

## ***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](http://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 FUND

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)
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Investments at fair value	317,563	–
Cash and cash equivalents	90,576	150
Dividends receivable	1,431	–
Accounts receivable for investments sold	54,337	–
Accounts receivable for securities issued	39,686	–
Unrealized gains on derivative contracts	111	–
<b>Total assets</b>	<b>503,704</b>	<b>150</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable for investments purchased	15,907	–
Accounts payable for securities redeemed	165,124	–
Unrealized losses on derivative contracts	176	–
<b>Total liabilities</b>	<b>181,207</b>	<b>–</b>
<b>Net assets attributable to securityholders</b>	<b>322,497</b>	<b>150</b>
<b>Net assets attributable to securityholders per series (note 3)</b>		
Series A	96	150
Series AR	1	–
Series D	1	–
Series F	30	–
Series FB	1	–
Series O	143,526	–
Series PW	50	–
Series PWFB	13	–
Series PWX	1	–
Series R	1	–
Series S	178,777	–
<b>Net assets attributable to securityholders per security (note 3)</b>		
Series A	9.04	10.00
Series AR	9.05	–
Series D	9.07	–
Series F	9.08	–
Series FB	9.07	–
Series O	9.11	–
Series PW	9.05	–
Series PWFB	9.09	–
Series PWX	9.11	–
Series R	8.98	–
Series S	9.11	–

## STATEMENT OF COMPREHENSIVE INCOME

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

	2018 \$
<b>Income</b>	
Dividends	6,877
Interest income	33
Other changes in fair value of investments and other net assets	–
Net realized gain (loss)	(30,344)
Net unrealized gain (loss)	(10,467)
<b>Total income (loss)</b>	<b>(33,901)</b>
<b>Expenses (note 6)</b>	
Management fees	1
Administration fees	36
Interest charges	10
Commissions and other portfolio transaction costs	997
Independent Review Committee fees	–
<b>Expenses before amounts absorbed by Manager</b>	<b>1,044</b>
Expenses absorbed by Manager	–
<b>Net expenses</b>	<b>1,044</b>
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>(34,945)</b>
Foreign withholding taxes	925
Foreign income taxes paid (recovered)	–
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>(35,870)</b>
<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>	<b>–</b>
Series A	(11)
Series AR	–
Series D	–
Series F	(1)
Series FB	–
Series O	(3,881)
Series PW	–
Series PWFB	–
Series PWX	–
Series R	–
Series S	(31,977)
<b>Increase (decrease) in net assets attributable to securityholders from operations per security</b>	<b>–</b>
Series A	(0.87)
Series AR	(0.95)
Series D	(0.93)
Series F	(0.72)
Series FB	(0.93)
Series O	(0.53)
Series PW	(0.42)
Series PWFB	0.05
Series PWX	(0.89)
Series R	(0.89)
Series S	(0.87)

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



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# MACKENZIE EMERGING MARKETS FUND

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## STATEMENT OF CHANGES IN FINANCIAL POSITION

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

	2018 Series A	2018 Series AR	2018 Series D	2018 Series F
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Beginning of period	150	–	–	–
Increase (decrease) in net assets from operations	(11)	–	–	(1)
Distributions paid to securityholders:				
Investment income	–	–	–	–
Capital gains	–	–	–	–
Total distributions paid to securityholders	–	–	–	–
Security transactions:				
Proceeds from securities issued	101	1	1	37
Reinvested distributions	–	–	–	–
Payments on redemption of securities	(144)	–	–	(6)
Total security transactions	(43)	1	1	31
<b>Total increase (decrease) in net assets</b>	<b>(54)</b>	<b>1</b>	<b>1</b>	<b>30</b>
<b>End of period</b>	<b>96</b>	<b>1</b>	<b>1</b>	<b>30</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>
Securities outstanding – beginning of period	15	–	–	–
Issued	11	–	–	4
Reinvested distributions	–	–	–	–
Redeemed	(15)	–	–	(1)
<b>Securities outstanding – end of period</b>	<b>11</b>	<b>–</b>	<b>–</b>	<b>3</b>
	<b>Series FB</b>	<b>Series O</b>	<b>Series PW</b>	<b>Series PWFB</b>
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Beginning of period	–	–	–	–
Increase (decrease) in net assets from operations	–	(3,881)	–	–
Distributions paid to securityholders:				
Investment income	–	–	–	–
Capital gains	–	–	–	–
Total distributions paid to securityholders	–	–	–	–
Security transactions:				
Proceeds from securities issued	1	147,419	50	13
Reinvested distributions	–	–	–	–
Payments on redemption of securities	–	(12)	–	–
Total security transactions	1	147,407	50	13
<b>Total increase (decrease) in net assets</b>	<b>1</b>	<b>143,526</b>	<b>50</b>	<b>13</b>
<b>End of period</b>	<b>1</b>	<b>143,526</b>	<b>50</b>	<b>13</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>
Securities outstanding – beginning of period	–	–	–	–
Issued	–	15,751	5	1
Reinvested distributions	–	–	–	–
Redeemed	–	(1)	–	–
<b>Securities outstanding – end of period</b>	<b>–</b>	<b>15,750</b>	<b>5</b>	<b>1</b>

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

# MACKENZIE EMERGING MARKETS FUND

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

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

	2018 Series PWX	2018 Series R	2018 Series S	2018 Total
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Beginning of period</b>	-	-	-	150
Increase (decrease) in net assets from operations	-	-	(31,977)	(35,870)
Distributions paid to securityholders:				
Investment income	-	-	-	-
Capital gains	-	-	-	-
Total distributions paid to securityholders	-	-	-	-
Security transactions:				
Proceeds from securities issued	1	1	386,765	534,390
Reinvested distributions	-	-	-	-
Payments on redemption of securities	-	-	(176,011)	(176,173)
Total security transactions	1	1	210,754	358,217
<b>Total increase (decrease) in net assets</b>	<b>1</b>	<b>1</b>	<b>178,777</b>	<b>322,347</b>
<b>End of period</b>	<b>1</b>	<b>1</b>	<b>178,777</b>	<b>322,497</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	
<b>Securities outstanding – beginning of period</b>	-	-	-	
Issued	-	-	38,834	
Reinvested distributions	-	-	-	
Redeemed	-	-	(19,213)	
<b>Securities outstanding – end of period</b>	<b>-</b>	<b>-</b>	<b>19,621</b>	

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# MACKENZIE EMERGING MARKETS FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

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## STATEMENT OF CASH FLOWS

*For the period ended September 30 (note 1)  
In thousands*

	2018
	\$
<b>Cash flows from operating activities</b>	
Net increase (decrease) in net assets attributable to securityholders from operations	(35,870)
Adjustments for:	
Net realized loss (gain) on investments	29,893
Change in net unrealized loss (gain) on investments	10,467
Purchase of investments	(434,330)
Proceeds from sale and maturity of investments	268,725
Change in dividends receivable	(1,431)
<b>Net cash from operating activities</b>	<b>(162,546)</b>
<b>Cash flows from financing activities</b>	
Proceeds from securities issued	263,848
Payments on redemption of securities	(11,048)
Distributions paid net of reinvestments	–
<b>Net cash from financing activities</b>	<b>252,800</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>90,254</b>
Cash and cash equivalents at beginning of period	150
Effect of exchange rate fluctuations on cash and cash equivalents	172
<b>Cash and cash equivalents at end of period</b>	<b>90,576</b>
Cash	90,576
Cash equivalents	–
<b>Cash and cash equivalents at end of period</b>	<b>90,576</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>	
Dividends received	5,446
Foreign taxes paid	925
Interest received	33
Interest paid	10

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# MACKENZIE EMERGING MARKETS FUND

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)
<b>EQUITIES</b>					
Agile Property Holdings Ltd.	China	Real Estate	93,342	237	170
Anhui Conch Cement Co. Ltd. H	China	Materials	650,500	4,964	5,074
Anpec Electronics Corp.	Taiwan	Information Technology	148,000	368	336
Anta Sports Products Ltd.	China	Consumer Discretionary	237,000	1,504	1,469
Asia Cement China Holdings Corp.	China	Materials	14,131	18	19
Asia Vital Components Co. Ltd.	Taiwan	Information Technology	22,000	30	25
Astral Foods Ltd.	South Africa	Consumer Staples	91,566	2,535	2,063
AU Optronics Corp.	Taiwan	Information Technology	7,565,000	4,241	4,139
Autohome Inc. ADR	China	Information Technology	9,400	992	940
Baidu Inc. ADR	China	Information Technology	28,800	9,758	8,511
Banco do Brasil SA	Brazil	Financials	565,100	5,495	5,319
Banco do Estado do Rio Grande do Sul SA	Brazil	Financials	616,911	3,230	2,954
Banco Macro SA ADR	Argentina	Financials	43,400	3,764	2,320
Bid Corp. Ltd.	South Africa	Consumer Staples	2,416	64	65
Bioteque Corp.	Taiwan	Health Care	283,000	1,534	1,164
BOC Aviation Ltd.	Singapore	Industrials	278,082	2,556	2,787
Cheil Communications Inc.	South Korea	Consumer Discretionary	9,938	247	251
China Communication Services Corp. Ltd.	Hong Kong	Telecommunication Services	169,528	199	202
China Construction Bank Corp. H	China	Financials	8,099,000	10,066	9,145
China Huarong Asset Management Co. Ltd.	China	Financials	11,816,000	4,743	2,809
China Longyuan Power Group Corp. H	China	Utilities	123,000	138	134
China Merchants Land Ltd.	China	Real Estate	481,450	112	92
China Mobile Ltd.	China	Telecommunication Services	489,500	6,197	6,235
China Railway Group Ltd.	China	Industrials	401,000	502	514
China Resources Cement Holdings Ltd.	Hong Kong	Industrials	3,230,822	4,891	4,859
China Resources Pharmaceutical Group Co. Ltd.	China	Health Care	87,832	178	180
China Shineway Pharmaceutical Group Ltd.	Hong Kong	Health Care	1,664	5	3
China South City Holdings Ltd.	China	Real Estate	292,000	73	62
China Telecom Corp. Ltd. H	China	Telecommunication Services	1,186,000	718	762
China Tian Lun Gas Holdings Ltd.	China	Utilities	412,918	559	489
China Water Affairs Group Ltd.	Hong Kong	Utilities	398,000	625	576
CNOOC Ltd.	China	Energy	2,846,000	6,290	7,283
Construtora Tenda SA	Brazil	Consumer Discretionary	279,000	2,474	2,363
Consun Pharmaceutical Group Ltd.	China	Health Care	113,000	152	116
Coretronic Corp.	Taiwan	Information Technology	925,000	1,977	2,111
Danawa Co. Ltd.	South Korea	Information Technology	40,738	1,022	1,041
DRB-Hicom BHD	Malaysia	Consumer Discretionary	506,583	383	343
Ecopetrol SA Sponsored ADR	Colombia	Energy	68,100	2,007	2,370
Elan Microelectronics Corp.	Taiwan	Information Technology	50,000	106	108
Exxaro Resources Ltd.	South Africa	Energy	51,206	669	680
F&F Co. Ltd.	South Korea	Consumer Discretionary	8,655	683	850
Far Eastern New Century Corp.	Taiwan	Industrials	134,000	208	203
Feng TAY Enterprise Co. Ltd.	Taiwan	Consumer Discretionary	98,000	788	781
FirstRand Ltd.	South Africa	Financials	959,049	6,040	5,947
Formosa Chemicals & Fibre Corp.	Taiwan	Materials	819,000	4,055	4,446
Fubon Financial Holding Co. Ltd.	Taiwan	Financials	2,469,000	5,610	5,425
Gazprom PJSC	Russia	Energy	2,034,700	6,111	6,564
Geely Automobile Holdings Ltd.	China	Consumer Discretionary	420,000	1,325	1,082



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INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

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## SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Genting BHD	Malaysia	Consumer Discretionary	427,385	1,210	1,042
Genting Malaysia BHD	Malaysia	Consumer Discretionary	257,800	412	402
Giga-Byte Technology Co. Ltd.	Taiwan	Information Technology	8,000	25	16
Globe Telecom Inc.	Philippines	Telecommunication Services	3,900	206	205
Grupo Financiero Banorte SAB de CV Series O	Mexico	Financials	567,000	4,201	5,300
GS Engineering & Construction Corp.	South Korea	Industrials	8,299	437	505
Guangzhou R&F Properties Co. Ltd. H	China	Real Estate	2,017,675	5,539	4,790
Hana Financial Group Inc.	South Korea	Financials	109,690	5,738	5,690
Handsome Co.	South Korea	Consumer Discretionary	21,959	1,019	958
Hansol Paper Co. Ltd.	South Korea	Materials	2,427	51	57
Hotel Shilla Co. Ltd.	South Korea	Consumer Discretionary	33,158	4,074	4,189
Huadian Fuxin Energy Corp. Ltd.	China	Utilities	144,103	46	38
Huaneng Renewables Corp. Ltd.	China	Utilities	276,000	142	106
Huvis Corp.	South Korea	Consumer Discretionary	9,631	109	102
Hyundai Development Co.	South Korea	Industrials	162,931	5,166	4,344
IGG Inc.	Singapore	Information Technology	63,306	127	102
Imperial Holdings Ltd.	South Africa	Consumer Discretionary	9,882	185	158
Industrial and Commercial Bank of China Ltd. H	China	Financials	933,000	886	881
Infosys Ltd. ADR	India	Information Technology	359,800	4,378	4,729
Inter RAO UES PJSC	Russia	Utilities	17,116,000	1,328	1,386
Inventec Corp.	Taiwan	Information Technology	1,589,000	1,796	1,847
Itau Unibanco Holding SA Pref. ADR	Brazil	Financials	90,900	1,349	1,290
Jardine Matheson Holdings Ltd.	Hong Kong	Industrials	3,314	267	269
Jeju Air Co. Ltd.	South Korea	Industrials	3,699	208	162
KB Financial Group Inc.	South Korea	Financials	95,376	6,279	6,019
Kumho Petrochemical Co. Ltd.	South Korea	Materials	13,526	1,705	1,551
LEENO Industrial Inc.	South Korea	Information Technology	686	53	53
LG Innotek Co. Ltd.	South Korea	Information Technology	5,813	1,054	883
LG Uplus Corp.	South Korea	Telecommunication Services	95,035	1,987	2,025
Luye Pharma Group Ltd.	China	Health Care	1,708,887	2,341	1,980
Macroblock Inc.	Taiwan	Information Technology	25,497	123	112
Magnitogorsk Iron & Steel Work OJSC	Russia	Materials	1,354,710	1,335	1,394
Mahle-Metal Leve SA	Brazil	Consumer Discretionary	36,216	350	281
MAKUS Inc.	South Korea	Information Technology	2,257	14	12
MegaStudyEdu Co. Ltd.	South Korea	Consumer Discretionary	25,048	943	782
Micro-Star International Co. Ltd.	Taiwan	Information Technology	32,000	163	112
MiX Telematics Ltd. ADR	South Africa	Information Technology	52,823	1,169	986
Mobile TeleSystems ADR	Russia	Telecommunication Services	50,100	559	552
Momo Inc.	China	Information Technology	88,256	5,324	4,996
Nemak SAB de CV	Mexico	Consumer Discretionary	120,200	119	117
Novatek Microelectronics Corp.	Taiwan	Information Technology	749,000	4,887	4,797
Novolipetsk Steel PJSC	Russia	Materials	561,330	1,926	1,969
Padini Holdings BHD	Malaysia	Consumer Discretionary	108,900	204	200
PetroChina Co. Ltd. H	China	Energy	5,354,000	5,463	5,604
Petroleo Brasileiro SA - Petrobras Pfd.	Brazil	Energy	303,500	1,872	2,046
Petronas Chemicals Group BHD	Malaysia	Materials	239,200	672	699
Pick n Pay Stores Ltd.	South Africa	Consumer Staples	77,206	597	485
Ping An Insurance (Group) Co. of China Ltd. H	China	Financials	641,500	8,237	8,419



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## SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
PLDT Inc.	Philippines	Telecommunication Services	16,170	539	523
Plotech Co. Ltd.	Taiwan	Information Technology	159,000	185	110
Powerlong Real Estate Holdings Ltd.	China	Real Estate	269,223	212	148
Powertech Technology Inc.	Taiwan	Information Technology	232,000	883	820
President Chain Store Corp.	Taiwan	Consumer Staples	329,000	4,674	5,003
PSK Inc.	South Korea	Information Technology	9,926	342	193
PT Astra International TBK	Indonesia	Consumer Discretionary	2,954,800	1,877	1,883
PT Bank Rakyat Indonesia (Persero) TBK	Indonesia	Financials	4,092,500	1,073	1,118
PT Tambang Batubara Bukit Asam TBK	Indonesia	Energy	4,756,592	1,654	1,782
Randon SA Implementos e Participacoes	Brazil	Industrials	110,426	271	221
Realtek Semiconductor Corp.	Taiwan	Information Technology	39,000	230	225
RMB Holdings Ltd.	South Africa	Financials	25,839	191	187
Ruentex Industries Ltd.	Taiwan	Consumer Discretionary	849,000	2,205	2,186
Samjin Pharmaceutical Co. Ltd.	South Korea	Health Care	15,837	927	1,073
Samsung Electro-Mechanics Co.	South Korea	Information Technology	30,865	5,548	4,995
Samsung Electronics Co. Ltd.	South Korea	Information Technology	65,164	3,873	3,524
Sands China Ltd.	Hong Kong	Consumer Discretionary	51,600	387	302
Sasol Ltd.	South Africa	Materials	58,261	2,919	2,914
Seaspan Corp.	Hong Kong	Industrials	12,400	145	133
Severstal PAO	Russia	Materials	213,750	4,353	4,600
Shimao Property Holdings Ltd.	China	Real Estate	1,284,500	4,945	4,139
Shinsegae Co. Ltd.	South Korea	Consumer Discretionary	3,198	1,468	1,350
Sime Darby BHD	Malaysia	Industrials	220,800	178	180
Sinopharm Group Co. H	China	Health Care	578,697	3,679	3,659
Sinotruk Hong Kong Ltd.	China	Industrials	1,159,281	2,227	3,261
SK Holdings Co. Ltd.	South Korea	Industrials	9,451	2,885	3,158
SK Hynix Inc.	South Korea	Information Technology	80,151	8,620	6,822
SK Telecom Co. Ltd.	South Korea	Telecommunication Services	15,793	5,076	5,186
SLC Agricola SA	Brazil	Consumer Staples	162,176	2,883	3,162
SSY Group Ltd.	Hong Kong	Health Care	28,000	42	35
Supermax Corp. BHD	Malaysia	Health Care	1,344,883	1,658	1,361
Synnex Technology International Corp.	Taiwan	Information Technology	373,000	739	616
TaiDoc Technology Corp.	Taiwan	Health Care	181,000	1,241	1,075
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	Taiwan	Information Technology	15,800	903	902
TCL Electronics Holdings Ltd.	China	Consumer Discretionary	398,331	262	245
Telkom SA SOC Ltd.	South Africa	Telecommunication Services	538,307	2,616	2,541
Tenaga Nasional BHD	Malaysia	Utilities	315,500	1,495	1,523
Tencent Holdings Ltd.	China	Information Technology	4,300	293	229
Texhong Textile Group Ltd.	Hong Kong	Consumer Discretionary	394,000	820	762
Tianneng Power International Ltd.	China	Consumer Discretionary	84,000	165	96
Tim Participacoes SA ADR	Brazil	Telecommunication Services	6,600	150	124
Top Glove Corp. BHD	Malaysia	Health Care	36,695	130	122
Tupy SA	Brazil	Consumer Discretionary	63,500	403	411
Union Semiconductor Equipment & Materials Co. Ltd.	South Korea	Information Technology	10,588	140	65
Uni-President Enterprises Corp.	Taiwan	Consumer Staples	1,825,000	6,075	6,169
United Microelectronics Corp.	Taiwan	Information Technology	7,937,000	5,854	5,437
UniTest Inc.	South Korea	Information Technology	2,593	61	47
Vale SA ADR	Brazil	Materials	277,100	4,979	5,314



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## SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Vukile Property Fund Ltd.	South Africa	Real Estate	430,850	764	794
Wal-Mart de Mexico SAB de CV Series V	Mexico	Consumer Staples	385,900	1,295	1,520
Winix Inc.	South Korea	Consumer Discretionary	1,444	28	24
Xtep International Holdings Ltd.	China	Consumer Discretionary	3,131,281	2,546	2,342
YeaRimDang Publishing Co. Ltd.	South Korea	Consumer Discretionary	90,033	1,351	744
Zhen Ding Technology Holding Ltd.	Taiwan	Information Technology	183,000	566	529
ZTO Express (Cayman) Inc.	China	Industrials	9,182	248	197
<b>Total equities</b>				<b>295,991</b>	<b>286,104</b>
<b>EXCHANGE-TRADED FUNDS/NOTES</b>					
iShares MSCI India ETF	India	Exchange-Traded Funds/Notes	584,100	25,448	24,510
iShares MSCI Thailand ETF	Thailand	Exchange-Traded Funds/Notes	57,023	6,839	6,949
<b>Total exchange-traded funds/notes</b>				<b>32,287</b>	<b>31,459</b>
Transaction costs				(143)	—
<b>Total investments</b>				<b>328,135</b>	<b>317,563</b>
Derivative instruments (see schedule of derivative instruments)					(65)
Cash and cash equivalents					90,576
Other assets less liabilities					(85,577)
<b>Total net assets</b>					<b>322,497</b>



**MACKENZIE**  
Investments

# MACKENZIE EMERGING MARKETS FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

GLOBAL EQUITY FUND

## SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2018

<b>Effective Portfolio Allocation</b>	<b>% of NAV</b>
Equities	98.5
Cash and short-term investments	28.1
Other assets (liabilities)	(26.6)

<b>Effective Regional Allocation</b>	<b>% of NAV</b>
Cash and short-term investments	28.1
China	26.7
South Korea	17.6
Taiwan	15.1
India	9.0
Brazil	7.3
South Africa	5.2
Russia	5.1
Hong Kong	2.2
Mexico	2.2
Thailand	2.2
Malaysia	1.8
Indonesia	1.5
Other	1.0
Singapore	0.9
Argentina	0.7
Other assets (liabilities)	(26.6)

<b>Effective Sector Allocation</b>	<b>% of NAV</b>
Cash and short-term investments	28.1
Financials	21.4
Information technology	20.1
Materials	11.1
Energy	9.8
Consumer discretionary	9.0
Consumer staples	6.8
Telecommunication services	6.0
Industrials	5.5
Health care	3.9
Real estate	3.3
Utilities	1.6
Other assets (liabilities)	(26.6)

The effective allocation shows the portfolio, regional or sector exposure of the Fund calculated by combining its direct and indirect investments.



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# MACKENZIE EMERGING MARKETS FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

GLOBAL EQUITY FUND

## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at September 30, 2018

### Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
AA	19,472	Canadian dollar	(16,700,000)	South Korean won	Oct. 2, 2018	(19,472)	(19,443)	29
AA	19,525	Canadian dollar	(16,700,000)	South Korean won	Oct. 4, 2018	(19,525)	(19,443)	82
Unrealized Gains								111
AA	16,700,000	South Korean won	(19,532)	Canadian dollar	Oct. 2, 2018	19,532	19,443	(89)
AA	16,700,000	South Korean won	(19,530)	Canadian dollar	Oct. 4, 2018	19,530	19,443	(87)
Unrealized (Losses)								(176)
<b>Total forward currency contracts</b>								<b>(65)</b>
<b>Total derivative instruments at fair value</b>								<b>(65)</b>



**MACKENZIE**  
Investments

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

Mackenzie Financial Corporation ("Mackenzie") is the manager of the Fund and is wholly owned by IGM Financial Inc., a subsidiary of Power 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 and 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.

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.

## NOTES TO FINANCIAL STATEMENTS

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

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

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 any unlisted open-ended investment fund 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.

## NOTES TO FINANCIAL STATEMENTS

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

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

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

(k) Mergers

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

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. It is the intention of the Fund to distribute all of its net income and sufficient net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable.

Losses of the Fund cannot be allocated to investors and are retained in the Fund for use in future years. Non-capital losses may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 9 for the Fund's loss carryforwards.

## NOTES TO FINANCIAL STATEMENTS

### 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.

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.



## NOTES TO FINANCIAL STATEMENTS

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

#### 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.

# MACKENZIE EMERGING MARKETS FUND

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## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation March 9, 2018

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

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

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

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

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

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

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

Series O securities are offered only to investors investing a minimum of \$500,000 who are enrolled in Mackenzie Portfolio Architecture Service or Open Architecture Service; certain institutional investors; 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.

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 and various low-load purchase options. 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
Series A	June 5, 2018	2.00%	0.28%	9.04
Series AR	June 5, 2018	2.00%	0.31%	9.05
Series D	June 5, 2018	1.25%	0.20%	9.07
Series F	June 5, 2018	0.80%	0.15%	9.08
Series FB	June 5, 2018	1.00%	0.28%	9.07
Series O	June 5, 2018	— <sup>(1)</sup>	— *	9.11
Series PW	June 5, 2018	1.80%	0.15%	9.05
Series PWFB	June 5, 2018	0.80%	0.15%	9.09
Series PWX	June 5, 2018	— <sup>(2)</sup>	— <sup>(2)</sup>	9.11
Series R	June 5, 2018	— *	— *	8.98
Series S	June 5, 2018	— <sup>(1)</sup>	0.03%	9.11

\* 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.

# MACKENZIE EMERGING MARKETS FUND

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## NOTES TO FINANCIAL STATEMENTS

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

#### (b) Investments by Mackenzie and Affiliates

As at September 30, 2018, Mackenzie and Related Insurance Companies had investments of \$8 and \$178,777 (March 31, 2018 – \$150 and \$Nil), respectively, in the Fund.

#### (c) Loss Carryforwards

As the Fund was launched March 9, 2018, it has not had a taxation year-end and does not have any capital and non-capital losses available to carry forward for tax purposes.

#### (d) Securities Lending

As at September 30, 2018 and March 31, 2018, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

#### (e) Commissions

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

	(\$)
September 30, 2018	40

#### (f) Large Investor Activity

On September 26, 2018, funds managed by the Related Insurance Companies redeemed \$161,355 of securities in the Fund which settled on October 1, 2018. This redemption did not result in a significant change in the Fund's portfolio allocation and was managed without any adverse effect on the Fund.

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

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

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

##### i. Risk exposure and management

The Fund seeks long-term capital growth by investing primarily in a portfolio of equity securities of companies in emerging markets.

##### 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	81,200	1,232	–	82,432
Taiwanese dollar	47,792	4,416	–	52,208
South Korean won	56,655	(16,909)	–	39,746
U.S. dollar	33,633	2,069	–	35,702
Indian rupee	24,510	–	–	24,510
Russian ruble	15,913	–	–	15,913
South African rand	15,834	(4,932)	–	10,902
Brazilian real	16,757	(5,941)	–	10,816
Mexican peso	6,937	278	–	7,215
Thai baht	6,949	–	–	6,949
Indonesian rupiah	4,783	–	–	4,783
Malaysian ringgit	5,872	(1,939)	–	3,933
Philippine peso	728	(165)	–	563
Total	317,563	(21,891)	–	295,672
% of Net Assets	98.5	(6.8)	–	91.7

\* Includes both monetary and non-monetary financial instruments



**MACKENZIE**  
Investments

# MACKENZIE EMERGING MARKETS FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

GLOBAL EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

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

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 \$14,784 or 4.6% (March 31, 2018 – \$Nil or Nil%) of total net assets. 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 and exchange-traded funds/notes. 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 \$31,756 or 9.8% (March 31, 2018 – \$Nil or Nil%) of total net assets. 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.

#### (i) 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			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	286,104	–	–	286,104
Exchange-traded funds/notes	31,459	–	–	31,459
Derivative assets	–	111	–	111
Derivative liabilities	–	(176)	–	(176)
Total	317,563	(65)	–	317,498

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 pre-determined 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, the Fund did not hold any financial instruments measured at fair value.

Financial instruments classified as Level 2 investments are valued through incorporating observable market data and using standard market convention practices.