, a large investor redeemed approximately \$95,036 of securities in the Fund. On June 5, 2018, companies affiliated with Mackenzie redeemed approximately \$366,688 of securities in the Fund. These redemptions did not result in a significant change in the Fund's portfolio allocation and were managed without any adverse effect on the Fund.

(g) Change in Sub-advisor

Effective May 17, 2018, Mackenzie Investments Corporation, a subsidiary of Mackenzie, replaced JP Morgan Asset Management (Canada) Inc. as the sub-advisor to the Fund.

(h) Offsetting of Financial Assets and Liabilities

As at September 30, 2018 and March 31, 2018, there were no amounts subject to offsetting.

(i) 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 it identifies strongly developing economies and in which the markets are becoming more sophisticated.



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GLOBAL EQUITY FUND

NOTES TO FINANCIAL STATEMENTS

9. Fund Specific Information (in '000s, except for (a)) (cont'd)

(i) Risks Associated with Financial Instruments (cont'd)

ii. Currency risk

The table below indicates currencies to which the Fund had significant exposure as at period end in Canadian dollar terms, including the underlying principal amount of any derivative instruments. Other financial assets and liabilities (including accrued interest and dividends receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

Currency	September 30, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Hong Kong dollar	93,626	993	–	94,619
South Korean won	65,395	–	–	65,395
Taiwanese dollar	55,107	1,112	–	56,219
U.S. dollar	37,552	(31)	–	37,521
Indian rupee	28,957	3,409	–	32,366
Brazilian real	19,682	73	–	19,755
Russian ruble	18,143	(2)	–	18,141
South African rand	16,353	33	–	16,386
Thai baht	11,238	16	–	11,254
Mexican peso	6,974	–	–	6,974
Turkish lira	5,426	555	–	5,981
Indonesian rupiah	5,634	–	–	5,634
Malaysian ringgit	4,851	10	–	4,861
Qatar Rial	885	–	–	885
Philippine peso	163	–	–	163
Total	369,986	6,168	–	376,154
% of Net Assets	98.4	1.6	–	100.0



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NOTES TO FINANCIAL STATEMENTS

9. Fund Specific Information (in '000s, except for (a)) (cont'd)

(i) Risks Associated with Financial Instruments (cont'd)

ii. Currency risk (cont'd)

Currency	March 31, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	354,108	906	–	355,014
Hong Kong dollar	203,476	–	–	203,476
Indian rupee	150,398	205	–	150,603
South African rand	104,217	169	–	104,386
South Korean won	67,398	–	–	67,398
Brazilian real	64,512	986	–	65,498
Indonesian rupiah	42,075	–	–	42,075
Taiwanese dollar	36,329	–	–	36,329
Thai baht	22,750	–	–	22,750
Mexican peso	17,137	23	–	17,160
Malaysian ringgit	6,880	97	–	6,977
Australian dollar	4,536	–	–	4,536
Turkish lira	4,113	–	–	4,113
Total	1,077,929	2,386	–	1,080,315
% of Net Assets	99.1	0.2	–	99.3

* Includes both monetary and non-monetary financial instruments

As at September 30, 2018, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$18,808 or 5.0% of total net assets (March 31, 2018 – \$54,016 or 5.0%). In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

As at September 30, 2018 and March 31, 2018, the Fund did not have a significant exposure to interest rate risk.

iv. Other price risk

The Fund's most significant exposure to price risk arises from its investment in equity securities. As at September 30, 2018, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$36,999 or 9.8% of total net assets (March 31, 2018 – \$107,793 or 9.9%). In practice, the actual trading results may differ and the difference could be material.

v. Credit risk

As at September 30, 2018 and March 31, 2018, the Fund did not have a significant exposure to credit risk.



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NOTES TO FINANCIAL STATEMENTS

9. Fund Specific Information (in '000s, except for (a)) (cont'd)

(j) Fair Value Classification

The table below summarizes the fair value of the Fund's financial instruments using the following fair value hierarchy:

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; 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.

	September 30, 2018				March 31, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	358,587	11,238	161	369,986	503,639	574,290	–	1,077,929
Total	358,587	11,238	161	369,986	503,639	574,290	–	1,077,929

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.

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for non-North American equities when North American intraday stock market movements exceed predetermined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, during the period ended September 30, 2018, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices).

As at September 30, 2018, these securities were classified as Level 1. As at March 31, 2018, fair value adjustments were applied to the majority of securities in non-North American markets (Level 2) that were closed on the last business day. The remaining non-North American securities were classified as Level 1. Other than as described above, there were no significant transfers between Level 1 and Level 2.

The table below presents a reconciliation of financial instruments measured at fair value using unobservable inputs (Level 3) for the period ended September 30, 2018 and March 31, 2018:

	September 30, 2018	March 31, 2018
	Equities (\$)	Equities (\$)
Balance – beginning of period	–	–
Purchases	141	–
Sales	–	–
Transfers in	–	–
Transfers out	–	–
Gains (losses) during the period:		
Realized	–	–
Unrealized	20	–
Balance – end of period	161	–
Change in unrealized gains (losses) during the period attributable to securities held at end of period	(23)	–

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.



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