

MACKENZIE US SMALL-MID CAP GROWTH CURRENCY NEUTRAL FUND

Interim Unaudited Financial Statements

For the Six-Month Period Ended September 30, 2022

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. 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 Mackenzie US Small-Mid Cap Growth Currency Neutral Fund (“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 US SMALL-MID CAP GROWTH CURRENCY NEUTRAL FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2022

STATEMENTS OF FINANCIAL POSITION

at (in \$ 000 except per security amounts) (note 10)

	Sep. 30 2022	Mar. 31 2022 (Audited)
	\$	\$
ASSETS		
Current assets		
Investments at fair value	329,771	466,538
Cash and cash equivalents	37,074	16,246
Dividends receivable	126	149
Accounts receivable for investments sold	45	3,195
Accounts receivable for securities issued	45	644
Due from manager	3	–
Derivative assets	263	6,597
Taxes recoverable (note 5)	290	290
Total assets	367,617	493,659
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	–	7,503
Accounts payable for securities redeemed	205	377
Distribution payable	9	–
Due to manager	13	18
Derivative liabilities	25,378	391
Total liabilities	25,605	8,289
Net assets attributable to securityholders	342,012	485,370

Net assets attributable to securityholders (note 3)

	per security		per series	
	Sep. 30 2022	Mar. 31 2022 (Audited)	Sep. 30 2022	Mar. 31 2022 (Audited)
Series A	24.15	31.95	38,494	57,568
Series AR	11.62	15.38	1,442	2,038
Series D	11.09	14.59	1,663	1,346
Series F	26.89	35.30	210,312	300,549
Series F5	10.45	14.15	82	121
Series F8	9.17	12.66	282	384
Series FB	11.38	14.98	36	60
Series FB5	10.61	14.38	1	2
Series I	21.63	28.51	134	185
Series J	18.42	24.33	66	87
Series O	25.24	32.96	19,572	26,609
Series PW	11.83	15.62	60,751	83,668
Series PWFB	9.37	12.30	345	411
Series PWFB5	10.62	14.38	1	2
Series PWR	8.24	10.88	934	1,160
Series PWT5	10.24	13.94	806	1,098
Series PWT8	8.58	11.92	1,482	1,832
Series PWX	11.69	15.27	3,868	5,210
Series PWX8	8.61	11.83	121	167
Series T5	13.25	18.08	216	329
Series T8	9.05	12.59	1,404	2,544
			342,012	485,370

STATEMENTS OF COMPREHENSIVE INCOME

for the periods ended September 30 (in \$ 000 except per security amounts) (note 10)

	2022 \$	2021 \$
Income		
Dividends	1,238	2,036
Interest income	85	15
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(14,960)	123,144
Net unrealized gain (loss)	(94,381)	(103,516)
Securities lending income	1	1
Total income (loss)	(108,017)	21,680
Expenses (note 6)		
Management fees	2,451	3,305
Management fee rebates	(4)	–
Administration fees	354	476
Commissions and other portfolio transaction costs	–	106
Interest charges	66	1
Independent Review Committee fees	1	1
Expenses before amounts absorbed by Manager	2,868	3,889
Expenses absorbed by Manager	–	–
Net expenses	2,868	3,889
Increase (decrease) in net assets attributable to securityholders from operations before tax	(110,885)	17,791
Foreign withholding tax expense (recovery)	185	260
Income tax expense (recovery) (note 5)	–	–
Increase (decrease) in net assets attributable to securityholders from operations	(111,070)	17,531

Increase (decrease) in net assets attributable to securityholders from operations (note 3)

	per security		per series	
	2022	2021	2022	2021
Series A	(7.81)	1.07	(13,061)	2,267
Series AR	(3.77)	0.48	(478)	66
Series D	(3.46)	0.46	(503)	42
Series F	(8.53)	1.28	(67,899)	10,753
Series F5	(3.25)	0.50	(27)	5
Series F8	(2.95)	0.50	(90)	14
Series FB	(3.44)	0.55	(13)	4
Series FB5	(3.39)	0.48	(1)	–
Series I	(6.87)	0.85	(44)	4
Series J	(5.91)	2.49	(20)	17
Series O	(7.75)	1.38	(6,049)	1,131
Series PW	(3.79)	0.50	(19,891)	2,743
Series PWFB	(2.97)	0.41	(102)	12
Series PWFB5	(3.38)	0.50	(1)	–
Series PWR	(2.62)	0.08	(292)	5
Series PWT5	(3.32)	0.40	(261)	29
Series PWT8	(2.73)	0.22	(466)	26
Series PWX	(3.58)	0.75	(1,202)	291
Series PWX8	(2.72)	0.51	(37)	6
Series T5	(4.45)	0.52	(75)	10
Series T8	(2.94)	0.48	(558)	106
			(111,070)	17,531

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

MACKENZIE US SMALL-MID CAP GROWTH CURRENCY NEUTRAL FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2022

STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the periods ended September 30 (in \$ 000 except per security amounts) (note 10)

	Total		Series A		Series AR		Series D		Series F	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	485,370	520,250	57,568	74,927	2,038	2,302	1,346	1,337	300,549	308,622
Increase (decrease) in net assets from operations	(111,070)	17,531	(13,061)	2,267	(478)	66	(503)	42	(67,899)	10,753
Distributions paid to securityholders:										
Investment income	–	(61)	–	–	–	–	–	–	–	–
Capital gains	–	(34,969)	–	(4,074)	–	(128)	–	(90)	–	(22,009)
Return of capital	(251)	(243)	–	–	–	–	–	–	–	–
Management fee rebates	(4)	–	–	–	–	–	–	–	(1)	–
Total distributions paid to securityholders	(255)	(35,273)	–	(4,074)	–	(128)	–	(90)	(1)	(22,009)
Security transactions:										
Proceeds from securities issued	33,167	36,264	1,441	2,247	50	110	963	–	26,883	25,592
Reinvested distributions	62	29,058	–	3,887	–	128	–	82	1	17,472
Payments on redemption of securities	(65,262)	(66,218)	(7,454)	(13,171)	(168)	(350)	(143)	(33)	(49,221)	(35,363)
Total security transactions	(32,033)	(896)	(6,013)	(7,037)	(118)	(112)	820	49	(22,337)	7,701
Increase (decrease) in net assets attributable to securityholders	(143,358)	(18,638)	(19,074)	(8,844)	(596)	(174)	317	1	(90,237)	(3,555)
End of period	342,012	501,612	38,494	66,083	1,442	2,128	1,663	1,338	210,312	305,067
Increase (decrease) in fund securities (in thousands) (note 7):										
Securities outstanding – beginning of period			1,802	2,248	133	144	92	88	8,513	8,345
Issued			52	65	3	6	69	–	899	675
Reinvested distributions			–	114	–	8	–	5	–	466
Redeemed			(260)	(380)	(12)	(21)	(11)	(2)	(1,591)	(921)
Securities outstanding – end of period			1,594	2,047	124	137	150	91	7,821	8,565

	Series F5		Series F8		Series FB		Series FB5		Series I	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	121	119	384	375	60	102	2	1	185	178
Increase (decrease) in net assets from operations	(27)	5	(90)	14	(13)	4	(1)	–	(44)	4
Distributions paid to securityholders:										
Investment income	–	–	–	–	–	–	–	–	–	–
Capital gains	–	(9)	–	(27)	–	(7)	–	–	–	(11)
Return of capital	(3)	(3)	(16)	(15)	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(3)	(12)	(16)	(42)	–	(7)	–	–	–	(11)
Security transactions:										
Proceeds from securities issued	–	–	–	–	–	–	–	–	–	1
Reinvested distributions	1	9	4	29	–	6	–	–	–	11
Payments on redemption of securities	(10)	–	–	(14)	(11)	(9)	–	–	(7)	(3)
Total security transactions	(9)	9	4	15	(11)	(3)	–	–	(7)	9
Increase (decrease) in net assets attributable to securityholders	(39)	2	(102)	(13)	(24)	(6)	(1)	–	(51)	2
End of period	82	121	282	362	36	96	1	1	134	180
Increase (decrease) in fund securities (in thousands) (note 7):										
Securities outstanding – beginning of period	9	8	30	26	4	7	–	–	6	6
Issued	–	–	1	–	–	–	–	–	–	–
Reinvested distributions	–	1	–	2	–	–	–	–	–	–
Redeemed	(1)	(1)	–	(1)	(1)	(1)	–	–	–	–
Securities outstanding – end of period	8	8	31	27	3	6	–	–	6	6

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

MACKENZIE US SMALL-MID CAP GROWTH CURRENCY NEUTRAL FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2022

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

for the periods ended September 30 (in \$ 000 except per security amounts) (note 10)

	Series J		Series O		Series PW		Series PWFB		Series PWFB5	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	87	248	26,609	28,185	83,668	89,686	411	406	2	1
Increase (decrease) in net assets from operations	(20)	17	(6,049)	1,131	(19,891)	2,743	(102)	12	(1)	–
Distributions paid to securityholders:										
Investment income	–	–	–	(51)	–	–	–	–	–	–
Capital gains	–	(8)	–	(2,206)	–	(5,474)	–	(29)	–	–
Return of capital	–	–	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	(3)	–	–	–	–	–
Total distributions paid to securityholders	–	(8)	–	(2,257)	(3)	(5,474)	–	(29)	–	–
Security transactions:										
Proceeds from securities issued	–	–	179	67	2,863	7,209	37	2	–	–
Reinvested distributions	–	6	–	1,187	3	5,257	–	26	–	–
Payments on redemption of securities	(1)	(177)	(1,167)	(920)	(5,889)	(13,997)	(1)	(9)	–	–
Total security transactions	(1)	(171)	(988)	334	(3,023)	(1,531)	36	19	–	–
Increase (decrease) in net assets attributable to securityholders	(21)	(162)	(7,037)	(792)	(22,917)	(4,262)	(66)	2	(1)	–
End of period	66	86	19,572	27,393	60,751	85,424	345	408	1	1
Increase (decrease) in fund securities (in thousands) (note 7):										
Securities outstanding – beginning of period	4	10	807	815	5,357	5,498	33	31	–	–
Issued	–	–	7	2	205	425	4	–	–	–
Reinvested distributions	–	–	–	34	–	317	–	2	–	–
Redeemed	–	(7)	(38)	(26)	(427)	(824)	–	–	–	–
Securities outstanding – end of period	4	3	776	825	5,135	5,416	37	33	–	–

	Series PWR		Series PWT5		Series PWT8		Series PWX		Series PWX8	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	1,160	650	1,098	1,027	1,832	1,338	5,210	6,825	167	172
Increase (decrease) in net assets from operations	(292)	5	(261)	29	(466)	26	(1,202)	291	(37)	6
Distributions paid to securityholders:										
Investment income	–	–	–	–	–	–	–	(10)	–	–
Capital gains	–	(52)	–	(66)	–	(96)	–	(470)	–	(13)
Return of capital	–	–	(29)	(25)	(86)	(63)	–	–	(7)	(8)
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	–	(52)	(29)	(91)	(86)	(159)	–	(480)	(7)	(21)
Security transactions:										
Proceeds from securities issued	115	320	27	39	493	367	2	125	–	–
Reinvested distributions	–	51	7	71	22	113	–	480	–	14
Payments on redemption of securities	(49)	(3)	(36)	(20)	(313)	(62)	(142)	(1,368)	(2)	(1)
Total security transactions	66	368	(2)	90	202	418	(140)	(763)	(2)	13
Increase (decrease) in net assets attributable to securityholders	(226)	321	(292)	28	(350)	285	(1,342)	(952)	(46)	(2)
End of period	934	971	806	1,055	1,482	1,623	3,868	5,873	121	170
Increase (decrease) in fund securities (in thousands) (note 7):										
Securities outstanding – beginning of period	107	57	79	67	154	99	341	426	14	13
Issued	11	27	2	3	47	25	–	8	–	–
Reinvested distributions	–	4	1	5	2	9	–	30	–	1
Redeemed	(5)	–	(3)	(2)	(30)	(4)	(10)	(82)	–	–
Securities outstanding – end of period	113	88	79	73	173	129	331	382	14	14

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MACKENZIE US SMALL-MID CAP GROWTH CURRENCY NEUTRAL FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2022

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

for the periods ended September 30 (in \$ 000 except per security amounts) (note 10)

	Series T5		Series T8	
	2022	2021	2022	2021
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS				
Beginning of period	329	390	2,544	3,359
Increase (decrease) in net assets from operations	(75)	10	(558)	106
Distributions paid to securityholders:				
Investment income	–	–	–	–
Capital gains	–	(22)	–	(178)
Return of capital	(8)	(9)	(102)	(120)
Management fee rebates	–	–	–	–
Total distributions paid to securityholders	(8)	(31)	(102)	(298)
Security transactions:				
Proceeds from securities issued	21	47	93	138
Reinvested distributions	3	25	21	204
Payments on redemption of securities	(54)	(54)	(594)	(664)
Total security transactions	(30)	18	(480)	(322)
Increase (decrease) in net assets attributable to securityholders	(113)	(3)	(1,140)	(514)
End of period	216	387	1,404	2,845
Increase (decrease) in fund securities (in thousands) (note 7):				
Securities outstanding – beginning of period	18	20	202	236
Issued	1	3	5	9
Reinvested distributions	–	1	2	15
Redeemed	(3)	(3)	(54)	(45)
Securities outstanding – end of period	16	21	155	215

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MACKENZIE US SMALL-MID CAP GROWTH CURRENCY NEUTRAL FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2022

STATEMENTS OF CASH FLOWS

for the periods ended September 30 (in \$ 000)

	2022	2021
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	(111,070)	17,531
Adjustments for:		
Net realized loss (gain) on investments	6,099	(123,144)
Change in net unrealized loss (gain) on investments	94,381	103,516
Purchase of investments	(27,101)	(90,034)
Proceeds from sale and maturity of investments	89,792	132,972
(Increase) decrease in accounts receivable and other assets	20	(71)
Increase (decrease) in accounts payable and other liabilities	(5)	(1)
Net cash provided by (used in) operating activities	52,116	40,769
Cash flows from financing activities		
Proceeds from securities issued	29,821	34,702
Payments on redemption of securities	(61,489)	(64,825)
Distributions paid net of reinvestments	(184)	(6,215)
Net cash provided by (used in) financing activities	(31,852)	(36,338)
Net increase (decrease) in cash and cash equivalents	20,264	4,431
Cash and cash equivalents at beginning of period	16,246	11,158
Effect of exchange rate fluctuations on cash and cash equivalents	564	(257)
Cash and cash equivalents at end of period	37,074	15,332
Cash	27,779	15,332
Cash equivalents	9,295	–
Cash and cash equivalents at end of period	37,074	15,332
Supplementary disclosures on cash flow from operating activities:		
Dividends received	1,261	1,965
Foreign taxes paid	185	260
Interest received	85	15
Interest paid	–	1

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

MACKENZIE US SMALL-MID CAP GROWTH CURRENCY NEUTRAL FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2022

SCHEDULE OF INVESTMENTS

as at September 30, 2022

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES					
Akamai Technologies Inc.	United States	Information Technology	116,640	17,262	12,951
Alteryx Inc.	United States	Information Technology	117,753	11,055	9,089
Amedisys Inc.	United States	Health Care	51,864	10,029	6,939
Berkeley Lights Inc.	United States	Health Care	291,508	9,794	1,152
Bio-Techne Corp.	United States	Health Care	19,775	9,631	7,763
Carter's Inc.	United States	Consumer Discretionary	120,013	14,644	10,871
Charles River Laboratories International Inc.	United States	Health Care	35,996	13,638	9,793
Cirrus Logic Inc.	United States	Information Technology	144,599	14,942	13,752
CommVault Systems Inc.	United States	Information Technology	176,695	16,114	12,955
CoStar Group Inc.	United States	Industrials	172,960	13,603	16,653
Coupa Software Inc.	United States	Information Technology	91,305	14,092	7,421
Dentsply Sirona Inc.	United States	Health Care	225,087	17,923	8,821
Dolby Laboratories Inc. Class A	United States	Information Technology	80,787	9,688	7,276
Equifax Inc.	United States	Industrials	26,843	8,670	6,361
ExService Holdings Inc.	United States	Information Technology	54,285	7,727	11,058
Frontdoor Inc.	United States	Consumer Discretionary	280,140	16,421	7,896
Grocery Outlet Holding Corp.	United States	Consumer Staples	313,788	11,645	14,440
Healthcare Services Group Inc.	United States	Industrials	333,519	10,857	5,574
HealthEquity Inc.	United States	Health Care	142,899	12,129	13,268
iRhythm Technologies Inc.	United States	Health Care	94,898	7,482	16,434
Kennedy-Wilson Holdings Inc.	United States	Real Estate	331,181	8,429	7,078
Keysight Technologies Inc.	United States	Information Technology	49,772	10,226	10,827
LivePerson Inc.	United States	Information Technology	219,783	17,243	2,862
Markel Corp.	United States	Financials	9,120	13,778	13,669
MAXIMUS Inc.	United States	Information Technology	144,362	15,874	11,548
Parsons Corp.	United States	Industrials	241,370	11,557	13,079
Petco Health & Wellness Co. Inc.	United States	Consumer Discretionary	344,448	7,888	5,314
Premier Inc. Class A	United States	Health Care	313,222	14,008	14,695
Rackspace Technology Inc.	United States	Information Technology	544,998	11,187	3,074
Signature Bank	United States	Financials	24,005	6,796	5,011
Syneos Health Inc.	United States	Health Care	124,916	13,884	8,142
Tenable Holdings Inc.	United States	Information Technology	208,385	11,476	10,024
Verra Mobility Corp.	United States	Information Technology	486,879	9,291	10,345
Wabtec Corp.	United States	Industrials	121,257	12,952	13,636
Total equities				411,935	329,771
Transaction costs				(54)	-
Total investments				411,881	329,771
Derivative instruments (see schedule of derivative instruments)					(25,115)
Cash and cash equivalents					37,074
Other assets less liabilities					282
Net assets attributable to securityholders					342,012

MACKENZIE US SMALL-MID CAP GROWTH CURRENCY NEUTRAL FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2022

SUMMARY OF INVESTMENT PORTFOLIO

SEPTEMBER 30, 2022

PORTFOLIO ALLOCATION	% OF NAV
Equities	96.5
Cash and short-term investments	10.8
Other assets (liabilities)	(7.3)

REGIONAL ALLOCATION	% OF NAV
United States	96.5
Cash and short-term investments	10.8
Other assets (liabilities)	(7.3)

SECTOR ALLOCATION	% OF NAV
Information technology	36.1
Health care	25.4
Industrials	16.2
Cash and short-term investments	10.8
Consumer discretionary	7.0
Financials	5.5
Consumer staples	4.2
Real estate	2.1
Other assets (liabilities)	(7.3)

MARCH 31, 2022

PORTFOLIO ALLOCATION	% OF NAV
Equities	96.2
Cash and short-term investments	3.3
Other assets (liabilities)	0.5

REGIONAL ALLOCATION	% OF NAV
United States	96.2
Cash and short-term investments	3.3
Other assets (liabilities)	0.5

SECTOR ALLOCATION	% OF NAV
Information technology	38.8
Health care	24.6
Industrials	13.3
Consumer discretionary	7.5
Financials	6.1
Consumer staples	3.6
Cash and short-term investments	3.3
Real estate	2.3
Other assets (liabilities)	0.5

MACKENZIE US SMALL-MID CAP GROWTH CURRENCY NEUTRAL FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2022

SCHEDULE OF DERIVATIVE INSTRUMENTS

as at September 30, 2022

Schedule of Forward Currency Contracts

Counterparty Credit Rating	Currency to be Received (\$ 000)		Currency to be Delivered (\$ 000)		Settlement Date	Contract Cost (\$ 000)	Current Fair Value (\$ 000)	Unrealized Gains (\$ 000)	Unrealized Losses (\$ 000)
AA	102,275	CAD	(79,380)	USD	Oct. 21, 2022	(102,275)	(109,637)	–	(7,362)
AA	9,596	CAD	(7,428)	USD	Oct. 28, 2022	(9,596)	(10,257)	–	(661)
A	31,638	CAD	(24,500)	USD	Oct. 28, 2022	(31,638)	(33,829)	–	(2,191)
A	50,951	CAD	(39,450)	USD	Nov. 4, 2022	(50,951)	(54,466)	–	(3,515)
AA	11,608	CAD	(9,060)	USD	Nov. 18, 2022	(11,608)	(12,508)	–	(900)
A	49,030	CAD	(38,160)	USD	Nov. 18, 2022	(49,030)	(52,683)	–	(3,653)
AA	82,583	CAD	(64,257)	USD	Nov. 18, 2022	(82,583)	(88,711)	–	(6,128)
AA	10,195	USD	(13,868)	CAD	Nov. 18, 2022	13,868	14,075	207	–
AA	5,875	USD	(8,055)	CAD	Nov. 18, 2022	8,055	8,111	56	–
A	14,357	CAD	(10,908)	USD	Jan. 13, 2023	(14,357)	(15,047)	–	(690)
A	9,301	CAD	(6,945)	USD	Jan. 20, 2023	(9,301)	(9,579)	–	(278)
Total forward currency contracts								263	(25,378)
Total Derivative assets									263
Total Derivative liabilities									(25,378)

MACKENZIE US SMALL-MID CAP GROWTH CURRENCY NEUTRAL FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2022

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, 2022 and 2021, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2022, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Where a series of a Fund was terminated during either period, the information for the series is provided up to close of business on the termination date. Refer to Note 10 for the formation date of the Fund and the inception date of each series.

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

Mackenzie Financial Corporation ("Mackenzie") is the manager of the Fund and is wholly owned by IGM Financial Inc., a subsidiary of Power Corporation of Canada. Canada Life Investment Management Ltd. ("CLIML") is wholly owned by The Canada Life Assurance Company ("Canada Life"), a subsidiary of Power Corporation of Canada. Investments in companies within the Power Group of companies held by the Fund are identified in the Schedule of Investments.

2. Basis of Preparation and Presentation

These 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, 2022. 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 11, 2022.

3. Significant Accounting Policies

(a) Financial instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives. The Fund classifies and measures financial instruments in accordance with IFRS 9, *Financial Instruments* ("IFRS 9"). Upon initial recognition, financial instruments are classified as fair value through profit or loss ("FVTPL"). All financial instruments are recognized in the Statement of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial assets are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation is discharged, cancelled or expires. As such, investment purchase and sale transactions are recorded as of the trade date.

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

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

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

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

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

The Fund's redeemable securities entitle securityholders the right to redeem their interest in the Fund for cash equal to their proportionate share of the net asset value of the Fund, amongst other contractual rights. The Fund's redeemable securities meet the criteria for classification as financial liabilities under IAS 32, *Financial Instruments: Presentation*. The Fund's obligation for net assets attributable to securityholders is presented at the redemption amount.

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

(b) Fair value measurement

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

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NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(b) Fair value measurement (cont'd)

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 constituting 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.

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.

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

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

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

Premiums paid for purchasing an option are recorded in the Statement of Financial Position – Investments at fair value.

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

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at September 30, 2022.

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

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

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly. Examples of Level 2 valuations include quoted prices for similar securities, quoted prices on inactive markets and from recognized investment dealers, and the application of factors derived from observable data to non-North American quoted prices in order to estimate the impact of differences in market closing times.

Financial instruments classified as Level 2 investments are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices. Short-term investments classified as Level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.

The estimated fair values for these securities may be different from the values that would have been used had a ready market for the investment existed; and

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

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

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

(c) Income recognition

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

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

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NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(d) Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are costs incurred to acquire, issue or dispose of financial assets or liabilities. They include fees and commissions paid to agents, exchanges, brokers, dealers and other intermediaries. The total brokerage commissions incurred by the Fund in connection with portfolio transactions for the periods, together with other transaction charges, is disclosed in the Statements of Comprehensive Income. Brokerage business is allocated to brokers based on the best net result for the Fund. Subject to this criteria, commissions may be paid to brokerage firms which provide (or pay for) certain services, other than order execution, which may include investment research, analysis and reports, and databases or software in support of these services. Where applicable and ascertainable, the value of third-party services that were paid for by brokers during the periods is disclosed in Note 10. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

(e) Securities lending, repurchase and reverse repurchase transactions

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

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

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

(f) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. Note 10 summarizes the details of such offsetting, if applicable, subject to master netting arrangements or other similar agreements and the net impact to the Statements of Financial Position if all such rights were exercised.

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

(g) Currency

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

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

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

(h) Net assets attributable to securityholders per security

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

(i) Net asset value per security

The daily Net Asset Value ("NAV") of an investment fund may be calculated without reference to IFRS as per the Canadian Securities Administrators' ("CSA") regulations. The difference between NAV and Net assets attributable to securityholders (as reported in the financial statements), if any, is mainly due to differences in fair value of investments and other financial assets and liabilities and is disclosed in Note 10.

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

Increase (decrease) in net assets attributable to securityholders from operations per security in the Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to securityholders from operations for the period, divided by the weighted average number of securities outstanding during the period.

(k) Mergers

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

(l) Future accounting changes

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

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NOTES TO FINANCIAL STATEMENTS

4. Critical Accounting Estimates and Judgments

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

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

Use of Estimates

Fair value of securities not quoted in an active market

The Fund may hold financial instruments that are not quoted in active markets and are valued using valuation techniques that make use of observable data, to the extent practicable. Various valuation techniques are utilized, depending on a number of factors, including comparison with similar instruments for which observable market prices exist and recent arm's length market transactions. Key inputs and assumptions used are company specific and may include estimated discount rates and expected price volatilities. Changes in key inputs, could affect the reported fair value of these financial instruments held by the Fund.

Use of Judgments

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Fund, Mackenzie is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. Mackenzie has assessed the Fund's business model, the manner in which all financial instruments are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Fund's financial instruments.

Functional currency

The Fund's functional and presentation currency is the Canadian dollar, which is the currency considered to best represent the economic effects of the Fund's underlying transactions, events and conditions taking into consideration the manner in which securities are issued and redeemed and how returns and performance by the Fund are measured.

Structured entities and associates

In determining whether an unlisted open-ended investment fund or an exchange-traded fund in which the Fund invests, but that it does not consolidate, meets the definitions of either a structured entity or of an associate, Mackenzie is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity or of an associate. Mackenzie has assessed the characteristics of these underlying funds and has concluded that they do not meet the definition of either a structured entity or of an associate because the Fund does not have contracts or financing arrangements with these underlying funds and the Fund does not have an ability to influence the activities of these underlying funds or the returns it receives from investing in these underlying funds.

5. Income Taxes

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

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

6. Management Fees and Operating Expenses

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

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

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

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

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

MACKENZIE US SMALL-MID CAP GROWTH CURRENCY NEUTRAL FUND

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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, 2022 and 2021 and securities issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the Fund in accordance with the investment objectives as discussed in Note 10.

8. Financial Instruments Risk

i. Risk exposure and management

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7, *Financial Instruments: Disclosures* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at September 30, 2022, grouped by asset type, with geographic and sector information.

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

ii. Liquidity risk

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

In order to comply with securities regulations, the Fund must maintain at least 85% of its assets in liquid investments (i.e., investments that can be readily sold).

iii. Currency risk

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

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

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

iv. Interest rate risk

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

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

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

v. Other price risk

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

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NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

v. Other price risk (cont'd)

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

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

vi. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Note 10 summarizes the Fund's exposure, if applicable and significant, to credit risk.

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

To minimize the possibility of settlement default, securities are exchanged for payment simultaneously, where market practices permit, through the facilities of a central depository and/or clearing agency where customary.

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

vii. Underlying funds

The Fund may invest in underlying funds and may be indirectly exposed to currency risk, interest rate risk, other price risk and credit risk from fluctuations in the value of financial instruments held by the underlying funds. Note 10 summarizes the Fund's exposure, if applicable and significant, to these risks from underlying funds.

9. Other Information

Abbreviations

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

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

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NOTES TO FINANCIAL STATEMENTS

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

(a) Fund Formation, Series Information and Fund Merger

Date of Formation of the Predecessor Fund: February 10, 2006

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.

On May 20, 2021, the Mackenzie Funds' Independent Review Committee approved a proposal to wind up Mackenzie Financial Capital Corporation because it was in a taxable position. As a result of this wind-up, the Mackenzie US Small-Mid Cap Growth Currency Neutral Class (the "Terminating Fund") merged into the Fund on July 30, 2021. This merger took place on a tax deferred basis. 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 AR, Series D, Series F, Series F5, Series F8, Series I, Series J, Series O, Series PWFB5, Series PWR, Series PWFB, Series T5, Series T8, Series FB, Series FB5, Series PWX, Series PWX8, Series PW, Series PWT5 and Series PWT8 of the Terminating Fund were issued 2,124 Series A securities, 142 Series AR securities, 91 Series D securities, 8,570 Series F securities, 8 Series F5 securities, 27 Series F8 securities, 6 Series I securities, 3 Series J securities, 839 Series O securities, 0.1 Series PWFB5 securities, 79 Series PWR securities, 33 Series PWFB securities, 20 Series T5 securities, 220 Series T8 securities, 6 Series FB securities, 0.1 Series FB5 securities, 385 Series PWX securities, 14 Series PWX8 securities, 5,555 Series PW securities, 72 Series PWT5 securities and 126 Series PWT8 securities of the Fund in exchange for net assets of \$526,277, which was the fair value on July 30, 2021.

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

The results of operations, changes in net assets, cash flows and increase (decrease) in fund securities of the Terminating Fund for the period from April 1, 2021 to July 30, 2021 have been included in the comparative period of these financial statements.

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

Series A, Series AR, Series D, Series F, Series F5, Series F8, Series FB, Series FB5, Series I, Series O, Series PW, Series PWFB, Series PWFB5, Series PWR, Series PWT5, Series PWT8, Series PWX, Series PWX8, Series T5 and Series T8 are closed to new investment, except for purchases by the following types of investors: (1) those who currently hold securities of the Fund; (2) those who purchase through a discretionary account and whose advisor has signed an acknowledgement of portfolio management registration with Mackenzie to purchase securities of the Fund; and (3) those who purchase through dealer model portfolio programs where the dealer has trading or discretionary authority over the portfolio and the Fund is currently part of the portfolio.

Series J securities are no longer available for sale.

Effective June 1, 2022, an investor may purchase the Fund only under a sales charge purchase option. The sales charge under the sales charge purchase option is negotiated by the investor with their dealer. Securities purchased before June 1, 2022, under the redemption charge purchase option, low-load 3 purchase option and low-load 2 purchase option (collectively the "deferred sales charge purchase options") may continue to be held in investor accounts. Investors may switch from securities of a Mackenzie fund previously purchased under these deferred sales charge purchase options to securities of other Mackenzie funds, under the same purchase option, until such time as the redemption schedule has expired. For further details, please refer to the Fund's Simplified Prospectus and Fund Facts.

MACKENZIE US SMALL-MID CAP GROWTH CURRENCY NEUTRAL FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2022

NOTES TO FINANCIAL STATEMENTS

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

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

Series	Inception/ Reinstatement Date ⁽¹⁾	Management Fee	Administration Fee
Series A	March 6, 2006	2.00%	0.28%
Series AR	December 17, 2013	2.00%	0.31%
Series D	March 19, 2014	1.00% ⁽⁴⁾	0.20%
Series F	May 10, 2006	0.80%	0.15%
Series F5	October 24, 2018	0.80%	0.15%
Series F8	October 24, 2018	0.80%	0.15%
Series FB	October 26, 2015	1.00%	0.28%
Series FB5	January 15, 2019	1.00%	0.28%
Series I	July 24, 2007	1.35%	0.28%
Series J	November 29, 2010	1.75%	0.25%
Series O	July 24, 2007	— ⁽²⁾	n/a
Series PW	October 22, 2013	1.80%	0.15%
Series PWFB	April 3, 2017	0.80%	0.15%
Series PWFB5	January 15, 2019	0.80%	0.15%
Series PWR	April 1, 2019	1.80%	0.15%
Series PWT5	April 3, 2017	1.80%	0.15%
Series PWT8	January 16, 2015	1.80%	0.15%
Series PWX	January 15, 2014	— ⁽³⁾	— ⁽³⁾
Series PWX8	December 6, 2013	— ⁽³⁾	— ⁽³⁾
Series T5	July 18, 2008	2.00%	0.28%
Series T8	May 2, 2008	2.00%	0.28%

(1) This is the inception date of the applicable series of the Predecessor Fund.

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

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

(4) Prior to April 4, 2022, the management fee for Series D was charged to the Fund at a rate of 1.25%.

(b) Tax Loss Carryforwards

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

(c) Securities Lending

	September 30, 2022	March 31, 2022
	(\$)	(\$)
Value of securities loaned	—	12,151
Value of collateral received	—	12,768

	September 30, 2022		September 30, 2021	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	1	100.0	1	100.0
Tax withheld	—	—	—	—
Payments to Securities Lending Agent	—	—	—	(0.1)
Securities lending income	1	100.0	1	99.9

MACKENZIE US SMALL-MID CAP GROWTH CURRENCY NEUTRAL FUND

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NOTES TO FINANCIAL STATEMENTS

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

(d) Commissions

	(\$)
September 30, 2022	36
September 30, 2021	67

(e) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks long-term capital growth and a reasonable rate of return by investing primarily in equities of small- to mid-capitalization U.S. companies. The Fund may also invest in equities of companies based outside of North America and in fixed income securities of U.S. and Canadian corporations and government bodies. The Fund seeks to eliminate substantially all its foreign currency exposure.

ii. Currency risk

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

Currency	September 30, 2022				Impact on net assets			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)	Strengthened by 5%		Weakened by 5%	
					(\$)	%	(\$)	%
USD	329,771	27,319	(364,531)	(7,441)				
Total	329,771	27,319	(364,531)	(7,441)				
% of Net Assets	96.4	8.0	(106.6)	(2.2)				
Total currency rate sensitivity					372	0.1	(372)	(0.1)

Currency	March 31, 2022				Impact on net assets			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)	Strengthened by 5%		Weakened by 5%	
					(\$)	%	(\$)	%
USD	466,538	14,353	(488,246)	(7,355)				
Total	466,538	14,353	(488,246)	(7,355)				
% of Net Assets	96.1	3.0	(100.6)	(1.5)				
Total currency rate sensitivity					368	0.1	(368)	(0.1)

* Includes both monetary and non-monetary financial instruments

iii. Interest rate risk

As at September 30, 2022 and March 31, 2022, the Fund did not have a significant exposure to interest rate risk.

iv. Other price risk

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

Impact on net assets	Increased by 10%		Decreased by 10%	
	(\$)	(%)	(\$)	(%)
September 30, 2022	32,977	9.6	(32,977)	(9.6)
March 31, 2022	46,654	9.6	(46,654)	(9.6)

v. Credit risk

As at September 30, 2022 and March 31, 2022, the Fund did not have a significant exposure to credit risk.

MACKENZIE US SMALL-MID CAP GROWTH CURRENCY NEUTRAL FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2022

NOTES TO FINANCIAL STATEMENTS

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

(f) Fair Value Classification

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

	September 30, 2022				March 31, 2022			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	329,771	–	–	329,771	466,538	–	–	466,538
Derivative assets	–	263	–	263	–	6,597	–	6,597
Derivative liabilities	–	(25,378)	–	(25,378)	–	(391)	–	(391)
Short-term investments	–	9,295	–	9,295	–	–	–	–
Total	329,771	(15,820)	–	313,951	466,538	6,206	–	472,744

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

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

(g) Investments by the Manager and Affiliates

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

	September 30, 2022	March 31, 2022
	(\$)	(\$)
The Manager	15	19
Other funds managed by the Manager	–	–
Funds managed by affiliates of the Manager	–	–

(h) Offsetting of Financial Assets and Liabilities

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

	September 30, 2022			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	–	–	–	–
Unrealized losses on derivative contracts	(13,068)	–	–	(13,068)
Liability for options written	–	–	–	–
Total	(13,068)	–	–	(13,068)

	March 31, 2022			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	1,788	–	–	1,788
Unrealized losses on derivative contracts	–	–	–	–
Liability for options written	–	–	–	–
Total	1,788	–	–	1,788