

MACKENZIE IVY FOREIGN EQUITY CURRENCY NEUTRAL 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 Ivy Foreign Equity Currency Neutral 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 Ivy Foreign Equity Currency Neutral 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
	\$	\$		\$	\$
ASSETS			Net assets attributable to securityholders per security (note 3)		
Current assets			Series A	14.95	16.29
Investments at fair value	310,243	321,150	Series AR	10.73	11.69
Cash and cash equivalents	67,478	117,734	Series D	10.93	11.94
Dividends receivable	451	736	Series F	15.85	17.37
Accounts receivable for investments sold	–	1,057	Series F5	13.15	15.16
Accounts receivable for securities issued	263	202	Series F8	12.46	14.85
Unrealized gains on derivative contracts	3,155	636	Series FB	9.75	10.66
Taxes recoverable (note 5)	88	107	Series FB5	13.23	15.39
Total assets	381,678	441,622	Series I	–	16.68
			Series J	14.85	16.18
LIABILITIES			Series O	17.54	19.29
Current liabilities			Series PW	10.86	11.83
Accounts payable for investments purchased	5	1	Series PWFB	9.07	9.94
Accounts payable for securities redeemed	255	313	Series PWFB5	13.27	15.40
Due to manager	15	–	Series PWR	9.33	–
Unrealized losses on derivative contracts	20,180	2,186	Series PWT5	11.45	13.11
Taxes payable (note 5)	181	144	Series PWT8	9.95	11.75
Total liabilities	20,636	2,644	Series PWX	11.27	12.39
Net assets attributable to securityholders	361,042	438,978	Series PWX8	9.97	11.90
Net assets attributable to securityholders per series (note 3)			Series T5	11.17	12.79
Series A	74,340	104,165	Series T8	8.75	10.33
Series AR	2,331	2,835			
Series D	186	176			
Series F	145,255	178,658			
Series F5	18	1,226			
Series F8	3,093	1,417			
Series FB	34	35			
Series FB5	1	1			
Series I	–	60			
Series J	530	564			
Series O	31,328	37,150			
Series PW	81,943	87,549			
Series PWFB	827	538			
Series PWFB5	1	1			
Series PWR	461	–			
Series PWT5	994	846			
Series PWT8	1,344	1,333			
Series PWX	16,041	19,458			
Series PWX8	159	179			
Series T5	1,071	1,950			
Series T8	1,085	837			

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		2020	2019
	\$	\$		\$	\$
Income			Series PWX	(482)	1,577
Dividends	7,955	8,366	Series PWX8	(7)	16
Interest income	1,962	2,200	Series T5	(50)	143
Other changes in fair value of investments and other net assets			Series T8	(77)	57
Net realized gain (loss)	15,377	5,114	Increase (decrease) in net assets attributable to securityholders from operations per security		
Net unrealized gain (loss)	(35,423)	22,171	Series A	(0.78)	0.91
Total income (loss)	(10,129)	37,851	Series AR	(0.71)	0.61
			Series D	(0.51)	0.72
Expenses (note 6)			Series F	(0.62)	1.26
Management fees	5,556	6,176	Series F5	0.44	2.70
Administration fees	746	845	Series F8	(1.04)	0.97
Interest charges	2	1	Series FB	(0.56)	0.73
Commissions and other portfolio transaction costs	341	308	Series FB5	(0.76)	0.67
Independent Review Committee fees	1	2	Series I	1.31	1.00
Other	1	6	Series J	(0.97)	0.92
Expenses before amounts absorbed by Manager	6,647	7,338	Series O	(0.49)	1.49
Expenses absorbed by Manager	–	–	Series PW	(0.69)	0.65
Net expenses	6,647	7,338	Series PWF	–	0.08
Increase (decrease) in net assets attributable to securityholders from operations before tax	(16,776)	30,513	Series PWF8	–	0.08
Foreign withholding taxes	907	959	Series PWF8	(0.63)	0.80
Income taxes (note 5)	37	146	Series PWF85	(0.66)	0.69
Increase (decrease) in net assets attributable to securityholders from operations	(17,720)	29,408	Series PWR	(0.73)	–
Increase (decrease) in net assets attributable to securityholders from operations per series			Series PWT5	(0.86)	0.69
Series A	(4,468)	7,222	Series PWT8	(0.68)	0.71
Series AR	(156)	140	Series PWX	(0.31)	0.93
Series D	(7)	10	Series PWX8	(0.41)	0.97
Series F	(5,889)	11,693	Series T5	(0.40)	0.72
Series F5	9	69	Series T8	(0.70)	0.64
Series F8	(201)	100			
Series FB	(2)	1			
Series FB5	–	–			
Series I	5	3			
Series J	(34)	32			
Series O	(915)	2,996			
Series PW	(5,214)	4,588			
Series PWF	–	573			
Series PWF8	–	12			
Series PWF8	(43)	52			
Series PWF85	–	–			
Series PWR	(32)	–			
Series PWT5	(70)	45			
Series PWT8	(87)	79			

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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 AR		Series D		Series F		Series F5	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	104,165	175,613	2,835	2,450	176	119	178,658	88,068	1,226	–
Increase (decrease) in net assets from operations	(4,468)	7,222	(156)	140	(7)	10	(5,889)	11,693	9	69
Dividends paid to securityholders:										
Ordinary	(1)	–	–	–	–	(1)	(799)	(1,050)	–	(8)
Capital gains	(1,867)	(2,963)	(42)	(42)	(5)	(3)	(5,919)	(2,295)	(43)	–
Return of capital	–	–	–	–	–	–	–	–	(14)	(14)
Total dividends paid to securityholders	(1,868)	(2,963)	(42)	(42)	(5)	(4)	(6,718)	(3,345)	(57)	(22)
Security transactions:										
Proceeds from securities issued	12,324	15,130	506	501	45	55	48,176	125,080	56	1,179
Reinvested dividends	1,823	2,898	42	42	5	4	5,407	2,584	46	–
Payments on redemption of securities	(37,636)	(93,735)	(854)	(256)	(28)	(8)	(74,379)	(45,422)	(1,262)	–
Total security transactions	(23,489)	(75,707)	(306)	287	22	51	(20,796)	82,242	(1,160)	1,179
Total increase (decrease) in net assets	(29,825)	(71,448)	(504)	385	10	57	(33,403)	90,590	(1,208)	1,226
End of period	74,340	104,165	2,331	2,835	186	176	145,255	178,658	18	1,226
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	6,395	11,188	243	218	15	10	10,284	5,258	81	–
Issued	759	955	42	44	4	6	2,826	7,553	3	81
Reinvested dividends	114	186	4	4	–	–	323	154	3	–
Redeemed	(2,297)	(5,934)	(72)	(23)	(2)	(1)	(4,271)	(2,681)	(86)	–
Securities outstanding – end of period	4,971	6,395	217	243	17	15	9,162	10,284	1	81
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	1,417	–	35	58	1	–	60	58	564	546
Increase (decrease) in net assets from operations	(201)	100	(2)	1	–	–	5	3	(34)	32
Dividends paid to securityholders:										
Ordinary	(17)	(10)	–	–	–	–	–	–	–	–
Capital gains	(51)	–	(1)	(1)	–	–	(2)	(1)	(13)	(11)
Return of capital	(223)	(102)	–	–	–	–	–	–	–	–
Total dividends paid to securityholders	(291)	(112)	(1)	(1)	–	–	(2)	(1)	(13)	(11)
Security transactions:										
Proceeds from securities issued	3,422	1,779	1	3	–	1	–	–	–	1
Reinvested dividends	95	13	1	1	–	–	–	–	13	11
Payments on redemption of securities	(1,349)	(363)	–	(27)	–	–	(63)	–	–	(15)
Total security transactions	2,168	1,429	2	(23)	–	1	(63)	–	13	(3)
Total increase (decrease) in net assets	1,676	1,417	(1)	(23)	–	1	(60)	2	(34)	18
End of period	3,093	1,417	34	35	1	1	–	60	530	564
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	95	–	3	6	–	–	4	4	35	35
Issued	241	118	–	–	–	–	–	–	–	–
Reinvested dividends	7	1	1	–	–	–	–	–	1	1
Redeemed	(95)	(24)	–	(3)	–	–	(4)	–	–	(1)
Securities outstanding – end of period	248	95	4	3	–	–	–	4	36	35

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

MACKENZIE IVY FOREIGN EQUITY CURRENCY NEUTRAL CLASS

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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 0		Series PW		Series PWF		Series PWF8		Series PWF8	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	37,150	39,800	87,549	54,577	–	85,681	–	1,826	538	719
Increase (decrease) in net assets from operations	(915)	2,996	(5,214)	4,588	–	573	–	12	(43)	52
Dividends paid to securityholders:										
Ordinary	(229)	(409)	–	(58)	–	–	–	–	(4)	(3)
Capital gains	(1,666)	(1,391)	(1,946)	(1,019)	–	(2,354)	–	(49)	(20)	(20)
Return of capital	–	–	–	–	–	–	–	(25)	–	–
Total dividends paid to securityholders	(1,895)	(1,800)	(1,946)	(1,077)	–	(2,354)	–	(74)	(24)	(23)
Security transactions:										
Proceeds from securities issued	4,996	3,340	19,333	56,065	–	2,333	–	–	404	52
Reinvested dividends	1,851	1,775	1,920	1,058	–	1,889	–	51	24	23
Payments on redemption of securities	(9,859)	(8,961)	(19,699)	(27,662)	–	(88,122)	–	(1,815)	(72)	(285)
Total security transactions	(3,012)	(3,846)	1,554	29,461	–	(83,900)	–	(1,764)	356	(210)
Total increase (decrease) in net assets	(5,822)	(2,650)	(5,606)	32,972	–	(85,681)	–	(1,826)	289	(181)
End of period	31,328	37,150	81,943	87,549	–	–	–	–	827	538
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	1,926	2,126	7,399	4,790	–	7,450	–	149	54	75
Issued	271	178	1,643	4,912	–	201	–	–	42	5
Reinvested dividends	100	96	165	94	–	167	–	4	2	2
Redeemed	(511)	(474)	(1,664)	(2,397)	–	(7,818)	–	(153)	(7)	(28)
Securities outstanding – end of period	1,786	1,926	7,543	7,399	–	–	–	–	91	54
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	1	–	–	–	846	406	1,333	1,178	19,458	22,195
Increase (decrease) in net assets from operations	–	–	(32)	–	(70)	45	(87)	79	(482)	1,577
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	(1)	–	(1)	(117)	(212)
Capital gains	–	–	–	–	(19)	(8)	(29)	(23)	(857)	(782)
Return of capital	–	–	–	–	(51)	(53)	(115)	(112)	–	–
Total dividends paid to securityholders	–	–	–	–	(70)	(62)	(144)	(136)	(974)	(994)
Security transactions:										
Proceeds from securities issued	–	1	626	–	385	1,008	469	400	3,870	5,218
Reinvested dividends	–	–	–	–	44	32	47	45	974	994
Payments on redemption of securities	–	–	(133)	–	(141)	(583)	(274)	(233)	(6,805)	(9,532)
Total security transactions	–	1	493	–	288	457	242	212	(1,961)	(3,320)
Total increase (decrease) in net assets	–	1	461	–	148	440	11	155	(3,417)	(2,737)
End of period	1	1	461	–	994	846	1,344	1,333	16,041	19,458
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	–	–	–	–	65	30	114	96	1,571	1,846
Issued	–	–	62	–	30	77	41	33	315	427
Reinvested dividends	–	–	–	–	3	2	4	4	82	84
Redeemed	–	–	(13)	–	(11)	(44)	(24)	(19)	(544)	(786)
Securities outstanding – end of period	–	–	49	–	87	65	135	114	1,424	1,571

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

MACKENZIE IVY FOREIGN EQUITY CURRENCY NEUTRAL CLASS

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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
	Series PWX8		Series T5		Series T8		Total	
	\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS								
Beginning of period	179	228	1,950	3,523	837	1,316	438,978	478,361
Increase (decrease) in net assets from operations	(7)	16	(50)	143	(77)	57	(17,720)	29,408
Dividends paid to securityholders:								
Ordinary	(1)	(2)	–	–	–	–	(1,168)	(1,755)
Capital gains	(8)	(8)	(35)	(62)	(16)	(23)	(12,539)	(11,055)
Return of capital	(14)	(18)	(76)	(151)	(89)	(78)	(582)	(553)
Total dividends paid to securityholders	(23)	(28)	(111)	(213)	(105)	(101)	(14,289)	(13,363)
Security transactions:								
Proceeds from securities issued	–	–	70	281	1,054	85	95,737	212,512
Reinvested dividends	13	15	57	101	41	57	12,403	11,593
Payments on redemption of securities	(3)	(52)	(845)	(1,885)	(665)	(577)	(154,067)	(279,533)
Total security transactions	10	(37)	(718)	(1,503)	430	(435)	(45,927)	(55,428)
Total increase (decrease) in net assets	(20)	(49)	(879)	(1,573)	248	(479)	(77,936)	(39,383)
End of period	159	179	1,071	1,950	1,085	837	361,042	438,978
Increase (decrease) in fund securities (note 7):								
Securities outstanding – beginning of period	15	18	152	269	81	122		
Issued	–	–	6	22	106	8		
Reinvested dividends	1	1	5	8	4	5		
Redeemed	–	(4)	(67)	(147)	(67)	(54)		
Securities outstanding – end of period	16	15	96	152	124	81		

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STATEMENTS OF CASH FLOWS

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

	2020	2019
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	(17,720)	29,408
Adjustments for:		
Net realized loss (gain) on investments	(10,942)	(14,216)
Change in net unrealized loss (gain) on investments	37,906	(23,614)
Purchase of investments	(132,198)	(98,958)
Proceeds from sale and maturity of investments	132,572	130,422
Change in dividends receivable	285	143
Change in taxes recoverable	19	(75)
Change in due to manager	15	(44)
Change in taxes payable	37	144
Net cash from operating activities	9,974	23,210
Cash flows from financing activities		
Proceeds from securities issued	79,277	156,074
Payments on redemption of securities	(137,726)	(224,231)
Dividends paid net of reinvestments	(1,886)	(1,770)
Net cash from financing activities	(60,335)	(69,927)
Net increase (decrease) in cash and cash equivalents	(50,361)	(46,717)
Cash and cash equivalents at beginning of period	117,734	165,339
Effect of exchange rate fluctuations on cash and cash equivalents	105	(888)
Cash and cash equivalents at end of period	67,478	117,734
Cash	11,961	8,559
Cash equivalents	55,517	109,175
Cash and cash equivalents at end of period	67,478	117,734
Supplementary disclosures on cash flow from operating activities:		
Dividends received	8,240	8,509
Taxes paid	907	961
Interest received	1,962	2,200
Interest paid	2	1

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SCHEDULE OF INVESTMENTS

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES					
Abbott Laboratories	United States	Health Care	64,980	6,858	7,229
Accenture PLC Class A	United States	Information Technology	9,000	1,926	2,071
Adidas AG	Germany	Consumer Discretionary	7,000	1,882	2,268
Admiral Group PLC	United Kingdom	Financials	268,386	7,642	10,432
Alibaba Group Holding Ltd.	China	Consumer Discretionary	137,900	4,902	4,573
Alphabet Inc. Class C	United States	Communication Services	1,200	1,948	1,967
Amcor PLC	Jersey	Materials	847,119	11,515	9,674
Amphenol Corp. Class A	United States	Information Technology	29,941	2,317	3,076
Becton, Dickinson and Co.	United States	Health Care	15,959	3,762	5,170
Berkshire Hathaway Inc. Class B	United States	Financials	13,814	3,779	3,561
Brambles Ltd.	Australia	Industrials	394,125	3,646	3,662
Brookfield Asset Management Inc. Class A limited voting	Canada	Financials	128,432	5,224	8,012
Chubb Ltd.	United States	Financials	19,499	3,768	3,070
CK Hutchison Holdings Ltd.	Hong Kong	Industrials	796,300	12,311	7,529
Colgate Palmolive Co.	United States	Consumer Staples	45,035	3,577	4,213
Comcast Corp. Class A	United States	Communication Services	191,341	9,159	9,274
Compass Group PLC	United Kingdom	Consumer Discretionary	265,100	7,715	5,835
Costco Wholesale Corp.	United States	Consumer Staples	24,751	4,358	9,949
Daikin Industries Ltd.	Japan	Industrials	3,600	553	619
Danaher Corp.	United States	Health Care	41,454	4,183	8,089
Dollarama Inc.	Canada	Consumer Discretionary	97,500	4,106	3,806
Fortive Corp.	United States	Industrials	40,009	2,685	3,113
Henkel AG & Co. KGaA Pfd.	Germany	Consumer Staples	74,078	11,850	8,507
Hennes & Mauritz AB B	Sweden	Consumer Discretionary	189,574	6,742	3,430
Henry Schein Inc.	United States	Health Care	129,222	10,818	9,204
Industria de Diseno Textil SA (Inditex)	Spain	Consumer Discretionary	217,651	7,866	7,957
Johnson & Johnson	United States	Health Care	60,640	8,484	11,210
Kao Corp.	Japan	Consumer Staples	87,000	8,835	10,036
Knorr-Bremse AG	Germany	Industrials	14,316	1,762	1,807
LG Household & Health Care Ltd.	South Korea	Consumer Staples	1,400	1,739	1,803
Nestlé SA Reg.	Switzerland	Consumer Staples	13,115	1,691	1,904
Nike Inc. Class B	United States	Consumer Discretionary	35,968	2,400	4,196
Omnicom Group Inc.	United States	Communication Services	64,570	5,748	4,998
Oracle Corp.	United States	Information Technology	109,204	5,863	7,441
PepsiCo Inc.	United States	Consumer Staples	60,685	7,546	10,275
The Procter & Gamble Co.	United States	Consumer Staples	71,010	7,316	11,012
Reckitt Benckiser Group PLC	United Kingdom	Consumer Staples	107,374	10,953	11,607
Roche Holding AG Genusscheine	Switzerland	Health Care	7,859	3,358	3,599
Rockwell Automation Inc.	United States	Industrials	9,584	1,819	2,039
Samsung Electronics Co. Ltd.	South Korea	Information Technology	65,100	3,424	3,561
SAP AG	Germany	Information Technology	32,500	5,661	5,256
Seven & i Holdings Co. Ltd.	Japan	Consumer Staples	299,400	15,383	13,928
Shiseido Co. Ltd.	Japan	Consumer Staples	23,900	1,721	1,989
Sonic Healthcare Ltd.	Australia	Health Care	72,875	1,358	1,536
Sonova Holding AG	Switzerland	Health Care	14,667	3,475	3,730
Starbucks Corp.	United States	Consumer Discretionary	22,465	1,970	2,082
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	Information Technology	321,800	3,299	4,046
The TJX Companies Inc.	United States	Consumer Discretionary	70,275	5,169	4,737
U.S. Bancorp	United States	Financials	73,989	3,750	3,593



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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)
EQUITIES (cont'd)					
Ulta Beauty Inc.	United States	Consumer Discretionary	9,922	2,020	2,458
Unicharm Corp.	Japan	Consumer Staples	138,300	5,572	7,316
United Parcel Service Inc. (UPS) Class B	United States	Industrials	51,065	6,810	6,725
Vestas Wind Systems AS	Denmark	Industrials	52,600	6,421	6,030
Visa Inc. Class A	United States	Information Technology	16,675	3,967	3,788
W.W. Grainger Inc.	United States	Industrials	26,940	8,734	9,438
The Walt Disney Co.	United States	Communication Services	13,315	1,733	1,813
Total equities				293,073	310,243
Transaction costs				(494)	—
Total investments				292,579	310,243
Derivative instruments (see schedule of derivative instruments)					(17,025)
Cash and cash equivalents					67,478
Other assets less liabilities					346
Total net assets					361,042



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SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2020	
Portfolio Allocation	% of NAV
Equities	85.9
Cash and short-term investments	18.7
Other assets (liabilities)	(4.6)

Regional Allocation	% of NAV
United States	43.1
Cash and short-term investments	18.7
Japan	9.4
United Kingdom	7.7
Germany	4.9
Canada	3.3
Jersey	2.7
Switzerland	2.6
Spain	2.2
Hong Kong	2.1
Denmark	1.7
South Korea	1.5
Australia	1.4
China	1.3
Taiwan	1.1
Sweden	0.9
Other assets (liabilities)	(4.6)

Sector Allocation	% of NAV
Consumer staples	25.6
Cash and short-term investments	18.7
Health care	13.8
Consumer discretionary	11.5
Industrials	11.3
Information technology	8.1
Financials	7.9
Communication services	5.0
Materials	2.7
Other assets (liabilities)	(4.6)

March 31, 2019	
Portfolio Allocation	% of NAV
Equities	73.2
Cash and short-term investments	26.8

Regional Allocation	% of NAV
United States	41.1
Cash and short-term investments	26.8
United Kingdom	9.1
Australia	6.8
Japan	4.9
Germany	3.6
Canada	2.7
Hong Kong	2.2
Sweden	1.8
France	1.0

Sector Allocation	% of NAV
Cash and short-term investments	26.8
Consumer staples	22.3
Industrials	11.7
Health care	11.4
Communication services	7.3
Financials	6.7
Consumer discretionary	6.5
Materials	3.7
Information technology	3.6



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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	17,534	British pound	(30,358)	Canadian dollar	Apr. 8, 2020	30,358	30,669	311
AA	650	British pound	(1,130)	Canadian dollar	Apr. 15, 2020	1,130	1,136	6
AA	350	Euro	(518)	Canadian dollar	Apr. 17, 2020	518	543	25
AA	1,360	Euro	(2,106)	Canadian dollar	Apr. 17, 2020	2,106	2,113	7
AA	6,890	Canadian dollar	(4,410)	Euro	Apr. 17, 2020	(6,890)	(6,850)	40
AA	10,000	U.S. dollar	(13,670)	Canadian dollar	Apr. 17, 2020	13,670	14,080	410
A	9,480	Hong Kong dollar	(1,614)	Canadian dollar	Apr. 22, 2020	1,614	1,721	107
A	5,800	Hong Kong dollar	(1,038)	Canadian dollar	Apr. 22, 2020	1,038	1,053	15
A	896	Canadian dollar	(4,910)	Hong Kong dollar	Apr. 22, 2020	(896)	(891)	5
A	2,780	Euro	(4,120)	Canadian dollar	Apr. 24, 2020	4,120	4,317	197
A	3,047	U.S. dollar	(4,037)	Canadian dollar	May 8, 2020	4,037	4,286	249
A	8,497	Canadian dollar	(9,520)	Australian dollar	May 11, 2020	(8,497)	(8,235)	262
A	2,230	Swedish krona	(309)	Canadian dollar	May 13, 2020	309	318	9
A	3,470	Swedish krona	(476)	Canadian dollar	May 13, 2020	476	493	17
A	2,300	Swedish krona	(321)	Canadian dollar	May 13, 2020	321	327	6
A	315,900	South Korean won	(346)	Canadian dollar	May 15, 2020	346	365	19
A	240,000	South Korean won	(268)	Canadian dollar	May 15, 2020	268	278	10
A	6,230	Taiwanese dollar	(274)	Canadian dollar	May 15, 2020	274	292	18
A	2,000	Taiwanese dollar	(89)	Canadian dollar	May 15, 2020	89	93	4
A	147	Canadian dollar	(3,137)	Taiwanese dollar	May 15, 2020	(147)	(147)	–
A	6,300	U.S. dollar	(8,458)	Canadian dollar	Jun. 12, 2020	8,458	8,859	401
AA	835	U.S. dollar	(1,150)	Canadian dollar	Jun. 12, 2020	1,150	1,174	24
A	8,177	Canadian dollar	(9,046)	Australian dollar	Jun. 17, 2020	(8,177)	(7,823)	354
A	2,000	Australian dollar	(1,714)	Canadian dollar	Jun. 17, 2020	1,714	1,730	16
A	1,218	Canadian dollar	(1,400)	Australian dollar	Jun. 17, 2020	(1,218)	(1,211)	7
AA	28,731	Canadian dollar	(2,149,618)	Japanese yen	Jun. 17, 2020	(28,731)	(28,197)	534
AA	100,000	Japanese yen	(1,304)	Canadian dollar	Jun. 17, 2020	1,304	1,312	8
AA	3,833	Canadian dollar	(285,420)	Japanese yen	Jun. 17, 2020	(3,833)	(3,744)	89
AA	3,553	Canadian dollar	(270,420)	Japanese yen	Jun. 17, 2020	(3,553)	(3,548)	5

Unrealized Gains

3,155

AA	27,971	Canadian dollar	(16,434)	British pound	Apr. 8, 2020	(27,971)	(28,745)	(774)
AA	1,878	Canadian dollar	(1,100)	British pound	Apr. 8, 2020	(1,878)	(1,924)	(46)
AA	1,115	Canadian dollar	(650)	British pound	Apr. 15, 2020	(1,115)	(1,136)	(21)
AA	13,497	Canadian dollar	(9,253)	Euro	Apr. 17, 2020	(13,497)	(14,370)	(873)
AA	1,410	Euro	(2,191)	Canadian dollar	Apr. 17, 2020	2,191	2,190	(1)
AA	38,545	Canadian dollar	(29,620)	U.S. dollar	Apr. 17, 2020	(38,545)	(41,706)	(3,161)
AA	1,501	Canadian dollar	(970)	Euro	Apr. 20, 2020	(1,501)	(1,506)	(5)
A	6,188	Canadian dollar	(36,880)	Hong Kong dollar	Apr. 22, 2020	(6,188)	(6,695)	(507)
A	4,084	Canadian dollar	(23,900)	Hong Kong dollar	Apr. 22, 2020	(4,084)	(4,338)	(254)
A	6,340	Hong Kong dollar	(1,191)	Canadian dollar	Apr. 22, 2020	1,191	1,151	(40)
A	4,065	Canadian dollar	(2,780)	Euro	Apr. 24, 2020	(4,065)	(4,318)	(253)
A	4,049	Canadian dollar	(3,047)	U.S. dollar	May 8, 2020	(4,049)	(4,286)	(237)
A	1,000	Australian dollar	(893)	Canadian dollar	May 11, 2020	893	865	(28)
A	695	Canadian dollar	(5,000)	Swedish krona	May 13, 2020	(695)	(711)	(16)



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SCHEDULE OF DERIVATIVE INSTRUMENTS (cont'd)

As at March 31, 2020

Schedule of Forward Currency Contracts (cont'd)

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized (Losses) (\$ 000s)
A	5,012	Canadian dollar	(35,955)	Swedish krona	May 13, 2020	(5,012)	(5,117)	(105)
A	3,375	Swedish krona	(491)	Canadian dollar	May 13, 2020	491	481	(10)
A	3,200	Swedish krona	(457)	Canadian dollar	May 13, 2020	457	455	(2)
A	5,130	Swedish krona	(740)	Canadian dollar	May 13, 2020	740	731	(9)
A	1,560	Swedish krona	(222)	Canadian dollar	May 13, 2020	222	222	–
A	530	Canadian dollar	(3,740)	Swedish krona	May 13, 2020	(530)	(532)	(2)
A	115	Canadian dollar	(810)	Swedish krona	May 13, 2020	(115)	(115)	–
A	4,553	Canadian dollar	(4,079,274)	South Korean won	May 15, 2020	(4,553)	(4,713)	(160)
A	1,232	Canadian dollar	(1,067,259)	South Korean won	May 15, 2020	(1,232)	(1,233)	(1)
A	4,874	Canadian dollar	(109,912)	Taiwanese dollar	May 15, 2020	(4,874)	(5,152)	(278)
A	17,110	Taiwanese dollar	(830)	Canadian dollar	May 15, 2020	830	802	(28)
A	32,128	Canadian dollar	(24,260)	U.S. dollar	May 22, 2020	(32,128)	(34,120)	(1,992)
A	39,726	Canadian dollar	(30,000)	U.S. dollar	May 22, 2020	(39,726)	(42,193)	(2,467)
A	3,690	Canadian dollar	(21,115)	Hong Kong dollar	Jun. 10, 2020	(3,690)	(3,829)	(139)
A	70,732	Canadian dollar	(53,370)	U.S. dollar	Jun. 12, 2020	(70,732)	(75,050)	(4,318)
AA	44,532	Canadian dollar	(33,600)	U.S. dollar	Jun. 12, 2020	(44,532)	(47,248)	(2,716)
A	7,088	Canadian dollar	(5,300)	U.S. dollar	Jun. 12, 2020	(7,088)	(7,453)	(365)
A	9,690	U.S. dollar	(13,747)	Canadian dollar	Jun. 12, 2020	13,747	13,626	(121)
A	11,005	Canadian dollar	(7,548)	Euro	Jun. 19, 2020	(11,005)	(11,740)	(735)
AA	613	Canadian dollar	(420)	Euro	Jun. 19, 2020	(613)	(654)	(41)
AA	3,298	Canadian dollar	(2,200)	Euro	Jun. 19, 2020	(3,298)	(3,422)	(124)
AA	1,145	Euro	(1,794)	Canadian dollar	Jun. 19, 2020	1,794	1,781	(13)
AA	1,440	Euro	(2,263)	Canadian dollar	Jun. 19, 2020	2,263	2,240	(23)
AA	32,274	Canadian dollar	(18,634)	British pound	Jul. 8, 2020	(32,274)	(32,579)	(305)
AA	1,130	Canadian dollar	(650)	British pound	Jul. 8, 2020	(1,130)	(1,136)	(6)
AA	321	British pound	(565)	Canadian dollar	Jul. 8, 2020	565	561	(4)
Unrealized (Losses)								(20,180)
Total forward currency contracts								(17,025)
Total derivative instruments at fair value								(17,025)



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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.



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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)*

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 O securities are offered only to investors investing a minimum of \$500,000 who are enrolled in Mackenzie Portfolio Architecture Service or Open Architecture Service; certain institutional investors; investors in a qualified group plan, and certain qualifying employees of Mackenzie and its subsidiaries.

Series PW, 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 I and Series J securities are no longer 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.

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.



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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Mar. 31, 2020	Mar. 31, 2019
Series A	August 27, 2007	2.00%	0.28%	14.95	16.29
Series AR	October 18, 2013	2.00%	0.31%	10.73	11.69
Series D	March 19, 2014	1.25%	0.20%	10.93	11.94
Series F	September 19, 2007	0.80% ⁽³⁾	0.15% ⁽⁶⁾	15.85	17.37
Series F5 ⁽⁹⁾	June 1, 2018	0.80%	0.15%	13.15	15.16
Series F8	June 1, 2018	0.80%	0.15%	12.46	14.85
Series FB	October 26, 2015	1.00%	0.28%	9.75	10.66
Series FB5	January 15, 2019	1.00%	0.28%	13.23	15.39
Series I	None issued ⁽¹⁰⁾	1.35%	0.28%	—	16.68
Series J	November 25, 2010	1.75%	0.25%	14.85	16.18
Series O	October 12, 2007	— ⁽¹⁾	—*	17.54	19.29
Series PW	October 17, 2013	1.80% ⁽⁴⁾	0.15%	10.86	11.83
Series PWF	None issued ⁽⁷⁾	0.90%	0.15%	—	—
Series PWF8	None issued ⁽⁸⁾	0.90%	0.15%	—	—
Series PWFB	April 3, 2017	0.80% ⁽⁵⁾	0.15%	9.07	9.94
Series PWFB5	January 15, 2019	0.80%	0.15%	13.27	15.40
Series PWR	April 1, 2019	1.80%	0.15%	9.33	—
Series PWT5 ⁽⁹⁾	April 3, 2017	1.80% ⁽⁴⁾	0.15%	11.45	13.11
Series PWT8	April 15, 2014	1.80% ⁽⁴⁾	0.15%	9.95	11.75
Series PWX	December 13, 2013	— ⁽²⁾	— ⁽²⁾	11.27	12.39
Series PWX8	December 20, 2013	— ⁽²⁾	— ⁽²⁾	9.97	11.90
Series T5 ⁽⁹⁾	April 30, 2008	2.00%	0.28%	11.17	12.79
Series T8	January 28, 2008	2.00%	0.28%	8.75	10.33

* Not applicable.

(1) This fee is negotiable and payable directly to Mackenzie by investors in this series.

(2) This fee is payable directly to Mackenzie by investors in this series through redemptions of their securities.

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

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

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

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

(7) The series' original start date was October 28, 2013. All securities in the series were consolidated into Series F on June 1, 2018.

(8) The series' original start date was July 15, 2015. All securities in the series were consolidated into Series F8 on June 1, 2018.

(9) Before January 1, 2019, Series F5, Series PWT5 and Series T5 securities were known as Series F6, Series PWT6 and Series T6, respectively.

(10) The series' original start date was September 19, 2007. All securities in the series were redeemed on February 14, 2020.

(b) Investments by Mackenzie and Affiliates

As at March 31, 2020, Mackenzie had an investment of \$8 (2019 – \$8) in the Fund.

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

(c) Securities Lending

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

(d) Commissions

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

	(\$)
March 31, 2020	48
March 31, 2019	52

(e) 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	2,387	(2,387)	–	–
Unrealized losses on derivative contracts	(9,408)	2,387	–	(7,021)
Liability for options written	–	–	–	–
Total	(7,021)	–	–	(7,021)

	March 31, 2019			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	422	(314)	–	108
Unrealized losses on derivative contracts	(709)	314	–	(395)
Liability for options written	–	–	–	–
Total	(287)	–	–	(287)

(f) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks long-term capital growth, while trying to protect capital, by investing in equities of companies located anywhere in the world. The Fund's investments generally do not include investments in emerging markets, and securities of U.S. companies will usually form the largest percentage of assets from any geographic area. The Fund seeks to eliminate substantially all its foreign currency exposure.

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

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

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* (\$)
Swiss franc	9,233	34	–	9,267
Danish krone	6,030	–	–	6,030
Japanese yen	33,888	1,991	(34,177)	1,702
British pound	27,874	5,994	(33,154)	714
Australian dollar	14,872	145	(14,674)	343
Hong Kong dollar	12,102	–	(11,828)	274
South Korean won	5,364	–	(5,303)	61
Euro	25,795	3,883	(29,676)	2
Swedish krona	3,430	–	(3,448)	(18)
Taiwanese dollar	4,046	–	(4,112)	(66)
U.S. dollar	155,791	53,299	(210,031)	(941)
Total	298,425	65,346	(346,403)	17,368
% of Net Assets	82.7	18.1	(95.9)	4.9

March 31, 2019				
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	175,543	93,221	(264,979)	3,785
Japanese yen	21,570	109	(21,627)	52
Euro	27,162	8,154	(35,266)	50
Australian dollar	30,031	73	(30,058)	46
British pound	32,790	10,432	(43,238)	(16)
Hong Kong dollar	14,138	–	(14,195)	(57)
Swedish krona	7,923	–	(7,984)	(61)
Total	309,157	111,989	(417,347)	3,799
% of Net Assets	70.4	25.5	(95.1)	0.8

* 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 \$868 or 0.2% of total net assets (2019 – \$190 or 0.0%). In practice, the actual trading results may differ and the difference could be material.



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

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

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 \$31,024 or 8.6% of total net assets (2019 – \$32,115 or 7.3%). 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.

(g) 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	167,609	142,634	–	310,243	321,150	–	–	321,150
Derivative assets	–	3,155	–	3,155	–	636	–	636
Derivative liabilities	–	(20,180)	–	(20,180)	–	(2,186)	–	(2,186)
Short-term investments	–	55,517	–	55,517	–	109,175	–	109,175
Total	167,609	181,126	–	348,735	321,150	107,625	–	428,775

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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