

## ***Interim Unaudited Financial Statements***

*For the Six-Month Period Ended September 30, 2019*

*These Interim Unaudited Financial Statements do not contain the Interim Management Report of Fund Performance (“MRFP”) of the investment fund. You may obtain a copy of the Interim MRFP, at no cost, by contacting us using one of the methods noted under Fund Formation and Series Information or by visiting the SEDAR website at [www.sedar.com](http://www.sedar.com). Copies of the Annual Financial Statements or Annual MRFP may also be obtained, at no cost, using any of the methods outlined above.*

*Securityholders may also contact us using one of these methods to request a copy of the investment fund’s proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.*

### **NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS**

*Mackenzie Financial Corporation, the Manager of the Fund, appoints independent auditors to audit the Fund’s Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Interim Financial Statements, this must be disclosed in an accompanying notice.*

*The Fund’s independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.*



# MACKENZIE IVY CANADIAN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

## STATEMENTS OF FINANCIAL POSITION

In thousands (except per security figures)  
As at

	Sep. 30 2019	Mar. 31 2019 (Audited)		Sep. 30 2019	Mar. 31 2019 (Audited)
	\$	\$		\$	\$
<b>ASSETS</b>			<b>Net assets attributable to securityholders per security (note 3)</b>		
<b>Current assets</b>			Series A	35.92	34.68
Investments at fair value	801,463	818,165	Series AR	10.55	10.19
Cash and cash equivalents	90,435	103,382	Series D	11.81	11.35
Dividends receivable	1,675	1,786	Series F	10.11	9.69
Accounts receivable for investments sold	–	3,510	Series F5	14.91	14.61
Accounts receivable for securities issued	72	78	Series F8	6.95	6.92
Unrealized gains on derivative contracts	–	344	Series FB	10.17	9.77
<b>Total assets</b>	<b>893,645</b>	<b>927,265</b>	Series FB5	12.60	12.37
			Series G	12.99	12.50
<b>LIABILITIES</b>			Series I	10.28	9.88
<b>Current liabilities</b>			Series J	14.50	13.98
Accounts payable for investments purchased	6	–	Series O	18.88	18.00
Accounts payable for securities redeemed	703	812	Series PW	12.05	11.61
Distribution payable	2	2	Series PWFB	10.18	9.76
Unrealized losses on derivative contracts	–	487	Series PWFB5	13.50	13.21
<b>Total liabilities</b>	<b>711</b>	<b>1,301</b>	Series PWR	10.28	–
<b>Net assets attributable to securityholders</b>	<b>892,934</b>	<b>925,964</b>	Series PWT5	13.08	12.91
<b>Net assets attributable to securityholders per series (note 3)</b>			Series PWT8	12.37	12.37
Series A	517,041	546,152	Series PWX	12.06	11.50
Series AR	26	7	Series PWX8	15.26	15.09
Series D	1,216	1,075	Series R	17.35	16.54
Series F	46,884	45,995	Series T5	9.51	9.40
Series F5	22	21	Series T8	6.92	6.94
Series F8	226	224	Series LB	14.19	13.70
Series FB	518	468	Series LF	10.92	10.47
Series FB5	1	1	Series LW	9.83	9.48
Series G	2,573	2,577			
Series I	11,544	11,582			
Series J	808	791			
Series O	25,099	27,192			
Series PW	254,987	255,083			
Series PWFB	1,203	1,483			
Series PWFB5	1	1			
Series PWR	1	–			
Series PWT5	1,341	1,307			
Series PWT8	524	375			
Series PWX	3,401	3,859			
Series PWX8	1	1			
Series R	4,561	4,660			
Series T5	495	497			
Series T8	342	400			
Series LB	4,692	5,535			
Series LF	1,036	302			
Series LW	14,391	16,376			

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

# MACKENZIE IVY CANADIAN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

## STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended September 30 (note 1)  
In thousands (except per security figures)

	2019	2018
	\$	\$
<b>Income</b>		
Dividends	11,059	12,165
Interest income	942	971
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	13,996	4,778
Net unrealized gain (loss)	17,965	42,778
<b>Total income (loss)</b>	<b>43,962</b>	<b>60,692</b>

### Expenses (note 6)

Management fees	9,049	10,044
Management fee rebates	(2)	(22)
Administration fees	956	1,075
Interest charges	2	–
Commissions and other portfolio transaction costs	147	640
Independent Review Committee fees	2	2
Other	–	8
<b>Expenses before amounts absorbed by Manager</b>	<b>10,154</b>	<b>11,747</b>
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	<b>10,154</b>	<b>11,747</b>

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

Foreign withholding taxes	385	592
Foreign income taxes paid (recovered)	–	–

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

	<b>33,423</b>	<b>48,353</b>
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### Increase (decrease) in net assets attributable to securityholders from operations per series

Series A	18,782	32,849
Series AR	1	–
Series D	44	41
Series F	1,967	1,995
Series F5	1	–
Series F8	9	12
Series FB	19	20
Series FB5	–	1
Series G	97	140
Series I	453	599
Series J	30	39
Series O	1,250	1,911
Series PW	9,450	8,295
Series PWF	–	480
Series PWF8	–	–
Series PWFB	54	80
Series PWFB5	–	–
Series PWR	–	–
Series PWT5	49	52

	2019	2018
	\$	\$
Series PWT8	16	16
Series PWX	169	243
Series PWX8	–	–
Series R	220	319
Series T5	18	28
Series T8	13	30
Series LB	180	732
Series LF	26	–
Series LW	575	471

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

Series A	1.25	1.69
Series AR	0.33	0.21
Series D	0.44	0.56
Series F	0.42	0.46
Series F5	0.63	0.10
Series F8	0.30	0.33
Series FB	0.42	0.52
Series FB5	0.52	0.53
Series G	0.48	0.60
Series I	0.40	0.49
Series J	0.52	0.68
Series O	0.88	1.05
Series PW	0.44	0.45
Series PWF	–	0.30
Series PWF8	–	0.37
Series PWFB	0.45	0.50
Series PWFB5	0.59	0.74
Series PWR	0.28	–
Series PWT5	0.49	0.61
Series PWT8	0.40	0.56
Series PWX	0.56	0.67
Series PWX8	0.72	–
Series R	0.81	0.96
Series T5	0.33	0.46
Series T8	0.24	0.40
Series LB	0.50	0.64
Series LF	0.36	–
Series LW	0.36	0.44

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



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# MACKENZIE IVY CANADIAN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the periods ended September 30 (note 1)  
In thousands

	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Series A		Series AR		Series D		Series F		Series F5	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	546,152	757,654	7	–	1,075	744	45,995	28,501	21	–
Increase (decrease) in net assets from operations	18,782	32,849	1	–	44	41	1,967	1,995	1	–
Distributions paid to securityholders:										
Investment income	–	–	–	–	–	–	–	–	–	–
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	–	–	–	–	–	–	–	–	–	–
Security transactions:										
Proceeds from securities issued	12,394	17,331	18	1	197	82	4,315	23,105	–	3
Reinvested distributions	–	–	–	–	–	–	–	–	–	–
Payments on redemption of securities	(60,287)	(215,691)	–	–	(100)	(45)	(5,393)	(4,666)	–	–
Total security transactions	(47,893)	(198,360)	18	1	97	37	(1,078)	18,439	–	3
<b>Total increase (decrease) in net assets</b>	<b>(29,111)</b>	<b>(165,511)</b>	<b>19</b>	<b>1</b>	<b>141</b>	<b>78</b>	<b>889</b>	<b>20,434</b>	<b>1</b>	<b>3</b>
<b>End of period</b>	<b>517,041</b>	<b>592,143</b>	<b>26</b>	<b>1</b>	<b>1,216</b>	<b>822</b>	<b>46,884</b>	<b>48,935</b>	<b>22</b>	<b>3</b>
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	<b>15,748</b>	<b>22,829</b>	<b>1</b>	<b>–</b>	<b>95</b>	<b>69</b>	<b>4,747</b>	<b>3,090</b>	<b>1</b>	<b>–</b>
Issued	350	507	1	–	17	7	435	2,429	–	–
Reinvested distributions	–	–	–	–	–	–	–	–	–	–
Redeemed	(1,703)	(6,296)	–	–	(9)	(4)	(544)	(487)	–	–
<b>Securities outstanding – end of period</b>	<b>14,395</b>	<b>17,040</b>	<b>2</b>	<b>–</b>	<b>103</b>	<b>72</b>	<b>4,638</b>	<b>5,032</b>	<b>1</b>	<b>–</b>
	Series F8		Series FB		Series FB5		Series G		Series I	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	224	243	468	447	1	9	2,577	2,816	11,582	11,760
Increase (decrease) in net assets from operations	9	12	19	20	–	1	97	140	453	599
Distributions paid to securityholders:										
Investment income	–	–	–	–	–	–	–	–	–	–
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	(8)	(11)	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(8)	(11)	–	–	–	–	–	–	–	–
Security transactions:										
Proceeds from securities issued	–	77	185	229	–	8	9	7	34	66
Reinvested distributions	1	2	–	–	–	–	–	–	–	–
Payments on redemption of securities	–	(21)	(154)	(377)	–	–	(110)	(110)	(525)	(604)
Total security transactions	1	58	31	(148)	–	8	(101)	(103)	(491)	(538)
<b>Total increase (decrease) in net assets</b>	<b>2</b>	<b>59</b>	<b>50</b>	<b>(128)</b>	<b>–</b>	<b>9</b>	<b>(4)</b>	<b>37</b>	<b>(38)</b>	<b>61</b>
<b>End of period</b>	<b>226</b>	<b>302</b>	<b>518</b>	<b>319</b>	<b>1</b>	<b>18</b>	<b>2,573</b>	<b>2,853</b>	<b>11,544</b>	<b>11,821</b>
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	<b>32</b>	<b>34</b>	<b>48</b>	<b>48</b>	<b>–</b>	<b>1</b>	<b>206</b>	<b>236</b>	<b>1,172</b>	<b>1,245</b>
Issued	–	11	19	24	–	–	1	1	3	6
Reinvested distributions	1	–	–	–	–	–	–	–	–	–
Redeemed	–	(3)	(16)	(39)	–	–	(9)	(9)	(52)	(61)
<b>Securities outstanding – end of period</b>	<b>33</b>	<b>42</b>	<b>51</b>	<b>33</b>	<b>–</b>	<b>1</b>	<b>198</b>	<b>228</b>	<b>1,123</b>	<b>1,190</b>

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



# MACKENZIE IVY CANADIAN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

## STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

For the periods ended September 30 (note 1)  
In thousands

	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Series PWX		Series PWX8		Series R		Series T5		Series T8	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	3,859	4,008	1	–	4,660	5,488	497	622	400	797
Increase (decrease) in net assets from operations	169	243	–	–	220	319	18	28	13	30
Distributions paid to securityholders:										
Investment income	–	–	–	–	–	–	–	–	–	–
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	(11)	(19)	(14)	(24)
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	–	–	–	–	–	–	(11)	(19)	(14)	(24)
Security transactions:										
Proceeds from securities issued	90	134	–	–	6	2	60	82	–	3
Reinvested distributions	–	–	–	–	–	–	2	5	6	12
Payments on redemption of securities	(717)	(355)	–	–	(325)	(492)	(71)	(167)	(63)	(354)
Total security transactions	(627)	(221)	–	–	(319)	(490)	(9)	(80)	(57)	(339)
<b>Total increase (decrease) in net assets</b>	<b>(458)</b>	<b>22</b>	<b>–</b>	<b>–</b>	<b>(99)</b>	<b>(171)</b>	<b>(2)</b>	<b>(71)</b>	<b>(58)</b>	<b>(333)</b>
<b>End of period</b>	<b>3,401</b>	<b>4,030</b>	<b>1</b>	<b>–</b>	<b>4,561</b>	<b>5,317</b>	<b>495</b>	<b>551</b>	<b>342</b>	<b>464</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	336	367	–	–	282	349	53	65	58	110
Issued	7	12	–	–	–	–	6	8	–	–
Reinvested distributions	–	–	–	–	–	–	–	1	1	2
Redeemed	(61)	(31)	–	–	(19)	(30)	(7)	(17)	(10)	(48)
<b>Securities outstanding – end of period</b>	<b>282</b>	<b>348</b>	<b>–</b>	<b>–</b>	<b>263</b>	<b>319</b>	<b>52</b>	<b>57</b>	<b>49</b>	<b>64</b>

	Series LB		Series LF		Series LW		Total	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	5,535	16,232	302	–	16,376	9,437	925,964	1,013,969
Increase (decrease) in net assets from operations	180	732	26	–	575	471	33,423	48,353
Distributions paid to securityholders:								
Investment income	–	–	–	–	–	–	–	–
Capital gains	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	(80)	(106)
Management fee rebates	–	–	–	–	–	(3)	(2)	(22)
Total distributions paid to securityholders	–	–	–	–	–	(3)	(82)	(128)
Security transactions:								
Proceeds from securities issued	248	991	779	–	694	1,324	35,455	202,387
Reinvested distributions	–	–	–	–	–	1	16	34
Payments on redemption of securities	(1,271)	(3,460)	(71)	–	(3,254)	(1,634)	(101,842)	(271,363)
Total security transactions	(1,023)	(2,469)	708	–	(2,560)	(309)	(66,371)	(68,942)
<b>Total increase (decrease) in net assets</b>	<b>(843)</b>	<b>(1,737)</b>	<b>734</b>	<b>–</b>	<b>(1,985)</b>	<b>159</b>	<b>(33,030)</b>	<b>(20,717)</b>
<b>End of period</b>	<b>4,692</b>	<b>14,495</b>	<b>1,036</b>	<b>–</b>	<b>14,391</b>	<b>9,596</b>	<b>892,934</b>	<b>993,252</b>

	Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>						
<b>Securities outstanding – beginning of period</b>	404	1,236	29	–	1,728	1,042
Issued	18	73	73	–	72	141
Reinvested distributions	–	–	–	–	–	–
Redeemed	(91)	(254)	(7)	–	(336)	(172)
<b>Securities outstanding – end of period</b>	<b>331</b>	<b>1,055</b>	<b>95</b>	<b>–</b>	<b>1,464</b>	<b>1,011</b>

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

# MACKENZIE IVY CANADIAN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

## STATEMENTS OF CASH FLOWS

For the periods ended September 30 (note 1)  
In thousands

	2019	2018
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	33,423	48,353
Adjustments for:		
Net realized loss (gain) on investments	(12,486)	(5,114)
Change in net unrealized loss (gain) on investments	(18,563)	(42,778)
Purchase of investments	(73,628)	(217,233)
Proceeds from sale and maturity of investments	124,749	169,953
Change in accrued interest receivable	–	(57)
Change in dividends receivable	111	(876)
Change in due from manager	–	12
Change in due to manager	–	(126)
<b>Net cash from operating activities</b>	<b>53,606</b>	<b>(47,866)</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	18,169	42,795
Payments on redemption of securities	(84,659)	(113,028)
Distributions paid net of reinvestments	(66)	(95)
<b>Net cash from financing activities</b>	<b>(66,556)</b>	<b>(70,328)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(12,950)</b>	<b>(118,194)</b>
Cash and cash equivalents at beginning of period	103,382	157,722
Effect of exchange rate fluctuations on cash and cash equivalents	3	(7)
<b>Cash and cash equivalents at end of period</b>	<b>90,435</b>	<b>39,521</b>
Cash	449	512
Cash equivalents	89,986	39,009
<b>Cash and cash equivalents at end of period</b>	<b>90,435</b>	<b>39,521</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	11,170	11,289
Foreign taxes paid	385	592
Interest received	942	914
Interest paid	2	–

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



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# MACKENZIE IVY CANADIAN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

## SCHEDULE OF INVESTMENTS

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES</b>					
Alimentation Couche-Tard Inc. Class B Sub. voting	Canada	Consumer Staples	655,288	20,164	26,605
Amcor PLC	Jersey	Materials	2,265,500	31,334	28,849
The Bank of Nova Scotia	Canada	Financials	404,297	16,956	30,423
Brookfield Asset Management Inc. Class A limited voting	Canada	Financials	771,655	19,136	54,287
Brookfield Property Partners LP	United States	Real Estate	594,700	15,205	15,991
Canadian National Railway Co.	Canada	Industrials	167,800	14,024	19,961
CCL Industries Inc. Class B non-voting	Canada	Materials	510,900	27,622	27,302
CGI Inc.	Canada	Information Technology	104,811	7,715	10,980
Dollarama Inc.	Canada	Consumer Discretionary	866,939	38,691	41,119
Emera Inc.	Canada	Utilities	392,800	19,824	22,845
EnCana Corp.	Canada	Energy	2,058,600	29,126	12,496
Gildan Activewear Inc.	Canada	Consumer Discretionary	185,792	6,200	8,736
Great-West Lifeco Inc.*	Canada	Financials	284,909	8,243	9,063
Henkel AG & Co. KGaA Pfd.	Germany	Consumer Staples	166,200	27,936	21,776
Hennes & Mauritz AB B	Sweden	Consumer Discretionary	435,744	15,925	11,183
Henry Schein Inc.	United States	Health Care	290,255	25,098	24,395
Johnson & Johnson	United States	Health Care	175,727	26,472	30,093
Manulife Financial Corp.	Canada	Financials	833,540	17,656	20,255
Onex Corp. Sub. voting	Canada	Financials	508,814	40,354	41,789
Open Text Corp.	Canada	Information Technology	174,100	8,731	9,408
Oracle Corp.	United States	Information Technology	181,800	9,430	13,242
Pembina Pipeline Corp.	Canada	Energy	914,907	31,779	44,932
Power Financial Corp.*	Canada	Financials	294,600	10,254	9,050
Premium Brands Holdings Corp.	Canada	Consumer Staples	347,800	31,180	32,391
Quebecor Inc. Class B Sub. voting	Canada	Communication Services	585,500	18,653	17,612
Reckitt Benckiser Group PLC	United Kingdom	Consumer Staples	219,000	22,587	22,620
Royal Bank of Canada	Canada	Financials	276,297	20,471	29,694
Saputo Inc.	Canada	Consumer Staples	339,200	13,346	13,812
Seven & i Holdings Co. Ltd.	Japan	Consumer Staples	395,100	18,079	19,990
Seven Generations Energy Ltd.	Canada	Energy	1,332,700	21,460	11,221
Shaw Communications Inc. Class B non-voting	Canada	Communication Services	1,358,374	34,638	35,358
TC Energy Corp.	Canada	Energy	273,700	14,955	18,776
The Toronto-Dominion Bank	Canada	Financials	383,180	13,713	29,601
United Parcel Service Inc. (UPS) Class B	United States	Industrials	67,245	7,380	10,665
W.W. Grainger Inc.	United States	Industrials	63,420	22,043	24,943
<b>Total equities</b>				<b>706,380</b>	<b>801,463</b>
Transaction costs				(905)	—
<b>Total investments</b>				<b>705,475</b>	<b>801,463</b>
Cash and cash equivalents					90,435
Other assets less liabilities					1,036
<b>Total net assets</b>					<b>892,934</b>

\* Related to Mackenzie. See Note 1.



**MACKENZIE**  
Investments



# MACKENZIE IVY CANADIAN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

## SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2019	
Portfolio Allocation	% of NAV
Equities	89.8
Cash and short-term investments	10.1
Other assets (liabilities)	0.1

Regional Allocation	
Regional Allocation	% of NAV
Canada	64.8
United States	13.4
Cash and short-term investments	10.1
Jersey	3.2
United Kingdom	2.5
Germany	2.4
Japan	2.2
Sweden	1.3
Other assets (liabilities)	0.1

Sector Allocation	
Sector Allocation	% of NAV
Financials	25.1
Consumer staples	15.4
Cash and short-term investments	10.1
Energy	9.8
Consumer discretionary	6.8
Materials	6.3
Industrials	6.2
Health care	6.1
Communication services	5.9
Information technology	3.8
Utilities	2.6
Real estate	1.8
Other assets (liabilities)	0.1

March 31, 2019	
Portfolio Allocation	% of NAV
Equities	88.4
Cash and short-term investments	11.2
Other assets (liabilities)	0.4

Regional Allocation	
Regional Allocation	% of NAV
Canada	63.6
United States	14.5
Cash and short-term investments	11.2
Australia	3.6
United Kingdom	2.6
Germany	2.4
Sweden	1.7
Other assets (liabilities)	0.4

Sector Allocation	
Sector Allocation	% of NAV
Financials	25.5
Consumer staples	13.6
Cash and short-term investments	11.2
Energy	9.9
Consumer discretionary	7.9
Communication services	6.7
Health care	6.6
Materials	6.1
Industrials	5.2
Information technology	3.1
Utilities	2.0
Real estate	1.8
Other assets (liabilities)	0.4



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## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2019 and 2018, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2019, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Refer to Note 9 for the formation date of the Fund and the inception date of each series.

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

Mackenzie Financial Corporation ("Mackenzie") is the manager of the Fund and is wholly owned by IGM Financial Inc., a subsidiary of Power Financial Corporation, which itself is a subsidiary of Power Corporation of Canada. The Great-West Life Assurance Company, London Life Insurance Company and The Canada Life Assurance Company (collectively, the "Related Insurance Companies") are wholly owned by Great-West Lifeco Inc., which is also a subsidiary of Power Financial Corporation. The Related Insurance Companies are moving to formally amalgamate into one company, The Canada Life Assurance Company, effective January 1, 2020. This amalgamation is subject to a policyholder vote and other regulatory approvals. 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 unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including international Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2019. 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 November 12, 2019.

### 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 and expires. As such, investment purchase and sale transactions are recorded as of the trade date.

Financial instruments are subsequently measured at FVTPL with changes in fair value recognized in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

The Fund's redeemable securities contain multiple dissimilar contractual obligations and therefore meet the criteria for classification as financial liabilities under IAS 32, *Financial Instruments: Presentation*. The Fund's obligation for net assets attributable to securityholders is presented at the redemption amount.

IAS 7, *Statement of Cash Flows*, requires disclosures related to changes in liabilities and assets, such as the securities of the Fund, arising from financing activities. Changes in securities of the Fund, including both changes from cash flows and non-cash changes, are included in the Statement of Changes in Financial Position. Any changes in the securities not settled in cash as at the end of the period are presented as either Accounts receivable for securities issued or Accounts payable for securities redeemed in the Statement of Financial Position. These accounts receivable and accounts payable amounts typically settle shortly after period-end.

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

## NOTES TO FINANCIAL STATEMENTS

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

#### (a) Financial instruments (cont'd)

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 fund 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.

#### (b) Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments listed on a public securities exchange or traded on an over-the-counter market are valued on the basis of the last traded market price or close price recorded by the security exchange on which the security is principally traded, where this price falls within the quoted bid-ask spread for the investment. In circumstances where this price is not within the bid-ask spread, Mackenzie determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Mutual fund securities of an underlying fund are valued on a business day at the price calculated by the manager of such underlying fund in accordance with the constating documents of such underlying fund. Unlisted or non-exchange traded investments, or investments where a last sale or close price is unavailable or investments for which market quotations are, in Mackenzie's opinion, inaccurate, unreliable, or not reflective of all available material information, are valued at their fair value as determined by Mackenzie using appropriate and accepted industry valuation techniques including valuation models. The fair value determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the fair value may be determined using valuation techniques that are not supported by observable market data.

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

Cash and cash equivalents which includes cash on deposit with financial institutions and short-term investments that are readily convertible to cash, are subject to an insignificant risk of changes in value, and are used by the Fund in the management of short-term commitments. Cash and cash equivalents are reported at fair value which closely approximates their amortized cost due to their nature of being highly liquid and having short terms to maturity. Bank overdraft positions are presented under current liabilities as bank indebtedness in the Statement of Financial Position.

The Fund may use derivatives (such as written options, futures, forward contracts, swaps or customized derivatives) to hedge against losses caused by changes in securities prices, interest rates or exchange rates. The Fund may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, to gain exposure to other currencies, to seek to generate additional income, and/or for any other purpose considered appropriate by the Fund's portfolio manager(s), provided that the use of the derivative is consistent with the Fund's investment objectives. Any use of derivatives will comply with Canadian mutual fund laws, subject to the regulatory exemptions granted to the Fund, as applicable. Refer to "Exemptions from National Instrument 81-102" in the Annual Information Form of the Fund for further details, including the complete conditions of these exemptions, as applicable.

Valuations of derivative instruments are carried out daily, using normal exchange reporting sources for exchange-traded derivatives and specific broker enquiry for over-the-counter derivatives.

The value of forward contracts is the gain or loss that would be realized if, on the valuation date, the positions were to be closed out. The change in value of forward contracts is included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

The value of futures contracts or swaps fluctuates daily, and cash settlements made daily, where applicable, by the Fund are equal to the unrealized gains or losses on a "mark to market" basis. These unrealized gains or losses are recorded and reported as such until the Fund closes out the contract or the contract expires. Margin paid or deposited in respect of futures contracts or swaps is reflected as a receivable in the Statement of Financial Position – Margin on derivatives. Any change in the variation margin requirement is settled daily.

Premiums received from writing options are included in the Statement of Financial Position as a liability and subsequently adjusted daily to fair value. If a written option expires unexercised, the premium received is recognized as a realized gain. If a written call option is exercised, the difference between the proceeds of the sale plus the value of the premium, and the cost of the security is recognized as a realized gain or loss. If a written put option is exercised, the cost of the security acquired is the exercise price of the option less the premium received.

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at September 30, 2019.

## NOTES TO FINANCIAL STATEMENTS

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

(c) Income recognition

Interest income from interest bearing investments is recognized using the effective interest method. Dividends are accrued as of the ex-dividend date. Realized gains or losses on the sale of investments, including foreign exchange gains or losses on such investments, are calculated on an average cost basis. Distributions received from an underlying fund are included in interest income, dividend income, realized gains (losses) on sale of investments or fee rebate income, as appropriate.

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

(d) Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are costs incurred to acquire, issue or dispose of financial assets or liabilities. They include fees and commissions paid to agents, advisers, brokers and dealers. Commissions may be paid to brokerage firms which provide (or pay for) certain services, other than order execution, which may include investment research, analysis and reports, and databases or software in support of these services. Where applicable and ascertainable, the value of third-party services that were paid for by brokers during the periods is disclosed in Note 9. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

(e) Securities lending, repurchase and reverse repurchase transactions

The Fund is permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the Fund's Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date.

Securities lending transactions are administered by Canadian Imperial Bank of Commerce (the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statement of Comprehensive Income – Securities lending income and recognized when earned.

Note 9 summarizes the details of securities loaned and collateral received, as well as a reconciliation of securities lending income, if applicable.

(f) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. Note 9 summarizes the details of such offsetting, if applicable.

Income and expenses are not offset in the Statement of Comprehensive Income unless required or permitted to by an accounting standard, as specifically disclosed in the IFRS policies of the Fund.

(g) Foreign currency

The functional and presentation currency of the Fund is Canadian dollars. Foreign currency purchases and sales of investments and foreign currency dividend and interest income and expenses are translated to Canadian dollars at the rate of exchange prevailing at the time of the transactions.

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net realized gain (loss).

The fair value of investments and other assets and liabilities, denominated in foreign currencies, are translated to Canadian dollars at the rate of exchange prevailing on each business day.

(h) Net assets attributable to securityholders per security

Net assets attributable to securityholders per security is computed by dividing the net assets attributable to securityholders of a series of securities on a business day by the total number of securities of the series outstanding on that day.

(i) Net asset value per security

The daily Net Asset Value ("NAV") of an investment fund may be calculated without reference to IFRS as per the Canadian Securities Administrators' ("CSA") regulations. The difference between NAV and Net assets attributable to securityholders (as reported in the financial statements), if any, is mainly due to differences in fair value of investments and other financial assets and liabilities. Refer to Note 9 for the Fund's NAV per security.

## NOTES TO FINANCIAL STATEMENTS

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

(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

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

### 4. Critical Accounting Estimates and Judgments

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

#### 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. It is the intention of the Fund to distribute all of its net income and sufficient net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable.

Losses of the Fund cannot be allocated to investors and are retained in the Fund for use in future years. Non-capital losses may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 9 for the Fund's loss carryforwards.

## NOTES TO FINANCIAL STATEMENTS

### 6. Management Fees and Operating Expenses

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

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

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

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

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

### 7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at September 30, 2019 and 2018 and securities issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the Fund in accordance with the investment objectives as discussed in Note 9.

### 8. Financial Instruments Risk

#### i. Risk exposure and management

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at September 30, 2019, grouped by asset type, with geographic and sector information.

Mackenzie seeks to minimize potential adverse effects of financial risks on the Fund's performance by employing professional, experienced portfolio advisors, by monitoring the Fund's positions and market events daily, by diversifying the investment portfolio within the constraints of the Fund's investment objectives, and where applicable, by using derivatives to hedge certain risk exposures. To assist in managing risks, Mackenzie also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines, and securities regulations.

#### ii. Liquidity risk

Liquidity risk arises when the Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. In order to monitor the liquidity of its assets, the Fund utilizes a liquidity risk management program that calculates the number of days to convert the investments held by the Fund into cash using a multi-day liquidation approach. This liquidity risk analysis assesses the Fund's liquidity against predetermined minimum liquidity percentages established for different time periods and is monitored quarterly. In addition, the Fund has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

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

#### iii. Currency risk

Currency risk arises when the fair value of financial instruments that are denominated in a currency other than the Canadian dollar, which is the Fund's reporting currency, fluctuates due to changes in exchange rates. Note 9 summarizes the Fund's exposure, if applicable and significant, to currency risk.

## NOTES TO FINANCIAL STATEMENTS

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

#### iv. Interest rate risk

Interest rate risk arises when the fair value of interest-bearing financial instruments fluctuates due to changes in the prevailing levels of market interest rates. Cash and cash equivalents do not expose the Fund to significant amounts of interest rate risk. Note 9 summarizes the Fund's exposure, if applicable and significant, to interest rate risk.

#### v. Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies. Except for certain derivative contracts, the maximum risk resulting from financial instruments is equivalent to their fair value. The maximum risk of loss on certain derivative contracts such as forwards, swaps, and futures contracts is equal to their notional values. In the case of written call (put) options and short futures contracts, the loss to the Fund continues to increase, without limit, as the fair value of the underlying interest increases (decreases). However, these instruments are generally used within the overall investment management process to manage the risk from the underlying investments and do not typically increase the overall risk of loss to the Fund. This risk is mitigated by ensuring that the Fund holds a combination of the underlying interest, cash cover and/or margin that is equal to or greater than the value of the derivative contract. Note 9 summarizes the Fund's exposure, if applicable and significant, to other price risk.

#### vi. Credit risk

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

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

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

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

#### vii. Underlying funds

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

## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation      October 13, 1992

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

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

Series A, Series T5 and Series T8 securities are offered to retail investors investing a minimum of \$500 (\$5,000 for Series T5 and Series T8).

Investors in Series T5 and Series T8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively. Before January 1, 2019, Series T5 securities were known as Series T6.

Series AR securities are offered to retail investors in a Registered Disability Savings Plan offered by Mackenzie.

Series D securities are offered to retail investors investing a minimum of \$500 through a discount brokerage or other account approved by Mackenzie.

Series F, Series F5 and Series F8 securities are offered to investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$500 (\$5,000 for Series F5 and Series F8); they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie. Investors in Series F5 and Series F8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively. Before January 1, 2019, Series F5 securities were known as Series F6.

Series FB and Series FB5 securities are offered to retail investors investing a minimum of \$500. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor. Investors in Series FB5 securities also want to receive a monthly cash flow of 5% per year.

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

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

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

Series PWFB and Series PWFB5 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor. Investors in Series PWFB5 securities also want to receive a monthly cash flow of 5% per year.

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

Series PWX and Series PWX8 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor. Investors in Series PWX8 securities also want to receive a monthly cash flow of 8% per year.

Series R securities are offered only to other affiliated funds and certain institutional investors in connection with fund-of-fund arrangements.

Series J securities are no longer available for sale.

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

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

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

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

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

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



# MACKENZIE IVY CANADIAN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

An investor in the Fund may choose among different purchase options that are available under each series. These purchase options are a sales charge purchase option, a redemption charge purchase option, various low-load purchase options and a no-load purchase option. The charges under the sales charge purchase option are negotiated by investors with their dealers. The charges under the redemption charge and low-load purchase options are paid to Mackenzie if an investor redeems securities of the Fund during specific periods. Not all purchase options are available under each series of the Fund, and the charges for each purchase option may vary among the different series. For further details on these purchase options, please refer to the Fund's Simplified Prospectus and Fund Facts.

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Sep. 30, 2019	Mar. 31, 2019
Series A	October 13, 1992	2.00%	0.22%	35.92	34.68
Series AR	May 9, 2018	2.00%	0.27%	10.55	10.19
Series D	December 19, 2013	1.25%	0.19%	11.81	11.35
Series F	December 6, 1999	0.75% <sup>(3)</sup>	0.15% <sup>(6)</sup>	10.11	9.69
Series F5 <sup>(10)</sup>	June 1, 2018	0.75%	0.15%	14.91	14.61
Series F8	May 16, 2007	0.75% <sup>(3)</sup>	0.15% <sup>(6)</sup>	6.95	6.92
Series FB	October 26, 2015	1.00%	0.24%	10.17	9.77
Series FB5	October 26, 2015	1.00%	0.24%	12.60	12.37
Series G	April 4, 2005	1.50%	0.22%	12.99	12.50
Series I	October 25, 1999	1.35%	0.24%	10.28	9.88
Series J	February 28, 2011	1.70%	0.20%	14.50	13.98
Series O	January 2, 2001	— <sup>(1)</sup>	—*	18.88	18.00
Series PW	October 15, 2013	1.75% <sup>(4)</sup>	0.15%	12.05	11.61
Series PWF	None issued <sup>(7)</sup>	0.85%	0.15%	—	—
Series PWF8	None issued <sup>(8)</sup>	0.85%	0.15%	—	—
Series PWFB	April 3, 2017	0.75% <sup>(5)</sup>	0.15%	10.18	9.76
Series PWFB5	April 3, 2017	0.75% <sup>(5)</sup>	0.15%	13.50	13.21
Series PWR	April 1, 2019	1.75%	0.15%	10.28	—
Series PWT5 <sup>(10)</sup>	April 3, 2017	1.75% <sup>(4)</sup>	0.15%	13.08	12.91
Series PWT8	April 3, 2017	1.75% <sup>(4)</sup>	0.15%	12.37	12.37
Series PWX	January 6, 2014	— <sup>(2)</sup>	— <sup>(2)</sup>	12.06	11.50
Series PWX8	October 24, 2018	— <sup>(2)</sup>	— <sup>(2)</sup>	15.26	15.09
Series R	December 8, 2008	—*	—*	17.35	16.54
Series T5 <sup>(10)</sup>	September 4, 2007	2.00%	0.24%	9.51	9.40
Series T8	April 27, 2007	2.00%	0.24%	6.92	6.94
Series LB	January 20, 2012	2.00%	0.22%	14.19	13.70
Series LF	December 7, 2018	0.75%	0.15%	10.92	10.47
Series LW	December 1, 2017	1.75% <sup>(9)</sup>	0.15%	9.83	9.48

\* Not applicable.

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

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

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

(4) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 1.85%.

(5) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.85%.

(6) Prior to June 1, 2018, the administration fee for this series was charged to the Fund at a rate of 0.19%.

(7) The series' original start date was March 11, 2014. All securities in the series were consolidated into Series F on June 1, 2018.

(8) The series' original start date was April 3, 2017. All securities in the series were consolidated into Series F8 on June 1, 2018.

(9) Prior to November 23, 2018, the management fee for Series LW was charged to the Fund at a rate of 1.85%.

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



**MACKENZIE**  
Investments

# MACKENZIE IVY CANADIAN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS

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

#### (b) Investments by Mackenzie and Affiliates

As at September 30, 2019, Mackenzie and other funds managed by Mackenzie had an investment of \$643 and \$4,561 (March 31, 2019 – \$612 and \$4,660), respectively, in the Fund.

#### (c) Loss Carryforwards

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

#### (d) Securities Lending

As at September 30, 2019 and March 31, 2019, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

#### (e) Commissions

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

	(\$)
September 30, 2019	32
September 30, 2018	48

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

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

As at September 30, 2019, there were no amounts subject to offsetting.

	March 31, 2019			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	106	(106)	–	–
Unrealized losses on derivative contracts	(186)	106	–	(80)
Liability for options written	–	–	–	–
Total	(80)	–	–	(80)

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

##### *i. Risk exposure and management*

The Fund seeks long-term capital growth, while preserving capital, by investing mainly in equities of large Canadian companies. It may invest a large portion of its assets in Canadian and U.S. short-term fixed income securities when market valuations appear high. The Fund may hold up to 49% of its assets in foreign investments.

# MACKENZIE IVY CANADIAN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS

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

#### (g) Risks Associated with Financial Instruments (cont'd)

##### ii. Currency risk

The table below indicates currencies to which the Fund had significant exposure as at period end in Canadian dollar terms, including the underlying principal amount of any derivative instruments. Other financial assets and liabilities (including accrued interest and dividends receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

Currency	September 30, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	103,338	62,962	–	166,300
Australian dollar	28,849	–	–	28,849
British pound	22,620	–	–	22,620
Euro	21,776	–	–	21,776
Japanese yen	19,990	–	–	19,990
Swedish krona	11,183	–	–	11,183
Total	207,756	62,962	–	270,718
% of Net Assets	23.3	7.1	–	30.4

Currency	March 31, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	117,943	506	(57,809)	60,640
British pound	24,315	–	–	24,315
Euro	22,674	–	(8,455)	14,219
Australian dollar	33,078	–	(22,396)	10,682
Swedish krona	15,978	–	(9,664)	6,314
Total	213,988	506	(98,324)	116,170
% of Net Assets	23.1	0.1	(10.6)	12.6

\* Includes both monetary and non-monetary financial instruments

As at September 30, 2019, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$13,536 or 1.5% of total net assets (March 31, 2019 – \$5,809 or 0.6%). In practice, the actual trading results may differ and the difference could be material.

##### iii. Interest rate risk

As at September 30, 2019 and March 31, 2019, the Fund did not have a significant exposure to interest rate risk.

##### iv. Other price risk

The Fund's most significant exposure to price risk arises from its investment in equity securities. As at September 30, 2019, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$80,146 or 9.0% of total net assets (March 31, 2019 – \$81,817 or 8.8%). In practice, the actual trading results may differ and the difference could be material.

##### v. Credit risk

As at September 30, 2019 and March 31, 2019, the Fund did not have a significant exposure to credit risk.

# MACKENZIE IVY CANADIAN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS

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

#### (h) Fair Value Classification

The table below summarizes the fair value of the Fund's financial instruments using the following fair value hierarchy:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The inputs are considered observable if they are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumption that market participants would use when pricing the asset or liability.

	September 30, 2019				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	801,463	–	–	801,463	818,165	–	–	818,165
Derivative assets	–	–	–	–	–	344	–	344
Derivative liabilities	–	–	–	–	–	(487)	–	(487)
Short-term investments	–	89,986	–	89,986	–	102,875	–	102,875
Total	801,463	89,986	–	891,449	818,165	102,732	–	920,897

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

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for non-North American equities when North American intraday stock market movements exceed pre-determined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, during the period ended September 30, 2019, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at September 30, 2019, these securities were classified as Level 1 (March 31, 2019 – Level 1).

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.