

## ***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 EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

GLOBAL 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</b>		
<b>Current assets</b>			<b>per security (note 3)</b>		
Investments at fair value	289,743	318,781	Series A	17.47	18.25
Cash and cash equivalents	3,889	3,538	Series D	12.62	13.25
Dividends receivable	596	1,086	Series F	31.88	33.49
Accounts receivable for investments sold	3,910	6,494	Series FB	10.99	11.55
Accounts receivable for securities issued	–	87	Series I	22.20	23.28
Taxes recoverable (note 5)	199	264	Series J	9.25	9.68
<b>Total assets</b>	<b>298,337</b>	<b>330,250</b>	Series OJ	9.17	9.65
			Series M	28.80	30.12
			Series O	29.88	31.46
			Series PW	12.12	12.69
			Series PWFB	9.34	9.82
			Series PWX	13.43	14.14
			Series R	10.00	10.53
			Series S	9.19	9.68
			Series U	16.32	17.08
			Quadrus Series	26.72	27.91
			H Series	30.72	32.25
			HW Series	9.16	9.65
			L Series	14.02	14.67
			N Series	14.52	15.29
			QF Series	10.80	11.34
			QFW Series	9.16	9.65
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable for investments purchased	4,298	3,674			
Accounts payable for securities redeemed	651	683			
Due to manager	52	–			
Taxes payable (note 5)	–	1,412			
<b>Total liabilities</b>	<b>5,001</b>	<b>5,769</b>			
<b>Net assets attributable to securityholders</b>	<b>293,336</b>	<b>324,481</b>			
<b>Net assets attributable to securityholders</b>					
<b>per series (note 3)</b>					
Series A	51,149	59,643			
Series D	1,843	2,301			
Series F	44,680	54,437			
Series FB	57	73			
Series I	1,880	1,983			
Series J	58	60			
Series OJ	4	5			
Series M	2,593	2,809			
Series O	98,405	102,560			
Series PW	23,217	25,307			
Series PWFB	600	623			
Series PWX	747	815			
Series R	12,422	11,902			
Series S	1	1			
Series U	6,539	8,161			
Quadrus Series	27,423	31,335			
H Series	981	1,047			
HW Series	353	355			
L Series	8,097	9,172			
N Series	10,278	9,839			
QF Series	1,769	1,739			
QFW Series	240	314			

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



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# MACKENZIE EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

GLOBAL 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	8,744	12,173
Interest income	16	24
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	6,456	362,611
Net unrealized gain (loss)	(22,193)	(445,638)
Securities lending income	–	47
<b>Total income (loss)</b>	<b>(6,977)</b>	<b>(70,783)</b>

### Expenses (note 6)

Management fees	1,693	1,904
Administration fees	234	292
Interest charges	10	81
Commissions and other portfolio transaction costs	1,006	3,248
Independent Review Committee fees	1	1
Other	2	7
<b>Expenses before amounts absorbed by Manager</b>	<b>2,946</b>	<b>5,533</b>
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	<b>2,946</b>	<b>5,533</b>

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

	(9,923)	(76,316)
Foreign withholding taxes	1,127	1,496
Income taxes (note 5)	(1,111)	1,906

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

	(9,939)	(79,718)
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### Increase (decrease) in net assets attributable to securityholders from operations per series

Series A	(2,245)	(8,552)
Series D	(72)	(447)
Series F	(1,603)	(6,889)
Series FB	(2)	(6)
Series I	(75)	(274)
Series J	(2)	(1)
Series OJ	(1)	–
Series M	(108)	(424)
Series O	(2,354)	(31,844)
Series PW	(999)	(2,522)
Series PWF	–	(730)
Series PWFB	(21)	(71)
Series PWX	(19)	(114)
Series R	(251)	(5,536)
Series S	–	(12,739)
Series U	(275)	(1,762)
Quadrus Series	(1,200)	(4,985)
H Series	(34)	(202)
HW Series	(11)	(5)

	2019	2018
	\$	\$
L Series	(338)	(1,327)
N Series	(253)	(1,110)
QF Series	(68)	(179)
QFW Series	(8)	1
<b>Increase (decrease) in net assets attributable to securityholders from operations per security</b>		
Series A	(0.72)	(2.50)
Series D	(0.45)	(1.98)
Series F	(1.02)	(4.49)
Series FB	(0.38)	(1.54)
Series I	(0.88)	(3.25)
Series J	(0.39)	(0.33)
Series OJ	(0.38)	(0.25)
Series M	(1.20)	(4.43)
Series O	(0.71)	(4.31)
Series PW	(0.50)	(1.67)
Series PWF	–	(0.84)
Series PWFB	(0.32)	(1.33)
Series PWX	(0.31)	(1.89)
Series R	(0.21)	(2.09)
Series S	(0.22)	(2.39)
Series U	(0.63)	(2.59)
Quadrus Series	(1.12)	(4.16)
H Series	(1.08)	(4.64)
HW Series	(0.29)	(0.27)
L Series	(0.57)	(2.14)
N Series	(0.37)	(2.06)
QF Series	(0.41)	(1.58)
QFW Series	(0.25)	0.12

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



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# MACKENZIE EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

GLOBAL 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 D		Series F		Series FB		Series I	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	59,643	71,278	2,301	4,663	54,437	45,660	73	62	1,983	2,159
Increase (decrease) in net assets from operations	(2,245)	(8,552)	(72)	(447)	(1,603)	(6,889)	(2)	(6)	(75)	(274)
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(63)	(869)	(23)	(63)	(863)	(920)	(1)	(1)	(17)	(35)
Total dividends paid to securityholders	(63)	(869)	(23)	(63)	(863)	(920)	(1)	(1)	(17)	(35)
Security transactions:										
Proceeds from securities issued	3,559	7,381	52	704	4,278	29,399	18	11	–	–
Proceeds from securities issued on merger	–	18,008	–	73	–	3,682	–	5	–	238
Reinvested dividends	62	863	22	61	514	543	1	1	16	33
Payments on redemption of securities	(9,807)	(22,881)	(437)	(2,400)	(12,083)	(12,927)	(32)	(24)	(27)	(29)
Total security transactions	(6,186)	3,371	(363)	(1,562)	(7,291)	20,697	(13)	(7)	(11)	242
<b>Total increase (decrease) in net assets</b>	<b>(8,494)</b>	<b>(6,050)</b>	<b>(458)</b>	<b>(2,072)</b>	<b>(9,757)</b>	<b>12,888</b>	<b>(16)</b>	<b>(14)</b>	<b>(103)</b>	<b>(67)</b>
<b>End of period</b>	<b>51,149</b>	<b>65,228</b>	<b>1,843</b>	<b>2,591</b>	<b>44,680</b>	<b>58,548</b>	<b>57</b>	<b>48</b>	<b>1,880</b>	<b>2,092</b>

### Increase (decrease) in fund securities (note 7):

	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	3,269	3,339	174	301	1,625	1,163	6	5	85	79
Issued	194	369	3	49	127	807	2	1	–	–
Issued on merger	–	955	–	5	–	107	–	–	–	10
Reinvested dividends	4	43	2	4	16	15	–	–	1	1
Redeemed	(539)	(1,158)	(33)	(165)	(367)	(360)	(3)	(2)	(1)	(1)
<b>Securities outstanding – end of period</b>	<b>2,928</b>	<b>3,548</b>	<b>146</b>	<b>194</b>	<b>1,401</b>	<b>1,732</b>	<b>5</b>	<b>4</b>	<b>85</b>	<b>89</b>

### NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS

	Series J		Series OJ		Series M		Series O		Series PW	
	\$		\$		\$		\$		\$	
<b>Beginning of period</b>	60	2	5	–	2,809	3,390	102,560	354,904	25,307	10,694
Increase (decrease) in net assets from operations	(2)	(1)	(1)	–	(108)	(424)	(2,354)	(31,844)	(999)	(2,522)
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	–	–	–	–	(11)	(46)	(2,743)	(9,493)	(121)	(154)
Total dividends paid to securityholders	–	–	–	–	(11)	(46)	(2,743)	(9,493)	(121)	(154)
Security transactions:										
Proceeds from securities issued	–	–	–	–	–	–	3	14,706	2,326	14,179
Proceeds from securities issued on merger	–	62	–	5	–	–	–	44,310	–	7,306
Reinvested dividends	–	–	–	–	10	45	2,741	9,491	117	144
Payments on redemption of securities	–	(2)	–	–	(107)	(71)	(1,802)	(245,597)	(3,413)	(3,231)
Total security transactions	–	60	–	5	(97)	(26)	942	(177,090)	(970)	18,398
<b>Total increase (decrease) in net assets</b>	<b>(2)</b>	<b>59</b>	<b>(1)</b>	<b>5</b>	<b>(216)</b>	<b>(496)</b>	<b>(4,155)</b>	<b>(218,427)</b>	<b>(2,090)</b>	<b>15,722</b>
<b>End of period</b>	<b>58</b>	<b>61</b>	<b>4</b>	<b>5</b>	<b>2,593</b>	<b>2,894</b>	<b>98,405</b>	<b>136,477</b>	<b>23,217</b>	<b>26,416</b>

### Increase (decrease) in fund securities (note 7):

	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	6	–	–	–	93	96	3,260	9,562	1,995	721
Issued	–	–	–	–	–	–	–	426	181	1,020
Issued on merger	–	6	–	–	–	–	–	1,362	–	557
Reinvested dividends	–	–	–	–	–	1	92	272	10	10
Redeemed	–	–	–	–	(3)	(2)	(59)	(7,341)	(271)	(242)
<b>Securities outstanding – end of period</b>	<b>6</b>	<b>6</b>	<b>–</b>	<b>–</b>	<b>90</b>	<b>95</b>	<b>3,293</b>	<b>4,281</b>	<b>1,915</b>	<b>2,066</b>

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# MACKENZIE EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

GLOBAL 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 PWF		Series PWFB		Series PWX		Series R		Series S	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	–	15,991	623	486	815	1,063	11,902	112,158	1	387,035
Increase (decrease) in net assets from operations	–	(730)	(21)	(71)	(19)	(114)	(251)	(5,536)	–	(12,739)
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	–	(323)	(10)	(11)	(22)	(28)	(332)	(35,601)	–	(104,598)
Total dividends paid to securityholders	–	(323)	(10)	(11)	(22)	(28)	(332)	(35,601)	–	(104,598)
Security transactions:										
Proceeds from securities issued	–	641	81	215	–	29	3,526	15,985	–	26,787
Proceeds from securities issued on merger	–	–	–	9	–	11	–	–	–	1
Reinvested dividends	–	208	10	11	22	28	–	35,601	–	104,598
Payments on redemption of securities	–	(15,787)	(83)	(41)	(49)	(132)	(2,423)	(106,288)	–	(401,083)
Total security transactions	–	(14,938)	8	194	(27)	(64)	1,103	(54,702)	–	(269,697)
<b>Total increase (decrease) in net assets</b>	–	<b>(15,991)</b>	<b>(23)</b>	<b>112</b>	<b>(68)</b>	<b>(206)</b>	<b>520</b>	<b>(95,839)</b>	–	<b>(387,034)</b>
<b>End of period</b>	–	–	<b>600</b>	<b>598</b>	<b>747</b>	<b>857</b>	<b>12,422</b>	<b>16,319</b>	<b>1</b>	<b>1</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	–	1,038	63	42	58	64	1,131	6,037	–	10,960
Issued	–	43	9	20	–	1	341	1,340	–	844
Issued on merger	–	–	–	1	–	1	–	–	–	–
Reinvested dividends	–	14	1	1	2	2	–	3,079	–	4,298
Redeemed	–	(1,095)	(9)	(4)	(4)	(8)	(229)	(8,924)	–	(16,102)
<b>Securities outstanding – end of period</b>	–	–	<b>64</b>	<b>60</b>	<b>56</b>	<b>60</b>	<b>1,243</b>	<b>1,532</b>	–	–

	Series U		Quadrus Series		H Series		HW Series		L Series	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	8,161	15,917	31,335	38,967	1,047	1,683	355	–	9,172	10,351
Increase (decrease) in net assets from operations	(275)	(1,762)	(1,200)	(4,985)	(34)	(202)	(11)	(5)	(338)	(1,327)
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(32)	(194)	(28)	(448)	(14)	(30)	(7)	–	(41)	(147)
Total dividends paid to securityholders	(32)	(194)	(28)	(448)	(14)	(30)	(7)	–	(41)	(147)
Security transactions:										
Proceeds from securities issued	–	–	1,357	3,302	47	201	14	369	703	1,491
Proceeds from securities issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested dividends	32	192	28	448	14	30	7	–	40	147
Payments on redemption of securities	(1,347)	(3,927)	(4,069)	(4,343)	(79)	(593)	(5)	–	(1,439)	(1,367)
Total security transactions	(1,315)	(3,735)	(2,684)	(593)	(18)	(362)	16	369	(696)	271
<b>Total increase (decrease) in net assets</b>	<b>(1,622)</b>	<b>(5,691)</b>	<b>(3,912)</b>	<b>(6,026)</b>	<b>(66)</b>	<b>(594)</b>	<b>(2)</b>	<b>364</b>	<b>(1,075)</b>	<b>(1,203)</b>
<b>End of period</b>	<b>6,539</b>	<b>10,226</b>	<b>27,423</b>	<b>32,941</b>	<b>981</b>	<b>1,089</b>	<b>353</b>	<b>364</b>	<b>8,097</b>	<b>9,148</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	478	796	1,123	1,194	32	45	37	–	625	603
Issued	–	–	48	110	2	5	2	37	47	94
Issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested dividends	2	10	1	14	–	1	1	–	3	9
Redeemed	(79)	(212)	(146)	(147)	(2)	(18)	(1)	–	(98)	(87)
<b>Securities outstanding – end of period</b>	<b>401</b>	<b>594</b>	<b>1,026</b>	<b>1,171</b>	<b>32</b>	<b>33</b>	<b>39</b>	<b>37</b>	<b>577</b>	<b>619</b>

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

# MACKENZIE EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

GLOBAL 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
	N Series		QF Series		QFW Series		Total	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	9,839	9,980	1,739	1,271	314	–	324,481	1,087,714
Increase (decrease) in net assets from operations	(253)	(1,110)	(68)	(179)	(8)	1	(9,939)	(79,718)
Dividends paid to securityholders:								
Ordinary	–	–	–	–	–	–	–	–
Capital gains	(262)	(215)	(23)	(25)	(6)	–	(4,619)	(153,201)
Total dividends paid to securityholders	(262)	(215)	(23)	(25)	(6)	–	(4,619)	(153,201)
Security transactions:								
Proceeds from securities issued	2,477	2,880	364	735	80	93	18,885	119,108
Proceeds from securities issued on merger	–	–	–	–	–	–	–	73,710
Reinvested dividends	262	215	23	25	6	–	3,927	152,684
Payments on redemption of securities	(1,785)	(3,070)	(266)	(331)	(146)	–	(39,399)	(824,124)
Total security transactions	954	25	121	429	(60)	93	(16,587)	(478,622)
<b>Total increase (decrease) in net assets</b>	<b>439</b>	<b>(1,300)</b>	<b>30</b>	<b>225</b>	<b>(74)</b>	<b>94</b>	<b>(31,145)</b>	<b>(711,541)</b>
<b>End of period</b>	<b>10,278</b>	<b>8,680</b>	<b>1,769</b>	<b>1,496</b>	<b>240</b>	<b>94</b>	<b>293,336</b>	<b>376,173</b>
<b>Increase (decrease) in fund securities (note 7):</b>								
<b>Securities outstanding – beginning of period</b>	<b>643</b>	<b>553</b>	<b>153</b>	<b>96</b>	<b>33</b>	<b>–</b>		
Issued	166	172	32	60	7	10		
Issued on merger	–	–	–	–	–	–		
Reinvested dividends	18	13	2	2	1	–		
Redeemed	(119)	(178)	(23)	(27)	(15)	–		
<b>Securities outstanding – end of period</b>	<b>708</b>	<b>560</b>	<b>164</b>	<b>131</b>	<b>26</b>	<b>10</b>		

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

# MACKENZIE EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

GLOBAL 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	(9,939)	(79,718)
Adjustments for:		
Net realized loss (gain) on investments	(6,717)	(363,508)
Change in net unrealized loss (gain) on investments	22,193	445,638
Purchase of investments	(274,861)	(1,055,080)
Proceeds from sale and maturity of investments	291,823	1,413,770
Change in dividends receivable	490	317
Change in taxes recoverable	65	(182)
Change in due to manager	52	152
Change in taxes payable	(1,412)	665
<b>Net cash from operating activities</b>	<b>21,694</b>	<b>362,054</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	15,855	104,841
Payments on redemption of securities	(36,314)	(440,018)
Dividends paid net of reinvestments	(692)	(517)
<b>Net cash from financing activities</b>	<b>(21,151)</b>	<b>(335,694)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>543</b>	<b>26,360</b>
Cash and cash equivalents at beginning of period	3,538	7,981
Effect of exchange rate fluctuations on cash and cash equivalents	(192)	(34)
<b>Cash and cash equivalents at end of period</b>	<b>3,889</b>	<b>34,307</b>
Cash	1,794	34,307
Cash equivalents	2,095	–
<b>Cash and cash equivalents at end of period</b>	<b>3,889</b>	<b>34,307</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	9,234	12,490
Taxes paid	1,428	2,737
Interest received	16	24
Interest paid	10	81

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



**MACKENZIE**  
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# MACKENZIE EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

GLOBAL 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>					
Advanced Info Service PCL	Thailand	Communication Services	527,100	4,997	5,016
Agile Property Holdings Ltd.	China	Real Estate	877,192	1,598	1,410
Alarko Holding AS	Turkey	Industrials	897,307	1,001	1,050
Alibaba Group Holding Ltd. ADR	China	Consumer Discretionary	45,500	10,498	10,072
Anglo American Platinum Ltd.	South Africa	Materials	59,392	3,192	4,740
Anhui Conch Cement Co. Ltd. H	China	Materials	610,000	4,575	4,795
Banco Del Bajio SA	Mexico	Financials	849,503	2,279	1,860
Banco do Brasil SA	Brazil	Financials	9,800	152	142
Banco do Estado do Rio Grande do Sul SA	Brazil	Financials	358,394	2,090	2,576
Banco Macro SA ADR	Argentina	Financials	22,984	1,785	792
Bank of China Ltd. H	China	Financials	3,915,000	2,085	2,036
BenQ Materials Corp.	Taiwan	Information Technology	724,000	927	616
Bioteque Corp.	Taiwan	Health Care	156,000	883	845
Birla Corp. Ltd.	India	Materials	8,247	93	87
Bora Pharmaceuticals Co. Ltd.	Taiwan	Health Care	51,000	320	367
Carlsberg Brewery Malaysia BHD	Malaysia	Consumer Staples	70,389	563	584
Charoen Pokphand Foods PCL	Thailand	Consumer Staples	1,529,000	1,882	1,736
Chenbro Micom Co. Ltd.	Taiwan	Information Technology	146,000	397	458
China Construction Bank Corp. H	China	Financials	8,467,000	10,596	8,551
China Mobile Ltd.	China	Communication Services	61,000	710	668
China National Building Material Co. Ltd. H	China	Materials	3,578,000	4,338	4,254
China Pacific Insurance (Group) Co. Ltd.	China	Financials	459,800	2,415	2,236
Chong Kun Dang Holdings Corp.	South Korea	Health Care	5,264	677	526
Cia de Saneamento do Parana	Brazil	Utilities	154,595	3,351	4,149
Cia Siderurgica Nacional SA	Brazil	Materials	806,700	3,763	3,407
Construtora Tenda SA	Brazil	Consumer Discretionary	266,679	1,222	2,095
Controladora Vuela Compania de Aviacion SAB de CV	Mexico	Industrials	93,823	1,139	1,243
CP ALL PCL	Thailand	Consumer Staples	42,800	159	150
Creativ Industrial Group GDR	Ukraine	Consumer Staples	214,662	–	–
Creativ Industrial Group	Ukraine	Consumer Staples	16,394	–	–
DataTec Ltd.	South Africa	Information Technology	251,499	812	734
Direcional Engenharia SA	Brazil	Consumer Discretionary	289,853	759	1,141
Emaar Development PJSC	United Arab Emirates	Real Estate	255,123	385	379
Emaar Properties PJSC	United Arab Emirates	Real Estate	1,599,828	2,603	2,658
Emerging Display Technologies Corp.	Taiwan	Information Technology	67,595	53	52
Eson Precision Ind. Co. Ltd.	Taiwan	Information Technology	339,000	620	574
Fulgent Sun International (Holding) Co. Ltd.	Taiwan	Consumer Discretionary	37,000	139	140
Gazprom Neft PJSC	Russia	Energy	212,452	1,803	1,838
Globe Telecom Inc.	Philippines	Communication Services	21,873	1,128	1,022
Grupo Financiero Banorte SAB de CV Series O	Mexico	Financials	769,828	5,117	5,479
Guangzhou R&F Properties Co. Ltd. H	China	Real Estate	1,558,825	3,990	3,122
Guaranty Trust Bank PLC	Nigeria	Financials	9,441,026	1,118	1,007
Haci Omer Sabanci Holding AS	Turkey	Financials	739,605	1,267	1,660
HCL Technologies Ltd.	India	Information Technology	21,716	422	440
HDFC Asset Management Co. Ltd.	India	Financials	19,184	1,055	1,007
Hexindai Inc.	China	Financials	87,946	497	178
Hyundai Mobis	South Korea	Consumer Discretionary	14,919	4,019	4,150
Hyundai Motor Co.	South Korea	Consumer Discretionary	37,623	6,000	5,565



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## SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Hyundai Wia Corp.	South Korea	Consumer Discretionary	49,074	2,719	2,763
Ildong Pharmaceutical Co. Ltd.	South Korea	Health Care	28,327	725	478
Indiabulls Housing Finance Ltd.	India	Financials	60,990	571	292
Industrial and Commercial Bank of China Ltd. H	China	Financials	8,007,000	7,529	7,099
Infosys Ltd. ADR	India	Information Technology	300,800	4,545	4,527
Inox Leisure Ltd.	India	Communication Services	52,298	333	324
International Container Terminal Services Inc.	Philippines	Industrials	856,525	2,835	2,634
INTOPS Co. Ltd.	South Korea	Information Technology	35,919	698	502
Ipca Laboratories Ltd.	India	Health Care	6,765	123	114
i-SENS Inc.	South Korea	Health Care	14,260	418	433
JARLLYTEC Co. Ltd.	Taiwan	Information Technology	54,000	164	156
JBS SA	Brazil	Consumer Staples	507,000	4,591	5,288
Jiangsu Kanion Pharmaceutical Co. Ltd.	China	Health Care	536,045	1,615	1,667
JK Lakshmi Cement Ltd.	India	Materials	31,614	238	180
KB Financial Group Inc.	South Korea	Financials	84,279	5,421	3,972
Kia Motors Corp.	South Korea	Consumer Discretionary	108,487	4,050	5,461
King Yuan Electronics Co. Ltd.	Taiwan	Information Technology	596,000	853	886
Korea Investment Holdings Co. Ltd.	South Korea	Financials	25,508	2,078	2,120
Kumba Iron Ore Ltd.	South Africa	Materials	123,009	4,609	4,027
Kweichow Moutai Co. Ltd. Class A	China	Consumer Staples	24,869	4,300	5,295
La Kaffa International Co. Ltd.	Taiwan	Consumer Discretionary	138,546	965	883
Li Ning Co. Ltd.	China	Consumer Discretionary	961,000	3,666	3,651
Liberty Holdings Ltd.	South Africa	Financials	41,529	405	408
Lite-On Technology Corp.	Taiwan	Information Technology	418,000	823	879
Lukoil PJSC	Russia	Energy	51,051	5,662	5,574
Macronix International Co. Ltd.	Taiwan	Information Technology	78,000	91	105
Major Cineplex Group PCL	Thailand	Communication Services	1,439,486	1,693	1,488
Manappuram Finance Ltd.	India	Financials	297,951	697	788
Meritz Securities Co. Ltd.	South Korea	Financials	645,006	3,398	3,595
NetDragon Websoft Holdings Ltd.	China	Communication Services	401,126	1,390	1,236
NetEase Inc.	China	Communication Services	6,500	2,150	2,290
NMDC Ltd.	India	Materials	1,506,738	3,232	2,504
Oil & Natural Gas Corp. Ltd.	India	Energy	1,987,458	6,280	4,908
Partron Co. Ltd.	South Korea	Information Technology	220,630	3,912	3,117
Ping An Insurance (Group) Co. of China Ltd. H	China	Financials	526,101	4,177	8,000
PLDT Inc.	Philippines	Communication Services	74,204	2,407	2,146
Pou Chen Corp.	Taiwan	Consumer Discretionary	363,000	605	615
Power Grid Corp. of India Ltd.	India	Utilities	131,987	498	492
PPDAI Group Inc.	China	Financials	1,840	8	7
PT Gudang Garam TBK	Indonesia	Consumer Staples	191,500	1,407	935
PT Mitra Adiperkasa TBK	Indonesia	Consumer Discretionary	2,118,000	199	203
PT Suryainti Permata TBK	Indonesia	Real Estate	173,647,393	–	–
PT Telekomunikasi Indonesia TBK	Indonesia	Communication Services	1,666,600	642	670
PTG Energy PCL	Thailand	Consumer Discretionary	173,200	136	141
PTT Exploration and Production PCL	Thailand	Energy	177,200	946	927
Radiant Opto-Electronics Corp.	Taiwan	Information Technology	789,967	2,559	3,991
Randon SA Implementos e Participacoes	Brazil	Industrials	829,000	2,513	2,534
Ratchthani Leasing PCL - Foreign	Thailand	Financials	324,400	101	100



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## SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Realtek Semiconductor Corp.	Taiwan	Information Technology	515,000	3,991	5,050
Rec Ltd.	India	Financials	1,780,219	3,542	4,108
S&T Motiv Co. Ltd.	South Korea	Consumer Discretionary	20,056	1,171	1,202
Samsung Electronics Co. Ltd.	South Korea	Information Technology	149,193	7,975	8,078
Sany Heavy Industry Co. Ltd. Class A	China	Industrials	1,033,851	2,803	2,734
Sberbank of Russia PJSC	Russia	Financials	400,530	1,906	1,862
SCI Pharmtech Inc.	Taiwan	Health Care	655,876	2,579	2,796
SEAFCO PCL	Thailand	Industrials	2,589,274	913	823
Shaanxi Coal Industry Co. Ltd.	China	Energy	495,200	819	800
Sino Biopharmaceutical Ltd.	Hong Kong	Health Care	2,154,000	3,292	3,623
Surgutneftegas PJSC	Russia	Energy	2,974,839	2,506	2,275
Taiwan Paiho Ltd.	Taiwan	Consumer Discretionary	719,263	2,381	2,373
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	Information Technology	755,001	8,099	8,756
Tangshan Jidong Cement Co. Ltd.	China	Materials	389,300	1,276	1,105
Tata Consultancy Services Ltd.	India	Information Technology	38,708	1,605	1,522
Telekom Malaysia BHD	Malaysia	Communication Services	1,424,398	1,867	1,621
Telkom SA SOC Ltd.	South Africa	Communication Services	468,262	2,379	2,889
Tencent Holdings Ltd.	China	Communication Services	152,239	8,912	8,489
Topkey Corp.	Taiwan	Consumer Discretionary	15,667	106	93
Unimicron Technology Corp.	Taiwan	Information Technology	2,505,468	2,724	4,663
Uni-President Enterprises Corp.	Taiwan	Consumer Staples	1,214,001	3,961	3,871
Unitech Printed Circuit Board Corp.	Taiwan	Information Technology	959,000	1,404	1,445
United Microelectronics Corp.	Taiwan	Information Technology	2,291,000	1,337	1,309
Vedanta Ltd.	India	Materials	171,663	431	496
Vyborg Shipyard JSC	Russia	Industrials	21,305	184	296
Weichai Power Co. Ltd.	China	Industrials	2,360,644	4,080	4,504
WNS (Holdings) Ltd.	India	Information Technology	19,462	1,614	1,513
Woori Financial Group Inc. (KOR Currency)	South Korea	Financials	19,642	305	270
Wuliangye Yibin Co. Ltd. Class A	China	Consumer Staples	14,700	380	353
Yichang HEC Changjiang Pharmaceutical Co. Ltd.	China	Health Care	292,600	1,904	1,890
Zenith Bank Ltd.	Nigeria	Financials	14,640,585	1,158	1,000
Zoomlion Heavy Industry Science and Technology Co. Ltd.	China	Industrials	3,344,009	2,924	2,998
<b>Total equities</b>				<b>278,979</b>	<b>282,819</b>
<b>EXCHANGE-TRADED FUNDS/NOTES</b>					
iShares MSCI Saudi Arabia ETF	United States	Exchange-Traded Funds/Notes	171,639	6,920	6,924
<b>Total exchange-traded funds/notes</b>				<b>6,920</b>	<b>6,924</b>
Transaction costs				(290)	—
<b>Total investments</b>				<b>285,609</b>	<b>289,743</b>
Cash and cash equivalents					3,889
Other assets less liabilities					(296)
<b>Total net assets</b>					<b>293,336</b>



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# MACKENZIE EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

GLOBAL EQUITY FUND

## SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2019	
Portfolio Allocation	% of NAV
Equities	96.4
Exchange-traded funds/notes	2.4
Cash and short-term investments	1.3
Other assets (liabilities)	(0.1)

Regional Allocation	% of NAV
China	30.6
South Korea	14.4
Taiwan	14.0
India	7.9
Brazil	7.3
South Africa	4.4
Russia	4.0
Thailand	3.5
Mexico	2.9
United States	2.4
Other	2.3
Philippines	2.0
Cash and short-term investments	1.3
Hong Kong	1.2
United Arab Emirates	1.0
Turkey	0.9
Other assets (liabilities)	(0.1)

Sector Allocation	% of NAV
Financials	20.9
Information technology	16.8
Consumer discretionary	13.8
Communication services	9.5
Materials	8.7
Industrials	6.4
Consumer staples	6.2
Energy	5.6
Health care	4.3
Real estate	2.6
Exchange-traded funds/notes	2.4
Utilities	1.6
Cash and short-term investments	1.3
Other assets (liabilities)	(0.1)

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

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

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



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

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

Mackenzie Financial Corporation ("Mackenzie") is the manager of the Fund and is wholly owned by IGM Financial Inc., a subsidiary of Power 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 or expires. As such, investment purchase and sale transactions are recorded as of the trade date.

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

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

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



## NOTES TO FINANCIAL STATEMENTS

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

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

Realized and unrealized gains and losses on investments are calculated based on the weighted average cost of investments and exclude commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income – Commissions and other portfolio transaction costs. Gains and losses arising from changes in the fair value of the investments are included in the Statement of Comprehensive Income for the period in which they arise.

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

#### (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.

## NOTES TO FINANCIAL STATEMENTS

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

(b) Fair value measurement (cont'd)

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.

(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

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

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

## NOTES TO FINANCIAL STATEMENTS

### 5. Income Taxes (cont'd)

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

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

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

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

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

### 6. Management Fees and Operating Expenses

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

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

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

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

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



## NOTES TO FINANCIAL STATEMENTS

### 7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at 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.

#### iv. Interest rate risk

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

#### v. Other price risk

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

## NOTES TO FINANCIAL STATEMENTS

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

#### vi. Credit risk

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

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

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

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

#### vii. Underlying funds

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



# MACKENZIE EMERGING MARKETS CLASS

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GLOBAL EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation October 26, 2000

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

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

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

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

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Sep. 30, 2019	Mar. 31, 2019
Series A	November 1, 2000	2.00%	0.28%	17.47	18.25
Series D	January 2, 2014	1.25%	0.20%	12.62	13.25
Series F	August 9, 2002	0.80% <sup>(3)</sup>	0.15% <sup>(6)</sup>	31.88	33.49
Series FB	October 26, 2015	1.00%	0.28%	10.99	11.55
Series I	November 22, 2000	1.35%	0.28%	22.20	23.28
Series J	July 6, 2018 <sup>(9)</sup>	1.75%	0.30%	9.25	9.68
Series OJ	July 6, 2018	1.70%	0.30%	9.17	9.65
Series M	August 9, 2002	Up to 1.75%	0.28%	28.80	30.12
Series O	August 9, 2002	— <sup>(1)</sup>	—*	29.88	31.46
Series PW	October 17, 2013	1.80% <sup>(4)</sup>	0.15%	12.12	12.69
Series PWF	None issued <sup>(11)</sup>	0.90%	0.15%	—	—
Series PWFB	April 3, 2017	0.80% <sup>(5)</sup>	0.15%	9.34	9.82
Series PWX	February 5, 2014	— <sup>(2)</sup>	— <sup>(2)</sup>	13.43	14.14
Series R	July 3, 2007	—*	—*	10.00	10.53
Series S	July 6, 2018 <sup>(10)</sup>	— <sup>(1)</sup>	0.03%	9.19	9.68
Series U	May 5, 2009	1.75%	0.28%	16.32	17.08
Quadrus Series	August 9, 2002	2.00%	0.28%	26.72	27.91
H Series	August 9, 2002	1.00%	0.15% <sup>(7)</sup>	30.72	32.26
HW Series	August 7, 2018	0.80%	0.15%	9.16	9.65
L Series	December 16, 2011	1.80% <sup>(8)</sup>	0.15%	14.02	14.67
N Series	December 6, 2011	— <sup>(1)</sup>	— <sup>(1)</sup>	14.52	15.29
QF Series	July 12, 2016	1.00%	0.28%	10.80	11.34
QFW Series	August 7, 2018	0.80%	0.15%	9.16	9.65

\* Not applicable.

# MACKENZIE EMERGING MARKETS CLASS

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## NOTES TO FINANCIAL STATEMENTS

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

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

- (1) This fee is negotiable and payable directly to Mackenzie by investors in this series.
- (2) This fee is payable directly to Mackenzie by investors in this series through redemptions of their securities.
- (3) Prior to June 1, 2018, the management fee for Series F was charged to the Fund at a rate of 1.00%.
- (4) Prior to June 1, 2018, the management fee for Series PW was charged to the Fund at a rate of 1.90%.
- (5) Prior to June 1, 2018, the management fee for Series PWFB was charged to the Fund at a rate of 0.90%.
- (6) Prior to June 1, 2018, the administration fee for Series F was charged to the Fund at a rate of 0.20%.
- (7) Prior to June 28, 2018, the administration fee for H Series was charged to the Fund at a rate of 0.20%.
- (8) Prior to June 28, 2018, the management fee for L Series was charged to the Fund at a rate of 1.85%.
- (9) The series' original start date was December 30, 2010. All securities in the series were redeemed on April 24, 2018. The series was reinstated at a price of \$10.00 per security on July 6, 2018.
- (10) The series' original start date was August 24, 2004. All securities in the series were redeemed on June 5, 2018. The series was reinstated at a price of \$10.00 per security on July 6, 2018.
- (11) The series' original start date was November 21, 2013. All securities in the series were consolidated into Series F on June 1, 2018.

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

As at September 30, 2019, Mackenzie, other funds managed by Mackenzie and Related Insurance Companies had an investment of \$11, \$12,422 and \$1 (March 31, 2019 – \$11, \$11,902 and \$1), respectively, in the Fund.

#### (c) Securities Lending

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

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended September 30, 2019 and 2018 is as follows:

	2019		2018	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	–	–	63	100.0
Tax withheld	–	–	–	–
	–	–	63	100.0
Payments to Securities Lending Agent	–	–	(16)	(25.4)
Securities lending income	–	–	47	74.6

#### (d) Commissions

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

	(\$)
September 30, 2019	63
September 30, 2018	39

#### (e) Fund Merger

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

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



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# MACKENZIE EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

GLOBAL EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS

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

(f) Change in Sub-advisor

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

(g) Offsetting of Financial Assets and Liabilities

As at September 30, 2019 and March 31, 2019, there were no amounts subject to offsetting.

(h) Risks Associated with Financial Instruments

*i. Risk exposure and management*

The Fund seeks long-term capital growth by investing primarily in a portfolio of equities of companies in emerging markets. The Fund will focus its investments in those emerging markets where it identifies strongly developing economies and in which the markets are becoming more sophisticated.

*ii. Currency risk*

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

Currency	September 30, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Hong Kong dollar	68,562	105	–	68,667
South Korean won	42,232	314	–	42,546
Taiwanese dollar	40,923	318	–	41,241
U.S. dollar	27,842	(28)	–	27,814
Brazilian real	21,332	150	–	21,482
Indian rupee	17,262	214	–	17,476
South African rand	12,798	–	–	12,798
Chinese yuan	11,954	26	–	11,980
Russian ruble	11,549	–	–	11,549
Thai baht	10,381	224	–	10,605
Mexican peso	7,339	–	–	7,339
Philippine peso	5,802	57	–	5,859
United Arab Emirates Dirham	3,037	–	–	3,037
Malaysian ringgit	2,205	381	–	2,586
Nigerian naira	2,007	24	–	2,031
Turkish lira	2,710	(810)	–	1,900
Indonesian rupiah	1,808	–	–	1,808
Chilean peso	–	208	–	208
Columbian peso	–	(44)	–	(44)
<b>Total</b>	<b>289,743</b>	<b>1,139</b>	<b>–</b>	<b>290,882</b>
% of Net Assets	98.8	0.4	–	99.2



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# MACKENZIE EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

GLOBAL EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

##### ii. Currency risk (cont'd)

Currency	March 31, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Hong Kong dollar	82,874	(1,216)	–	81,658
South Korean won	45,998	(959)	–	45,039
Taiwanese dollar	44,752	(565)	–	44,187
U.S. dollar	29,159	571	–	29,730
Indian rupee	22,755	1,908	–	24,663
Brazilian real	24,369	173	–	24,542
Russian ruble	13,913	204	–	14,117
South African rand	12,748	25	–	12,773
Mexican peso	11,550	–	–	11,550
Malaysian ringgit	7,987	89	–	8,076
Chinese yuan	7,519	41	–	7,560
Turkish lira	4,598	–	–	4,598
Singapore dollar	2,987	–	–	2,987
Thai baht	2,947	–	–	2,947
Indonesian rupiah	2,133	89	–	2,222
Philippine peso	1,683	4	–	1,687
Nigerian naira	670	155	–	825
Chilean peso	–	226	–	226
Columbian peso	139	(48)	–	91
<b>Total</b>	<b>318,781</b>	<b>697</b>	<b>–</b>	<b>319,478</b>
<b>% of Net Assets</b>	<b>98.2</b>	<b>0.2</b>	<b>–</b>	<b>98.4</b>

\* 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 \$14,544 or 5.0% of total net assets (March 31, 2019 – \$15,974 or 4.9%). In practice, the actual trading results may differ and the difference could be material.

##### iii. Interest rate risk

As at 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 and exchange-traded funds/notes. 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 \$28,974 or 9.9% of total net assets (March 31, 2019 – \$31,878 or 9.8%). In practice, the actual trading results may differ and the difference could be material.

##### v. Credit risk

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

# MACKENZIE EMERGING MARKETS CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

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## NOTES TO FINANCIAL STATEMENTS

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

#### (i) Fair Value Classification

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

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

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

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

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

	September 30, 2019				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	273,106	9,417	296	282,819	316,687	1,786	308	318,781
Exchange-traded funds/notes	6,924	–	–	6,924	–	–	–	–
Short-term investments	–	2,095	–	2,095	–	–	–	–
Total	280,030	11,512	296	291,838	316,687	1,786	308	318,781

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

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for non-North American equities when North American intraday stock market movements exceed predetermined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, during the period ended 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 through incorporating observable market data and using standard market convention practices. Short-term investments classified as Level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.

The table below presents a reconciliation of financial instruments measured at fair value using unobservable inputs (Level 3) for the period ended September 30, 2019 and March 31, 2019:

	September 30, 2019	March 31, 2019
	Equities (\$)	Equities (\$)
Balance – beginning of period	308	–
Purchases	–	184
Sales	–	–
Transfers in	–	–
Transfers out	–	–
Gains (losses) during the period:		
Realized	–	–
Unrealized	(12)	124
Balance – end of period	296	308
Change in unrealized gains (losses) during the period attributable to securities held at end of period	(12)	124

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



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