

Performance Summary

- During Q2 2018, the Fund returned 2.3% against the MSCI All Country World Small Cap Index TR (net) CAD, which returned 4.0%.

Contributors to Performance

- At the sector level, the Fund's overweight exposure to Energy and stock selection in Industrials contributed positively to relative performance.
- From a regional perspective, stock selection in Australia and China contributed to relative performance.
- At the security level, strong results were seen from Beach Energy Limited, Insuperity Inc., and HN Store Nord.

Detractors from Performance

- At the sector level, stock selection in Information Technology and Real Estate detracted from relative performance.
- From a regional perspective, stock selection in the United States and Japan detracted from relative performance.
- At the security level, key detractors included SMART Global Holdings Inc., MEDNAX Inc., and Mixi Inc.

Portfolio Activity

- During the quarter, the Fund had positive exposures to growth, valuation, medium term momentum, and liquidity. The exposures to medium term momentum and growth factors contributed positively to performance. Conversely, our exposure to volatility and valuation factors detracted from our performance. Stock selection was poor for the quarter and also detracted from performance, with Technology, Real Estate, and Financials comprising the majority of negative stock selection. Stock selection was poor in the US, Taiwan, and Japan.
- Portfolio activity and market effect over the quarter resulted in increased exposure to Consumer Staples and Industrials. The Fund reduced exposure to Consumer Discretionary, Energy, and Materials.
- Regionally, the portfolio increased exposure to the United States, while decreasing exposure to Korea, Hong Kong, and China. Cash allocation increased over the quarter.

Outlook

- Systematic strategies group maintains exposure to certain factors, which we believe will consistently add value over time. We will vary the weightings of these factors depending on our forecasts of the rewards to these factors. Another key component of our investment process is our stock selection model. In general, the more successful the stock selection model is, the better the portfolio will perform.
- At the end of Q2, our portfolios were generally positioned with positive exposures to growth, liquidity valuation, and medium-term momentum factors. The funds also have a high Alpha exposure, across all industries and sectors to the stock selection model. Thus, aside from our stock-specific risks, we would expect our portfolios to perform above their market benchmarks in an environment which values stocks with positive growth characteristics, with positive medium-term momentum, and that are more liquid than the average small cap stock. Our regime model is currently showing a neutral regime, and we expect growth, valuation, and momentum to be rewarded equally.

PORTFOLIO MANAGEMENT TEAM:

Rick Weed, Senior Vice President, Investment Management, Mackenzie Investments

Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns as of June 30, 2018 including changes in unit value and reinvestment of all distributions and does not take into account sales,



redemption, distribution, or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Index performance does not include the impact of fees, commissions, and expenses that would be payable by investors in the investment products that seek to track an index.

On September 25, 2006, the Fund changed its mandate from investing mainly in Canadian small-cap and mid-cap equity securities to investing mainly in North American small-cap and mid-cap equity securities. The past performance before this date was achieved under the previous objectives.

On July 26, 2013 the Fund changed its mandate from investing mainly in North American small-cap and mid-cap equity securities to investing primarily in Global small-cap and mid-cap securities. The past performance before this date was achieved under the previous objectives.

On September 30, 2015, Rick Weed became the lead Portfolio Manager on the Fund.

This document includes forward-looking information that is based on forecasts of future events as of June 30, 2018. Mackenzie Financial Corporation will not necessarily update the information to reflect changes after that date. Forward-looking statements are not guarantees of future performance and risks and uncertainties often cause actual results to differ materially from forward-looking information or expectations. Some of these risks are changes to or volatility in the economy, politics, securities markets, interest rates, currency exchange rates, business competition, capital markets, technology, laws, or when catastrophic events occur. Do not place undue reliance on forward-looking information. In addition, any statement about companies is not an endorsement or recommendation to buy or sell any security.

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Fund and Benchmark Performance as at: June 30, 2018	1 year	3 years	5 years	10 years
Mackenzie Global Small Cap Fund - Series F (Formerly Mackenzie Global Small Cap Growth Fund)	14.9%	6.8%	11.1%	11.0%
MSCI All Country World Small Cap Index TR CAD	15.3%	11.2%	15.8%	11.4%