

# MACKENZIE EMERGING MARKETS CLASS

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 Emerging Markets Class (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 Capital 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 Emerging Markets Class (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
	\$	\$		\$	\$
<b>ASSETS</b>			<b>Net assets attributable to securityholders</b>		
<b>Current assets</b>			<b>per security (note 3)</b>		
Investments at fair value	141,281	318,781	Series A	15.77	18.25
Cash and cash equivalents	1,815	3,538	Series D	11.39	13.25
Dividends receivable	673	1,086	Series F	28.77	33.49
Accounts receivable for investments sold	1,223	6,494	Series FB	9.92	11.55
Accounts receivable for securities issued	–	87	Series I	20.04	23.28
Taxes recoverable (note 5)	65	264	Series J	8.35	9.68
<b>Total assets</b>	<b>145,057</b>	<b>330,250</b>	Series OJ	8.27	9.65
			Series M	26.00	30.12
			Series O	25.35	31.46
<b>LIABILITIES</b>			Series PW	10.94	12.69
<b>Current liabilities</b>			Series PWFB	8.43	9.82
Accounts payable for investments purchased	919	3,674	Series PWX	12.11	14.14
Accounts payable for securities redeemed	416	683	Series R	9.00	10.53
Due to manager	7	–	Series S	8.29	9.68
Taxes payable (note 5)	1,167	1,412	Series U	14.73	17.08
<b>Total liabilities</b>	<b>2,509</b>	<b>5,769</b>	Quadrus Series	24.13	27.91
<b>Net assets attributable to securityholders</b>	<b>142,548</b>	<b>324,481</b>	H Series	27.72	32.25
<b>Net assets attributable to securityholders</b>			HW Series	8.27	9.65
<b>per series (note 3)</b>			L Series	12.66	14.67
Series A	37,980	59,643	N Series	13.10	15.29
Series D	1,353	2,301	QF Series	9.75	11.34
Series F	29,741	54,437	QFW Series	8.26	9.65
Series FB	28	73			
Series I	1,678	1,983			
Series J	53	60			
Series OJ	4	5			
Series M	2,079	2,809			
Series O	5,712	102,560			
Series PW	19,129	25,307			
Series PWFB	496	623			
Series PWX	673	815			
Series R	845	11,902			
Series S	1	1			
Series U	5,356	8,161			
Quadrus Series	21,245	31,335			
H Series	695	1,047			
HW Series	311	355			
L Series	6,168	9,172			
N Series	7,469	9,839			
QF Series	1,355	1,739			
QFW Series	177	314			

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
	\$	\$
<b>Income</b>		
Dividends	11,124	16,074
Interest income	46	–
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	13,337	349,511
Net unrealized gain (loss)	(38,007)	(433,279)
Securities lending income	–	47
<b>Total income (loss)</b>	<b>(13,500)</b>	<b>(67,647)</b>

### Expenses (note 6)

Management fees	3,135	3,628
Administration fees	432	531
Interest charges	19	155
Commissions and other portfolio transaction costs	1,930	4,453
Independent Review Committee fees	1	2
Other	3	11
<b>Expenses before amounts absorbed by Manager</b>	<b>5,520</b>	<b>8,780</b>
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	<b>5,520</b>	<b>8,780</b>

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

	(19,020)	(76,427)
Foreign withholding taxes	1,262	2,017
Income taxes (note 5)	14	3,266

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

	(20,296)	(81,710)
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### Increase (decrease) in net assets attributable to securityholders from operations per series

Series A	(5,736)	(9,017)
Series D	(187)	(456)
Series F	(4,191)	(7,061)
Series FB	(3)	(5)
Series I	(241)	(280)
Series J	(7)	(2)
Series OJ	(1)	–
Series M	(313)	(435)
Series O	(305)	(32,738)
Series PW	(2,890)	(2,636)
Series PWF	–	(730)
Series PWFB	(65)	(66)
Series PWX	(84)	(113)
Series R	(14)	(5,617)
Series S	–	(12,739)
Series U	(791)	(1,881)
Quadrus Series	(3,244)	(5,177)
H Series	(101)	(205)
HW Series	(48)	(6)

	2020	2019
	\$	\$
L Series	(965)	(1,328)
N Series	(892)	(1,060)
QF Series	(192)	(168)
QFW Series	(26)	10
<b>Increase (decrease) in net assets attributable to securityholders from operations per security</b>		
Series A	(1.98)	(2.64)
Series D	(1.27)	(2.23)
Series F	(3.00)	(4.43)
Series FB	(0.65)	(1.18)
Series I	(2.86)	(3.30)
Series J	(1.25)	(0.32)
Series OJ	(1.23)	(0.28)
Series M	(3.62)	(4.57)
Series O	(0.10)	(6.13)
Series PW	(1.52)	(1.50)
Series PWF	–	(0.84)
Series PWFB	(1.03)	(1.15)
Series PWX	(1.49)	(1.94)
Series R	(0.02)	(2.78)
Series S	(1.05)	(5.25)
Series U	(1.95)	(3.10)
Quadrus Series	(3.19)	(4.41)
H Series	(3.34)	(5.44)
HW Series	(1.22)	(0.18)
L Series	(1.69)	(2.12)
N Series	(1.35)	(1.88)
QF Series	(1.22)	(1.35)
QFW Series	(0.87)	0.54

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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 I	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	59,643	71,278	2,301	4,663	54,437	45,660	73	62	1,983	2,159
Increase (decrease) in net assets from operations	(5,736)	(9,017)	(187)	(456)	(4,191)	(7,061)	(3)	(5)	(241)	(280)
Dividends paid to securityholders:										
Ordinary	(152)	(209)	(10)	(18)	(238)	(564)	–	(1)	(12)	(14)
Capital gains	(63)	(869)	(23)	(63)	(863)	(920)	(1)	(1)	(17)	(35)
Total dividends paid to securityholders	(215)	(1,078)	(33)	(81)	(1,101)	(1,484)	(1)	(2)	(29)	(49)
Security transactions:										
Proceeds from securities issued	4,736	12,582	52	958	4,282	35,657	18	37	–	–
Proceeds from securities issued on merger	–	18,008	–	73	–	3,682	–	5	–	238
Reinvested dividends	213	1,070	32	79	653	879	1	2	26	45
Payments on redemption of securities	(20,661)	(33,200)	(812)	(2,935)	(24,339)	(22,896)	(60)	(26)	(61)	(130)
Total security transactions	(15,712)	(1,540)	(728)	(1,825)	(19,404)	17,322	(41)	18	(35)	153
<b>Total increase (decrease) in net assets</b>	<b>(21,663)</b>	<b>(11,635)</b>	<b>(948)</b>	<b>(2,362)</b>	<b>(24,696)</b>	<b>8,777</b>	<b>(45)</b>	<b>11</b>	<b>(305)</b>	<b>(176)</b>
<b>End of period</b>	<b>37,980</b>	<b>59,643</b>	<b>1,353</b>	<b>2,301</b>	<b>29,741</b>	<b>54,437</b>	<b>28</b>	<b>73</b>	<b>1,678</b>	<b>1,983</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	3,269	3,339	174	301	1,625	1,163	6	5	85	79
Issued	260	666	4	69	128	1,000	2	3	–	–
Issued on merger	–	955	–	5	–	107	–	–	–	10
Reinvested dividends	13	54	3	5	21	25	–	–	1	2
Redeemed	(1,134)	(1,745)	(62)	(206)	(740)	(670)	(5)	(2)	(2)	(6)
<b>Securities outstanding – end of period</b>	<b>2,408</b>	<b>3,269</b>	<b>119</b>	<b>174</b>	<b>1,034</b>	<b>1,625</b>	<b>3</b>	<b>6</b>	<b>84</b>	<b>85</b>

	Series J		Series OJ		Series M		Series O		Series PW	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	60	2	5	–	2,809	3,390	102,560	354,904	25,307	10,694
Increase (decrease) in net assets from operations	(7)	(2)	(1)	–	(313)	(435)	(305)	(32,738)	(2,890)	(2,636)
Dividends paid to securityholders:										
Ordinary	–	–	–	–	(12)	(13)	(1,123)	(1,576)	(119)	(131)
Capital gains	–	–	–	–	(11)	(46)	(8,626)	(9,493)	(121)	(154)
Total dividends paid to securityholders	–	–	–	–	(23)	(59)	(9,749)	(11,069)	(240)	(285)
Security transactions:										
Proceeds from securities issued	–	–	–	–	–	–	3	14,704	3,989	16,887
Proceeds from securities issued on merger	–	62	–	5	–	–	–	44,310	–	7,306
Reinvested dividends	–	–	–	–	22	58	9,745	11,065	232	270
Payments on redemption of securities	–	(2)	–	–	(416)	(145)	(96,542)	(278,616)	(7,269)	(6,929)
Total security transactions	–	60	–	5	(394)	(87)	(86,794)	(208,537)	(3,048)	17,534
<b>Total increase (decrease) in net assets</b>	<b>(7)</b>	<b>58</b>	<b>(1)</b>	<b>5</b>	<b>(730)</b>	<b>(581)</b>	<b>(96,848)</b>	<b>(252,344)</b>	<b>(6,178)</b>	<b>14,613</b>
<b>End of period</b>	<b>53</b>	<b>60</b>	<b>4</b>	<b>5</b>	<b>2,079</b>	<b>2,809</b>	<b>5,712</b>	<b>102,560</b>	<b>19,129</b>	<b>25,307</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	6	–	–	–	93	96	3,260	9,562	1,995	721
Issued	–	–	–	–	–	–	–	426	311	1,242
Issued on merger	–	6	–	–	–	–	–	1,362	–	557
Reinvested dividends	–	–	–	–	1	2	332	322	20	20
Redeemed	–	–	–	–	(14)	(5)	(3,367)	(8,412)	(578)	(545)
<b>Securities outstanding – end of period</b>	<b>6</b>	<b>6</b>	<b>–</b>	<b>–</b>	<b>80</b>	<b>93</b>	<b>225</b>	<b>3,260</b>	<b>1,748</b>	<b>1,995</b>

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 PWF		Series PWFB		Series PWX		Series R		Series S	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	–	15,991	623	486	815	1,063	11,902	112,158	1	387,035
Increase (decrease) in net assets from operations	–	(730)	(65)	(66)	(84)	(113)	(14)	(5,617)	–	(12,739)
Dividends paid to securityholders:										
Ordinary	–	–	(4)	(6)	(6)	(13)	(8)	(180)	–	–
Capital gains	–	(323)	(10)	(11)	(22)	(28)	(332)	(35,601)	–	(104,598)
Total dividends paid to securityholders	–	(323)	(14)	(17)	(28)	(41)	(340)	(35,781)	–	(104,598)
Security transactions:										
Proceeds from securities issued	–	641	81	292	–	29	3,526	17,611	–	26,787
Proceeds from securities issued on merger	–	–	–	9	–	11	–	–	–	1
Reinvested dividends	–	208	13	17	28	40	–	35,601	–	104,598
Payments on redemption of securities	–	(15,787)	(142)	(98)	(58)	(174)	(14,229)	(112,070)	–	(401,083)
Total security transactions	–	(14,938)	(48)	220	(30)	(94)	(10,703)	(58,858)	–	(269,697)
<b>Total increase (decrease) in net assets</b>	–	<b>(15,991)</b>	<b>(127)</b>	<b>137</b>	<b>(142)</b>	<b>(248)</b>	<b>(11,057)</b>	<b>(100,256)</b>	–	<b>(387,034)</b>
<b>End of period</b>	–	–	<b>496</b>	<b>623</b>	<b>673</b>	<b>815</b>	<b>845</b>	<b>11,902</b>	<b>1</b>	<b>1</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	–	1,038	63	42	58	64	1,131	6,037	–	10,960
Issued	–	43	9	28	–	1	341	1,497	–	844
Issued on merger	–	–	–	1	–	1	–	–	–	–
Reinvested dividends	–	14	1	2	2	3	–	3,079	–	4,298
Redeemed	–	(1,095)	(14)	(10)	(4)	(11)	(1,378)	(9,482)	–	(16,102)
<b>Securities outstanding – end of period</b>	–	–	<b>59</b>	<b>63</b>	<b>56</b>	<b>58</b>	<b>94</b>	<b>1,131</b>	–	–

	Series U		Quadrus Series		H Series		HW Series		L Series	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	8,161	15,917	31,335	38,967	1,047	1,683	355	–	9,172	10,351
Increase (decrease) in net assets from operations	(791)	(1,881)	(3,244)	(5,177)	(101)	(205)	(48)	(6)	(965)	(1,328)
Dividends paid to securityholders:										
Ordinary	(31)	(40)	(83)	(107)	(5)	(9)	(2)	(4)	(40)	(47)
Capital gains	(32)	(194)	(28)	(448)	(14)	(30)	(7)	–	(41)	(147)
Total dividends paid to securityholders	(63)	(234)	(111)	(555)	(19)	(39)	(9)	(4)	(81)	(194)
Security transactions:										
Proceeds from securities issued	–	–	1,486	5,830	47	293	36	370	840	2,749
Proceeds from securities issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested dividends	62	232	111	555	19	39	9	4	80	194
Payments on redemption of securities	(2,013)	(5,873)	(8,332)	(8,285)	(298)	(724)	(32)	(9)	(2,878)	(2,600)
Total security transactions	(1,951)	(5,641)	(6,735)	(1,900)	(232)	(392)	13	365	(1,958)	343
<b>Total increase (decrease) in net assets</b>	<b>(2,805)</b>	<b>(7,756)</b>	<b>(10,090)</b>	<b>(7,632)</b>	<b>(352)</b>	<b>(636)</b>	<b>(44)</b>	<b>355</b>	<b>(3,004)</b>	<b>(1,179)</b>
<b>End of period</b>	<b>5,356</b>	<b>8,161</b>	<b>21,245</b>	<b>31,335</b>	<b>695</b>	<b>1,047</b>	<b>311</b>	<b>355</b>	<b>6,168</b>	<b>9,172</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	478	796	1,123	1,194	32	45	37	–	625	603
Issued	–	–	52	205	2	8	4	38	57	184
Issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested dividends	4	12	5	18	1	1	1	–	6	12
Redeemed	(119)	(330)	(300)	(294)	(10)	(22)	(4)	(1)	(201)	(174)
<b>Securities outstanding – end of period</b>	<b>363</b>	<b>478</b>	<b>880</b>	<b>1,123</b>	<b>25</b>	<b>32</b>	<b>38</b>	<b>37</b>	<b>487</b>	<b>625</b>

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

# MACKENZIE EMERGING MARKETS CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

GLOBAL EQUITY FUND

## 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
	N Series		QF Series		QFW Series		Total	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	<b>9,839</b>	<b>9,980</b>	<b>1,739</b>	<b>1,271</b>	<b>314</b>	<b>–</b>	<b>324,481</b>	<b>1,087,714</b>
Increase (decrease) in net assets from operations	(892)	(1,060)	(192)	(168)	(26)	10	(20,296)	(81,710)
Dividends paid to securityholders:								
Ordinary	(70)	(151)	(10)	(15)	(1)	(4)	(1,926)	(3,102)
Capital gains	(262)	(215)	(23)	(25)	(6)	–	(10,502)	(153,201)
Total dividends paid to securityholders	(332)	(366)	(33)	(40)	(7)	(4)	(12,428)	(156,303)
Security transactions:								
Proceeds from securities issued	2,478	5,228	367	1,372	85	316	22,026	142,343
Proceeds from securities issued on merger	–	–	–	–	–	–	–	73,710
Reinvested dividends	331	366	33	40	7	4	11,617	155,366
Payments on redemption of securities	(3,955)	(4,309)	(559)	(736)	(196)	(12)	(182,852)	(896,639)
Total security transactions	(1,146)	1,285	(159)	676	(104)	308	(149,209)	(525,220)
<b>Total increase (decrease) in net assets</b>	<b>(2,370)</b>	<b>(141)</b>	<b>(384)</b>	<b>468</b>	<b>(137)</b>	<b>314</b>	<b>(181,933)</b>	<b>(763,233)</b>
<b>End of period</b>	<b>7,469</b>	<b>9,839</b>	<b>1,355</b>	<b>1,739</b>	<b>177</b>	<b>314</b>	<b>142,548</b>	<b>324,481</b>
<b>Increase (decrease) in fund securities (note 7):</b>								
<b>Securities outstanding – beginning of period</b>	<b>643</b>	<b>553</b>	<b>153</b>	<b>96</b>	<b>33</b>	<b>–</b>		
Issued	166	329	33	118	8	34		
Issued on merger	–	–	–	–	–	–		
Reinvested dividends	23	23	3	3	1	–		
Redeemed	(262)	(262)	(50)	(64)	(21)	(1)		
<b>Securities outstanding – end of period</b>	<b>570</b>	<b>643</b>	<b>139</b>	<b>153</b>	<b>21</b>	<b>33</b>		

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

# MACKENZIE EMERGING MARKETS CLASS

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
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	(20,296)	(81,710)
Adjustments for:		
Net realized loss (gain) on investments	(12,515)	(350,798)
Change in net unrealized loss (gain) on investments	38,007	433,279
Purchase of investments	(477,689)	(1,355,194)
Proceeds from sale and maturity of investments	632,589	1,774,038
Change in dividends receivable	413	535
Change in taxes recoverable	199	(196)
Change in due to manager	7	(26)
Change in taxes payable	(245)	239
<b>Net cash from operating activities</b>	<b>160,470</b>	<b>420,167</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	16,125	124,802
Payments on redemption of securities	(177,131)	(548,671)
Dividends paid net of reinvestments	(811)	(937)
<b>Net cash from financing activities</b>	<b>(161,817)</b>	<b>(424,806)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,347)</b>	<b>(4,639)</b>
Cash and cash equivalents at beginning of period	3,538	7,981
Effect of exchange rate fluctuations on cash and cash equivalents	(376)	196
<b>Cash and cash equivalents at end of period</b>	<b>1,815</b>	<b>3,538</b>
Cash	1,815	3,538
Cash equivalents	–	–
<b>Cash and cash equivalents at end of period</b>	<b>1,815</b>	<b>3,538</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	11,537	16,609
Taxes paid	1,521	5,044
Interest received	46	–
Interest paid	19	155

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



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# MACKENZIE EMERGING MARKETS CLASS

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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)
<b>EQUITIES</b>					
Abdullah Al-Othaim Markets Co.	Saudi Arabia	Consumer Staples	10,531	309	366
Alibaba Group Holding Ltd. ADR	China	Consumer Discretionary	27,600	6,586	7,567
Anglo American Platinum Ltd.	South Africa	Materials	12,264	659	727
Anhui Conch Cement Co. Ltd. H	China	Materials	279,500	2,096	2,724
Astral Foods Ltd.	South Africa	Consumer Staples	13,700	226	207
AU Optronics Corp.	Taiwan	Information Technology	1,491,000	656	436
Bagfas Bandirma Gubre Fabrikalari AS	Turkey	Materials	154,163	458	377
Banco Del Bajio SA	Mexico	Financials	158,521	425	192
Banco do Estado do Rio Grande do Sul SA	Brazil	Financials	332,894	2,018	1,079
Banco Macro SA ADR	Argentina	Financials	11,284	876	270
Bank Al-Jazira	Saudi Arabia	Financials	201,312	942	858
Bank of China Ltd. H	China	Financials	5,418,000	2,910	2,915
Changchun High & New Technology Industry (Group) Inc. Class A	China	Health Care	18,774	1,747	2,039
Charoen Pokphand Foods PCL	Thailand	Consumer Staples	695,500	872	727
China Construction Bank Corp. H	China	Financials	3,968,000	4,966	4,560
China Mobile Ltd.	China	Communication Services	26,000	281	277
China National Building Material Co. Ltd. H	China	Materials	1,700,000	2,061	2,602
China National Chemical Engineering Co. Ltd.	China	Industrials	100,100	126	118
Chong Kun Dang Holdings Corp.	South Korea	Health Care	7,225	936	876
Cia de Saneamento do Parana	Brazil	Utilities	212,385	1,533	1,376
CITIC Ltd.	China	Industrials	1,535,000	2,380	2,253
CKD BiO Corp.	South Korea	Health Care	4,360	153	144
Clicks Group Ltd.	South Africa	Consumer Staples	15,275	310	310
Coca-Cola Icecek AS	Turkey	Consumer Staples	95,369	864	702
Com7 PCL	Thailand	Consumer Discretionary	232,400	205	156
Construtora Tenda SA	Brazil	Consumer Discretionary	249,500	2,440	1,397
Controladora Vuela Compania de Aviacion SAB de CV	Mexico	Industrials	41,521	530	201
Cosan Ltd. Class A	Brazil	Energy	40,600	1,044	704
Creativ Industrial Group GDR	Ukraine	Consumer Staples	214,662	–	–
Creativ Industrial Group	Ukraine	Consumer Staples	16,394	–	–
DataTec Ltd.	South Africa	Information Technology	65,114	164	143
Direcional Engenharia SA	Brazil	Consumer Discretionary	27,967	72	64
Dongkook Pharmaceutical Co. Ltd.	South Korea	Health Care	5,242	464	467
Dr. Reddy's Laboratories Ltd.	India	Health Care	21,422	1,262	1,240
Eastern Tobacco Co.	Egypt	Consumer Staples	181,976	203	201
Emaar Development PJSC	United Arab Emirates	Real Estate	407,033	591	339
Emaar Properties PJSC	United Arab Emirates	Real Estate	1,208,764	1,940	1,009
Eson Precision Ind. Co. Ltd.	Taiwan	Information Technology	126,000	231	153
Etihad Etisalat Co.	Saudi Arabia	Communication Services	158,250	1,219	1,283
Even Construtora e Incorporadora SA	Brazil	Consumer Discretionary	378,234	1,989	628
Felda Global Ventures Holdings BHD	Malaysia	Consumer Staples	1,083,000	483	299
First Gen Corp.	Philippines	Utilities	547,281	273	249
Fubon Financial Holding Co. Ltd.	Taiwan	Financials	1,456,000	2,861	2,547
Globe Telecom Inc.	Philippines	Communication Services	10,639	543	571
Granules India Ltd.	India	Health Care	223,065	562	589
Grupo Aeroportuario del Pacifico SAB de CV	Mexico	Industrials	15,400	228	116
Grupo Financiero Banorte SAB de CV Series O	Mexico	Financials	402,024	2,672	1,549
Guangzhou R&F Properties Co. Ltd. H	China	Real Estate	173,225	443	317
Gujarat State Petronet Ltd.	India	Utilities	7,425	23	24
HCL Technologies Ltd.	India	Information Technology	262,719	2,941	2,131



**MACKENZIE**  
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# MACKENZIE EMERGING MARKETS CLASS

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## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
The Henan Lingrui Pharmaceutical Co. Ltd. Class A	China	Health Care	249,400	461	410
Hengan International Group Co. Ltd.	China	Consumer Staples	16,500	175	174
Hexindai Inc.	China	Financials	56,746	321	34
HS Industries Co. Ltd.	South Korea	Consumer Discretionary	65,250	879	511
Hyundai Mobis	South Korea	Consumer Discretionary	11,548	3,142	2,238
Hyundai Motor Co.	South Korea	Consumer Discretionary	12,709	2,008	1,289
iMarketKorea Inc.	South Korea	Industrials	12,520	148	131
Impala Platinum Holdings Ltd.	South Africa	Materials	202,014	1,770	1,203
Industrial and Commercial Bank of China Ltd. H	China	Financials	3,189,000	2,998	3,068
Infosys Ltd. ADR	India	Information Technology	74,919	1,103	867
Inox Leisure Ltd.	India	Communication Services	13,727	91	66
International Games System Co. Ltd.	Taiwan	Communication Services	92,000	1,495	2,344
INTOPS Co. Ltd.	South Korea	Information Technology	6,938	129	79
JB Financial Group Co. Ltd.	South Korea	Financials	51,610	291	264
Jiangsu Kanion Pharmaceutical Co. Ltd.	China	Health Care	71,945	217	192
Jindal Saw Ltd.	India	Materials	272,367	299	233
Kakao Corp.	South Korea	Communication Services	3,761	739	666
KB Financial Group Inc.	South Korea	Financials	4,236	272	166
Kia Motors Corp.	South Korea	Consumer Discretionary	60,949	2,275	1,815
KIWOOM Securities Co. Ltd.	South Korea	Financials	12,517	977	1,003
KT&G Corp.	South Korea	Consumer Staples	12,770	1,451	1,095
L.P.N. Development PCL Foreign	Thailand	Real Estate	1,275,838	236	180
LT Group Inc.	Philippines	Industrials	273,231	90	63
Lukoil PJSC	Russia	Energy	3,176	352	268
Manappuram Finance Ltd.	India	Financials	182,405	606	319
MBM Resources BHD	Malaysia	Consumer Discretionary	72,800	63	65
MegaStudyEdu Co. Ltd.	South Korea	Consumer Discretionary	7,645	345	329
Mining and Metallurgical Co. Norilsk Nickel OJSC	Russia	Materials	5,273	1,921	1,843
Momentum Metropolitan Holdings Ltd.	South Africa	Financials	185,371	280	227
momo.com Inc.	Taiwan	Consumer Discretionary	25,895	409	462
Motus Holdings Ltd.	South Africa	Consumer Discretionary	140,469	527	299
NetDragon Websoft Holdings Ltd.	China	Communication Services	136,805	544	462
NetEase Inc.	China	Communication Services	6,929	2,396	3,135
NMDC Ltd.	India	Materials	957,954	1,841	1,413
Novatek Microelectronics Corp.	Taiwan	Information Technology	306,000	2,945	2,452
Oil & Natural Gas Corp. Ltd.	India	Energy	1,034,654	2,964	1,322
Old Mutual Ltd.	South Africa	Financials	981,917	1,169	916
Pegatron Corp.	Taiwan	Information Technology	199,000	588	538
Petrobras Distribuidora SA	Brazil	Consumer Discretionary	36,000	279	152
Petronet LNG Ltd.	India	Energy	143,195	495	531
PICC Property & Casualty Co. Ltd. H	China	Financials	764,000	1,205	1,036
Ping An Insurance (Group) Co. of China Ltd. H	China	Financials	273,601	2,172	3,773
PLDT Inc.	Philippines	Communication Services	28,495	924	895
PT Adaro Energy TBK	Indonesia	Energy	8,052,100	600	685
PT Gudang Garam TBK	Indonesia	Consumer Staples	85,900	318	305
PT Indofood Sukses Makmur TBK	Indonesia	Consumer Staples	204,200	130	112
PT Matahari Department Store TBK	Indonesia	Consumer Discretionary	2,391,357	444	274
PT Media Nusantara Citra TBK	Indonesia	Communication Services	5,008,100	587	390
PT Suryainti Permata TBK	Indonesia	Real Estate	173,647,393	–	–
PTT Exploration and Production PCL	Thailand	Energy	95,100	247	280



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## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Qualitas Controladora SAB de CV	Mexico	Financials	165,748	928	599
Randon SA Implementos e Participacoes	Brazil	Industrials	376,500	1,660	557
Realtek Semiconductor Corp.	Taiwan	Information Technology	263,000	2,038	2,677
Rec Ltd.	India	Financials	926,010	1,842	1,538
Redington (India) Ltd.	India	Information Technology	32,873	48	42
Samba Financial Group	Saudi Arabia	Financials	104,328	929	786
Samsung Electronics Co. Ltd.	South Korea	Information Technology	94,383	5,107	5,163
Samyang Foods Co. Ltd.	South Korea	Consumer Staples	5,290	601	569
Sany Heavy Industry Co. Ltd. Class A	China	Industrials	307,651	834	1,065
Sao Martinho SA	Brazil	Consumer Staples	110,200	944	442
Saudia Dairy & Foodstuff Co.	Saudi Arabia	Consumer Staples	5,695	284	292
SCI Pharmtech Inc.	Taiwan	Health Care	174,876	688	1,116
Shaanxi Coal Industry Co. Ltd.	China	Energy	69,400	102	104
Sibanye-Stillwater Ltd.	South Africa	Materials	306,572	531	546
SK Hynix Inc.	South Korea	Information Technology	28,145	2,612	2,680
Sri Trang Agro-Industry PCL	Thailand	Consumer Discretionary	111,900	52	53
Surgutneftegas PJSC	Russia	Energy	3,101,793	2,404	2,094
Tahoe Group Co. Ltd.	China	Real Estate	1,013,565	1,112	1,048
Taiwan Paiho Ltd.	Taiwan	Consumer Discretionary	392,263	1,293	952
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	Information Technology	494,001	5,460	6,211
Tencent Holdings Ltd.	China	Communication Services	96,739	5,992	6,650
Tingyi (Cayman Islands) Holding Corp.	China	Consumer Staples	664,000	1,580	1,525
Tofas Turk Otomobil Fabrikasi AS	Turkey	Consumer Discretionary	21,913	85	76
TOPBI International Holdings Ltd.	Taiwan	Consumer Discretionary	141,000	432	377
Tovis Co. Ltd.	South Korea	Information Technology	8,943	73	71
TPI Polene Power PCL - Foreign	Thailand	Utilities	1,161,700	153	153
Tupy SA	Brazil	Consumer Discretionary	133,900	882	477
Unimicron Technology Corp.	Taiwan	Information Technology	1,225,468	1,332	1,789
United Integrated Services Co. Ltd.	Taiwan	Industrials	32,000	232	247
United Microelectronics Corp.	Taiwan	Information Technology	1,732,000	1,039	1,091
Videsh Sanchar Nigam Ltd.	India	Communication Services	22,961	166	100
Vipshop Holdings Ltd.	China	Consumer Discretionary	50,200	948	1,103
Vitzrocell Co. Ltd.	South Korea	Industrials	24,615	460	390
Vyborg Shipyard JSC	Russia	Industrials	21,305	184	256
Weichai Power Co. Ltd.	China	Industrials	976,644	1,688	2,204
Wuhu Sanqi Interactive Entertainment Network Technology Group Co. Ltd. Class A	China	Communication Services	365,300	1,378	2,364
Yichang HEC Changjiang Pharmaceutical Co. Ltd.	China	Health Care	180,000	1,253	1,194
Zenith Bank Ltd.	Nigeria	Financials	8,148,172	645	344
Zoomlion Heavy Industry Science and Technology Co. Ltd.	China	Industrials	1,647,009	1,440	1,683
<b>Total equities</b>				<b>153,122</b>	<b>141,281</b>
Transaction costs				(160)	—
<b>Total investments</b>				<b>152,962</b>	<b>141,281</b>
Cash and cash equivalents					1,815
Other assets less liabilities					(548)
<b>Total net assets</b>					<b>142,548</b>



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# MACKENZIE EMERGING MARKETS CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

GLOBAL EQUITY FUND

## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2020	
Portfolio Allocation	% of NAV
Equities	99.1
Cash and short-term investments	1.3
Other assets (liabilities)	(0.4)

Regional Allocation	
	% of NAV
China	39.9
Taiwan	16.4
South Korea	14.0
India	7.3
Brazil	4.8
South Africa	3.2
Russia	3.1
Saudi Arabia	2.5
Mexico	1.9
Other	1.6
Cash and short-term investments	1.3
Philippines	1.2
Indonesia	1.2
Thailand	1.1
United Arab Emirates	0.9
Other assets (liabilities)	(0.4)

Sector Allocation	
	% of NAV
Financials	19.7
Information technology	18.6
Consumer discretionary	14.2
Communication services	13.5
Materials	8.2
Industrials	6.5
Health care	5.8
Consumer staples	5.1
Energy	4.2
Real estate	2.0
Cash and short-term investments	1.3
Utilities	1.3
Other assets (liabilities)	(0.4)

March 31, 2019	
Portfolio Allocation	% of NAV
Equities	98.2
Cash and short-term investments	1.1
Other assets (liabilities)	0.7

Regional Allocation	
	% of NAV
China	32.4
South Korea	14.2
Taiwan	13.8
India	8.4
Brazil	7.6
Russia	4.6
South Africa	4.1
Mexico	3.6
Malaysia	2.5
Thailand	1.8
Argentina	1.6
Turkey	1.4
Cash and short-term investments	1.1
Other	0.8
Colombia	0.7
Other assets (liabilities)	0.7
Indonesia	0.7

Sector Allocation	
	% of NAV
Financials	21.9
Information technology	16.2
Communication services	12.1
Consumer discretionary	12.0
Materials	8.2
Industrials	7.2
Consumer staples	6.6
Energy	6.0
Health care	4.5
Real estate	2.2
Utilities	1.3
Cash and short-term investments	1.1
Other assets (liabilities)	0.7



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

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

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

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

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

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

Income from other sources, such as interest and foreign income ("Ordinary Income"), is taxed at standard corporate rates. To the extent that Capitalcorp has positive Ordinary Income net of expenses ("Net Ordinary Income") Capitalcorp will be required to pay corporate income tax as a whole. The Fund is allocated a portion of this expense based on its series' contribution to Capitalcorp's overall tax liability. Any income tax expense allocated to the Fund is included in the Statement of Comprehensive Income – Income taxes.

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

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

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

### 6. Management Fees and Operating Expenses

Mackenzie is paid a management fee for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements relating to the purchase and sale of the investment portfolio and making arrangements with registered dealers for the purchase and sale of securities of the Fund by investors. The management fee is calculated on each series of securities of the Fund as a fixed annual percentage of the daily net asset value of the series.

Each series of the Fund, except B-Series, is charged a fixed rate annual administration fee ("Administration Fee") and in return, Mackenzie bears all of the operating expenses of the Fund, other than certain specified fund costs. The Administration Fee is calculated on each series of securities of the Fund as a fixed annual percentage of the daily net asset value of the series.

Other fund costs include taxes (including, but not limited to GST/HST and income tax), interest and borrowing costs, all fees and expenses of the Mackenzie Funds' Independent Review Committee (IRC), costs of complying with the regulatory requirement to produce Fund Facts, fees paid to external service providers associated with tax reclaims, refunds or the preparation of foreign tax reports on behalf of the Funds, new fees related to external services that were not commonly charged in the Canadian mutual fund industry and introduced after the date of the most recently filed simplified prospectus, and the costs of complying with any new regulatory requirements, including, without limitation, any new fees introduced after the date of the most recently filed simplified prospectus.

All expenses relating to the operation of the Fund attributable to B-Series securities will be charged to that particular series. Operating expenses include legal, audit, transfer agent, custodian, administration and trustee services, cost of financial reporting and Simplified Prospectus printing, regulatory filing fees and other miscellaneous expenses specifically attributable to the B-Series securities and any applicable taxes.

Mackenzie may waive or absorb management fees and/or Administration Fees at its discretion and stop waiving or absorbing such fees at any time without notice. Refer to Note 9 for the management fee and Administration Fee rates charged to each series of securities.

## NOTES TO FINANCIAL STATEMENTS

### 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.

#### 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.



## NOTES TO FINANCIAL STATEMENTS

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

#### vi. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Note 9 summarizes the Fund's exposure, if applicable and significant, to credit risk.

All transactions in listed securities are executed with approved brokers. To minimize the possibility of settlement default, securities are exchanged for payment simultaneously, where market practices permit, through the facilities of a central depository and/or clearing agency where customary.

The carrying amount of investments and other assets represents the maximum credit risk exposure as at the date of the Statement of Financial Position.

The Fund may enter into securities lending transactions with counterparties and it may also be exposed to credit risk from the counterparties to the derivative instruments it may use. Credit risk associated with these transactions is considered minimal as all counterparties have a rating equivalent to a designated rating organization's credit rating of not less than A-1 (low) on their short-term debt and of A on their long-term debt, as applicable.

#### vii. Underlying funds

The Fund may invest in underlying funds and may be indirectly exposed to currency risk, interest rate risk, other price risk and credit risk from fluctuations in the value of financial instruments held by the underlying funds. Note 9 summarizes the Fund's exposure, if applicable and significant, to these risks from underlying funds.



# MACKENZIE EMERGING MARKETS CLASS

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GLOBAL EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation October 26, 2000

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

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

Series A, Series D, Series F, Series FB, Series I, Series J, Series OJ, Series M, Series O, Series PW, Series PWF, Series PWX, Series R, Series S, and Series U securities are closed to new sales.

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

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

Quadrus Series, H Series, HW Series, L Series, N Series, QF Series and QFW Series are closed to new sales.

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Mar. 31, 2020	Mar. 31, 2019
Series A	November 1, 2000	2.00%	0.28%	15.77	18.25
Series D	January 2, 2014	1.25%	0.20%	11.39	13.25
Series F	August 9, 2002	0.80% <sup>(3)</sup>	0.15% <sup>(6)</sup>	28.77	33.49
Series FB	October 26, 2015	1.00%	0.28%	9.92	11.55
Series I	November 22, 2000	1.35%	0.28%	20.04	23.28
Series J	July 6, 2018 <sup>(9)</sup>	1.75%	0.30%	8.35	9.68
Series OJ	July 6, 2018	1.70%	0.30%	8.27	9.65
Series M	August 9, 2002	Up to 1.75%	0.28%	26.00	30.12
Series O	August 9, 2002	— <sup>(1)</sup>	—*	25.35	31.46
Series PW	October 17, 2013	1.80% <sup>(4)</sup>	0.15%	10.95	12.69
Series PWF	None issued <sup>(11)</sup>	0.90%	0.15%	—	—
Series PWF	April 3, 2017	0.80% <sup>(5)</sup>	0.15%	8.43	9.82
Series PWX	February 5, 2014	— <sup>(2)</sup>	— <sup>(2)</sup>	12.11	14.14
Series R	July 3, 2007	—*	—*	9.00	10.53
Series S	July 6, 2018 <sup>(10)</sup>	— <sup>(1)</sup>	0.03%	8.29	9.68
Series U	May 5, 2009	1.75%	0.28%	14.73	17.08
Quadrus Series <sup>(12)</sup>	August 9, 2002	2.00%	0.28%	24.13	27.91
H Series	August 9, 2002	1.00%	0.15% <sup>(7)</sup>	27.72	32.26
HW Series	August 7, 2018	0.80%	0.15%	8.27	9.65
L Series	December 16, 2011	1.80% <sup>(8)</sup>	0.15%	12.66	14.67
N Series	December 6, 2011	— <sup>(1)</sup>	— <sup>(1)</sup>	13.10	15.29
QF Series	July 12, 2016	1.00%	0.28%	9.75	11.34
QFW Series	August 7, 2018	0.80%	0.15%	8.26	9.65

\* Not applicable.

# MACKENZIE EMERGING MARKETS CLASS

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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) 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) Prior to June 28, 2018, the administration fee for H Series was charged to the Fund at a rate of 0.20%.
- (8) Prior to June 28, 2018, the management fee for L Series was charged to the Fund at a rate of 1.85%.
- (9) The series' original start date was December 30, 2010. All securities in the series were redeemed on April 24, 2018. The series was reinstated at a price of \$10.00 per security on July 6, 2018.
- (10) The series' original start date was August 24, 2004. All securities in the series were redeemed on June 5, 2018. The series was reinstated at a price of \$10.00 per security on July 6, 2018.
- (11) The series' original start date was November 21, 2013. All securities in the series were consolidated into Series F on June 1, 2018.
- (12) On August 17, 2020, Quadrus Series will be renamed Q Series.

#### (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 \$10, \$845 and \$1 (2019 – \$11, \$11,902 and \$1), respectively, in the Fund.

#### (c) Securities Lending

As at March 31, 2020 and 2019, the Fund did not have any open securities lending, repurchase or reverse repurchase 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	–	–	63	100.0
Tax withheld	–	–	–	–
	–	–	63	100.0
Payments to Securities Lending Agent	–	–	(16)	(25.4)
Securities lending income	–	–	47	74.6

#### (d) Commissions

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

	(\$)
March 31, 2020	140
March 31, 2019	–

#### (e) Fund Merger

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

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



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# MACKENZIE EMERGING MARKETS CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

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## NOTES TO FINANCIAL STATEMENTS

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

(f) Change in Sub-advisor

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

(g) Offsetting of Financial Assets and Liabilities

As at March 31, 2020 and 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 in emerging markets. The Fund will focus its investments in those countries where the portfolio manager identifies strongly developing economies and in which the markets are becoming more sophisticated.

*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* (\$)
Hong Kong dollar	37,417	510	–	37,927
Taiwanese dollar	23,392	(37)	–	23,355
South Korean won	19,946	72	–	20,018
U.S. dollar	14,137	310	–	14,447
Indian rupee	9,548	364	–	9,912
Chinese yuan	7,340	20	–	7,360
Brazilian real	6,172	29	–	6,201
South African rand	4,578	116	–	4,694
Russian ruble	4,205	–	–	4,205
Saudi riyal	3,585	–	–	3,585
Mexican peso	2,456	–	–	2,456
Philippine peso	1,778	11	–	1,789
Indonesian rupiah	1,766	–	–	1,766
Thai baht	1,549	(148)	–	1,401
United Arab Emirates Dirham	1,348	–	–	1,348
Turkish lira	1,155	18	–	1,173
Nigerian naira	344	66	–	410
Chilean peso	–	389	–	389
Malaysian ringgit	364	–	–	364
Egyptian pound	201	85	–	286
Columbian peso	–	(40)	–	(40)
Total	141,281	1,765	–	143,046
% of Net Assets	99.1	1.2	–	100.3



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Investments

# MACKENZIE EMERGING MARKETS CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

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			Net Exposure*
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	
Hong Kong dollar	82,874	(1,216)	–	81,658
South Korean won	45,998	(959)	–	45,039
Taiwanese dollar	44,752	(565)	–	44,187
U.S. dollar	29,159	571	–	29,730
Indian rupee	22,755	1,908	–	24,663
Brazilian real	24,369	173	–	24,542
Russian ruble	13,913	204	–	14,117
South African rand	12,748	25	–	12,773
Mexican peso	11,550	–	–	11,550
Malaysian ringgit	7,987	89	–	8,076
Chinese yuan	7,519	41	–	7,560
Turkish lira	4,598	–	–	4,598
Singapore dollar	2,987	–	–	2,987
Thai baht	2,947	–	–	2,947
Indonesian rupiah	2,133	89	–	2,222
Philippine peso	1,683	4	–	1,687
Nigerian naira	670	155	–	825
Chilean peso	–	226	–	226
Columbian peso	139	(48)	–	91
<b>Total</b>	<b>318,781</b>	<b>697</b>	<b>–</b>	<b>319,478</b>
% of Net Assets	98.2	0.2	–	98.4

\* 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 \$7,152 or 5.0% of total net assets (2019 – \$15,974 or 4.9%). 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 \$14,128 or 9.9% of total net assets (2019 – \$31,878 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	23,444	117,581	256	141,281	316,687	1,786	308	318,781
Total	23,444	117,581	256	141,281	316,687	1,786	308	318,781

The Fund's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

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

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	308	–
Purchases	–	184
Sales	(33)	–
Transfers in	–	–
Transfers out	–	–
Gains (losses) during the period:		
Realized	33	–
Unrealized	(52)	124
Balance – end of period	256	308
Change in unrealized gains (losses) during the period attributable to securities held at end of period	(52)	124

Changing one or more of the inputs to reasonably possible alternative assumptions for valuing Level 3 financial instruments would not significantly affect the fair value of those instruments.



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