

# MACKENZIE CANADIAN DIVIDEND CLASS

*(Formerly Mackenzie Canadian Large Cap Dividend Class)*

CANADIAN EQUITY FUND

## ***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**  
Investments

# MACKENZIE CANADIAN DIVIDEND CLASS

(Formerly Mackenzie Canadian Large Cap Dividend Class)

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>			Series LW	27,361	30,342
<b>Current assets</b>			Series LW5	6,321	6,969
Investments at fair value	201,721	214,347	Series LX	1,967	2,073
Cash and cash equivalents	18	235	<b>Net assets attributable to securityholders</b>		
Accounts receivable for investments sold	–	–	per security (note 3)		
Accounts receivable for securities issued	3	11	Series A	16.33	16.15
Taxes recoverable (note 5)	45	62	Series B	7.33	7.58
<b>Total assets</b>	<b>201,787</b>	<b>214,655</b>	Series D	10.65	10.54
			Series F	18.28	18.08
<b>LIABILITIES</b>			Series F5	13.08	13.35
<b>Current liabilities</b>			Series F8	12.69	13.18
Accounts payable for investments purchased	2	–	Series FB	9.90	9.79
Accounts payable for securities redeemed	385	263	Series FB5	15.04	15.33
Distribution payable	11	10	Series GJ	10.32	10.30
<b>Total liabilities</b>	<b>398</b>	<b>273</b>	Series G0	10.44	10.32
<b>Net assets attributable to securityholders</b>	<b>201,389</b>	<b>214,382</b>	Series G05	15.14	15.35
			Series I	16.80	16.62
<b>Net assets attributable to securityholders</b>			Series J	13.41	13.27
per series (note 3)			Series O	20.30	20.07
Series A	47,958	53,424	Series PW	11.48	11.35
Series B	1,362	1,566	Series PWFB	8.64	8.55
Series D	405	457	Series PWFB5	15.05	15.33
Series F	23,378	24,337	Series PWT5	11.19	11.38
Series F5	977	1,274	Series PWT8	10.17	10.51
Series F8	230	222	Series PWX	9.91	9.80
Series FB	51	43	Series PWX8	14.84	15.28
Series FB5	3	3	Series T5	9.85	10.01
Series GJ	904	867	Series T8	7.39	7.64
Series G0	4,859	5,461	Series LB	10.30	10.29
Series G05	219	239	Series LF	10.38	10.31
Series I	214	204	Series LF5	15.08	15.34
Series J	180	171	Series LW	10.31	10.29
Series O	749	730	Series LW5	14.95	15.31
Series PW	53,749	53,980	Series LX	14.93	15.31
Series PWFB	1,833	862			
Series PWFB5	4	4			
Series PWT5	4,888	5,250			
Series PWT8	3,591	3,579			
Series PWX	1,731	1,993			
Series PWX8	3	2			
Series T5	5,877	7,316			
Series T8	1,766	1,895			
Series LB	9,616	10,993			
Series LF	1,192	125			
Series LF5	1	1			

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



**MACKENZIE**  
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# MACKENZIE CANADIAN DIVIDEND CLASS

(Formerly Mackenzie Canadian Large Cap Dividend Class)

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		2019	2018
	\$	\$		\$	\$
<b>Income</b>					
Dividends	3,611	1,065	Series PWT5	231	19
Interest income	8	21	Series PWT8	169	131
Other changes in fair value of investments and other net assets			Series PWX	98	41
Net realized gain (loss)	1,394	1,470	Series PWX8	1	–
Net unrealized gain (loss)	6,726	1,104	Series T5	293	44
Securities lending income	–	1	Series T8	79	116
<b>Total income (loss)</b>	<b>11,739</b>	<b>3,661</b>	Series LB	456	–
			Series LF	32	–
			Series LF5	–	–
			Series LW	1,317	–
			Series LW5	302	–
			Series LX	91	–
<b>Expenses (note 6)</b>			<b>Increase (decrease) in net assets attributable to securityholders from operations per security</b>		
Management fees	1,865	534	Series A	0.72	1.01
Administration fees	207	62	Series B	0.34	0.47
Interest charges	–	1	Series D	0.51	1.01
Commissions and other portfolio transaction costs	14	17	Series F	0.94	0.95
Independent Review Committee fees	–	–	Series F5	0.68	–
Other	3	1	Series F8	0.65	–
<b>Expenses before amounts absorbed by Manager</b>	<b>2,089</b>	<b>615</b>	Series FB	0.51	1.00
Expenses absorbed by Manager	–	–	Series FB5	0.77	–
<b>Net expenses</b>	<b>2,089</b>	<b>615</b>	Series GJ	0.48	–
			Series G0	0.56	–
			Series G05	0.85	–
			Series I	0.79	0.96
			Series J	0.61	1.33
			Series O	1.12	1.46
			Series PW	0.51	0.56
			Series PWF	–	0.36
			Series PWFB	0.54	0.45
			Series PWFB5	0.77	–
			Series PWT5	0.49	0.56
			Series PWT8	0.48	0.60
			Series PWX	0.50	0.68
			Series PWX8	0.84	–
			Series T5	0.45	0.65
			Series T8	0.32	0.49
			Series LB	0.46	–
			Series LF	0.65	–
			Series LF5	0.80	–
			Series LW	0.46	–
			Series LW5	0.67	–
			Series LX	0.67	–
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>9,650</b>	<b>3,046</b>			
Foreign withholding taxes	–	31			
Income taxes (note 5)	–	–			
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>9,650</b>	<b>3,015</b>			
<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>					
Series A	2,266	1,194			
Series B	66	98			
Series D	22	20			
Series F	1,224	229			
Series F5	56	–			
Series F8	12	–			
Series FB	2	4			
Series FB5	–	–			
Series GJ	40	–			
Series G0	285	–			
Series G05	13	–			
Series I	9	10			
Series J	9	26			
Series O	41	55			
Series PW	2,465	887			
Series PWF	–	130			
Series PWFB	71	11			
Series PWFB5	–	–			

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**MACKENZIE**  
Investments

# MACKENZIE CANADIAN DIVIDEND CLASS

(Formerly Mackenzie Canadian Large Cap Dividend Class)

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 B		Series D		Series F		Series F5	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	53,424	26,880	1,566	2,023	457	124	24,337	2,435	1,274	–
Increase (decrease) in net assets from operations	2,266	1,194	66	98	22	20	1,224	229	56	–
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(1,753)	(643)	(50)	(51)	(17)	(13)	(929)	(77)	(55)	–
Return of capital	–	–	(63)	(84)	–	–	–	–	(30)	–
Total dividends paid to securityholders	(1,753)	(643)	(113)	(135)	(17)	(13)	(929)	(77)	(85)	–
Security transactions:										
Proceeds from securities issued	3,387	1,085	–	–	34	336	1,610	4,409	24	–
Proceeds from securities issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested dividends	1,728	635	103	120	17	12	854	61	73	–
Payments on redemption of securities	(11,094)	(11,189)	(260)	(259)	(108)	(354)	(3,718)	(465)	(365)	–
Total security transactions	(5,979)	(9,469)	(157)	(139)	(57)	(6)	(1,254)	4,005	(268)	–
<b>Total increase (decrease) in net assets</b>	<b>(5,466)</b>	<b>(8,918)</b>	<b>(204)</b>	<b>(176)</b>	<b>(52)</b>	<b>1</b>	<b>(959)</b>	<b>4,157</b>	<b>(297)</b>	<b>–</b>
<b>End of period</b>	<b>47,958</b>	<b>17,962</b>	<b>1,362</b>	<b>1,847</b>	<b>405</b>	<b>125</b>	<b>23,378</b>	<b>6,592</b>	<b>977</b>	<b>–</b>

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	3,307	1,492	207	219	43	10	1,346	119	95	–
Issued	211	58	–	–	3	28	90	214	2	–
Issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested dividends	108	35	14	13	2	1	48	3	6	–
Redeemed	(688)	(612)	(35)	(28)	(10)	(29)	(205)	(22)	(28)	–
<b>Securities outstanding – end of period</b>	<b>2,938</b>	<b>973</b>	<b>186</b>	<b>204</b>	<b>38</b>	<b>10</b>	<b>1,279</b>	<b>314</b>	<b>75</b>	<b>–</b>

	Series F8		Series FB		Series FB5		Series GJ		Series GO	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	222	–	43	129	3	–	867	–	5,461	–
Increase (decrease) in net assets from operations	12	–	2	4	–	–	40	–	285	–
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(10)	–	(2)	(4)	–	–	(38)	–	(242)	–
Return of capital	(10)	–	–	–	–	–	–	–	–	–
Total dividends paid to securityholders	(20)	–	(2)	(4)	–	–	(38)	–	(242)	–
Security transactions:										
Proceeds from securities issued	6	–	6	–	–	–	–	–	–	–
Proceeds from securities issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested dividends	10	–	2	4	–	–	37	–	220	–
Payments on redemption of securities	–	–	–	(123)	–	–	(2)	–	(865)	–
Total security transactions	16	–	8	(119)	–	–	35	–	(645)	–
<b>Total increase (decrease) in net assets</b>	<b>8</b>	<b>–</b>	<b>8</b>	<b>(119)</b>	<b>–</b>	<b>–</b>	<b>37</b>	<b>–</b>	<b>(602)</b>	<b>–</b>
<b>End of period</b>	<b>230</b>	<b>–</b>	<b>51</b>	<b>10</b>	<b>3</b>	<b>–</b>	<b>904</b>	<b>–</b>	<b>4,859</b>	<b>–</b>

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	17	–	4	12	–	–	84	–	529	–
Issued	–	–	1	–	–	–	–	–	–	–
Issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested dividends	1	–	–	–	–	–	4	–	22	–
Redeemed	–	–	–	(11)	–	–	–	–	(85)	–
<b>Securities outstanding – end of period</b>	<b>18</b>	<b>–</b>	<b>5</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>88</b>	<b>–</b>	<b>466</b>	<b>–</b>

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

# MACKENZIE CANADIAN DIVIDEND CLASS

(Formerly Mackenzie Canadian Large Cap Dividend Class)

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 G05		Series I		Series J		Series O		Series PW	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	239	–	204	190	171	675	730	942	53,980	16,033
Increase (decrease) in net assets from operations	13	–	9	10	9	26	41	55	2,465	887
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(11)	–	(8)	(5)	(6)	(4)	(33)	(38)	(1,907)	(393)
Return of capital	(6)	–	–	–	–	–	–	–	–	–
Total dividends paid to securityholders	(17)	–	(8)	(5)	(6)	(4)	(33)	(38)	(1,907)	(393)
Security transactions:										
Proceeds from securities issued	–	–	1	–	–	–	–	–	6,025	8,794
Proceeds from securities issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested dividends	17	–	8	5	6	4	33	38	1,877	386
Payments on redemption of securities	(33)	–	–	–	–	(533)	(22)	(201)	(8,691)	(2,534)
Total security transactions	(16)	–	9	5	6	(529)	11	(163)	(789)	6,646
<b>Total increase (decrease) in net assets</b>	<b>(20)</b>	<b>–</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>(507)</b>	<b>19</b>	<b>(146)</b>	<b>(231)</b>	<b>7,140</b>
<b>End of period</b>	<b>219</b>	<b>–</b>	<b>214</b>	<b>200</b>	<b>180</b>	<b>168</b>	<b>749</b>	<b>796</b>	<b>53,749</b>	<b>23,173</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	16	–	12	10	13	45	36	41	4,754	1,263
Issued	–	–	–	–	–	–	–	–	530	686
Issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested dividends	1	–	1	–	–	–	2	2	167	30
Redeemed	(3)	–	–	–	–	(34)	(1)	(9)	(768)	(197)
<b>Securities outstanding – end of period</b>	<b>14</b>	<b>–</b>	<b>13</b>	<b>10</b>	<b>13</b>	<b>11</b>	<b>37</b>	<b>34</b>	<b>4,683</b>	<b>1,782</b>

	Series PWF		Series PWFB		Series PWFB5		Series PWT5		Series PWT8	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	–	4,313	862	147	4	–	5,250	292	3,579	2,314
Increase (decrease) in net assets from operations	–	130	71	11	–	–	231	19	169	131
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	–	(125)	(34)	(5)	–	–	(191)	(8)	(132)	(61)
Return of capital	–	–	–	–	–	–	(144)	(14)	(160)	(121)
Total dividends paid to securityholders	–	(125)	(34)	(5)	–	–	(335)	(22)	(292)	(182)
Security transactions:										
Proceeds from securities issued	–	135	1,083	129	–	–	759	195	317	861
Proceeds from securities issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested dividends	–	109	34	5	–	–	238	16	207	115
Payments on redemption of securities	–	(4,562)	(183)	(1)	–	–	(1,255)	(2)	(389)	(390)
Total security transactions	–	(4,318)	934	133	–	–	(258)	209	135	586
<b>Total increase (decrease) in net assets</b>	<b>–</b>	<b>(4,313)</b>	<b>971</b>	<b>139</b>	<b>–</b>	<b>–</b>	<b>(362)</b>	<b>206</b>	<b>12</b>	<b>535</b>
<b>End of period</b>	<b>–</b>	<b>–</b>	<b>1,833</b>	<b>286</b>	<b>4</b>	<b>–</b>	<b>4,888</b>	<b>498</b>	<b>3,591</b>	<b>2,849</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	–	378	101	15	–	–	461	22	340	181
Issued	–	12	128	13	–	–	68	14	31	67
Issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested dividends	–	9	4	1	–	–	21	1	20	9
Redeemed	–	(399)	(21)	–	–	–	(113)	–	(38)	(31)
<b>Securities outstanding – end of period</b>	<b>–</b>	<b>–</b>	<b>212</b>	<b>29</b>	<b>–</b>	<b>–</b>	<b>437</b>	<b>37</b>	<b>353</b>	<b>226</b>

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(Formerly Mackenzie Canadian Large Cap Dividend Class)

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
	Series PWX		Series PWX8		Series T5		Series T8	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	1,993	674	2	–	7,316	989	1,895	2,520
Increase (decrease) in net assets from operations	98	41	1	–	293	44	79	116
Dividends paid to securityholders:								
Ordinary	–	–	–	–	–	–	–	–
Capital gains	(90)	(27)	–	–	(230)	(24)	(63)	(61)
Return of capital	–	–	–	–	(171)	(26)	(81)	(94)
Total dividends paid to securityholders	(90)	(27)	–	–	(401)	(50)	(144)	(155)
Security transactions:								
Proceeds from securities issued	–	–	–	–	594	44	276	225
Proceeds from securities issued on merger	–	–	–	–	–	–	–	–
Reinvested dividends	86	27	–	–	289	36	95	103
Payments on redemption of securities	(356)	(3)	–	–	(2,214)	(345)	(435)	(930)
Total security transactions	(270)	24	–	–	(1,331)	(265)	(64)	(602)
<b>Total increase (decrease) in net assets</b>	<b>(262)</b>	<b>38</b>	<b>1</b>	<b>–</b>	<b>(1,439)</b>	<b>(271)</b>	<b>(129)</b>	<b>(641)</b>
<b>End of period</b>	<b>1,731</b>	<b>712</b>	<b>3</b>	<b>–</b>	<b>5,877</b>	<b>718</b>	<b>1,766</b>	<b>1,879</b>

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	203	60	–	–	731	83	248	271
Issued	–	–	–	–	60	4	36	24
Issued on merger	–	2	–	–	–	3	–	11
Reinvested dividends	9	–	–	–	29	–	13	–
Redeemed	(37)	–	–	–	(223)	(29)	(58)	(100)
<b>Securities outstanding – end of period</b>	<b>175</b>	<b>62</b>	<b>–</b>	<b>–</b>	<b>597</b>	<b>61</b>	<b>239</b>	<b>206</b>

	Series LB		Series LF		Series LF5		Series LW	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	10,993	–	125	–	1	–	30,342	–
Increase (decrease) in net assets from operations	456	–	32	–	–	–	1,317	–
Dividends paid to securityholders:								
Ordinary	–	–	–	–	–	–	–	–
Capital gains	(449)	–	(14)	–	–	–	(1,311)	–
Return of capital	–	–	–	–	–	–	–	–
Total dividends paid to securityholders	(449)	–	(14)	–	–	–	(1,311)	–
Security transactions:								
Proceeds from securities issued	89	–	1,111	–	–	–	764	–
Proceeds from securities issued on merger	–	–	–	–	–	–	–	–
Reinvested dividends	449	–	14	–	–	–	1,289	–
Payments on redemption of securities	(1,922)	–	(76)	–	–	–	(5,040)	–
Total security transactions	(1,384)	–	1,049	–	–	–	(2,987)	–
<b>Total increase (decrease) in net assets</b>	<b>(1,377)</b>	<b>–</b>	<b>1,067</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(2,981)</b>	<b>–</b>
<b>End of period</b>	<b>9,616</b>	<b>–</b>	<b>1,192</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>27,361</b>	<b>–</b>

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	1,068	–	12	–	–	–	2,948	–
Issued	9	–	108	–	–	–	73	–
Issued on merger	–	–	–	–	–	–	–	–
Reinvested dividends	45	–	2	–	–	–	128	–
Redeemed	(188)	–	(7)	–	–	–	(495)	–
<b>Securities outstanding – end of period</b>	<b>934</b>	<b>–</b>	<b>115</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,654</b>	<b>–</b>

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



**MACKENZIE**  
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# MACKENZIE CANADIAN DIVIDEND CLASS

(Formerly Mackenzie Canadian Large Cap Dividend Class)

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
	Series LW5		Series LX		Total	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS	\$		\$		\$	
<b>Beginning of period</b>	<b>6,969</b>	–	<b>2,073</b>	–	<b>214,382</b>	<b>60,680</b>
Increase (decrease) in net assets from operations	302	–	91	–	9,650	3,015
Dividends paid to securityholders:						
Ordinary	–	–	–	–	–	–
Capital gains	(305)	–	(89)	–	(7,969)	(1,539)
Return of capital	(170)	–	(50)	–	(885)	(339)
Total dividends paid to securityholders	(475)	–	(139)	–	(8,854)	(1,878)
Security transactions:						
Proceeds from securities issued	105	–	8	–	16,199	16,213
Proceeds from securities issued on merger	–	–	–	–	–	–
Reinvested dividends	465	–	138	–	8,289	1,676
Payments on redemption of securities	(1,045)	–	(204)	–	(38,277)	(21,891)
Total security transactions	(475)	–	(58)	–	(13,789)	(4,002)
<b>Total increase (decrease) in net assets</b>	<b>(648)</b>	–	<b>(106)</b>	–	<b>(12,993)</b>	<b>(2,865)</b>
<b>End of period</b>	<b>6,321</b>	–	<b>1,967</b>	–	<b>201,389</b>	<b>57,815</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>		<b>Securities</b>			
<b>Securities outstanding – beginning of period</b>	<b>455</b>	–	<b>135</b>	–		
Issued	7	–	2	–		
Issued on merger	–	–	–	–		
Reinvested dividends	31	–	9	–		
Redeemed	(70)	–	(14)	–		
<b>Securities outstanding – end of period</b>	<b>423</b>	–	<b>132</b>	–		

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



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# MACKENZIE CANADIAN DIVIDEND CLASS

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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	9,650	3,015
Adjustments for:		
Net realized loss (gain) on investments	(1,392)	(1,484)
Change in net unrealized loss (gain) on investments	(6,726)	(1,104)
Purchase of investments	(3,959)	(4,399)
Proceeds from sale and maturity of investments	24,709	9,438
Change in dividends receivable	–	19
Change in taxes recoverable	17	(9)
Change in due to manager	–	3
<b>Net cash from operating activities</b>	<b>22,299</b>	<b>5,479</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	9,068	5,960
Payments on redemption of securities	(31,016)	(11,559)
Dividends paid net of reinvestments	(564)	(202)
<b>Net cash from financing activities</b>	<b>(22,512)</b>	<b>(5,801)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(213)</b>	<b>(322)</b>
Cash and cash equivalents at beginning of period	235	261
Effect of exchange rate fluctuations on cash and cash equivalents	(4)	–
<b>Cash and cash equivalents at end of period</b>	<b>18</b>	<b>(61)</b>
Cash	18	–
Cash equivalents	–	–
Bank indebtedness	–	(61)
<b>Cash and cash equivalents at end of period</b>	<b>18</b>	<b>(61)</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	3,611	1,084
Taxes paid	–	31
Interest received	8	21
Interest paid	–	1

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



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## SCHEDULE OF INVESTMENTS

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>MUTUAL FUNDS</b>					
Mackenzie Canadian Dividend Fund Series R	Canada	Mutual Funds	15,846,864	186,643	201,721
<b>Total mutual funds</b>				<b>186,643</b>	<b>201,721</b>
Transaction costs				(11)	–
<b>Total investments</b>				<b>186,632</b>	<b>201,721</b>
Cash and cash equivalents					18
Other assets less liabilities					(350)
<b>Total net assets</b>					<b>201,389</b>



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## SUMMARY OF INVESTMENT PORTFOLIO OF THE UNDERLYING FUND\*

September 30, 2019		March 31, 2019	
Portfolio Allocation	% of NAV	Portfolio Allocation	% of NAV
Equities	98.3	Equities	97.5
Exchange-traded funds/notes	1.1	Exchange-traded funds/notes	2.0
Cash and short-term investments	0.6	Cash and short-term investments	0.9
Mutual funds	0.1	Mutual funds	0.1
Other assets (liabilities)	(0.1)	Other assets (liabilities)	(0.5)
Regional Allocation	% of NAV	Regional Allocation	% of NAV
Canada	78.9	Canada	78.8
United States	10.5	United States	10.8
Germany	1.6	United Kingdom	1.6
Switzerland	1.5	Switzerland	1.5
Japan	1.2	Japan	1.2
France	1.1	Germany	1.2
United Kingdom	1.1	France	1.0
Other	0.9	Cash and short-term investments	0.9
Netherlands	0.7	Other	0.9
Cash and short-term investments	0.6	Netherlands	0.7
Hong Kong	0.5	China	0.5
China	0.5	Hong Kong	0.4
Spain	0.3	Denmark	0.3
Denmark	0.3	Spain	0.3
Taiwan	0.2	Finland	0.2
Luxembourg	0.2	Luxembourg	0.2
Other assets (liabilities)	(0.1)	Other assets (liabilities)	(0.5)
Sector Allocation	% of NAV	Sector Allocation	% of NAV
Financials	35.8	Financials	34.0
Energy	16.3	Energy	17.1
Consumer staples	8.2	Communication services	8.8
Communication services	7.8	Industrials	8.3
Industrials	7.7	Consumer staples	7.5
Information technology	5.9	Information technology	5.3
Materials	4.7	Materials	4.2
Health care	3.3	Health care	3.5
Utilities	3.1	Utilities	3.3
Real estate	2.8	Consumer discretionary	3.1
Consumer discretionary	2.7	Real estate	2.4
Exchange-traded funds/notes	1.1	Exchange-traded funds/notes	2.0
Cash and short-term investments	0.6	Cash and short-term investments	0.9
Mutual funds	0.1	Mutual funds	0.1
Other assets (liabilities)	(0.1)	Other assets (liabilities)	(0.5)

\* The Fund is currently fully invested in Mackenzie Canadian Dividend Fund (the "Underlying Fund").



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# MACKENZIE CANADIAN DIVIDEND CLASS

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CANADIAN EQUITY FUND

## 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.



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CANADIAN EQUITY FUND

## 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.



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## 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.

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## 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.



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## 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.



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(Formerly Mackenzie Canadian Large Cap Dividend Class)

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### 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.



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

#### vi. Credit risk

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

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

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

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

#### vii. Underlying funds

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



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

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

Date of Formation November 5, 2003

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 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 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.

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 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 B, Series GJ, Series GO, Series GO5 and Series PWX8 securities were created specifically for the purpose of implementing mergers affecting the Fund and are not available for sale.

Series I, Series J, Series O and Series PWX securities are no longer available for sale.

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

Series LB, Series LF, Series LF5, Series LW, Series LW5 and Series LX securities were created specifically for the purpose of implementing mergers affecting the Fund and are no longer available for sale, except for additional purchases by investors who have held these securities since February 8, 2019.

An investor in the Fund may choose among different purchase options that are available under each series. These purchase options are a sales charge purchase option, a redemption charge purchase option and various low-load purchase options. The charges under the sales charge purchase option are negotiated by investors with their dealers. The charges under the redemption charge and low-load purchase options are paid to Mackenzie if an investor redeems securities of the Fund during specific periods. Not all purchase options are available under each series of the Fund, and the charges for each purchase option may vary among the different series. For further details on these purchase options, please refer to the Fund's Simplified Prospectus and Fund Facts.



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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Sep. 30, 2019	Mar. 31, 2019
Series A	November 24, 2003	1.85%	0.24%	16.33	16.15
Series B	June 26, 2009	1.75%	0.27%	7.33	7.58
Series D	March 19, 2014	1.10%	0.19%	10.65	10.54
Series F	December 9, 2003	0.75% <sup>(3)</sup>	0.15% <sup>(6)</sup>	18.28	18.08
Series F5	October 24, 2018	0.75%	0.15%	13.08	13.35
Series F8	October 24, 2018	0.75%	0.15%	12.69	13.18
Series FB	October 26, 2015	0.85%	0.24%	9.90	9.79
Series FB5	February 8, 2019	0.85%	0.24%	15.04	15.33
Series GJ	February 8, 2019	1.55%	0.20%	10.32	10.30
Series GO	February 8, 2019	— <sup>(1)</sup>	— *	10.44	10.32
Series GO5	February 8, 2019	— <sup>(1)</sup>	— *	15.14	15.35
Series I	March 31, 2004	1.35%	0.24%	16.80	16.62
Series J	November 22, 2010	1.70%	0.20%	13.41	13.27
Series O	December 9, 2003	— <sup>(1)</sup>	— *	20.30	20.07
Series PW	October 18, 2013	1.75% <sup>(4)</sup>	0.15%	11.48	11.35
Series PWF	None issued <sup>(7)</sup>	0.80%	0.15%	—	—
Series PWFB	April 3, 2017	0.75% <sup>(5)</sup>	0.15%	8.64	8.55
Series PWFB5	February 8, 2019	0.75%	0.15%	15.05	15.33
Series PWT5 <sup>(8)</sup>	April 3, 2017	1.75% <sup>(4)</sup>	0.15%	11.19	11.38
Series PWT8	November 20, 2013	1.75% <sup>(4)</sup>	0.15%	10.17	10.51
Series PWX	June 20, 2014	— <sup>(2)</sup>	— <sup>(2)</sup>	9.91	9.80
Series PWX8	February 8, 2019	— <sup>(2)</sup>	— <sup>(2)</sup>	14.84	15.28
Series T5 <sup>(8)</sup>	March 13, 2008	1.85%	0.24%	9.85	10.01
Series T8	January 16, 2008	1.85%	0.24%	7.39	7.64
Series LB	February 8, 2019	1.85%	0.24%	10.30	10.29
Series LF	February 8, 2019	0.75%	0.15%	10.38	10.31
Series LF5	February 8, 2019	0.75%	0.15%	15.08	15.34
Series LW	February 8, 2019	1.75%	0.15%	10.31	10.29
Series LW5	February 8, 2019	1.75%	0.15%	14.95	15.31
Series LX	February 8, 2019	1.85%	0.24%	14.93	15.31

\* Not applicable.

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

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

(3) Prior to June 1, 2018, the management fee for Series F was charged to the Fund at a rate of 0.85%.

(4) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 1.80%.

(5) Prior to June 1, 2018, the management fee for Series PWFB was charged to the Fund at a rate of 0.80%.

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

(7) The series' original start date was January 13, 2015. All securities in the series were consolidated into Series F on June 1, 2018.

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

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## 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 had an investment of \$25 (March 31, 2019 – \$24) in the Fund.

#### (c) 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.

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	–	–	1	100.0
Tax withheld	–	–	–	–
	–	–	1	100.0
Payments to Securities Lending Agent	–	–	–	–
Securities lending income	–	–	1	100.0

#### (d) Commissions

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

	(\$)
September 30, 2019	1
September 30, 2018	3

#### (e) Name Change

Effective September 27, 2019, the Fund was renamed Mackenzie Canadian Dividend Class.

#### (f) Fund Merger

At a meeting held on January 22, 2019, investors in Mackenzie Canadian All Cap Dividend Class (the “Terminating Fund”) approved the merger of the Terminating Fund into the Fund. The merger was effective after the close of business on February 8, 2019. The merger was effected by transferring the net assets of the Terminating Fund in exchange for the securities of the Fund at fair market value. Series A, Series D, Series F, Series F5, Series F8, Series FB, Series FB5, Series J, Series O, Series O6, Series PW, Series PWFB, Series PWFB5, Series PWT6, Series PWT8, Series PWX, Series PWX8, Series T6, Series T8, Series LB, Series LW, Series LW5 and Series LX of the Terminating Fund were issued 2,435 Series A securities, 21 Series D securities, 1,057 Series F securities, 94 Series F5 securities, 17 Series F8 securities, 2 Series FB securities, 0.16 Series FB5 securities, 83 Series GJ securities, 539 Series GO securities, 15 Series G05 securities, 3,014 Series PW securities, 42 Series PWFB securities, 6 Series PWFB5 securities, 415 Series PWT5 securities, 70 Series PWT8 securities, 140 Series PWX securities, 6 Series PWX8 securities, 729 Series T5 securities, 5 Series T8 securities, 1,187 Series LB securities, 3,100 Series LW securities, 484 Series LW5 Series securities and 148 Series LX securities of the Fund in exchange for net assets of \$164,352 which was the fair value on February 8, 2019. 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.

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

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

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## NOTES TO FINANCIAL STATEMENTS

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

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

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

The Fund seeks long-term capital growth and dividend income with below-average risk by investing primarily in Canadian equities, either directly or through other mutual funds. It may hold up to 30% of its assets in foreign investments. It currently invests all its assets in Mackenzie Canadian Dividend Fund (the "Underlying Fund").

##### *ii. Currency risk*

The Underlying Fund is denominated in Canadian dollars. However, the Fund is indirectly exposed to the risk that the value of foreign currency denominated financial instruments held by the Underlying Fund will fluctuate due to changes in exchange rates. The Underlying Fund may hedge some or all of their currency exposure.

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 \$1,914 or 1.0% of total net assets (March 31, 2019 – \$2,042 or 1.0%). 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 exposure to the Underlying Fund's investment in equity securities, exchange-traded funds/notes and mutual funds. 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 \$20,065 or 10.0% of total net assets (March 31, 2019 – \$21,354 or 10.0%). 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.

#### (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 (\$)
Mutual funds	201,721	–	–	201,721	214,347	–	–	214,347
Total	201,721	–	–	201,721	214,347	–	–	214,347

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).