

MACKENZIE GLOBAL SMALL-MID CAP EQUITY FUND

(Formerly Mackenzie Global Small Cap Fund)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

GLOBAL EQUITY FUND

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Mackenzie Financial Corporation, as Manager of Mackenzie Global Small-Mid Cap Equity Fund (the "Fund"). The Manager is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with International Financial Reporting Standards. The Manager is also responsible for the development of internal controls over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors (the "Board") of Mackenzie Financial Corporation is responsible for reviewing and approving the financial statements and overseeing the Manager's performance of its financial reporting responsibilities. The Board is assisted in discharging this responsibility by an Audit Committee, which reviews the financial statements and recommends them for approval by the Board. The Audit Committee also meets regularly with the Manager, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

Deloitte LLP is the external auditor of the Fund. It is appointed by the Board. The external auditor has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the securityholders its opinion on the financial statements. Its report is set out below.

On behalf of Mackenzie Financial Corporation,
Manager of the Fund



Barry McNerney
President and Chief Executive Officer



Terry Rountes
Chief Financial Officer, Funds

July 13, 2020

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Global Small-Mid Cap Equity Fund (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at March 31, 2020 and 2019, and the statements of comprehensive income, changes in financial position and cash flows for the periods then ended, as indicated in Note 1, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2020 and 2019, and its financial performance and its cash flows for the periods then ended, as indicated in Note 1, in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information which comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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INDEPENDENT AUDITOR'S REPORT (cont'd)

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
July 13, 2020



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STATEMENTS OF FINANCIAL POSITION

In thousands (except per security figures)
As at March 31

	2020	2019		2020	2019
	\$	\$		\$	\$
ASSETS					
Current assets			Net assets attributable to securityholders		
Investments at fair value	393,436	482,238	per security (note 3)		
Cash and cash equivalents	18,315	11,158	Series A	4.44	6.19
Dividends receivable	897	1,083	Series D	7.77	10.72
Accounts receivable for investments sold	16	2	Series F	10.07	13.87
Accounts receivable for securities issued	283	56	Series FB	7.28	10.03
Unrealized gains on derivative contracts	–	86	Series G	10.16	14.07
Total assets	412,947	494,623	Series I	8.30	11.47
			Series J	9.15	12.71
			Series M	12.48	17.27
			Series O	16.54	22.77
LIABILITIES			Series PW	8.41	11.67
Current liabilities			Series PWFB	6.63	9.12
Accounts payable for investments purchased	10,924	1	Series PWX	7.40	10.18
Accounts payable for securities redeemed	73	153	Series R	13.93	19.17
Due to manager	4	–	Series S	6.92	9.53
Unrealized losses on derivative contracts	–	395	Series LB	6.03	8.40
Total liabilities	11,001	549	Series LF	7.26	10.00
Net assets attributable to securityholders	401,946	494,074	Series LW	6.33	8.78
Net assets attributable to securityholders					
per series (note 3)					
Series A	34,455	59,897			
Series D	155	284			
Series F	2,102	4,457			
Series FB	18	24			
Series G	693	1,085			
Series I	59	82			
Series J	111	334			
Series M	579	898			
Series O	5,548	8,155			
Series PW	21,710	36,676			
Series PWFB	359	108			
Series PWX	756	1,364			
Series R	40,205	49,963			
Series S	294,079	329,271			
Series LB	218	336			
Series LF	226	14			
Series LW	673	1,126			

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



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GLOBAL EQUITY FUND

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended March 31 (note 1)
In thousands (except per security figures)

	2020	2019		2020	2019
	\$	\$		\$	\$
Income			Increase (decrease) in net assets attributable to securityholders from operations per security		
Dividends	11,954	11,680	Series A	(1.57)	(0.58)
Interest income	297	144	Series D	(2.50)	(1.09)
Other changes in fair value of investments and other net assets			Series F	(3.04)	(1.84)
Net realized gain (loss)	(8,667)	(18,340)	Series FB	(2.75)	1.95
Net unrealized gain (loss)	(131,778)	(33,369)	Series G	(3.72)	(1.58)
Securities lending income	594	313	Series I	(3.17)	(0.36)
Total income (loss)	(127,600)	(39,572)	Series J	(2.51)	(1.45)
			Series M	(4.68)	(2.05)
Expenses (note 6)			Series O	(5.82)	(2.18)
Management fees	1,890	2,474	Series PW	(2.97)	(1.95)
Management fee rebates	—	(4)	Series PWF	—	0.49
Administration fees	319	378	Series PWFB	(4.57)	(1.40)
Administration fee rebates	(8)	(10)	Series PWX	(2.33)	(0.95)
Interest charges	6	16	Series R	(4.89)	(2.08)
Commissions and other portfolio transaction costs	1,107	1,375	Series S	(2.55)	(0.85)
Independent Review Committee fees	2	2	Series LB	(2.13)	(1.76)
Other	1	4	Series LF	(3.47)	(0.12)
Expenses before amounts absorbed by Manager	3,317	4,235	Series LW	(2.05)	(0.75)
Expenses absorbed by Manager	—	—			
Net expenses	3,317	4,235			
Increase (decrease) in net assets attributable to securityholders from operations before tax	(130,917)	(43,807)			
Foreign withholding taxes	1,568	1,320			
Foreign income taxes paid (recovered)	(20)	—			
Increase (decrease) in net assets attributable to securityholders from operations	(132,465)	(45,127)			
Increase (decrease) in net assets attributable to securityholders from operations per series					
Series A	(13,606)	(6,355)			
Series D	(60)	(22)			
Series F	(839)	(567)			
Series FB	(6)	4			
Series G	(271)	(126)			
Series I	(23)	(3)			
Series J	(50)	(38)			
Series M	(224)	(109)			
Series O	(1,991)	(787)			
Series PW	(8,449)	(5,710)			
Series PWF	—	65			
Series PWFB	(51)	(20)			
Series PWX	(280)	(165)			
Series R	(13,222)	(4,715)			
Series S	(93,003)	(26,423)			
Series LB	(85)	(95)			
Series LF	(43)	—			
Series LW	(262)	(61)			

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



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STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the periods ended March 31 (note 1)
In thousands

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Series A		Series D		Series F		Series FB		Series G	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	59,897	100,039	284	202	4,457	3,269	24	121	1,085	1,360
Increase (decrease) in net assets from operations	(13,606)	(6,355)	(60)	(22)	(839)	(567)	(6)	4	(271)	(126)
Distributions paid to securityholders:										
Investment income	–	(462)	–	(2)	(14)	(56)	–	–	–	(10)
Capital gains	–	(1,113)	–	(6)	–	(134)	–	–	–	(24)
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Administration fee rebates	(8)	(9)	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(8)	(1,584)	–	(8)	(14)	(190)	–	–	–	(34)
Security transactions:										
Proceeds from securities issued	4,378	6,764	31	125	658	2,900	44	25	7	15
Reinvested distributions	7	1,580	–	8	11	139	–	–	–	34
Payments on redemption of securities	(16,213)	(40,547)	(100)	(21)	(2,171)	(1,094)	(44)	(126)	(128)	(164)
Total security transactions	(11,828)	(32,203)	(69)	112	(1,502)	1,945	–	(101)	(121)	(115)
Total increase (decrease) in net assets	(25,442)	(40,142)	(129)	82	(2,355)	1,188	(6)	(97)	(392)	(275)
End of period	34,455	59,897	155	284	2,102	4,457	18	24	693	1,085

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	9,683	14,069	26	16	321	204	2	10	77	84
Issued	787	1,002	4	11	49	180	4	2	1	1
Reinvested distributions	1	286	–	1	1	11	–	–	–	3
Redeemed	(2,719)	(5,674)	(10)	(2)	(162)	(74)	(4)	(10)	(10)	(11)
Securities outstanding – end of period	7,752	9,683	20	26	209	321	2	2	68	77

	Series I		Series J		Series M		Series O		Series PW	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	82	195	334	396	898	1,114	8,155	9,238	36,676	21,066
Increase (decrease) in net assets from operations	(23)	(3)	(50)	(38)	(224)	(109)	(1,991)	(787)	(8,449)	(5,710)
Distributions paid to securityholders:										
Investment income	–	(1)	–	(3)	–	(9)	(107)	(135)	–	(316)
Capital gains	–	(2)	–	(6)	–	(21)	–	(325)	–	(764)
Management fee rebates	–	–	–	–	–	–	–	–	–	(3)
Administration fee rebates	–	(1)	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	–	(4)	–	(9)	–	(30)	(107)	(460)	–	(1,083)
Security transactions:										
Proceeds from securities issued	–	1	–	–	–	–	563	2,544	3,590	28,090
Reinvested distributions	–	3	–	8	–	29	107	460	–	1,079
Payments on redemption of securities	–	(110)	(173)	(23)	(95)	(106)	(1,179)	(2,840)	(10,107)	(6,766)
Total security transactions	–	(106)	(173)	(15)	(95)	(77)	(509)	164	(6,517)	22,403
Total increase (decrease) in net assets	(23)	(113)	(223)	(62)	(319)	(216)	(2,607)	(1,083)	(14,966)	15,610
End of period	59	82	111	334	579	898	5,548	8,155	21,710	36,676

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	7	15	26	27	52	56	358	349	3,142	1,569
Issued	–	–	–	–	–	–	25	98	335	2,016
Reinvested distributions	–	–	–	1	–	2	5	23	–	104
Redeemed	–	(8)	(14)	(2)	(6)	(6)	(53)	(112)	(897)	(547)
Securities outstanding – end of period	7	7	12	26	46	52	335	358	2,580	3,142

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

MACKENZIE GLOBAL SMALL-MID CAP EQUITY FUND

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STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

For the periods ended March 31 (note 1)
In thousands

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Series PWF		Series PWFB		Series PWX		Series R		Series S	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS	\$		\$		\$		\$		\$	
Beginning of period	–	1,827	108	89	1,364	2,591	49,963	29,728	329,271	328,680
Increase (decrease) in net assets from operations	–	65	(51)	(20)	(280)	(165)	(13,222)	(4,715)	(93,003)	(26,423)
Distributions paid to securityholders:										
Investment income	–	–	–	(2)	(17)	(26)	(720)	(787)	(4,847)	(4,988)
Capital gains	–	–	–	(4)	–	(62)	–	(1,900)	–	(12,042)
Management fee rebates	–	(1)	–	–	–	–	–	–	–	–
Administration fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	–	(1)	–	(6)	(17)	(88)	(720)	(2,687)	(4,847)	(17,030)
Security transactions:										
Proceeds from securities issued	–	65	365	144	49	146	10,086	30,066	69,515	46,134
Reinvested distributions	–	–	–	6	17	88	720	2,687	4,847	17,030
Payments on redemption of securities	–	(1,956)	(63)	(105)	(377)	(1,208)	(6,622)	(5,116)	(11,704)	(19,120)
Total security transactions	–	(1,891)	302	45	(311)	(974)	4,184	27,637	62,658	44,044
Total increase (decrease) in net assets	–	(1,827)	251	19	(608)	(1,227)	(9,758)	20,235	(35,192)	591
End of period	–	–	359	108	756	1,364	40,205	49,963	294,079	329,271

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	–	134	12	8	134	219	2,606	1,335	34,564	29,735
Issued	–	5	49	13	5	13	593	1,370	8,666	4,514
Reinvested distributions	–	–	–	1	2	10	37	158	501	2,018
Redeemed	–	(139)	(7)	(10)	(39)	(108)	(350)	(257)	(1,237)	(1,703)
Securities outstanding – end of period	–	–	54	12	102	134	2,886	2,606	42,494	34,564

	Series LB		Series LF		Series LW		Total	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS	\$		\$		\$		\$	
Beginning of period	336	409	14	–	1,126	453	494,074	500,777
Increase (decrease) in net assets from operations	(85)	(95)	(43)	–	(262)	(61)	(132,465)	(45,127)
Distributions paid to securityholders:								
Investment income	–	(4)	(1)	–	–	(6)	(5,706)	(6,807)
Capital gains	–	(10)	–	–	–	(15)	–	(16,428)
Management fee rebates	–	–	–	–	–	–	–	(4)
Administration fee rebates	–	–	–	–	–	–	(8)	(10)
Total distributions paid to securityholders	–	(14)	(1)	–	–	(21)	(5,714)	(23,249)
Security transactions:								
Proceeds from securities issued	325	807	255	14	453	933	90,319	118,773
Reinvested distributions	–	14	1	–	–	21	5,710	23,186
Payments on redemption of securities	(358)	(785)	–	–	(644)	(199)	(49,978)	(80,286)
Total security transactions	(33)	36	256	14	(191)	755	46,051	61,673
Total increase (decrease) in net assets	(118)	(73)	212	14	(453)	673	(92,128)	(6,703)
End of period	218	336	226	14	673	1,126	401,946	494,074

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities	
Securities outstanding – beginning of period	40	41	1	–	128	45
Issued	40	83	30	1	53	102
Reinvested distributions	–	2	–	–	–	3
Redeemed	(44)	(86)	–	–	(75)	(22)
Securities outstanding – end of period	36	40	31	1	106	128

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STATEMENTS OF CASH FLOWS

For the periods ended March 31 (note 1)
In thousands

	2020	2019
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	(132,465)	(45,127)
Adjustments for:		
Net realized loss (gain) on investments	8,258	15,456
Change in net unrealized loss (gain) on investments	131,778	33,369
Distributions received in-kind from underlying funds	(23)	–
Purchase of investments	(446,081)	(619,041)
Proceeds from sale and maturity of investments	405,480	577,523
Change in dividends receivable	186	(248)
Change in due from manager	–	2
Change in due to manager	4	(18)
Net cash from operating activities	(32,863)	(38,084)
Cash flows from financing activities		
Proceeds from securities issued	86,382	89,496
Payments on redemption of securities	(46,348)	(50,682)
Distributions paid net of reinvestments	(4)	(63)
Net cash from financing activities	40,030	38,751
Net increase (decrease) in cash and cash equivalents	7,167	667
Cash and cash equivalents at beginning of period	11,158	10,490
Effect of exchange rate fluctuations on cash and cash equivalents	(10)	1
Cash and cash equivalents at end of period	18,315	11,158
Cash	636	2,058
Cash equivalents	17,679	9,100
Cash and cash equivalents at end of period	18,315	11,158
Supplementary disclosures on cash flow from operating activities:		
Dividends received	12,140	11,432
Foreign taxes paid	1,548	1,320
Interest received	297	144
Interest paid	6	16

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SCHEDULE OF INVESTMENTS

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES					
Abcam PLC	United Kingdom	Health Care	160,896	3,848	3,237
Acco Brands Corp.	United States	Industrials	180,051	2,449	1,282
ADO Properties SA	Germany	Real Estate	36,317	997	1,161
AEON REIT Investment Corp.	Japan	Real Estate	2,592	3,782	3,498
AK Holdings Inc	South Korea	Materials	69,708	4,377	1,428
Alpha & Omega Semiconductor Ltd.	United States	Information Technology	240,000	3,708	2,169
ALS Ltd.	Australia	Industrials	465,594	3,441	2,283
Alten	France	Information Technology	16,520	2,695	1,672
American States Water Co.	United States	Utilities	8,816	1,054	1,016
AMN Healthcare Services Inc.	United States	Health Care	22,684	2,804	1,849
Amneal Pharmaceuticals Inc.	United States	Health Care	169,178	937	830
Ams AG	Austria	Information Technology	82,194	5,106	1,146
The Andersons Inc.	United States	Consumer Staples	33,167	846	877
Anritsu Corp.	Japan	Information Technology	128,400	3,391	3,358
Apollo Commercial Real Estate Finance Inc.	United States	Financials	110,159	1,693	1,152
ArcBest Corp.	United States	Industrials	33,800	944	835
Arena Pharmaceuticals Inc.	United States	Health Care	22,098	1,253	1,308
Artisan Partners Asset Management Inc. Class A	United States	Financials	53,786	2,536	1,630
Athene Holding Ltd.	United States	Financials	118,000	3,866	4,129
Atkore International Group Inc.	United States	Industrials	114,924	3,406	3,414
Auto Trader Group PLC	United Kingdom	Communication Services	203,492	1,298	1,558
Avaya Holdings Corp.	United States	Information Technology	96,185	1,160	1,097
Avis Budget Group Inc.	United States	Industrials	89,642	4,157	1,757
Azimut Holding SpA	Italy	Financials	63,464	1,642	1,290
Bechtle AG	Germany	Information Technology	27,909	2,092	5,129
Best World International Ltd.	Singapore	Consumer Staples	1,396,900	3,624	1,321
Brighthouse Financial Inc.	United States	Financials	90,687	4,888	3,090
Bunka Shutter Co. Ltd.	Japan	Industrials	212,800	2,451	2,183
Bure Equity AB	Sweden	Financials	86,503	1,899	1,925
C&C Group PLC	Ireland	Consumer Staples	469,617	2,816	1,612
CACI International Inc. Class A	United States	Information Technology	11,166	2,593	3,324
Choice Properties Real Estate Investment Trust	Canada	Real Estate	340,869	4,928	4,404
Clean Harbors Inc.	United States	Industrials	45,585	5,152	3,299
Colony NorthStar Inc. Class A	United States	Real Estate	485,418	3,762	1,198
Commercial Metals Co.	United States	Materials	168,919	5,040	3,760
Comture Corp.	Japan	Information Technology	107,400	2,477	3,076
CoreSite Realty Corp.	United States	Real Estate	20,823	3,077	3,402
Dialog Semiconductor PLC	United Kingdom	Information Technology	77,341	2,245	2,948
D'leteren SA	Belgium	Consumer Discretionary	33,252	2,680	2,323
Diversified Healthcare Trust	United States	Real Estate	296,414	3,572	1,517
DMC Global Inc.	United States	Energy	72,466	3,396	2,351
Drax Group PLC	United Kingdom	Utilities	522,350	3,575	1,402
Dunelm Group PLC	United Kingdom	Consumer Discretionary	245,766	5,650	3,029
Dynex Capital Inc.	United States	Financials	99,632	1,876	1,466
Eckert & Ziegler Strahlen- und Medizintechnik AG	Germany	Health Care	10,761	2,530	2,382
Ellington Financial Inc.	United States	Financials	100,939	2,425	813
Embracer Group AB	Sweden	Communication Services	284,388	3,391	3,958
Enova International Inc.	United States	Financials	194,231	6,370	3,968



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SCHEDULE OF INVESTMENTS (cont'd)

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
EVN AG	Austria	Utilities	103,808	2,430	2,146
Exantas Capital Corp.	United States	Financials	246,203	3,666	958
Exelixis Inc.	United States	Health Care	155,840	3,621	3,783
Exponent Inc.	United States	Industrials	40,772	2,590	4,133
Fulton Financial Corp.	United States	Financials	165,421	3,804	2,680
Generac Holdings Inc.	United States	Industrials	43,724	2,705	5,742
The Geo Group Inc.	United States	Real Estate	112,039	3,534	1,921
Getinge AB	Sweden	Health Care	124,473	1,529	3,361
Gibson Energy Inc.	Canada	Energy	110,000	2,806	1,788
Global Blood Therapeutics Inc.	United States	Health Care	21,973	1,445	1,583
Globant SA	Argentina	Information Technology	17,627	2,361	2,184
GN Store Nord AS (GN Great Nordic)	Denmark	Health Care	67,414	2,365	4,250
The Goodyear Tire & Rubber Co.	United States	Consumer Discretionary	262,000	5,863	2,150
Grand Pacific Petrochemical Corp.	Taiwan	Materials	2,643,000	2,132	1,589
Greif Inc.	United States	Materials	54,451	1,883	2,387
Heartland Financial USA Inc.	United States	Financials	37,930	2,565	1,615
Hersha Hospitality Trust	United States	Real Estate	227,220	6,471	1,147
Hibbett Sports Inc.	United States	Consumer Discretionary	80,195	2,449	1,236
HMS Holdings Corp.	United States	Health Care	67,470	2,637	2,404
Hyosung Corp.	South Korea	Industrials	25,396	2,469	1,770
Hyundai Motor Co.	South Korea	Consumer Discretionary	24,345	3,543	2,469
IBERIABANK Corp.	United States	Financials	27,685	1,195	1,411
IDP Education Ltd.	Australia	Consumer Discretionary	226,496	3,460	2,217
IGG Inc.	Singapore	Communication Services	2,484,000	4,698	2,082
Invincible Investment Corp.	Japan	Real Estate	6,000	4,764	1,888
Inwido AB	Sweden	Industrials	617,634	6,226	5,002
iHeartMedia Inc. Class A	United States	Communication Services	214,346	2,151	2,209
Italgas SPA	Italy	Utilities	421,733	3,325	3,255
Jabil Circuit Inc.	United States	Information Technology	84,749	3,090	2,937
Japan Petroleum Exploration Co. Ltd.	Japan	Energy	76,400	1,790	1,767
Lamar Advertising Co. Class A	United States	Real Estate	31,941	1,735	2,309
Ligand Pharmaceutical Inc.	United States	Health Care	24,080	3,039	2,469
M.D.C. Holdings Inc.	United States	Consumer Discretionary	83,768	4,952	2,740
Manhattan Associates Inc.	United States	Information Technology	45,476	4,996	3,194
MasTec Inc.	United States	Industrials	71,745	6,189	3,311
MAXIMUS Inc.	United States	Information Technology	51,162	5,456	4,198
MCUBS MidCity Investment Corp.	Japan	Real Estate	4,368	6,290	4,352
MDU Resources Group Inc.	United States	Utilities	87,816	2,168	2,662
Medpace Holdings Inc.	United States	Health Care	33,181	1,546	3,433
MFA Financial Inc.	United States	Financials	617,248	6,295	1,349
Navient Corp.	United States	Financials	261,997	4,634	2,800
Neopost SA	France	Information Technology	154,155	5,784	3,818
Nippon Carbon Co. Ltd.	Japan	Industrials	51,000	4,233	2,139
NMI Holdings Inc. Class A	United States	Financials	65,293	2,568	1,069
NS Solutions Corp.	Japan	Information Technology	117,000	5,145	4,018
O-I Glass Inc.	United States	Materials	240,878	5,847	2,414
Orange Belgium SA	Belgium	Communication Services	130,837	3,458	3,253
Paradox Interactive AB	Sweden	Communication Services	186,544	5,518	4,198



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EQUITIES (cont'd)					
People's Insurance Co. of China (Hong Kong) Ltd.	China	Financials	3,996,000	2,178	1,851
Perdoceo Education Corp.	United States	Consumer Discretionary	246,754	6,219	3,754
Philips Lighting NV	Netherlands	Industrials	126,805	4,943	3,468
Physicians Realty Trust	United States	Real Estate	109,131	1,926	2,145
Powertech Technology Inc.	Taiwan	Information Technology	1,048,000	5,290	4,134
Pressance Corp.	Japan	Consumer Discretionary	163,900	2,081	2,036
Progress Software Corp.	United States	Information Technology	54,807	2,624	2,473
Pushpay Holdings Ltd.	New Zealand	Information Technology	653,584	2,644	1,860
Radian Group Inc.	United States	Financials	67,740	2,152	1,237
Radware Ltd.	Israel	Information Technology	33,579	928	997
Rightmove PLC	United Kingdom	Communication Services	704,120	5,087	5,981
RLJ Lodging Trust	United States	Real Estate	194,045	4,759	2,112
Royal Mail PLC	United Kingdom	Industrials	1,100,954	3,957	2,403
S&T Motiv Co. Ltd.	South Korea	Consumer Discretionary	72,588	4,178	2,299
Saia Inc.	United States	Industrials	13,089	1,258	1,357
SEC Carbon Ltd.	Japan	Industrials	54,700	6,352	4,427
Shoe Carnival Inc.	United States	Consumer Discretionary	54,878	2,413	1,607
Signet Jewelers Ltd.	United States	Consumer Discretionary	220,104	5,424	2,001
Silgan Holdings Inc.	United States	Materials	122,500	4,990	5,011
SimCorp AS	Denmark	Information Technology	32,741	2,464	3,881
SITE CENTERS Corp.	United States	Real Estate	253,155	4,734	1,859
Softcat PLC	United Kingdom	Information Technology	245,480	3,800	4,444
Southwestern Energy Co.	United States	Energy	425,646	1,311	1,014
SpartanNash Co.	United States	Consumer Staples	41,091	974	830
Stamps.com Inc.	United States	Consumer Discretionary	27,000	4,000	4,951
Subsea 7 SA	United Kingdom	Energy	215,101	3,510	1,440
Sundrug Co. Ltd.	Japan	Consumer Staples	76,300	2,857	3,450
Supreme Electronics Co. Ltd.	Taiwan	Information Technology	2,767,000	3,822	3,861
Tenet Healthcare Corp.	United States	Health Care	140,925	6,179	2,861
Tetra Tech Inc.	United States	Industrials	46,095	4,861	4,589
The Timken Co.	United States	Industrials	79,764	5,150	3,637
Topy Industries Ltd.	Japan	Materials	38,200	681	686
Torex Gold Resources Inc.	Canada	Materials	144,479	2,419	1,969
Torii Pharmaceutical Co. Ltd.	Japan	Health Care	43,700	1,550	1,537
Tradeweb Markets Inc.	United States	Financials	41,400	2,177	2,454
TransAlta Renewables Inc.	Canada	Utilities	367,228	4,911	5,460
Trinseo SA	United States	Materials	39,018	1,999	996
United Natural Foods Inc.	United States	Consumer Staples	53,251	934	705
United States Cellular Corp.	United States	Communication Services	31,059	1,316	1,283
United Therapeutics Corp.	United States	Health Care	24,067	2,752	3,217
USANA Health Sciences Inc.	United States	Consumer Staples	18,948	1,356	1,543
Valmont Industries Inc.	United States	Industrials	32,268	6,495	4,821
Viavi Solutions Inc.	United States	Information Technology	188,897	2,326	2,985
Village Super Market Inc.	United States	Consumer Staples	26,000	843	901
Vista Outdoor Inc.	United States	Consumer Discretionary	91,435	1,002	1,134
Warrior Met Coal Inc.	United States	Materials	122,261	4,903	1,831
Watts Water Technologies Inc. Class A	United States	Industrials	26,211	2,745	3,128
Weichai Power Co. Ltd.	China	Industrials	1,630,000	2,097	3,678



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
Western Alliance Bancorp	United States	Financials	55,000	2,001	2,373
WP Glimcher Inc.	United States	Real Estate	576,043	5,796	654
WW International Inc	United States	Consumer Discretionary	71,230	2,806	1,698
Yageo Corp.	Taiwan	Information Technology	243,000	3,477	3,047
Yuanta Financial Holding Co. Ltd.	Taiwan	Financials	3,590,000	2,251	2,601
Zealand Pharma AS	Denmark	Health Care	87,000	3,754	4,224
Total equities				490,975	376,541
MUTUAL FUNDS					
Mackenzie Global Long/Short Equity Alpha Fund Series R	Canada	Mutual Funds	1,750,000	17,500	11,941
Mackenzie US Small Cap Fund Series R	Canada	Mutual Funds	702,445	7,023	4,954
Total mutual funds				24,523	16,895
Transaction costs				(613)	—
Total investments				514,885	393,436
Cash and cash equivalents					18,315
Other assets less liabilities					(9,805)
Total net assets					401,946



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SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2020		March 31, 2019	
Portfolio Allocation	% of NAV	Portfolio Allocation	% of NAV
Equities	93.6	Equities	92.7
Cash and short-term investments	4.6	Mutual funds	4.9
Mutual funds	4.2	Cash and short-term investments	2.3
Other assets (liabilities)	(2.4)	Other assets (liabilities)	0.1
Regional Allocation	% of NAV	Regional Allocation	% of NAV
United States	48.0	United States	49.4
Japan	9.6	Japan	9.5
Canada	7.6	Canada	6.5
United Kingdom	6.6	United Kingdom	6.5
Sweden	4.6	Other	4.7
Cash and short-term investments	4.6	China	4.2
Other	3.9	Taiwan	3.3
Taiwan	3.8	Sweden	2.8
Denmark	3.1	Denmark	2.5
Germany	2.2	Cash and short-term investments	2.3
South Korea	2.0	Hong Kong	2.2
Belgium	1.4	France	2.2
China	1.4	Australia	2.2
France	1.4	South Korea	1.6
Italy	1.1	Other assets (liabilities)	0.1
Australia	1.1		
Other assets (liabilities)	(2.4)		
Sector Allocation	% of NAV	Sector Allocation	% of NAV
Information technology	17.7	Information technology	17.6
Industrials	17.1	Industrials	16.3
Health care	10.6	Financials	9.1
Financials	10.4	Real estate	9.1
Consumer discretionary	8.9	Materials	8.6
Real estate	8.4	Health care	8.2
Communication services	6.1	Consumer discretionary	7.9
Materials	5.5	Communication services	7.3
Cash and short-term investments	4.6	Mutual funds	4.9
Mutual funds	4.2	Energy	3.6
Utilities	4.0	Consumer staples	3.4
Consumer staples	2.8	Cash and short-term investments	2.3
Energy	2.1	Utilities	1.6
Other assets (liabilities)	(2.4)	Other assets (liabilities)	0.1



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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 periods ended or as at March 31, 2020 and 2019, 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 Corporation of Canada. The Canada Life Assurance Company is also a subsidiary of Power Corporation of Canada. 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 audited annual financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). 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 July 13, 2020.

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 period-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.

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 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.

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3. Significant Accounting Policies (cont'd)

(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 derivatives. 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 March 31, 2020.

(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.

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3. Significant Accounting Policies (cont'd)

(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.



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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.

The outbreak of the novel coronavirus (COVID-19) developed rapidly over the first three months of 2020, with the World Health Organization declaring it a pandemic on March 11, 2020, and governments around the world enacting emergency measures that resulted in business disruptions, volatility in markets and a global economic slowdown.

The Manager uses judgment in assessing the impact from such events on assumptions and estimates applied in reporting the assets and liabilities in the Fund's financial statements at March 31, 2020.

The duration and impact of the COVID-19 pandemic on businesses and markets, and the extent of economic relief measures provided by governments and central banks, are unknown at the reporting date and it is therefore not possible to reliably estimate the impact on the financial results and position of the Fund in future periods.

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.

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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.

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 March 31, 2020 and 2019 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 March 31, 2020, 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.

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8. Financial Instruments Risk (cont'd)

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 order to monitor the liquidity of its assets, the Fund utilizes a liquidity risk management program that calculates the number of days to convert the investments held by the Fund into cash using a multi-day liquidation approach. This liquidity risk analysis assesses the Fund's liquidity against predetermined minimum liquidity percentages established for different time periods and is monitored quarterly. In addition, the Fund has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

In order to comply with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e., investments that can be readily sold).

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.



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

(a) Fund Formation and Series Information

Date of Formation May 24, 1973

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; investors in a qualified group plan, 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 Canada Life Assurance Company and certain other mutual funds, but may be sold to other investors as determined by Mackenzie.

Series G securities are no longer available for sale, except for additional purchases by investors who have held these securities since December 11, 2017.

Series I, Series J and Series M 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 LBC Financial Services Inc. (1360 René-Lévesque Blvd. West, 13th Floor, Montréal, Québec H3G 0A9; 1-800-522-1846; www.laurentianbank.ca/mackenzie)

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

Series LF securities are offered to retail investors investing a minimum of \$500, who are enrolled in the LBC Private Banking sponsored fee-for-service program.

Series LW securities are offered through our Preferred Pricing Program to certain high net worth investors who invest a minimum of \$100,000.

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.



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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Mar. 31, 2020	Mar. 31, 2019
Series A	May 24, 1973	2.00%	0.24%	4.44	6.19
Series D	December 30, 2013	1.25%	0.20%	7.77	10.72
Series F	December 6, 1999	0.80% ⁽³⁾	0.15% ⁽⁶⁾	10.07	13.87
Series FB	October 26, 2015	1.00%	0.28%	7.28	10.03
Series G	April 1, 2005	1.50%	0.24%	10.16	14.07
Series I	October 25, 1999	1.35%	0.24%	8.30	11.47
Series J	February 16, 2011	1.75%	0.25%	9.15	12.71
Series M	August 9, 2002	Up to 1.50%	0.24%	12.48	17.27
Series O	January 2, 2001	— ⁽¹⁾	—*	16.54	22.77
Series PW	October 15, 2013	1.80% ⁽⁴⁾	0.15%	8.41	11.67
Series PWF	None issued ⁽⁷⁾	0.90%	0.15%	—	—
Series PWFB	April 3, 2017	0.80% ⁽⁵⁾	0.15%	6.63	9.12
Series PWX	February 18, 2014	— ⁽²⁾	— ⁽²⁾	7.40	10.18
Series R	December 8, 2008	—*	—*	13.93	19.17
Series S	May 8, 2015	— ⁽¹⁾	0.03%	6.92	9.53
Series LB	December 1, 2017	2.00%	0.24%	6.03	8.40
Series LF	December 7, 2018	0.80%	0.15%	7.26	10.00
Series LW	December 1, 2017	1.80% ⁽⁸⁾	0.15%	6.33	8.78

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

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

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

(6) Prior to June 1, 2018, the administration fee for Series F was charged to the Fund at a rate of 0.20%.

(7) The series' original start date was October 10, 2013. All securities in the series were consolidated into Series F on June 1, 2018.

(8) Prior to November 23, 2018, the management fee for Series LW was charged to the Fund at a rate of 1.90%.

(b) Investments by Mackenzie and Affiliates

As at March 31, 2020, Mackenzie, other funds managed by Mackenzie and The Canada Life Assurance Company had an investment of \$Nil, \$40,205 and \$294,079 (2019 – \$6, \$49,963 and \$329,271), respectively, in the Fund.

(c) Loss Carryforwards

As at last taxation year-end, the Fund has capital losses of \$24,465 which may be carried forward indefinitely to reduce future realized capital gains. There were no non-capital losses available to carry forward for tax purposes.

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

(d) Securities Lending

The value of securities loaned and collateral received from securities lending at March 31, 2020 and 2019, were as follows:

	March 31, 2020	March 31, 2019
	(\$)	(\$)
Value of securities loaned	32,290	98,183
Value of collateral received	34,679	104,167

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 March 31, 2020 and 2019 is as follows:

	2020		2019	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	779	100.0	441	100.0
Tax withheld	(14)	(1.8)	(24)	(5.4)
	765	98.2	417	94.6
Payments to Securities Lending Agent	(171)	(22.0)	(104)	(23.6)
Securities lending income	594	76.2	313	71.0

(e) Commissions

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

	(\$)
March 31, 2020	195
March 31, 2019	158

(f) Offsetting of Financial Assets and Liabilities

The table below presents financial assets and financial liabilities that are subject to master netting arrangements or other similar agreements and the net impact on the Fund's Statements of Financial Position if all set-off rights were exercised as part of future events such as bankruptcy or termination of contracts. No amounts were offset in the financial statements.

As at March 31, 2020, there were no amounts subject to offsetting.

	March 31, 2019			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	86	–	–	86
Unrealized losses on derivative contracts	–	–	–	–
Liability for options written	–	–	–	–
Total	86	–	–	86

(g) Subsequent Event

Effective May 19, 2020, the Fund was renamed Mackenzie Global Small-Mid Cap Equity Fund.



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

(h) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks long-term capital growth by investing primarily in equities of small- and mid-capitalization companies anywhere in the world, either directly or through other mutual funds.

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	March 31, 2020			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	196,119	–	–	196,119
Japanese yen	38,415	6,098	–	44,513
Euro	32,845	994	–	33,839
British pound	23,666	–	–	23,666
Swedish krona	18,444	–	–	18,444
Taiwanese dollar	15,232	–	–	15,232
Danish krone	12,355	–	–	12,355
South Korean won	7,966	115	–	8,081
Hong Kong dollar	7,611	–	–	7,611
Australian dollar	4,500	32	–	4,532
New Zealand dollar	1,860	–	–	1,860
Norwegian krone	1,440	–	–	1,440
Singapore dollar	1,321	–	–	1,321
Swiss franc	1,146	–	–	1,146
Total	362,920	7,239	–	370,159
% of Net Assets	90.3	1.8	–	92.1



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

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

ii. Currency risk (cont'd)

Currency	March 31, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	244,119	1	(49,145)	194,975
Japanese yen	46,805	–	–	46,805
Hong Kong dollar	36,462	–	–	36,462
Euro	29,472	–	–	29,472
British pound	26,703	–	–	26,703
Taiwanese dollar	16,530	869	–	17,399
Swedish krona	13,594	–	–	13,594
Danish krone	12,394	2	–	12,396
Australian dollar	10,785	28	–	10,813
South Korean won	8,076	–	–	8,076
Singapore dollar	2,989	659	–	3,648
Norwegian krone	2,352	–	–	2,352
Total	450,281	1,559	(49,145)	402,695
% of Net Assets	91.1	0.3	(9.9)	81.5

* Includes both monetary and non-monetary financial instruments

As at March 31, 2020, 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 \$18,508 or 4.6% of total net assets (2019 – \$20,135 or 4.1%). In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

As at March 31, 2020 and 2019, 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 mutual funds. As at March 31, 2020, 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 \$39,344 or 9.8% of total net assets (2019 – \$48,224 or 9.8%). In practice, the actual trading results may differ and the difference could be material.

v. Credit risk

As at March 31, 2020 and 2019, the Fund did not have a significant exposure to credit risk.



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

(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.

	March 31, 2020				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	211,600	163,620	1,321	376,541	457,930	–	–	457,930
Mutual funds	16,895	–	–	16,895	24,308	–	–	24,308
Derivative assets	–	–	–	–	–	86	–	86
Derivative liabilities	–	–	–	–	–	(395)	–	(395)
Short-term investments	–	17,679	–	17,679	–	9,100	–	9,100
Total	228,495	181,299	1,321	411,115	482,238	8,791	–	491,029

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 March 31, 2020, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at March 31, 2020, these securities were classified as Level 2 (2019 – Level 1).

Financial instruments classified as Level 2 investments are valued through incorporating observable market data and using standard market convention practices. Short-term investments classified as Level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.



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

(i) Fair Value Classification (cont'd)

The table below presents a reconciliation of financial instruments measured at fair value using unobservable inputs (Level 3) for the period ended March 31, 2020 and 2019:

	March 31, 2020	March 31, 2019
	Equities (\$)	Equities (\$)
Balance – beginning of period	–	–
Purchases	–	–
Sales	–	–
Transfers in	1,863	–
Transfers out	–	–
Gains (losses) during the period:		
Realized	–	–
Unrealized	(542)	–
Balance – end of period	1,321	–
Unrealized gains (losses) during the period attributable to securities held at end of period	(542)	–

Fair value of each Level 3 financial instrument is generally measured using unobservable market inputs with the best information available at the time. Various valuation techniques are utilized, depending on a number of factors including, key inputs and assumptions which are company specific and may include estimated discount rates and expected price volatilities.

Level 3 investments of \$1,321 (2019 – \$Nil) have been valued based on financing transactions and values of comparable indices that are observable. If the value of these investments were to increase or decrease by 10%, the value of the Fund would increase or decrease by \$132 (2019 – \$Nil).



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