

MACKENZIE CUNDILL VALUE 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 Cundill Value 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 McInerney
President and Chief Executive Officer



Terry Rountes
Chief Financial Officer, Funds

July 13, 2020

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Cundill Value 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



MACKENZIE CUNDILL VALUE FUND

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STATEMENTS OF FINANCIAL POSITION

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

	2020	2019
	\$	\$
ASSETS		
Current assets		
Investments at fair value	1,278,954	1,991,171
Cash and cash equivalents	8,138	18,941
Dividends receivable	2,958	3,028
Accounts receivable for investments sold	32,573	16,910
Accounts receivable for securities issued	187	183
Due from manager	–	1
Unrealized gains on derivative contracts	5,844	–
Total assets	1,328,654	2,030,234
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	24,380	4,736
Accounts payable for securities redeemed	1,496	2,649
Due to manager	57	–
Unrealized losses on derivative contracts	6,898	1,263
Total liabilities	32,831	8,648
Net assets attributable to securityholders	1,295,823	2,021,586
Net assets attributable to securityholders per series (note 3)		
Series A	480,710	844,186
Series AG	67,686	95,265
Series AR	3,448	3,832
Series B	818	1,298
Series D	2,664	3,812
Series F	94,850	162,761
Series F5	91	112
Series F8	250	652
Series FB	277	601
Series FB5	15	1
Series G	3,849	6,191
Series GA	4,064	7,236
Series GF	256	373
Series I	7,559	10,277
Series J	323	1,233
Series OJ	3	4
Series O	79,644	122,039
Series O5	1	32
Series PW	251,637	412,740
Series PWFB	811	1,645
Series PWFB5	67	231
Series PWR	146	–
Series PWT5	700	1,166
Series PWT8	1,902	3,007
Series PWX	7,091	11,973
Series PWX8	1	1
Series R	7,609	12,773
Series S	274,784	310,884

	2020	2019
	\$	\$
Series T5	586	1,032
Series T8	3,957	6,169
Series GL	23	59
Series GW	1	1
Net assets attributable to securityholders per security (note 3)		
Series A	9.96	12.44
Series AG	24.83	31.05
Series AR	9.05	11.30
Series B	26.42	33.03
Series D	8.70	10.89
Series F	8.34	10.44
Series F5	9.86	12.97
Series F8	5.11	6.93
Series FB	8.54	10.69
Series FB5	10.16	13.37
Series G	11.11	13.89
Series GA	6.97	8.72
Series GF	7.00	8.76
Series I	7.93	9.93
Series J	12.35	15.44
Series OJ	6.97	8.72
Series O	8.36	10.49
Series O5	11.18	14.72
Series PW	8.99	11.24
Series PWFB	7.57	9.48
Series PWFB5	9.76	12.84
Series PWR	7.89	–
Series PWT5	9.46	12.44
Series PWT8	8.77	11.90
Series PWX	9.68	12.14
Series PWX8	10.48	14.24
Series R	10.55	13.23
Series S	14.45	18.11
Series T5	6.57	8.63
Series T8	4.69	6.35
Series GL	6.96	8.70
Series GW	6.97	8.73

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



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STATEMENTS OF COMPREHENSIVE INCOME

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

	2020	2019
	\$	\$
Income		
Dividends	55,272	53,720
Interest income	382	244
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(250,240)	126,602
Net unrealized gain (loss)	(79,694)	(321,845)
Securities lending income	–	808
Total income (loss)	(274,280)	(140,471)
Expenses (note 6)		
Management fees	26,572	34,568
Management fee rebates	(32)	(56)
Administration fees	3,042	4,012
Administration fee rebates	(2)	(2)
Interest charges	15	102
Commissions and other portfolio transaction costs	2,519	2,886
Independent Review Committee fees	6	8
Other	1	19
Expenses before amounts absorbed by Manager	32,121	41,537
Expenses absorbed by Manager	–	–
Net expenses	32,121	41,537
Increase (decrease) in net assets attributable to securityholders from operations before tax	(306,401)	(182,008)
Foreign withholding taxes	6,374	5,361
Foreign income taxes paid (recovered)	–	–
Increase (decrease) in net assets attributable to securityholders from operations	(312,775)	(187,369)
Increase (decrease) in net assets attributable to securityholders from operations per series		
Series A	(125,683)	(83,421)
Series AG	(16,669)	(8,937)
Series AR	(785)	(337)
Series B	(208)	(113)
Series D	(665)	(217)
Series F	(22,870)	(15,203)
Series F5	(21)	(11)
Series F8	(67)	(42)
Series FB	(76)	(31)
Series FB5	(4)	–
Series G	(957)	(596)
Series GA	(1,034)	(1,213)
Series GF	(58)	(82)
Series I	(1,772)	(878)
Series J	(106)	(119)
Series OJ	(1)	(1)
Series O	(17,855)	(9,125)
Series O5	(2)	(4)
Series PW	(63,723)	(48,774)
Series PWF	1	1,261

	2020	2019
	\$	\$
Series PWF8	–	1
Series PWFB	(241)	(143)
Series PWFB5	(15)	(19)
Series PWR	(38)	–
Series PWT5	(187)	(107)
Series PWT8	(502)	(329)
Series PWX	(1,580)	(887)
Series PWX8	–	–
Series R	(1,757)	(1,219)
Series S	(54,694)	(16,165)
Series T5	(162)	(84)
Series T8	(1,039)	(562)
Series GL	(5)	(12)
Series GW	–	–
Increase (decrease) in net assets attributable to securityholders from operations per security		
Series A	(2.16)	(1.11)
Series AG	(5.77)	(2.74)
Series AR	(2.29)	(1.25)
Series B	(6.06)	(2.56)
Series D	(1.94)	(0.84)
Series F	(1.69)	(1.06)
Series F5	(2.33)	(2.33)
Series F8	(0.83)	(0.62)
Series FB	(1.57)	(0.54)
Series FB5	(14.84)	(4.07)
Series G	(2.41)	(1.27)
Series GA	(1.47)	(1.34)
Series GF	(1.52)	(1.52)
Series I	(1.80)	(0.86)
Series J	(2.51)	(1.36)
Series OJ	(1.69)	(1.29)
Series O	(1.69)	(0.70)
Series O5	(2.54)	(2.59)
Series PW	(1.95)	(1.46)
Series PWF	–	0.25
Series PWFB	–	0.28
Series PWFB5	(1.62)	(1.12)
Series PWFB5	(1.50)	(1.04)
Series PWR	(1.78)	–
Series PWT5	(2.18)	(1.31)
Series PWT8	(2.17)	(1.39)
Series PWX	(1.73)	(0.91)
Series PWX8	(2.39)	(0.25)
Series R	(2.06)	(1.04)
Series S	(3.14)	(0.99)
Series T5	(1.52)	(0.59)
Series T8	(1.13)	(0.53)
Series GL	(1.15)	(1.39)
Series GW	(1.67)	(2.10)

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 AG		Series AR		Series B		Series D	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	844,186	1,248,107	95,265	116,250	3,832	2,491	1,298	1,973	3,812	2,348
Increase (decrease) in net assets from operations	(125,683)	(83,421)	(16,669)	(8,937)	(785)	(337)	(208)	(113)	(665)	(217)
Distributions paid to securityholders:										
Investment income	(2,785)	–	(666)	–	(14)	–	(4)	–	(52)	(5)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Administration fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(2,785)	–	(666)	–	(14)	–	(4)	–	(52)	(5)
Security transactions:										
Proceeds from securities issued	39,781	73,029	1	–	1,280	1,555	–	–	832	1,782
Proceeds from securities issued on merger	–	137,985	–	–	–	626	–	–	–	426
Reinvested distributions	2,755	–	627	–	14	–	4	–	49	4
Payments on redemption of securities	(277,544)	(531,514)	(10,872)	(12,048)	(879)	(503)	(272)	(562)	(1,312)	(526)
Total security transactions	(235,008)	(320,500)	(10,244)	(12,048)	415	1,678	(268)	(562)	(431)	1,686
Total increase (decrease) in net assets	(363,476)	(403,921)	(27,579)	(20,985)	(384)	1,341	(480)	(675)	(1,148)	1,464
End of period	480,710	844,186	67,686	95,265	3,448	3,832	818	1,298	2,664	3,812

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	67,845	91,848	3,068	3,439	339	202	39	55	350	199
Issued	3,303	5,567	–	–	120	131	–	–	77	165
Issued on merger	–	9,652	–	–	–	48	–	–	–	34
Reinvested distributions	221	–	20	–	1	–	–	–	5	–
Redeemed	(23,082)	(39,222)	(362)	(371)	(79)	(42)	(8)	(16)	(126)	(48)
Securities outstanding – end of period	48,287	67,845	2,726	3,068	381	339	31	39	306	350

	Series F		Series F5		Series F8		Series FB		Series FB5	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	162,761	101,118	112	–	652	471	601	984	1	1
Increase (decrease) in net assets from operations	(22,870)	(15,203)	(21)	(11)	(67)	(42)	(76)	(31)	(4)	–
Distributions paid to securityholders:										
Investment income	(2,737)	(644)	(2)	–	(7)	(2)	(8)	(2)	–	–
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	(5)	(3)	(42)	(42)	–	–	–	–
Management fee rebates	(2)	(1)	–	–	–	–	–	–	–	–
Administration fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(2,739)	(645)	(7)	(3)	(49)	(44)	(8)	(2)	–	–
Security transactions:										
Proceeds from securities issued	18,426	98,739	4	125	11	328	347	410	18	25
Proceeds from securities issued on merger	–	17,906	–	–	–	–	–	13	–	–
Reinvested distributions	2,247	552	3	1	30	21	8	2	–	–
Payments on redemption of securities	(62,975)	(39,706)	–	–	(327)	(82)	(595)	(775)	–	(25)
Total security transactions	(42,302)	77,491	7	126	(286)	267	(240)	(350)	18	–
Total increase (decrease) in net assets	(67,911)	61,643	(21)	112	(402)	181	(324)	(383)	14	–
End of period	94,850	162,761	91	112	250	652	277	601	15	1

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	15,592	8,960	9	–	94	58	56	85	–	–
Issued	1,820	8,717	–	9	1	44	33	36	2	2
Issued on merger	–	1,502	–	–	–	–	–	1	–	–
Reinvested distributions	216	51	–	–	5	3	1	–	–	–
Redeemed	(6,249)	(3,638)	–	–	(51)	(11)	(58)	(66)	–	(2)
Securities outstanding – end of period	11,379	15,592	9	9	49	94	32	56	2	–

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

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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 G		Series GA		Series GF		Series I		Series J	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	6,191	7,329	7,236	–	373	–	10,277	10,809	1,233	1,575
Increase (decrease) in net assets from operations	(957)	(596)	(1,034)	(1,213)	(58)	(82)	(1,772)	(878)	(106)	(119)
Distributions paid to securityholders:										
Investment income	(55)	(2)	(43)	–	(7)	(1)	(120)	(22)	(3)	–
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	(22)	–	–	–
Administration fee rebates	–	–	–	–	–	–	(2)	(2)	–	–
Total distributions paid to securityholders	(55)	(2)	(43)	–	(7)	(1)	(144)	(24)	(3)	–
Security transactions:										
Proceeds from securities issued	14	35	4	–	–	–	235	426	–	–
Proceeds from securities issued on merger	–	528	–	9,646	–	685	–	877	–	27
Reinvested distributions	54	2	42	–	6	1	140	24	2	–
Payments on redemption of securities	(1,398)	(1,105)	(2,141)	(1,197)	(58)	(230)	(1,177)	(957)	(803)	(250)
Total security transactions	(1,330)	(540)	(2,095)	8,449	(52)	456	(802)	370	(801)	(223)
Total increase (decrease) in net assets	(2,342)	(1,138)	(3,172)	7,236	(117)	373	(2,718)	(532)	(910)	(342)
End of period	3,849	6,191	4,064	7,236	256	373	7,559	10,277	323	1,233

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	446	486	830	–	43	–	1,035	1,003	80	94
Issued	1	3	–	–	–	–	26	44	–	–
Issued on merger	–	33	–	965	–	69	–	77	–	1
Reinvested distributions	4	–	5	–	1	–	12	2	–	–
Redeemed	(104)	(76)	(252)	(135)	(7)	(26)	(120)	(91)	(54)	(15)
Securities outstanding – end of period	347	446	583	830	37	43	953	1,035	26	80

	Series OJ		Series O		Series O5		Series PW		Series PWF	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	4	–	122,039	161,917	32	1	412,740	211,346	–	63,481
Increase (decrease) in net assets from operations	(1)	(1)	(17,855)	(9,125)	(2)	(4)	(63,723)	(48,774)	1	1,261
Distributions paid to securityholders:										
Investment income	–	–	(3,422)	(1,347)	–	–	(2,759)	–	(1)	–
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	(1)	(2)	–	–	–	–
Management fee rebates	–	–	–	–	–	–	(8)	(43)	–	(11)
Administration fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	–	–	(3,422)	(1,347)	(1)	(2)	(2,767)	(43)	(1)	(11)
Security transactions:										
Proceeds from securities issued	–	–	5,439	8,916	–	40	38,120	282,871	–	2,046
Proceeds from securities issued on merger	–	6	–	1,632	–	–	–	53,148	–	–
Reinvested distributions	–	–	3,394	1,347	–	1	2,716	21	–	5
Payments on redemption of securities	–	(1)	(29,951)	(41,301)	(28)	(4)	(135,449)	(85,829)	–	(66,782)
Total security transactions	–	5	(21,118)	(29,406)	(28)	37	(94,613)	250,211	–	(64,731)
Total increase (decrease) in net assets	(1)	4	(42,395)	(39,878)	(31)	31	(161,103)	201,394	–	(63,481)
End of period	3	4	79,644	122,039	1	32	251,637	412,740	–	–

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	–	–	11,635	14,357	2	–	36,729	17,280	–	5,101
Issued	–	–	541	807	–	2	3,504	22,633	–	162
Issued on merger	–	–	–	137	–	–	–	4,124	–	–
Reinvested distributions	–	–	326	121	–	–	241	2	–	–
Redeemed	–	–	(2,980)	(3,787)	(2)	–	(12,473)	(7,310)	–	(5,263)
Securities outstanding – end of period	–	–	9,522	11,635	–	2	28,001	36,729	–	–

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

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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 T5		Series T8		Series GL		Series GW		Total	
	\$		\$		\$				\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	1,032	1,970	6,169	9,458	59	–	1	–	2,021,586	2,294,085
Increase (decrease) in net assets from operations	(162)	(84)	(1,039)	(562)	(5)	(12)	–	–	(312,775)	(187,369)
Distributions paid to securityholders:										
Investment income	(4)	–	(21)	–	–	–	–	–	(23,515)	(5,056)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	(42)	(81)	(432)	(627)	–	–	–	–	(782)	(1,099)
Management fee rebates	–	–	–	–	–	–	–	–	(32)	(56)
Administration fee rebates	–	–	–	–	–	–	–	–	(2)	(2)
Total distributions paid to securityholders	(46)	(81)	(453)	(627)	–	–	–	–	(24,331)	(6,213)
Security transactions:										
Proceeds from securities issued	202	117	540	406	–	–	–	–	142,931	525,236
Proceeds from securities issued on merger	–	–	–	–	–	132	–	63	–	227,171
Reinvested distributions	20	27	144	182	–	–	–	–	23,137	5,210
Payments on redemption of securities	(460)	(917)	(1,404)	(2,688)	(31)	(61)	–	(62)	(554,725)	(836,534)
Total security transactions	(238)	(773)	(720)	(2,100)	(31)	71	–	1	(388,657)	(78,917)
Total increase (decrease) in net assets	(446)	(938)	(2,212)	(3,289)	(36)	59	–	1	(725,763)	(272,499)
End of period	586	1,032	3,957	6,169	23	59	1	1	1,295,823	2,021,586
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	119	197	971	1,254	7	–	–	–		
Issued	25	11	92	54	–	–	–	–		
Issued on merger	–	–	–	–	–	13	–	6		
Reinvested distributions	2	3	25	26	–	–	–	–		
Redeemed	(57)	(92)	(244)	(363)	(4)	(6)	–	(6)		
Securities outstanding – end of period	89	119	844	971	3	7	–	–		

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



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MACKENZIE CUNDILL VALUE FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

GLOBAL EQUITY FUND

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	(312,775)	(187,369)
Adjustments for:		
Net realized loss (gain) on investments	249,456	(139,765)
Change in net unrealized loss (gain) on investments	79,803	321,736
Purchase of investments	(891,592)	(822,984)
Proceeds from sale and maturity of investments	1,278,312	1,151,744
Change in dividends receivable	70	1,081
Change in due from manager	1	28
Change in due to manager	57	(228)
Net cash from operating activities	403,332	324,243
Cash flows from financing activities		
Proceeds from securities issued	92,543	225,595
Payments on redemption of securities	(505,494)	(525,489)
Distributions paid net of reinvestments	(1,194)	(1,003)
Net cash from financing activities	(414,145)	(300,897)
Net increase (decrease) in cash and cash equivalents	(10,813)	23,346
Cash and cash equivalents at beginning of period	18,941	(4,393)
Effect of exchange rate fluctuations on cash and cash equivalents	10	(12)
Cash and cash equivalents at end of period	8,138	18,941
Cash	417	685
Cash equivalents	7,721	18,256
Cash and cash equivalents at end of period	8,138	18,941
Supplementary disclosures on cash flow from operating activities:		
Dividends received	55,342	54,801
Foreign taxes paid	6,374	5,361
Interest received	382	244
Interest paid	15	102

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



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MACKENZIE CUNDILL VALUE FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

GLOBAL EQUITY FUND

SCHEDULE OF INVESTMENTS

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES					
Alphabet Inc. Class A	United States	Communication Services	14,918	23,716	24,437
Atos Origin	France	Information Technology	128,027	14,454	12,199
Bank of America Corp.	United States	Financials	1,105,895	17,483	33,100
Bayer AG	Germany	Health Care	301,032	29,248	24,883
Becton, Dickinson and Co.	United States	Health Care	120,405	38,974	39,003
Berkshire Hathaway Inc. Class B	United States	Financials	184,948	49,882	47,671
Brookfield Asset Management Inc. Class A limited voting	Canada	Financials	378,688	23,210	23,624
China Mobile Ltd.	China	Communication Services	2,622,900	33,139	27,937
Cisco Systems Inc.	United States	Information Technology	556,656	35,365	30,849
Citigroup Inc.	United States	Financials	680,440	31,653	40,405
CK Hutchison Holdings Ltd.	Hong Kong	Industrials	2,486,500	38,086	23,509
Coca-Cola European Partners PLC	United Kingdom	Consumer Staples	377,566	27,244	19,977
Comcast Corp. Class A	United States	Communication Services	469,752	24,053	22,768
Compagnie Financière Richemont SA	Switzerland	Consumer Discretionary	240,632	22,306	18,575
Corus Entertainment Inc. Class B non-voting	Canada	Communication Services	4,775,301	20,170	11,986
CVS Health Corp.	United States	Health Care	341,722	37,066	28,583
Dollar Tree Inc.	United States	Consumer Discretionary	340,636	39,806	35,282
Ferrovial SA	Spain	Industrials	1,304,929	37,277	44,125
Fujitec Co. Ltd.	Japan	Industrials	516,100	9,085	9,370
General Electric Co.	United States	Industrials	1,257,151	19,504	14,072
The Goldman Sachs Group Inc.	United States	Financials	73,837	15,826	16,092
Hang Lung Properties Ltd.	Hong Kong	Real Estate	12,831,600	34,665	36,588
Hitachi Ltd.	Japan	Information Technology	824,120	29,956	33,799
Johnson & Johnson	United States	Health Care	234,718	41,422	43,392
Kirin Holdings Co. Ltd.	Japan	Consumer Staples	650,800	20,234	18,160
Koninklijke Philips NV	Netherlands	Health Care	579,290	36,195	33,017
Liberty Global PLC Class A	United Kingdom	Communication Services	1,308,501	53,795	30,456
Mitsubishi Electric Corp.	Japan	Industrials	2,231,600	40,164	38,803
Mondelez International Inc.	United States	Consumer Staples	423,421	31,334	29,895
Novartis AG Reg.	Switzerland	Health Care	192,072	21,595	22,358
Oracle Corp.	United States	Information Technology	740,269	41,629	50,440
Philip Morris International Inc.	United States	Consumer Staples	477,098	57,526	49,074
Reckitt Benckiser Group PLC	United Kingdom	Consumer Staples	370,727	37,778	40,079
Renesas Electronics Corp.	Japan	Information Technology	1,975,400	15,253	9,992
Roche Holding AG Genusscheine	Switzerland	Health Care	22,490	8,586	10,299
Samsung Electronics Co. Ltd.	South Korea	Information Technology	780,337	22,370	42,685
Sanofi	France	Health Care	384,727	42,044	47,697
SAP AG	Germany	Information Technology	184,893	30,167	29,903
Seven & i Holdings Co. Ltd.	Japan	Consumer Staples	391,000	19,053	18,191
SNC-Lavalin Group Inc.	Canada	Industrials	1,127,266	25,010	23,402
Standard Chartered PLC	United Kingdom	Financials	1,852,513	21,220	14,383
Union Pacific Corp.	United States	Industrials	152,156	22,409	30,254
Wabtec Corp.	United States	Industrials	170,391	16,196	11,562
Wells Fargo & Co.	United States	Financials	375,748	22,535	15,203
Zimmer Biomet Holdings Inc.	United States	Health Care	175,094	26,327	24,951
Total equities				1,305,010	1,253,030



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MACKENZIE CUNDILL VALUE FUND

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GLOBAL EQUITY FUND

SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EXCHANGE-TRADED FUNDS/NOTES					
iShares 1-3 Year Treasury Bond ETF	United States	Exchange-Traded Funds/Notes	212,163	25,286	25,924
Total exchange-traded funds/notes				25,286	25,924
Transaction costs				(1,825)	—
Total investments				1,328,471	1,278,954
Derivative instruments (see schedule of derivative instruments)					(1,054)
Cash and cash equivalents					8,138
Other assets less liabilities					9,785
Total net assets					1,295,823



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MACKENZIE CUNDILL VALUE FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

GLOBAL EQUITY FUND

SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2020	
Portfolio Allocation	% of NAV
Equities	96.7
Exchange-traded funds/notes	2.0
Other assets (liabilities)	0.7
Cash and short-term investments	0.6

Regional Allocation	
Regional Allocation	% of NAV
United States	47.3
Japan	9.9
United Kingdom	8.1
Hong Kong	4.6
France	4.6
Canada	4.6
Germany	4.2
Switzerland	4.0
Spain	3.4
South Korea	3.3
Netherlands	2.5
China	2.2
Other assets (liabilities)	0.7
Cash and short-term investments	0.6

Sector Allocation	
Sector Allocation	% of NAV
Health care	21.1
Information technology	16.2
Industrials	15.1
Financials	14.7
Consumer staples	13.5
Communication services	9.1
Consumer discretionary	4.2
Real estate	2.8
Exchange-traded funds/notes	2.0
Other assets (liabilities)	0.7
Cash and short-term investments	0.6

March 31, 2019	
Portfolio Allocation	% of NAV
Equities	96.5
Exchange-traded funds/notes	2.0
Cash and short-term investments	0.9
Other assets (liabilities)	0.6

Regional Allocation	
Regional Allocation	% of NAV
United States	56.0
Japan	8.4
China	5.2
Switzerland	5.2
United Kingdom	4.7
Hong Kong	4.6
Canada	3.0
France	3.0
Spain	2.6
South Korea	2.2
Luxembourg	1.5
Germany	1.0
Cash and short-term investments	0.9
Brazil	0.6
Other assets (liabilities)	0.6
Other	0.5

Sector Allocation	
Sector Allocation	% of NAV
Financials	18.1
Health care	16.7
Communication services	15.0
Industrials	12.9
Energy	12.4
Information technology	8.6
Consumer discretionary	5.1
Consumer staples	4.9
Real estate	2.8
Exchange-traded funds/notes	2.0
Cash and short-term investments	0.9
Other assets (liabilities)	0.6



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MACKENZIE CUNDILL VALUE FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

GLOBAL EQUITY FUND

SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2020

Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
AA	18,490	U.S. dollar	(24,688)	Canadian dollar	Apr. 17, 2020	24,688	26,034	1,346
A	40,240	U.S. dollar	(53,746)	Canadian dollar	May 8, 2020	53,746	56,601	2,855
A	66,066	Canadian dollar	(46,300)	U.S. dollar	May 8, 2020	(66,066)	(65,125)	941
A	9,870	U.S. dollar	(13,179)	Canadian dollar	May 22, 2020	13,179	13,881	702
Unrealized Gains								5,844
AA	18,101	Canadian dollar	(13,910)	U.S. dollar	Apr. 17, 2020	(18,101)	(19,585)	(1,484)
AA	6,086	Canadian dollar	(4,580)	U.S. dollar	Apr. 17, 2020	(6,086)	(6,449)	(363)
A	34,657	Canadian dollar	(26,080)	U.S. dollar	May 8, 2020	(34,657)	(36,685)	(2,028)
A	9,862	Canadian dollar	(7,440)	U.S. dollar	May 8, 2020	(9,862)	(10,465)	(603)
A	8,907	Canadian dollar	(6,720)	U.S. dollar	May 8, 2020	(8,907)	(9,452)	(545)
A	23,150	U.S. dollar	(33,618)	Canadian dollar	May 8, 2020	33,618	32,563	(1,055)
A	13,071	Canadian dollar	(9,870)	U.S. dollar	May 22, 2020	(13,071)	(13,881)	(810)
AA	33,778	Canadian dollar	(24,030)	U.S. dollar	Jun. 19, 2020	(33,778)	(33,788)	(10)
Unrealized (Losses)								(6,898)
Total forward currency contracts								(1,054)
Total derivative instruments at fair value								(1,054)



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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.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(k) Mergers

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

4. Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make estimates and assumptions that primarily affect the valuation of investments. Estimates and assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

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.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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

(a) Fund Formation and Series Information

Date of Formation October 7, 1998

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, Series T5 and Series T8 securities are offered to retail investors investing a minimum of \$500 (\$5,000 for Series T5 and Series T8). Investors in Series T5 and Series T8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively. Before January 1, 2019, Series T5 securities were known as Series T6.

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, Series F5 and Series F8 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 (\$5,000 for Series F5 and Series F8); they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie. Investors in Series F5 and Series F8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively. Before January 1, 2019, Series F5 securities were known as Series F6.

Series FB and Series FB5 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. Investors in Series FB5 securities also want to receive a monthly cash flow of 5% per year.

Series I securities are offered to retail investors investing a minimum of \$500 in a qualified group plan with a minimum of \$10,000,000 in assets.

Series O and Series O5 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. Investors in Series O5 securities also want to receive a monthly cash flow of 5% per year. Before January 1, 2019, Series O5 securities were known as Series O6.

Series PW, Series PWT5 and Series PWT8 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors in Series PWT5 and Series PWT8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively. Before January 1, 2019, Series PWT5 securities were known as Series PWT6.

Series PWFB and Series PWFB5 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. Investors in Series PWFB5 securities also want to receive a monthly cash flow of 5% per year.

Series PWR securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000 in a Registered Disability Savings Plan offered by Mackenzie.

Series PWX and Series PWX8 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. Investors in Series PWX8 securities also want to receive a monthly cash flow of 8% per year.

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 AG, Series B and Series J securities are no longer available for sale.

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 GA, Series GF and Series OJ securities were created specially for the purpose of implementing mergers affecting the Fund and are not available for sale.

Series PWF and Series PWF8 securities are no longer available for sale. Effective June 1, 2018, Series PWF and Series PWF8 securities were consolidated into Series F and Series F8 securities, respectively.

MACKENZIE CUNDILL VALUE FUND

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NOTES TO FINANCIAL STATEMENTS

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

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

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 GL and Series GW securities were created specially for the purpose of implementing mergers affecting the Fund and are not available for sale.

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 (\$)	
				Mar. 31, 2020	Mar. 31, 2019
Series A	October 7, 1998	2.00%	0.26%	9.96	12.44
Series AG	January 16, 1967	2.00% ⁽¹⁾	— *	24.83	31.05
Series AR	January 19, 2016	2.00%	0.31%	9.05	11.30
Series B	June 30, 1997	2.26% ⁽¹⁾	— *	26.42	33.03
Series D	December 23, 2013	1.25%	0.20%	8.70	10.89
Series F	December 6, 1999	0.80% ⁽⁶⁾	0.15% ⁽⁹⁾	8.34	10.44
Series F5 ⁽¹¹⁾	June 1, 2018	0.80%	0.15%	9.86	12.97
Series F8	April 4, 2007	0.80% ⁽⁶⁾	0.15% ⁽⁹⁾	5.11	6.93
Series FB	October 26, 2015	1.00%	0.28%	8.54	10.69
Series FB5	October 26, 2015	1.00%	0.28%	10.16	13.37
Series G	April 1, 2005	1.50%	0.26%	11.11	13.89
Series GA	September 21, 2018	2.00%	— *	6.97	8.72
Series GF	September 21, 2018	0.80%	— *	7.00	8.76
Series I	October 25, 1999	1.35%	0.28%	7.93	9.93
Series J	October 13, 2011	1.75%	0.25%	12.35	15.44
Series OJ	September 21, 2018	1.75%	0.31%	6.97	8.72
Series O	June 28, 2000	— ⁽²⁾	— *	8.36	10.49
Series O5 ⁽¹¹⁾	January 12, 2016	— ⁽²⁾	— *	11.18	14.72
Series PW	October 11, 2013	1.80% ⁽⁷⁾	0.15%	8.99	11.24
Series PWF	None issued ⁽⁴⁾	0.90%	0.15%	—	—
Series PWF8	None issued ⁽⁵⁾	0.90%	0.15%	—	—
Series PWF8	April 3, 2017	0.80% ⁽⁸⁾	0.15%	7.57	9.48
Series PWF8	April 3, 2017	0.80% ⁽⁸⁾	0.15%	9.76	12.84
Series PWR	April 1, 2019	1.80%	0.15%	7.89	—
Series PWT5 ⁽¹¹⁾	April 3, 2017	1.80% ⁽⁷⁾	0.15%	9.46	12.44
Series PWT8	April 3, 2017	1.80% ⁽⁷⁾	0.15%	8.77	11.90
Series PWX	November 13, 2013	— ⁽³⁾	— ⁽³⁾	9.68	12.14
Series PWX8	October 24, 2018	— ⁽³⁾	— ⁽³⁾	10.48	14.24
Series R	July 3, 2007	— *	— *	10.55	13.23
Series S	October 6, 2009	— ⁽²⁾	0.03%	14.45	18.11
Series T5 ⁽¹¹⁾	July 30, 2007	2.00%	0.26%	6.57	8.63
Series T8	May 1, 2006	2.00%	0.26%	4.69	6.35
Series GL	September 21, 2018	2.00%	0.28%	6.96	8.70
Series GW	September 21, 2018	1.80% ⁽¹⁰⁾	0.15%	6.97	8.73

* Not applicable.

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NOTES TO FINANCIAL STATEMENTS

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

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

- (1) The management fee for this series is a flat fee that includes all operating expenses, except GST/HST, brokerage commissions and income taxes (if any). Prior to August 17, 2018, the management fee for Series B was charged to the Fund at a rate of 2.35%.
- (2) This fee is negotiable and payable directly to Mackenzie by investors in this series.
- (3) This fee is payable directly to Mackenzie by investors in this series through redemptions of their securities.
- (4) The series' original start date was October 24, 2013. All securities in the series were consolidated into Series F on June 1, 2018.
- (5) The series' original start date was April 3, 2017. All securities in the series were consolidated into Series F8 on June 1, 2018.
- (6) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 1.00%.
- (7) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 1.90%.
- (8) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.90%.
- (9) Prior to June 1, 2018, the administration fee for this series was charged to the Fund at a rate of 0.20%.
- (10) Prior to November 23, 2018, the management fee for Series GW was charged to the Fund at a rate of 1.90%.
- (11) Before January 1, 2019, Series F5, Series O5, Series PWT5 and Series T5 securities were known as Series F6, Series O6, Series PWT6 and Series T6, respectively.

(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 \$158, \$7,609 and \$274,784 (2019 – \$612, \$12,773 and \$310,884), respectively, in the Fund.

(c) Loss Carryforwards

As at the last taxation year-end, the Fund has capital losses of \$351,658 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.

(d) Securities Lending

As at March 31, 2020 and 2019, the Fund did not have any open securities lending, repurchase or reverse purchase transactions.

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	–	–	1,142	100.0
Tax withheld	–	–	(65)	(5.7)
	–	–	1,077	94.3
Payments to Securities Lending Agent	–	–	(269)	(23.6)
Securities lending income	–	–	808	70.7

(e) Commissions

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

	(\$)
March 31, 2020	456
March 31, 2019	660

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

(f) Fund Merger

At a meeting held on June 22, 2018, investors in Mackenzie Cundill Recovery Fund (the "Terminating Fund") approved the merger of the Terminating Fund into the Fund. The merger was effective after the close of business on September 21, 2018. The merger was effected by transferring the net assets of the Terminating Fund in exchange for the securities of the Fund at fair market value. Series A, Series AR, Series D, Series F, Series FB, Series I, Series J, Series OJ, Series LB, Series LW, Series O, Series PW, Series PWFB, Series PWX, Series R and Series S of the Terminating Fund were issued 9,652 Series A securities, 48 Series AR securities, 34 Series D securities, 1,502 Series F securities, 1 Series FB securities, 33 Series G securities, 965 Series GA securities, 69 Series GF securities, 77 Series I securities, 1 Series J securities, 137 Series O securities, 4,124 Series PW securities, 9 Series PWFB securities, 91 Series PWX securities, 141 Series R securities, 0.1 Series S securities, 13 Series GL securities and 6 Series GW securities of the Fund in exchange for net assets of \$227,171 which was the fair value on September 21, 2018. The merger has been accounted for as an acquisition of the Terminating Fund.

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

(g) 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.

	March 31, 2020			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	1,346	(1,346)	—	—
Unrealized losses on derivative contracts	(1,847)	1,346	—	(501)
Liability for options written	—	—	—	—
Total	(501)	—	—	(501)

As at March 31, 2019, there were no amounts subject to offsetting.

(h) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks long-term capital growth by investing primarily in equities of companies located anywhere in the world. The Fund uses a value style of investing and, depending on market conditions, may invest most of its assets in a single country or a single industry.

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.

	March 31, 2020			
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	687,014	1	(66,351)	620,664
Euro	191,824	—	—	191,824
Japanese yen	128,315	(4,631)	—	123,684
Hong Kong dollar	88,034	(2,383)	—	85,651
British pound	54,462	(1,051)	—	53,411
Swiss franc	51,232	—	—	51,232
South Korean won	42,685	—	—	42,685
Total	1,243,566	(8,064)	(66,351)	1,169,151
% of Net Assets	96.0	(0.6)	(5.1)	90.3



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GLOBAL EQUITY FUND

NOTES TO FINANCIAL STATEMENTS

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

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

ii. Currency risk (cont'd)

Currency	March 31, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	1,295,907	22,212	(120,220)	1,197,899
Japanese yen	167,037	–	–	167,037
Hong Kong dollar	145,836	–	–	145,836
Euro	133,348	(16,913)	–	116,435
Swiss franc	105,923	–	–	105,923
South Korean won	45,047	–	–	45,047
British pound	23,477	–	–	23,477
Brazilian real	12,947	–	–	12,947
Total	1,929,522	5,299	(120,220)	1,814,601
% of Net Assets	95.4	0.3	(5.9)	89.8

* 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 \$58,458 or 4.5% of total net assets (2019 – \$90,730 or 4.5%). 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. 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 \$127,895 or 9.9% of total net assets (2019 – \$199,117 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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NOTES TO FINANCIAL STATEMENTS

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	696,478	556,552	–	1,253,030	1,950,419	–	–	1,950,419
Exchange-traded funds/notes	25,924	–	–	25,924	40,752	–	–	40,752
Derivative assets	–	5,844	–	5,844	–	–	–	–
Derivative liabilities	–	(6,898)	–	(6,898)	–	(1,263)	–	(1,263)
Short-term investments	–	7,721	–	7,721	–	18,256	–	18,256
Total	722,402	563,219	–	1,285,621	1,991,171	16,993	–	2,008,164

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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