

## ***Interim Management Report of Fund Performance***

*For the Period Ended September 30, 2018*

*This Interim Management Report of Fund Performance contains financial highlights but does not contain the interim financial report of the investment fund. You may obtain a copy of the interim financial report, 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).*

*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. Every effort has been made to ensure that the information contained in this report is accurate as of the dates indicated in the report; however, the Fund cannot guarantee the accuracy or the completeness of this material. For more information, please refer to the Fund's Simplified Prospectus, Annual Information Form and Fund Facts, which may also be obtained, at no cost, using any of the methods outlined above.*

*For the Fund's current net asset values per security and for more recent information on general market events, please visit our website.*

### **A NOTE ON FORWARD-LOOKING STATEMENTS**

*This report may contain forward-looking statements that reflect our current expectations or forecasts of future events. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "preliminary", "typical" and other similar expressions. In addition, these statements may relate to future corporate actions, future financial performance of a fund or a security and their future investment strategies and prospects. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in government regulations, changes in securities laws and regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events and the ability of Mackenzie to attract or retain key employees. The foregoing list of important risks, uncertainties and assumptions is not exhaustive. Please consider these and other factors carefully and do not place undue reliance on forward-looking statements.*

*The forward-looking information contained in this report is current only as of the date of this report. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.*



# MACKENZIE EMERGING MARKETS FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended September 30, 2018

GLOBAL EQUITY FUND

## Management Discussion of Fund Performance

November 13, 2018

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments during the period ended September 30, 2018, that have affected the Fund's performance and outlook. If the Fund was established during the period, "period" represents the period from inception to the end of the fiscal period. For information on the Fund's longer-term performance, as applicable, please refer to the *Past Performance* section of the report. In this report, "Mackenzie" refers to Mackenzie Financial Corporation, the manager of the Fund. In addition, net asset value ("NAV") refers to the value of the Fund as calculated for transaction purposes, on which the discussion of Fund performance is based.

### Investment Objective and Strategies

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

### Risk

The risks of the Fund remain as discussed in the Fund's Simplified Prospectus.

The Fund is suitable for medium- to long-term investors looking for an emerging markets global equity fund to hold as a key part of their portfolio, who can handle the volatility of stocks in emerging and frontier markets, and who have a medium to high tolerance for risk.

### Results of Operations

#### Investment Performance

As with all new funds, in accordance with securities laws, performance can be discussed only when audited annual financial statements have been produced.

#### Net Assets

From its inception on June 5, 2018, to September 30, 2018, the Fund experienced \$35.9 million in net losses (after including dividend and interest income) from investment performance, after deducting fees and expenses, and \$358.2 million in net sales. These net sales include a pending redemption of \$161.4 million by affiliates of Mackenzie (see *Other Related Party Transactions*) that 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.

At September 30, 2018, 29.0% of the Fund's NAV was held by investors that individually owned 10% or more of the Fund. See also *Other Related Party Transactions* for the percentage of the Fund's NAV owned by related parties. As a result of these investments, the Fund is subject to large transaction risk as discussed in the Prospectus. Mackenzie manages this risk to reduce the possibility of any adverse effect on the Fund or on its investors, through such processes as requiring advance notice of large redemptions. At September 30, 2018, Mackenzie had received no further such notices.

### Fees and Expenses

The annualized management expense ratio ("MER") for Series A was 2.59% since inception.

### Recent Developments

The portfolio management team's quantitative, bottom-up stock selection process aims to add value across a variety of market conditions, both growth and value, and focuses on mid- and small-cap stocks. Despite persistent volatility in the period, the team believes current valuations in emerging markets remain attractive. The team believes the trade actions and tariffs imposed by the United States represent a short-term negative factor.

### Related Party Transactions

The following arrangements result in fees paid by the Fund to Mackenzie or to companies affiliated with the Fund.

### Management and Administration Services

For each applicable series, the Fund paid management fees and administration fees to Mackenzie at the annual rates specified under *Fund Formation and Series Information* in this report and as more fully described in the Prospectus. In return for the administration fees, Mackenzie pays all costs and expenses (other than certain specified fund costs) required to operate the Fund that are not included in management fees. See also *Management Fees*.

### Other Related Party Transactions

Investment funds managed by Mackenzie invest in Series R securities of the Fund on a prospectus-exempt basis in accordance with the investment objectives of those funds. Series S securities are also offered on a prospectus-exempt basis to London Life Insurance Company, The Great-West Life Assurance Company and The Canada Life Assurance Company (collectively, the "Related Insurance Companies"), all of which are companies affiliated with Mackenzie. At September 30, 2018, funds managed by Mackenzie owned less than 0.1% of the Fund's NAV, and the Related Insurance Companies owned 55.4% of the Fund's NAV. All related party transactions are based on the NAV per security on each transaction day.

At September 30, 2018, Mackenzie had an investment of \$8,171 in the Fund (less than 0.1% of the Fund's NAV).

The Fund did not rely on an approval, positive recommendation or standing instruction from the Mackenzie Funds' Independent Review Committee with respect to any related party transactions.

### Past Performance

Past performance has not been shown for the Fund because the Fund has not reached its first fiscal year-end.

# MACKENZIE EMERGING MARKETS FUND

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## Summary of Investment Portfolio at 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)

<b>Effective Net Currency Exposure</b>	<b>% of NAV</b>
Hong Kong dollar	25.6
Taiwanese dollar	16.2
South Korean won	12.3
U.S. dollar	11.1
Canadian dollar	8.3
Indian rupee	7.6
Other	7.2
Russian ruble	4.9
Brazilian real	3.4
South African rand	3.4

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

## Top 25 Holdings

<b>Issuer/Underlying Fund</b>	<b>% of NAV</b>
Cash and short-term investments	28.1
iShares MSCI India ETF	7.6
China Construction Bank Corp.	2.8
Baidu Inc.	2.6
Ping An Insurance (Group) Co. of China Ltd.	2.6
CNOOC Ltd.	2.3
iShares MSCI Thailand ETF	2.2
SK Hynix Inc.	2.1
Gazprom PJSC	2.0
China Mobile Ltd.	1.9
Uni-President Enterprises Corp.	1.9
KB Financial Group Inc.	1.9
FirstRand Ltd.	1.8
Hana Financial Inc.	1.8
PetroChina Co. Ltd.	1.7
United Microelectronics Corp.	1.7
Fubon Financial Holding Co. Ltd.	1.7
Banco do Brasil SA	1.6
Vale SA	1.6
Grupo Financiero Banorte SAB de CV	1.6
SK Telecom Co. Ltd.	1.6
Anhui Conch Cement Co. Ltd.	1.6
President Chain Store Corp.	1.6
Momo Inc.	1.5
Samsung Electro-Mechanics Co.	1.5

## Top long positions as a percentage of total net asset value

**79.3**

The Fund held no direct short positions at the end of the period.

For the prospectus and other information about the underlying fund(s) held in the portfolio, visit [www.mackenzieinvestments.com](http://www.mackenzieinvestments.com) or [www.sedar.com](http://www.sedar.com).

The investments and percentages may have changed since September 30, 2018, due to the ongoing portfolio transactions of the Fund. Quarterly updates of holdings are available within 60 days of the end of each quarter except for March 31, the Fund's fiscal year-end, when they are available within 90 days.



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# MACKENZIE EMERGING MARKETS FUND

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GLOBAL EQUITY FUND

## Financial Highlights

Financial highlights have not been shown for the Fund because the Fund has not reached its first fiscal year-end.

## Management Fees

The management fee for each applicable series is calculated and accrued daily as a percentage of its NAV. The Fund's management fees were used by Mackenzie to pay for the costs of managing the investment portfolio of the Fund and/or the underlying fund(s), as applicable, including providing investment analysis and recommendations, making investment decisions, making brokerage arrangements for the purchase and sale of the investment portfolio, and providing other services. Mackenzie also used the management fees to fund sales commissions, trailing commissions and any other compensation (collectively "distribution-related payments") to registered dealers and brokers whose clients invest in the Fund.

The following dealers affiliated with Mackenzie may be entitled to distribution-related payments from Mackenzie on the same basis as unrelated registered brokers and dealers: IPC Securities Corporation, Investors Group Securities Inc., IPC Investment Corporation and Investors Group Financial Services Inc.

Mackenzie used approximately 43% of the total management fee revenues received from all Mackenzie funds during the period to fund distribution-related payments to registered dealers and brokers. In comparison, such distribution-related payments for the Fund represented on average 200% of the management fees paid by all applicable series of the Fund during the period. The actual percentage for each series may be higher or lower than the average depending on the level of trailing commissions and sales commissions paid for that series. The higher proportion of distribution-related payments is primarily attributable to sales commissions related to gross sales of redemption charge securities of the Fund. When distribution-related payments exceeded the management fees paid by the Fund during the period, the balance was paid out of Mackenzie's other revenues. Because the Fund is in its first year, the percentage of management fees used to fund such distribution-related payments is not representative.

# MACKENZIE EMERGING MARKETS FUND

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## Fund Formation and Series Information

The Fund may have undergone a number of changes, such as a reorganization or a change in manager, mandate or name. A history of the major changes affecting the Fund in the last 10 years can be found in the Fund's Annual Information Form.

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 *Financial Highlights*.

**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.



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