

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

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

The Board of Directors (the "Board") of Mackenzie Financial Corporation is responsible for reviewing and approving the financial statements and overseeing the Manager's performance of its financial reporting responsibilities. The Board 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

June 3, 2022

## INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Private Equity Replication Fund (the "Fund")

### Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at March 31, 2022 and 2021, 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, 2022 and 2021, 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. The other information comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do 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.



**MACKENZIE**  
Investments

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

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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  
June 15, 2022

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## STATEMENTS OF FINANCIAL POSITION

at March 31 (in \$ 000 except per security amounts)

	2022 \$	2021 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Investments at fair value	18,927	15,544
Cash and cash equivalents	–	499
Dividends receivable	8	10
Accounts receivable for investments sold	–	–
Accounts receivable for securities issued	10	–
Margin on derivatives	939	637
Derivative assets	792	97
<b>Total assets</b>	<b>20,676</b>	<b>16,787</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank indebtedness	145	–
Accounts payable for investments purchased	2	–
Accounts payable for securities redeemed	–	–
Due to manager	28	2
Liability for options written	333	237
Derivative liabilities	–	1
<b>Total liabilities</b>	<b>508</b>	<b>240</b>
<b>Net assets attributable to securityholders</b>	<b>20,168</b>	<b>16,547</b>

	Net assets attributable to securityholders (note 3)			
	per security		per series	
	2022	2021	2022	2021
Series A	10.12	11.07	928	216
Series F	10.26	11.12	1,409	229
Series FB	10.25	11.11	3	1
Series O	10.33	11.15	24	1
Series PW	10.16	11.08	208	112
Series PWFB	10.27	11.12	1	1
Series PWX	10.33	11.15	1	1
Series R	10.28	11.07	17,594	15,986
			<b>20,168</b>	<b>16,547</b>

## STATEMENTS OF COMPREHENSIVE INCOME

for the periods ended March 31 (in \$ 000 except per security amounts)

	2022 \$	2021 \$
<b>Income</b>		
Dividends	249	142
Interest income	5	–
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	1,504	871
Net unrealized gain (loss)	121	679
<b>Total income (loss)</b>	<b>1,879</b>	<b>1,692</b>
<b>Expenses (note 6)</b>		
Management fees	23	2
Administration fees	3	–
Interest charges	2	1
Commissions and other portfolio transaction costs	12	8
Independent Review Committee fees	–	–
Other	1	–
<b>Expenses before amounts absorbed by Manager</b>	<b>41</b>	<b>11</b>
Expenses absorbed by Manager	1	–
<b>Net expenses</b>	<b>40</b>	<b>11</b>
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>1,839</b>	<b>1,681</b>
Foreign withholding tax expense (recovery)	25	6
Foreign income taxes paid (recovered)	–	–
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>1,814</b>	<b>1,675</b>

	Increase (decrease) in net assets attributable to securityholders from operations (note 3)			
	per security		per series	
	2022	2021	2022	2021
Series A	0.34	1.06	12	16
Series F	0.39	0.16	32	1
Series FB	0.99	1.11	–	–
Series O	0.28	1.15	–	–
Series PW	0.60	1.01	9	4
Series PWFB	1.05	1.12	–	–
Series PWX	1.17	1.15	–	–
Series R	1.16	1.14	1,761	1,654
			<b>1,814</b>	<b>1,675</b>

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

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

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## STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the periods ended March 31 (in \$ 000 except per security amounts)

	Total		Series A		Series F		Series FB		Series O	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
Beginning of period	16,547	–	216	–	229	–	1	–	1	–
Increase (decrease) in net assets from operations	1,814	1,675	12	16	32	1	–	–	–	–
Distributions paid to securityholders:										
Investment income	(1,824)	(109)	(48)	–	(114)	–	–	–	(2)	–
Capital gains	(1,545)	–	(45)	–	(105)	–	–	–	(2)	–
Total distributions paid to securityholders	(3,369)	(109)	(93)	–	(219)	–	–	–	(4)	–
Security transactions:										
Proceeds from securities issued	2,731	15,570	1,060	230	1,475	228	2	1	38	1
Reinvested distributions	3,210	–	92	–	214	–	–	–	4	–
Payments on redemption of securities	(765)	(589)	(359)	(30)	(322)	–	–	–	(15)	–
Total security transactions	5,176	14,981	793	200	1,367	228	2	1	27	1
Increase (decrease) in net assets attributable to securityholders	3,621	16,547	712	216	1,180	229	2	1	23	1
End of period	20,168	16,547	928	216	1,409	229	3	1	24	1
Increase (decrease) in fund securities (in thousands) (note 7):			Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period			20	–	21	–	–	–	–	–
Issued			93	23	128	21	–	–	3	–
Reinvested distributions			9	–	20	–	–	–	–	–
Redeemed			(30)	(3)	(32)	–	–	–	(1)	–
Securities outstanding – end of period			92	20	137	21	–	–	2	–

  

	Series PW		Series PWFB		Series PWX		Series R	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
Beginning of period	112	–	1	–	1	–	15,986	–
Increase (decrease) in net assets from operations	9	4	–	–	–	–	1,761	1,654
Distributions paid to securityholders:								
Investment income	(19)	–	–	–	–	–	(1,641)	(109)
Capital gains	(17)	–	–	–	–	–	(1,376)	–
Total distributions paid to securityholders	(36)	–	–	–	–	–	(3,017)	(109)
Security transactions:								
Proceeds from securities issued	156	108	–	1	–	1	–	15,000
Reinvested distributions	36	–	–	–	–	–	2,864	–
Payments on redemption of securities	(69)	–	–	–	–	–	–	(559)
Total security transactions	123	108	–	1	–	1	2,864	14,441
Increase (decrease) in net assets attributable to securityholders	96	112	–	1	–	1	1,608	15,986
End of period	208	112	1	1	1	1	17,594	15,986
Increase (decrease) in fund securities (in thousands) (note 7):			Securities		Securities		Securities	
Securities outstanding – beginning of period	10	–	–	–	–	–	1,444	–
Issued	13	10	–	–	–	–	–	1,500
Reinvested distributions	3	–	–	–	–	–	268	–
Redeemed	(6)	–	–	–	–	–	(1)	(56)
Securities outstanding – end of period	20	10	–	–	–	–	1,711	1,444

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

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

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## STATEMENTS OF CASH FLOWS

for the periods ended March 31 (in \$ 000)

	2022	2021
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	1,814	1,675
Adjustments for:		
Net realized loss (gain) on investments	(868)	(598)
Change in net unrealized loss (gain) on investments	(121)	(679)
Purchase of investments	(22,484)	(18,569)
Proceeds from sale and maturity of investments	19,497	4,444
(Increase) decrease in accounts receivable and other assets	(300)	(647)
Increase (decrease) in accounts payable and other liabilities	26	2
<b>Net cash provided by (used in) operating activities</b>	<b>(2,436)</b>	<b>(14,372)</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	2,552	15,540
Payments on redemption of securities	(596)	(559)
Distributions paid net of reinvestments	(159)	(109)
<b>Net cash provided by (used in) financing activities</b>	<b>1,797</b>	<b>14,872</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(639)</b>	<b>500</b>
Cash and cash equivalents at beginning of period	499	–
Effect of exchange rate fluctuations on cash and cash equivalents	(5)	(1)
<b>Cash and cash equivalents at end of period</b>	<b>(145)</b>	<b>499</b>
Cash	–	499
Cash equivalents	–	–
Bank indebtedness	(145)	–
<b>Cash and cash equivalents at end of period</b>	<b>(145)</b>	<b>499</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	251	132
Foreign taxes paid	25	6
Interest received	5	–
Interest paid	2	1

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

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

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## SCHEDULE OF INVESTMENTS

as at March 31, 2022

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES</b>					
10X Genomics Inc.	United States	Health Care	58	11	6
A.O. Smith Corp.	United States	Industrials	587	50	47
A10 Networks Inc.	United States	Information Technology	1,436	17	25
Aaron's Co. Inc.	United States	Consumer Discretionary	127	4	3
Abercrombie & Fitch Co. Class A	United States	Consumer Discretionary	171	7	7
Acadia Healthcare Co. Inc.	United States	Health Care	1,413	109	116
ACADIA Pharmaceuticals Inc.	United States	Health Care	100	3	3
Accel Entertainment Inc.	United States	Consumer Discretionary	479	8	7
Acco Brands Corp.	United States	Industrials	2,187	25	22
Accuray Inc.	United States	Health Care	1,781	11	7
Adaptive Biotechnologies Corp.	United States	Health Care	77	6	1
AECOM	United States	Industrials	605	60	58
Affiliated Managers Group Inc.	United States	Financials	621	118	109
AGCO Corp.	United States	Industrials	289	38	53
Air Lease Corp.	United States	Industrials	478	27	27
Alarm.com Holdings Inc.	United States	Information Technology	1,060	90	88
Albany International Corp. Class A	United States	Industrials	136	15	14
Alexander & Baldwin Inc.	United States	Real Estate	206	6	6
Alkermes PLC	United States	Health Care	160	4	5
Allegion PLC	United States	Industrials	413	70	57
Allison Transmission Holdings Inc.	United States	Industrials	492	27	24
Amdocs Ltd.	United States	Information Technology	2,919	253	300
AMERCO	United States	Industrials	163	122	122
American Equity Investment Life Holding Co.	United States	Financials	527	26	26
American States Water Co.	United States	Utilities	303	31	34
Amicus Therapeutics Inc.	United States	Health Care	256	8	3
AMN Healthcare Services Inc.	United States	Health Care	749	110	98
Applied Industrial Technologies Inc.	United States	Industrials	168	17	22
AptarGroup Inc.	United States	Materials	249	37	37
Archrock Inc.	United States	Energy	965	12	11
Arrow Electronics Inc.	United States	Information Technology	193	24	29
Artesian Resources Corp.	United States	Utilities	68	4	4
AssetMark Financial Holdings Inc.	United States	Financials	277	8	8
Assurant Inc.	United States	Financials	364	74	83
Atkore International Group Inc.	United States	Industrials	209	19	26
Atlanticus Holdings Corp.	United States	Financials	53	4	3
ATN International Inc.	United States	Communication Services	399	21	20
AutoNation Inc.	United States	Consumer Discretionary	122	18	15
Avanos Medical Inc.	United States	Health Care	764	31	32
Avantor Inc.	United States	Health Care	495	19	21
Avery Dennison Corp.	United States	Materials	313	87	68
Axalta Coating Systems Ltd.	United States	Materials	781	29	24
Axcelis Technologies Inc.	United States	Information Technology	248	9	23
Balchem Corp.	United States	Materials	124	22	21
Banco Latinamericano de Exportaciones SA E	Panama	Financials	472	9	9
BellRing Brands Inc.	United States	Consumer Staples	986	32	28
Berry Petroleum Co. LLC	United States	Energy	430	5	6
Big Lots Inc.	United States	Consumer Discretionary	60	4	3
Biohaven Pharmaceutical Holding Co. Ltd.	United States	Health Care	52	9	8
Bio-Techne Corp.	United States	Health Care	31	12	17
Blueprint Medicines Corp.	United States	Health Care	50	7	4
Boise Cascade Co.	United States	Industrials	162	10	14
Boot Barn Holdings Inc.	United States	Consumer Discretionary	91	12	11
Box Inc.	United States	Information Technology	3,129	91	114
Boyd Gaming Corp.	United States	Consumer Discretionary	703	60	58
Brightcove Inc.	United States	Information Technology	912	9	9
Brighthouse Financial Inc.	United States	Financials	509	31	33
BrightView Holdings Inc.	United States	Industrials	808	16	14
Brixmor Property Group Inc.	United States	Real Estate	729	19	24
Bruker Corp.	United States	Health Care	105	7	8
Brunswick Corp.	United States	Consumer Discretionary	344	40	35
The Buckle Inc.	United States	Consumer Discretionary	112	6	5
Builders FirstSource Inc.	United States	Industrials	840	81	68

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## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2022

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES (cont'd)</b>					
CACI International Inc. Class A	United States	Industrials	585	186	220
California Resources Corp.	United States	Energy	446	22	25
Calix Inc.	United States	Information Technology	134	11	7
Camden Property Trust	United States	Real Estate	283	59	59
Cardiovascular Systems Inc.	United States	Health Care	757	31	21
CareDx Inc.	United States	Health Care	48	4	2
CareTrust REIT Inc.	United States	Real Estate	274	6	7
Carriage Services Inc.	United States	Consumer Discretionary	132	5	9
Carrols Restaurant Group Inc.	United States	Consumer Discretionary	492	4	1
Carter's Inc.	United States	Consumer Discretionary	185	22	21
Catalent Inc.	United States	Health Care	130	17	18
CBIZ Inc.	United States	Industrials	1,174	50	62
Century Casinos Inc.	United States	Consumer Discretionary	277	4	4
CEVA Inc.	United States	Information Technology	148	8	8
ChannelAdvisor Corp.	United States	Information Technology	698	20	14
Charles River Laboratories International Inc.	United States	Health Care	39	12	14
Chemed Corp.	United States	Health Care	241	148	153
Churchill Downs Inc.	United States	Consumer Discretionary	298	85	83
Ciena Corp.	United States	Information Technology	377	36	29
Cirrus Logic Inc.	United States	Information Technology	382	39	40
Clean Harbors Inc.	United States	Industrials	1,275	147	178
Clear Channel Outdoor Holdings Inc. Class A	United States	Communication Services	3,311	10	14
Clearwater Paper Corp.	United States	Materials	67	3	2
CNO Financial Group Inc.	United States	Financials	904	27	28
CNX Resources Corp.	United States	Energy	1,168	21	30
Coca-Cola Consolidated Inc.	United States	Consumer Staples	63	22	39
Columbia Sportswear Co.	United States	Consumer Discretionary	153	18	17
Comerica Inc.	United States	Financials	38	4	4
Comfort Systems USA Inc.	United States	Industrials	156	11	17
CommVault Systems Inc.	United States	Information Technology	1,027	69	85
Computer Programs & Systems Inc.	United States	Health Care	215	8	9
Comstock Resources Inc.	United States	Energy	401	5	7
Conduent Inc.	United States	Information Technology	4,003	34	26
Constellium SE	France	Materials	476	11	11
Corcept Therapeutics Inc.	United States	Health Care	63	2	2
Costamare Inc.	United States	Industrials	956	14	20
Cowen Group Inc. Class A	United States	Financials	401	13	14
CRA International Inc.	United States	Industrials	167	19	18
Crown Holdings Inc.	United States	Materials	478	65	75
CryoLife Inc.	United States	Health Care	732	18	20
CSG Systems International Inc.	United States	Information Technology	778	46	62
CURO Group Holdings Corp.	United States	Financials	180	3	3
Cushman & Wakefield PLC	United States	Real Estate	307	7	8
Cutera Inc.	United States	Health Care	279	16	24
Deckers Outdoor Corp.	United States	Consumer Discretionary	123	64	42
Denali Therapeutics Inc.	United States	Health Care	86	5	3
Denbury Inc.	United States	Energy	322	29	32
Dillard's Inc. Class A	United States	Consumer Discretionary	17	6	6
Dolby Laboratories Inc. Class A	United States	Information Technology	1,449	176	142
Domo Inc. Class B	United States	Information Technology	659	63	42
Donaldson Co. Inc.	United States	Industrials	555	40	36
Dorian LPG Ltd.	United States	Energy	131	2	2
Douglas Emmett Inc.	United States	Real Estate	476	20	20
Dropbox Inc. Class A	United States	Information Technology	6,703	207	195
Dynatrace Inc.	United States	Information Technology	4,440	325	261
Elastic NV	United States	Information Technology	1,656	180	184
EMCOR Group Inc.	United States	Industrials	236	27	33
Emergent BioSolutions Inc.	United States	Health Care	45	5	2
Encompass Health Corp.	United States	Health Care	1,560	151	139
Encore Capital Group Inc.	United States	Financials	444	34	35
Enfusion Inc.	United States	Information Technology	488	9	8
Ennis Inc.	United States	Industrials	638	15	15
Enova International Inc.	United States	Financials	552	26	26

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## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2022

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES (cont'd)</b>					
Enstar Group Ltd.	Bermuda	Financials	79	26	26
ePlus Inc.	United States	Information Technology	71	5	5
EQT Corp.	United States	Energy	1,955	69	84
Equitrans Midstream Corp.	United States	Energy	2,208	24	23
Equity Lifestyle Properties Inc.	United States	Real Estate	495	47	47
ESCO Technologies Inc.	United States	Industrials	114	13	10
Euronet Worldwide Inc.	United States	Information Technology	1,142	204	186
Evercore Partners Inc. Class A	United States	Financials	584	83	81
Everi Holdings Inc.	United States	Consumer Discretionary	686	19	18
EVO Payments Inc.	United States	Information Technology	1,132	35	33
Exelixis Inc.	United States	Health Care	308	8	9
ExlService Holdings Inc.	United States	Information Technology	736	81	132
Extreme Networks Inc.	United States	Information Technology	499	7	8
F5 Networks Inc.	United States	Information Technology	156	41	41
Fair Issac Corp.	United States	Information Technology	599	364	349
FARO Technologies Inc.	United States	Information Technology	74	9	5
Federal Realty Investment Trust	United States	Real Estate	220	36	34
Federated Hermes Inc.	United States	Financials	1,417	60	60
Flowers Foods Inc.	United States	Consumer Staples	2,474	74	80
Fluent Inc.	United States	Communication Services	796	4	2
FormFactor Inc.	United States	Information Technology	576	32	30
Forrester Research Inc.	United States	Industrials	265	20	19
Franklin Electric Co. Inc.	United States	Industrials	205	20	21
Frontdoor Inc.	United States	Consumer Discretionary	693	49	26
FTI Consulting Inc.	United States	Industrials	844	148	166
Gaming and Leisure Properties Inc.	United States	Real Estate	628	35	37
Genco Shipping & Trading Ltd.	United States	Industrials	582	16	17
Genpact Ltd.	United States	Information Technology	4,133	223	225
Gentex Corp.	United States	Consumer Discretionary	248	11	9
The Geo Group Inc.	United States	Industrials	321	4	3
Getty Realty Corp.	United States	Real Estate	93	4	3
Gibraltar Industries Inc.	United States	Industrials	145	9	8
Glaukos Corp.	United States	Health Care	723	50	52
Global Net Lease Inc.	United States	Real Estate	261	6	5
Globant SA	Argentina	Information Technology	912	310	299
Globe Life Inc.	United States	Financials	642	75	81
Graco Inc.	United States	Industrials	747	73	65
Grand Canyon Education Inc.	United States	Consumer Discretionary	340	42	41
Group 1 Automotive Inc.	United States	Consumer Discretionary	66	14	14
The Hackett Group Inc.	United States	Information Technology	696	13	20
Halozyme Therapeutics Inc.	United States	Health Care	137	7	7
The Hanover Insurance Group Inc.	United States	Financials	229	37	43
HealthStream Inc.	United States	Health Care	487	14	12
Heartland Express Inc.	United States	Industrials	854	18	15
Heidrick & Struggles International Inc.	United States	Industrials	454	25	22
Hemisphere Media Group Inc.	United States	Communication Services	312	4	2
Henry Schein Inc.	United States	Health Care	2,220	216	242
Heritage-Crystal Clean Inc.	United States	Industrials	367	14	14
Hibbett Sports Inc.	United States	Consumer Discretionary	50	4	3
Hillenbrand Inc.	United States	Industrials	331	18	18
Hooker Furniture Corp.	United States	Consumer Discretionary	71	3	2
Hudson Pacific Properties Inc.	United States	Real Estate	422	13	15
IBEX Holdings Ltd.	United States	Information Technology	162	4	3
InfuSystem Holdings Inc.	United States	Health Care	242	5	3
Ingevity Corp.	United States	Materials	121	12	10
Ingredion Inc.	United States	Consumer Staples	885	94	96
Innospec Inc.	United States	Materials	92	10	11
Insperity Inc.	United States	Industrials	909	106	114
Integer Holdings Corp.	United States	Health Care	522	52	53
Intelligent Systems Corp.	United States	Information Technology	243	12	8
International Game Technology PLC	United States	Consumer Discretionary	803	24	25
The Interpublic Group of Companies Inc.	United States	Communication Services	3,905	176	173
Intra-Cellular Therapies Inc.	United States	Health Care	71	5	5



# MACKENZIE PRIVATE EQUITY REPLICATION FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2022

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES (cont'd)</b>					
Itron Inc.	United States	Information Technology	121	8	8
J & J Snack Foods Corp.	United States	Consumer Staples	193	38	37
Jabil Circuit Inc.	United States	Information Technology	380	21	29
Jazz Pharmaceuticals PLC	United States	Health Care	55	10	11
Jefferies Financial Group Inc.	United States	Financials	2,180	73	90
JELD-WEN Holding Inc.	United States	Industrials	344	11	9
John B. Sanfilippo & Son Inc.	United States	Consumer Staples	117	13	12
John Wiley & Sons Inc. Class A	United States	Communication Services	483	34	32
Johnson Outdoors Inc. Class A	United States	Consumer Discretionary	26	4	3
Jones Lang LaSalle Inc.	United States	Real Estate	144	29	43
Juniper Networks Inc.	United States	Information Technology	851	30	40
Kadant Inc.	United States	Industrials	51	14	12
Kemper Corp.	United States	Financials	429	35	30
Kforce Inc.	United States	Industrials	476	30	44
Kimball Electronics Inc.	United States	Information Technology	100	4	2
Kirby Corp.	United States	Industrials	1,087	75	98
Koppers Holdings Inc.	United States	Materials	97	4	3
Korn Ferry International	United States	Industrials	1,348	111	109
Kosmos Energy Ltd.	Ghana	Energy	2,862	24	26
Lamar Advertising Co. Class A	United States	Real Estate	245	31	36
Lamb Weston Holdings Inc.	United States	Consumer Staples	1,886	130	141
Laredo Petroleum Holdings Inc.	United States	Energy	55	4	5
Lattice Semiconductor Corp.	United States	Information Technology	891	81	68
Lazard Ltd. Class A	United States	Financials	1,532	76	66
La-Z-Boy Inc.	United States	Consumer Discretionary	206	11	7
Lear Corp.	United States	Consumer Discretionary	40	10	7
LendingClub Corp.	United States	Financials	1,508	30	30
Lennox International Inc.	United States	Industrials	153	60	49
LGI Homes Inc.	United States	Consumer Discretionary	83	16	10
Liberty Latin America Ltd. Class A	United Kingdom	Communication Services	1,453	22	18
Liberty Latin America Ltd. Class C	Bermuda	Communication Services	5,541	82	66
Liberty Media Corp. Liberty Formula One Class C	United States	Communication Services	1,976	125	172
Liberty Media Corp-Liberty Braves	United States	Communication Services	362	12	13
Liberty Media Group	United States	Communication Services	239	17	19
Life Storage Inc.	United States	Real Estate	233	40	41
Lincoln Electric Holdings Inc.	United States	Industrials	255	43	44
Louisiana-Pacific Corp.	United States	Materials	359	21	28
Loyalty Ventures Inc.	United States	Communication Services	198	5	4
LPL Financial Holdings Inc.	United States	Financials	793	147	181
M/I Homes Inc.	United States	Consumer Discretionary	109	7	6
Magnolia Oil & Gas Corp.	United States	Energy	920	21	27
Manhattan Associates Inc.	United States	Information Technology	1,428	251	248
Manpower Inc.	United States	Industrials	1,368	160	161
Maravai LifeSciences Holdings Inc.	United States	Health Care	68	4	3
MarineMax Inc.	United States	Consumer Discretionary	81	5	4
Marriott Vacations Worldwide Corp.	United States	Consumer Discretionary	337	65	66
Masimo Corp.	United States	Health Care	800	279	145
Matador Resources Co.	United States	Energy	706	31	47
Matson Inc.	United States	Industrials	753	66	114
Mattel Inc.	United States	Consumer Discretionary	1,561	42	43
MaxLinear Inc.	United States	Information Technology	466	42	34
McGrath RentCorp.	United States	Industrials	112	9	12
MDU Resources Group Inc.	United States	Industrials	894	29	30
Medpace Holdings Inc.	United States	Health Care	27	5	6
Merit Medical Systems Inc.	United States	Health Care	815	62	68
Mirati Therapeutics Inc.	United States	Health Care	40	8	4
Mistras Group Inc.	United States	Industrials	394	5	3
MKS Instruments Inc.	United States	Information Technology	396	76	74
Molina Healthcare Inc.	United States	Health Care	922	281	384
Monolithic Power Systems Inc.	United States	Information Technology	321	140	195
Moog Inc. Class A limited voting	United States	Industrials	128	12	14
MSC Industrial Direct Co. Inc. Class A	United States	Industrials	200	21	21
Murphy USA Inc.	United States	Consumer Discretionary	76	14	19

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

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## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2022

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES (cont'd)</b>					
NanoString Technologies Inc.	United States	Health Care	38	3	2
Natera Inc.	United States	Health Care	68	9	3
National Fuel Gas Co.	United States	Utilities	721	48	62
National Instruments Corp.	United States	Information Technology	324	17	16
Natus Medical Inc.	United States	Health Care	650	20	21
NeoGenomics Inc.	United States	Health Care	104	7	2
Neurocrine Biosciences Inc.	United States	Health Care	93	12	11
New Jersey Resources Corp.	United States	Utilities	782	43	45
The New York Times Co. Class A	United States	Communication Services	1,644	84	94
News Corp. Class A	United States	Communication Services	3,883	91	108
News Corp.	United States	Communication Services	1,207	36	34
Nexstar Media Group Inc.	United States	Communication Services	392	55	92
NextGen Healthcare Inc.	United States	Health Care	910	21	24
NiSource Inc.	United States	Utilities	3,189	122	127
Nordstrom Inc.	United States	Consumer Discretionary	348	9	12
Northern Oil and Gas Inc.	United States	Energy	334	12	12
NRG Energy Inc.	United States	Utilities	1,981	93	95
Nutanix Inc. Class A	United States	Information Technology	4,632	178	154
nVent Electric PLC	United States	Industrials	750	31	33
Oasis Petroleum Inc.	United States	Energy	88	11	16
OGE Energy Corp.	United States	Utilities	1,685	80	86
Olin Corp.	United States	Materials	554	37	36
OneMain Holdings Inc.	United States	Financials	1,720	111	102
Option Care Health Inc.	United States	Health Care	2,525	72	90
Organon & Co.	United States	Health Care	217	9	9
Orion Engineered Carbons SA	Germany	Materials	285	7	6
Oshkosh Corp.	United States	Industrials	296	33	37
Ovintiv Inc.	United States	Energy	1,672	105	113
Owens Corning Inc.	United States	Industrials	469	46	54
Pacira Pharmaceuticals Inc.	United States	Health Care	42	3	4
PC Connection Inc.	United States	Information Technology	51	3	3
PDC Energy Inc.	United States	Energy	622	43	57
Penske Automotive Group Inc.	United States	Consumer Discretionary	120	13	14
Penumbra Inc.	United States	Health Care	553	178	154
PerkinElmer Inc.	United States	Health Care	106	20	23
Perrigo Co. PLC	United States	Health Care	138	8	7
Piedmont Office Realty Trust Inc.	United States	Real Estate	351	8	8
PJT Partners Inc. Class A	United States	Financials	361	30	28
PlayAGS Inc.	United States	Consumer Discretionary	276	3	2
PNM Resources Inc.	United States	Utilities	703	43	42
Portland General Electric Co.	United States	Utilities	739	42	51
Post Holdings Inc.	United States	Consumer Staples	778	100	67
PotlatchDeltic Corp.	United States	Real Estate	178	12	12
Premier Inc. Class A	United States	Health Care	1,945	89	87
PROG Holdings Inc.	United States	Financials	992	54	36
PulteGroup Inc.	United States	Consumer Discretionary	1,129	66	59
Pure Storage Inc.	United States	Information Technology	652	27	29
PVH Corp.	United States	Consumer Discretionary	318	40	30
Qiagen NV USD	United States	Health Care	228	15	14
Quaker Chemical Corp.	United States	Materials	52	12	11
Qualys Inc.	United States	Information Technology	764	130	136
Quanex Building Products Corp.	United States	Industrials	148	4	4
Qurate Retail Inc.	United States	Consumer Discretionary	905	12	5
RadNet Inc.	United States	Health Care	721	22	20
Red Rock Resorts Inc. Class A	United States	Consumer Discretionary	495	27	30
Reinsurance Group of America Inc.	United States	Financials	435	64	60
Reliance Steel & Aluminum Co.	United States	Materials	240	40	55
Repligen Corp.	United States	Health Care	53	13	12
Resources Connection Inc.	United States	Industrials	798	14	17
Robert Half International Inc.	United States	Industrials	2,731	374	390
RPM International Inc.	United States	Materials	385	42	39
RPT Realty	United States	Real Estate	224	4	4
Ryder System Inc.	United States	Industrials	952	91	94

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

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## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2022

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES (cont'd)</b>					
Sage Therapeutics Inc.	United States	Health Care	46	4	2
Schneider National Inc.	United States	Industrials	944	28	30
Schnitzer Steel Industries Inc. Class A	United States	Materials	114	7	7
Sculptor Capital Management Inc.	United States	Financials	216	5	4
Sealed Air Corp.	United States	Materials	571	49	48
SEI Investments Co.	United States	Financials	1,637	124	123
Select Medical Holdings Corp.	United States	Health Care	1,755	63	53
Semtech Corp.	United States	Information Technology	425	39	37
Sensient Technologies Corp.	United States	Materials	159	19	17
Service Corp. International	United States	Consumer Discretionary	1,374	87	113
Shockwave Medical Inc.	United States	Health Care	536	119	139
Simpson Manufacturing Co. Inc.	United States	Industrials	193	33	26
SM Energy Co.	United States	Energy	765	38	37
SMART Global Holdings Inc.	United States	Information Technology	249	8	8
Solaris Oilfield Infrastructure Inc. Class A	United States	Energy	288	5	4
Sonic Automotive Inc.	United States	Consumer Discretionary	66	3	4
STAG Industrial Inc.	United States	Real Estate	501	26	26
Standex International Corp.	United States	Industrials	54	6	7
StarTek Inc.	United States	Information Technology	565	6	3
Steel Dynamics Inc.	United States	Materials	734	40	77
Stepan Co.	United States	Materials	81	12	10
Stereotaxis Inc.	United States	Health Care	962	7	4
Stifel Financial Corp.	United States	Financials	1,016	72	85
Stone Energy Corp.	United States	Energy	235	5	5
Sturm Ruger & Co. Inc.	United States	Consumer Discretionary	76	7	7
SurModics Inc.	United States	Health Care	260	17	15
Syneos Health Inc.	United States	Health Care	76	7	8
Tactile Systems Technology Inc.	United States	Health Care	248	16	6
Targa Resources Corp.	United States	Energy	1,447	72	136
Taylor Morrison Home Corp. Class A	United States	Consumer Discretionary	464	15	16
Tenable Holdings Inc.	United States	Information Technology	2,070	143	149
Tenet Healthcare Corp.	United States	Health Care	1,687	185	180
Tennant Co.	United States	Industrials	83	8	8
Teradata Corp.	United States	Information Technology	2,432	149	149
Terex Corp.	United States	Industrials	303	16	14
Textron Inc.	United States	Industrials	1,005	94	93
Toll Brothers Inc.	United States	Consumer Discretionary	430	37	25
Toro Co.	United States	Industrials	500	60	53
TRI Pointe Group Inc.	United States	Consumer Discretionary	430	10	11
Triton International Ltd. of Bermuda	United States	Industrials	263	16	23
Turning Point Brands Inc.	United States	Consumer Staples	187	8	8
UFP Industries Inc.	United States	Industrials	266	28	26
Ultragenyx Pharmaceutical Inc.	United States	Health Care	62	13	6
United States Cellular Corp.	United States	Communication Services	550	21	21
United Therapeutics Corp.	United States	Health Care	44	8	10
Uniti Group Inc.	United States	Real Estate	476	8	8
Universal Electronics Inc.	United States	Consumer Discretionary	83	6	3
Universal Insurance Holdings Inc.	United States	Financials	192	4	3
Valvoline Inc.	United States	Materials	686	28	27
Veeco Instruments Inc.	United States	Information Technology	351	10	12
Veracyte Inc.	United States	Health Care	58	4	2
Viant Technology Inc.	United States	Information Technology	300	5	2
Viemed Healthcare Inc.	United States	Health Care	583	6	4
Virtus Investment Partners Inc.	United States	Financials	111	34	33
Vontier Corp.	United States	Information Technology	444	20	14
W. R. Berkley Corp.	United States	Financials	1,327	81	110
Watts Water Technologies Inc. Class A	United States	Industrials	122	21	21
Werner Enterprises Inc.	United States	Industrials	1,118	60	57
The Western Union Co.	United States	Information Technology	9,049	243	211
White Mountains Insurance Group Ltd.	United States	Financials	22	28	31
WillScot Mobile Mini Holdings Corp.	United States	Industrials	932	45	46
Workiva Inc.	United States	Information Technology	960	158	141

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

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## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2022

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES (cont'd)</b>					
Wyndham Destinations Inc.	United States	Consumer Discretionary	685	49	50
XPO Logistics Inc.	United States	Industrials	1,766	171	161
YETI Holdings Inc.	United States	Consumer Discretionary	383	38	29
Zendesk Inc.	United States	Information Technology	2,685	355	402
Zumiez Inc.	United States	Consumer Discretionary	82	4	4
Zuora Inc.	United States	Information Technology	2,664	65	50
Zynex Inc.	United States	Health Care	277	4	2
<b>Total equities</b>				<b>17,529</b>	<b>17,913</b>
<b>OPTIONS</b>					
Options purchased (see schedule of options purchased)				1,327	1,014
<b>Total options</b>				<b>1,327</b>	<b>1,014</b>
Transaction costs				(5)	–
<b>Total investments</b>				<b>18,851</b>	<b>18,927</b>
Derivative instruments (see schedule of derivative instruments)					792
Liability for options written (see schedule of options written)					(333)
Bank indebtedness					(145)
Other assets less liabilities					927
<b>Net assets attributable to securityholders</b>					<b>20,168</b>

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

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## SUMMARY OF INVESTMENT PORTFOLIO

MARCH 31, 2022

PORTFOLIO ALLOCATION	% OF NAV
Equities	144.9
<i>Equities</i>	88.9
<i>Long equity futures</i>	52.7
<i>Purchased options</i>	5.0
<i>Written options</i>	(1.7)
Other assets (liabilities)	4.9
Cash and short-term investments	(49.8)

REGIONAL ALLOCATION	% OF NAV
United States	142.6
Other assets (liabilities)	4.9
Argentina	1.5
Bermuda	0.5
Ghana	0.1
United Kingdom	0.1
France	0.1
Cash and short-term investments	(49.8)

SECTOR ALLOCATION	% OF NAV
Equity futures	49.1
Information technology	26.0
Industrials	17.7
Health care	13.2
Financials	8.4
Other	6.9
Consumer discretionary	5.2
Other assets (liabilities)	4.9
Communication services	4.4
Energy	3.5
Materials	3.1
Utilities	2.7
Consumer staples	2.5
Real estate	2.2
Cash and short-term investments	(49.8)

MARCH 31, 2021

PORTFOLIO ALLOCATION	% OF NAV
Equities	141.3
<i>Equities</i>	88.8
<i>Long futures</i>	50.1
<i>Purchased options</i>	3.8
<i>Written options</i>	(1.4)
Other assets (liabilities)	4.0
Bonds	1.4
Cash and short-term investments	(46.7)

REGIONAL ALLOCATION	% OF NAV
United States	141.5
Other assets (liabilities)	4.0
Puerto Rico	0.6
Canada	0.3
Israel	0.2
Norway	0.1
Cash and short-term investments	(46.7)

SECTOR ALLOCATION	% OF NAV
Equity futures	50.1
Information technology	28.3
Industrials	15.7
Health care	15.0
Financials	7.1
Consumer discretionary	6.6
Communication services	4.5
Other assets (liabilities)	4.0
Consumer staples	3.0
Materials	2.6
Other	2.4
Utilities	2.2
Energy	2.0
Real estate	1.8
Foreign government bonds	1.4
Cash and short-term investments	(46.7)

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## SCHEDULE OF OPTIONS PURCHASED

as at March 31, 2022

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000)	Fair Value (\$ 000)
S&P 500 Index	23	Put	Dec. 16, 2022	USD 3,925.00	672	434
S&P 500 Index	25	Put	Mar. 17, 2023	USD 3,900.00	655	580
<b>Total options</b>					<b>1,327</b>	<b>1,014</b>

## SCHEDULE OF OPTIONS WRITTEN

as at March 31, 2022

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Received (\$ 000)	Fair Value (\$ 000)
S&P 500 Index	(48)	Written Call	Jun. 17, 2022	USD 4,724.99	(277)	(333)
<b>Total options</b>					<b>(277)</b>	<b>(333)</b>

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## SCHEDULE OF DERIVATIVE INSTRUMENTS

as at March 31, 2022

### Schedule of Futures Contracts

Type of Contract	Number of Contracts	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000)	Unrealized Gains (\$ 000)	Unrealized Losses (\$ 000)
CME E-Mini Standard & Poor's 500 Index Futures June 2022	35	Jun. 17, 2022	4,207.70 USD	9,910	736	–
<b>Total futures contracts</b>				<b>9,910</b>	<b>736</b>	<b>–</b>

\* Notional value represents the exposure to the underlying instruments as at March 31, 2022

### Schedule of Forward Currency Contracts

Counterparty Credit Rating	Currency to be Received (\$ 000)	Currency to be Delivered (\$ 000)	Settlement Date	Contract Cost (\$ 000)	Current Fair Value (\$ 000)	Unrealized Gains (\$ 000)	Unrealized Losses (\$ 000)
A	3,343 CAD	(2,630) USD	Apr. 12, 2022	(3,343)	(3,287)	56	–
<b>Total forward currency contracts</b>						<b>56</b>	<b>–</b>

**Total Derivative assets**

**792**

**Total Derivative liabilities**

**–**

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## 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, 2022 and 2021, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Where a series of a Fund was terminated during either period, the information for the series is provided up to close of business on the termination date. Refer to Note 10 for the formation date of the Fund and the inception date of each series.

The Fund is organized as an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust as amended and restated from time to time. The address of the Fund's registered office is 180 Queen Street West, Toronto, Ontario, Canada. The Fund is authorized to issue an unlimited number of units (referred to as "security" or "securities") of multiple series. Series of the Fund are available for sale under Simplified Prospectus or exempt distribution options.

Mackenzie Financial Corporation ("Mackenzie") is the manager of the Fund and is wholly owned by IGM Financial Inc., a subsidiary of Power Corporation of Canada. Canada Life Investment Management Ltd. ("CLIML") is wholly owned by The Canada Life Assurance Company ("Canada Life"), 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 June 3, 2022.

### 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 cost of investments is determined on a weighted average cost basis.

Realized and unrealized gains and losses on investments are calculated based on the weighted average cost of investments and exclude commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income – Commissions and other portfolio transaction costs.

Gains and losses arising from changes in the fair value of the investments are included in the Statement of Comprehensive Income for the period in which they arise.

The Fund accounts for its holdings in unlisted open-ended investment funds and exchange-traded funds, if any, at FVTPL. Mackenzie has concluded that any unlisted open-ended investment funds and exchange-traded funds in which the Fund invests, do not meet either the definition of a structured entity or the definition of an associate.

The Fund's redeemable securities entitle securityholders the right to redeem their interest in the Fund for cash equal to their proportionate share of the net asset value of the Fund, amongst other contractual rights. The Fund's redeemable securities 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.

#### (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.



# MACKENZIE PRIVATE EQUITY REPLICATION FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (b) Fair value measurement (cont'd)

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 change in unrealized gains or losses that are best determined at the settlement price. 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 paid for purchasing an option are recorded in the Statement of Financial Position – Investments at fair value.

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, 2022.

The Fund categorizes the fair value of its assets and liabilities into three categories, which are differentiated based on the observable nature of the inputs and extent of estimation required.

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. Examples of Level 2 valuations include quoted prices for similar securities, quoted prices on inactive markets and from recognized investment dealers, and the application of factors derived from observable data to non-North American quoted prices in order to estimate the impact of differences in market closing times.

Financial instruments classified as Level 2 investments are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and 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 estimated fair values for these securities may be different from the values that would have been used had a ready market for the investment existed; 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.

See Note 10 for the fair value classifications of the Fund.

#### (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. Unrealized gains or losses on investments, 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, on the ex-dividend or distribution date.

Income, realized gains (losses) and unrealized gains (losses) are allocated daily among the series on a pro-rata basis.

#### (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, exchanges, brokers, dealers and other intermediaries. The total brokerage commissions incurred by the Fund in connection with portfolio transactions for the periods, together with other transaction charges, is disclosed in the Statements of Comprehensive Income. Brokerage business is allocated to brokers based on the best net result for the Fund. Subject to this criteria, 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 10. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (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.

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 included in the Statement of Comprehensive Income and recognized when earned. Securities lending transactions are administered by The Bank of New York Mellon (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.

Note 10 summarizes the details of securities loaned and collateral received as at the end of period, as well as a reconciliation of securities lending income during the period, if applicable. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions.

#### (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 10 summarizes the details of such offsetting, if applicable, subject to master netting arrangements or other similar agreements and the net impact to the Statements of Financial Position if all such rights were exercised.

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) 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 and is disclosed in Note 10.

#### (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.

#### (k) Mergers

In a fund merger, the Fund acquires all of the assets and assumes all of the liabilities of the terminating fund at fair value in exchange for securities of the Fund on the effective date of the merger.

#### (l) Future accounting changes

The Fund has determined there are no material implications to the Fund's financial statements arising from IFRS issued but not yet effective.

### 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.

Ongoing uncertainty regarding the duration and long-term impact of the COVID-19 pandemic and the effectiveness of vaccines against new variants of the virus contributes to uncertainty regarding the timing of a full economic recovery. As a result, it is not possible to reliably estimate the impact of the pandemic on the financial results and condition of the Fund in future periods.

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## NOTES TO FINANCIAL STATEMENTS

### 4. Critical Accounting Estimates and Judgments (cont'd)

The following discusses the most significant accounting judgments and estimates made in preparing the financial statements:

#### 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.

### 5. Income Taxes

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. The Fund maintains a December year-end for tax purposes. The Fund may be subject to withholding taxes on foreign income. In general, the Fund treats withholding tax as a charge against income for tax purposes. The Fund will distribute sufficient amounts from net income for tax purposes, as required, so that the Fund will not pay income taxes other than refundable tax on capital gains, if applicable.

Losses of the Fund cannot be allocated to investors and are retained in the Fund for use in future years. Non-capital losses may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 10 for the Fund's loss carryforwards.

### 6. Management Fees and Operating Expenses

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

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

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

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

Mackenzie may waive or absorb management fees and/or Administration Fees at its discretion and stop waiving or absorbing such fees at any time without notice. Refer to Note 10 for the management fee and Administration Fee rates charged to each series of securities.

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## 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, 2022 and 2021 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 10.

### 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, 2022, 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 become 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 85% of its assets in liquid investments (i.e., investments that can be readily sold).

#### iii. Currency risk

Currency risk is the risk that financial instruments which are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's functional currency, will fluctuate due to changes in exchange rates. Generally, foreign denominated investments increase in value when the value of the Canadian dollar (relative to foreign currencies) falls. Conversely, when the value of the Canadian dollar rises relative to foreign currencies, the values of foreign denominated investments fall.

Note 10 indicates the foreign currencies, if applicable, to which the Fund had significant exposure, including both monetary and non-monetary financial instruments, and illustrates the potential impact, in Canadian dollar terms, to the Fund's net assets had the Canadian dollar strengthened or weakened by 5% relative to all foreign currencies, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

The Fund's sensitivity to currency risk illustrated in Note 10 includes potential indirect impacts from underlying funds and Exchange Traded Funds ("ETFs") in which the Fund invests, and/or derivative contracts including forward currency contracts. Other financial assets and liabilities (including dividends and interest receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

#### iv. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Generally, these securities increase in value when interest rates fall and decrease in value when interest rates rise.

If significant, Note 10 summarizes the Fund's interest-bearing financial instruments by remaining term to maturity and illustrates the potential impact to the Fund's net assets had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, all other variables held constant. The Fund's sensitivity to interest rate changes was estimated using weighted average duration. In practice, the actual trading results may differ and the difference could be material.

The Fund's sensitivity to interest rate risk illustrated in Note 10 includes potential indirect impacts from underlying funds and ETFs in which the Fund invests, and/or derivative contracts. Cash and cash equivalents and other money market instruments are short term in nature and are not generally subject to significant amounts of 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, theoretically 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.

Other price risk typically arises from exposure to equity and commodity securities. If significant, Note 10 illustrates the potential increase or decrease in the Fund's net assets, had the prices on the respective exchanges for these securities increased or decreased by 10%, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## NOTES TO FINANCIAL STATEMENTS

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

#### v. Other price risk (cont'd)

The Fund's sensitivity to other price risk illustrated in Note 10 includes potential indirect impacts from underlying funds and ETFs in which the Fund invests, and/or derivative contracts.

#### 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 10 summarizes the Fund's exposure, if applicable and significant, to credit risk.

If presented, credit ratings and rating categories are based on ratings issued by a designated rating organization. Indirect exposure to credit risk may arise from fixed-income securities, such as bonds, held by underlying funds and ETFs, if any. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

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 10 summarizes the Fund's exposure, if applicable and significant, to these risks from underlying funds.

### 9. Other Information

#### Abbreviations

Foreign currencies, if any, are presented in these financial statements using the following abbreviated currency codes:

Currency Code	Description	Currency Code	Description	Currency Code	Description
AUD	Australian dollars	HKD	Hong Kong dollars	PKR	Pakistani rupee
AED	United Arab Emirates Dirham	HUF	Hungarian forint	PLN	Polish zloty
BRL	Brazilian real	IDR	Indonesian rupiah	QAR	Qatar Rial
CAD	Canadian dollars	ILS	Israeli shekel	RON	Romanian leu
CHF	Swiss franc	INR	Indian rupee	RUB	Russian ruble
CKZ	Czech koruna	JPY	Japanese yen	SAR	Saudi riyal
CLP	Chilean peso	KOR	South Korean won	SEK	Swedish krona
CNY	Chinese yuan	MXN	Mexican peso	SGD	Singapore dollars
COP	Colombian peso	MYR	Malaysian ringgit	THB	Thailand baht
CZK	Czech koruna	NGN	Nigerian naira	TRL	Turkish lira
DKK	Danish krone	NOK	Norwegian krona	USD	United States dollars
EGP	Egyptian pound	NTD	New Taiwan dollar	VND	Vietnamese dong
EUR	Euro	NZD	New Zealand dollars	ZAR	South African rand
GBP	United Kingdom pounds	PEN	Peruvian nuevo sol	ZMW	Zambian kwacha
GHS	Ghana Cedi	PHP	Philippine peso		

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation: November 18, 2020

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

Series F securities are offered to retail investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$500; they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie.

Series FB securities are offered to retail investors investing a minimum of \$500. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor.

Series O securities are offered only to investors investing a minimum of \$500,000 who have an account with Mackenzie Private Wealth Counsel; certain institutional investors; investors in a qualified group plan, and certain qualifying employees of Mackenzie and its subsidiaries.

Series PW securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000.

Series PWFB securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor.

Series PWX securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor.

Series R securities are offered only to other funds managed by Mackenzie on a non-prospectus basis in connection with fund-of-fund arrangements.

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. All deferred sales charge purchase options will cease on or prior to June 2022. For further details on these purchase options, please refer to the Fund's Simplified Prospectus and Fund Facts.

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees
Series A	December 17, 2020	2.10%	0.28%
Series F	December 17, 2020	1.00%	0.15%
Series FB	December 17, 2020	1.10%	0.28%
Series O	December 17, 2020	— <sup>(1)</sup>	— <sup>(1)</sup>
Series PW	December 17, 2020	2.00%	0.15%
Series PWFB	December 17, 2020	1.00%	0.15%
Series PWX	December 17, 2020	— <sup>(2)</sup>	— <sup>(2)</sup>
Series R	December 17, 2020	— *	— *

\* 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.

#### (b) Tax Loss Carryforwards

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

#### (c) Securities Lending

As at March 31, 2022 and 2021, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

#### (d) Commissions

	(\$)
March 31, 2022	2
March 31, 2021	1

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## NOTES TO FINANCIAL STATEMENTS

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

#### (e) Risks Associated with Financial Instruments

##### i. Risk exposure and management

The Fund seeks long-term capital appreciation and to replicate the long-term returns of diversified U.S. private equity investments by investing mainly in listed mid-capitalization and small-capitalization U.S. equity securities. The Fund may engage in cash borrowing and/or use derivatives for hedging and investment purposes.

The Fund's aggregate exposure to its sources of leverage is calculated as the sum of the following sources of leverage, and must not exceed 300% of its net asset value: (i) the aggregate market value of securities sold short; (ii) the value of indebtedness under any borrowing arrangements for investment purposes; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes. The Fund may also invest up to 20% of its net asset value in securities of a single issuer including exposure to that single issuer through specified derivative transactions or index participation units.

##### ii. Currency risk

The tables below summarize the Fund's exposure to currency risk.

Currency	March 31, 2022				Impact on net assets			
	Investments	Cash and Short-Term Investments	Derivative Instruments	Net Exposure*	Strengthened by 5%		Weakened by 5%	
	(\$)	(\$)	(\$)	(\$)	(\$)	%	(\$)	%
USD	18,927	374	(2,884)	16,417				
Total	18,927	374	(2,884)	16,417				
% of Net Assets	93.8	1.9	(14.3)	81.4				
Total currency rate sensitivity					(821)	(4.1)	821	4.1

Currency	March 31, 2021				Impact on net assets			
	Investments	Cash and Short-Term Investments	Derivative Instruments	Net Exposure*	Strengthened by 5%		Weakened by 5%	
	(\$)	(\$)	(\$)	(\$)	(\$)	%	(\$)	%
USD	15,544	1,134	(3,470)	13,208				
Total	15,544	1,134	(3,470)	13,208				
% of Net Assets	93.9	6.9	(21.0)	79.8				
Total currency rate sensitivity					(660)	(4.0)	660	4.0

\* Includes both monetary and non-monetary financial instruments

##### iii. Interest rate risk

As at March 31, 2022 and 2021, the Fund did not have a significant exposure to interest rate risk.

##### iv. Other price risk

The table below summarizes the Fund's exposure to other price risk.

Impact on net assets	Increased by 10%		Decreased by 10%	
	(\$)	(%)	(\$)	(%)
March 31, 2022	2,634	13.1	(1,622)	(8.0)
March 31, 2021	692	4.2	(1,482)	(9.0)

##### v. Credit risk

As at March 31, 2022 and 2021, the Fund did not have a significant exposure to credit risk.

# MACKENZIE PRIVATE EQUITY REPLICATION FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## NOTES TO FINANCIAL STATEMENTS

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

#### (f) Fair Value Classification

The table below summarizes the fair value of the Fund's financial instruments using the fair value hierarchy described in note 3.

	March 31, 2022				March 31, 2021			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	17,913	–	–	17,913	14,668	–	–	14,668
Options	–	1,014	–	1,014	–	637	–	637
Derivative assets	736	56	–	792	72	25	–	97
Derivative liabilities	–	(333)	–	(333)	–	(238)	–	(238)
Total	18,649	737	–	19,386	14,740	663	–	15,403

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.

During the period, there were no transfers between Level 1 and Level 2.

#### (g) Investments by the Manager and Affiliates

The investments held by the Manager, other funds managed by the Manager, and funds managed by affiliates of the Manager, investing in series CL, IG or S of the Fund, as applicable (as described in *Fund Formation and Series Information* in note 10), were as follows:

	March 31, 2022 (\$)	March 31, 2021 (\$)
The Manager	–	173
Other funds managed by the Manager	17,594	15,986
Funds managed by affiliates of the Manager	–	–

#### (h) Offsetting of Financial Assets and Liabilities

The tables below present 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, 2022			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	736	–	–	736
Unrealized losses on derivative contracts	–	–	519	519
Liability for options written	–	–	–	–
Total	736	–	519	1,255

	March 31, 2021			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	97	(1)	–	96
Unrealized losses on derivative contracts	(1)	1	637	637
Liability for options written	(237)	–	–	(237)
Total	(141)	–	637	496

#### (i) Leverage

Leverage occurs when the Fund borrows money or securities, or uses derivatives, to generate investment exposure that would otherwise not be possible. The Fund's aggregate exposure to its sources of leverage is calculated as the sum of the following: (i) the market value of short holdings; (ii) the amount of cash borrowed for investment purposes; and (iii) the notional value of the Fund's derivatives positions, excluding any derivatives used for hedging purposes. This exposure must not exceed 300% of the Fund's NAV.

During the year ended March 31, 2022, the Fund targeted a 50% aggregate exposure to sources of leverage in order to match the typical leverage used in private equity, and actual exposure ranged between 46% and 51%. The source of leverage was positions in long futures. Including the notional value of derivatives used for hedging, the low and high amounts of leverage ranged from 307% to 362%.



# MACKENZIE PRIVATE EQUITY REPLICATION FUND

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ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

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## NOTES TO FINANCIAL STATEMENTS

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

(i) Leverage (cont'd)

During the period from its inception on December 17, 2020, to March 31, 2021, the Fund's aggregate exposure to sources of leverage ranged from 0% to 148% of the Fund's NAV. The low end of the range occurred at the time of the Fund's launch, when its strategies were not fully implemented. The high end of the range was reached in February 2021 and represents the typical amount of leverage after the Fund was fully invested. The source of leverage was positions in long futures. Including the notional value of derivatives used for hedging, the low and high amounts of leverage ranged from 0% to 362%.

(j) Investments Pledged as Collateral

As at March 31, 2022, investments in securities with a fair value of \$937 (2021 – \$Nil) have been pledged as collateral against investments purchased with cash borrowings and written call options.