

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

*For the Six-Month Period Ended September 30, 2020*

*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 CUNDILL CANADIAN SECURITY CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

CANADIAN EQUITY FUND

## STATEMENTS OF FINANCIAL POSITION

In thousands (except per security figures)  
As at

	Sep. 30 2020	Mar. 31 2020 (Audited)		Sep. 30 2020	Mar. 31 2020 (Audited)
	\$	\$		\$	\$
<b>ASSETS</b>			<b>Net assets attributable to securityholders</b>		
<b>Current assets</b>			<b>per security (note 3)</b>		
Investments at fair value	98,189	98,101	Series A	15.41	14.03
Cash and cash equivalents	58	172	Series D	8.72	7.91
Dividends receivable	157	193	Series F	17.49	15.81
Accounts receivable for investments sold	95	4,051	Series F5	10.54	9.83
Accounts receivable for securities issued	1	1	Series F8	8.94	8.50
Unrealized gains on derivative contracts	70	266	Series FB	8.11	7.35
Taxes recoverable (note 5)	45	34	Series FB5	10.86	10.14
<b>Total assets</b>	<b>98,615</b>	<b>102,818</b>	Series I	16.62	15.08
			Series J	11.52	10.47
			Series O	17.60	15.84
			Series PW	8.55	7.77
			Series PWFB	7.32	6.62
			Series PWFB5	10.90	10.16
			Series PWT5	8.92	8.37
			Series PWT8	6.87	6.57
			Series PWX	8.08	7.27
			Series PWX8	7.03	6.66
			Series R	14.68	13.20
			Series T5	9.30	8.73
			Series T8	6.94	6.65
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable for investments purchased	—	3,335			
Accounts payable for securities redeemed	244	69			
Due to manager	5	5			
Unrealized losses on derivative contracts	26	319			
Taxes payable	—	24			
<b>Total liabilities</b>	<b>275</b>	<b>3,752</b>			
<b>Net assets attributable to securityholders</b>	<b>98,340</b>	<b>99,066</b>			
<b>Net assets attributable to securityholders</b>					
<b>per series (note 3)</b>					
Series A	57,787	56,479			
Series D	92	123			
Series F	6,587	7,623			
Series F5	16	15			
Series F8	89	84			
Series FB	1	1			
Series FB5	1	1			
Series I	132	302			
Series J	196	180			
Series O	3,736	4,523			
Series PW	17,854	18,637			
Series PWFB	378	571			
Series PWFB5	1	1			
Series PWT5	150	159			
Series PWT8	582	574			
Series PWX	3,610	3,359			
Series PWX8	48	45			
Series R	5,886	5,263			
Series T5	416	400			
Series T8	778	726			

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



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# MACKENZIE CUNDILL CANADIAN SECURITY CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

CANADIAN EQUITY FUND

## STATEMENTS OF COMPREHENSIVE INCOME

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

	2020	2019		2020	2019
	\$	\$		\$	\$
<b>Income</b>			<b>Increase (decrease) in net assets attributable to securityholders from operations per security</b>		
Dividends	1,542	2,465	Series A	1.42	(0.74)
Interest income	2	51	Series D	0.87	(0.38)
Other changes in fair value of investments and other net assets			Series F	1.83	(0.66)
Net realized gain (loss)	(6,295)	(10,025)	Series F5	1.03	(0.77)
Net unrealized gain (loss)	15,879	3,578	Series F8	0.90	(0.40)
<b>Total income (loss)</b>	<b>11,128</b>	<b>(3,931)</b>	Series FB	0.76	(0.38)
			Series FB5	1.05	(0.49)
<b>Expenses (note 6)</b>			Series I	2.08	(0.74)
Management fees	904	1,379	Series J	1.05	(0.53)
Administration fees	105	159	Series O	1.96	(0.58)
Commissions and other portfolio transaction costs	94	81	Series PW	0.82	(0.40)
Independent Review Committee fees	–	–	Series PWFB	0.72	(0.25)
<b>Expenses before amounts absorbed by Manager</b>	<b>1,103</b>	<b>1,619</b>	Series PWFB5	1.07	(0.44)
Expenses absorbed by Manager	–	–	Series PWT5	0.85	(0.34)
<b>Net expenses</b>	<b>1,103</b>	<b>1,619</b>	Series PWT8	0.66	(0.32)
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>10,025</b>	<b>(5,550)</b>	Series PWX	0.82	(0.27)
Foreign withholding taxes	67	172	Series PWX8	0.73	(0.26)
Income taxes (note 5)	6	–	Series R	1.49	(0.47)
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>9,952</b>	<b>(5,722)</b>	Series T5	0.87	(0.48)
<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>			Series T8	0.64	(0.38)
Series A	5,542	(3,412)			
Series D	11	(5)			
Series F	798	(358)			
Series F5	2	(1)			
Series F8	10	(3)			
Series FB	–	(1)			
Series FB5	–	–			
Series I	21	(17)			
Series J	17	(14)			
Series O	472	(233)			
Series PW	1,855	(1,211)			
Series PWFB	59	(24)			
Series PWFB5	–	–			
Series PWT5	14	(14)			
Series PWT8	58	(38)			
Series PWX	370	(122)			
Series PWX8	4	(2)			
Series R	609	(191)			
Series T5	40	(25)			
Series T8	70	(51)			

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



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# MACKENZIE CUNDILL CANADIAN SECURITY CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

CANADIAN EQUITY FUND

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Series A		Series D		Series F		Series F5		Series F8	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
Beginning of period	56,479	91,259	123	162	7,623	12,086	15	1	84	147
Increase (decrease) in net assets from operations	5,542	(3,412)	11	(5)	798	(358)	2	(1)	10	(3)
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	–	(4,179)	–	(9)	–	(746)	–	(1)	–	(8)
Return of capital	–	–	–	–	–	–	(1)	–	(5)	(5)
Total dividends paid to securityholders	–	(4,179)	–	(9)	–	(746)	(1)	(1)	(5)	(13)
Security transactions:										
Proceeds from securities issued	661	893	–	1	271	1,204	–	20	–	–
Reinvested dividends	–	4,170	–	9	–	630	–	1	–	8
Payments on redemption of securities	(4,895)	(7,379)	(42)	–	(2,105)	(2,009)	–	–	–	(25)
Total security transactions	(4,234)	(2,316)	(42)	10	(1,834)	(175)	–	21	–	(17)
<b>Total increase (decrease) in net assets</b>	<b>1,308</b>	<b>(9,907)</b>	<b>(31)</b>	<b>(4)</b>	<b>(1,036)</b>	<b>(1,279)</b>	<b>1</b>	<b>19</b>	<b>5</b>	<b>(33)</b>
<b>End of period</b>	<b>57,787</b>	<b>81,352</b>	<b>92</b>	<b>158</b>	<b>6,587</b>	<b>10,807</b>	<b>16</b>	<b>20</b>	<b>89</b>	<b>114</b>

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	4,024	4,593	16	14	482	534	2	–	10	11
Issued	43	45	–	–	16	57	–	1	–	–
Reinvested dividends	–	222	–	1	–	30	–	–	–	1
Redeemed	(318)	(388)	(5)	–	(121)	(95)	–	–	–	(2)
<b>Securities outstanding – end of period</b>	<b>3,749</b>	<b>4,472</b>	<b>11</b>	<b>15</b>	<b>377</b>	<b>526</b>	<b>2</b>	<b>1</b>	<b>10</b>	<b>10</b>

	Series FB		Series FB5		Series I		Series J		Series O	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
Beginning of period	1	14	1	1	302	474	180	455	4,523	9,595
Increase (decrease) in net assets from operations	–	(1)	–	–	21	(17)	17	(14)	472	(233)
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	–	(1)	–	–	–	(26)	–	(23)	–	(689)
Return of capital	–	–	–	–	–	–	–	–	–	–
Total dividends paid to securityholders	–	(1)	–	–	–	(26)	–	(23)	–	(689)
Security transactions:										
Proceeds from securities issued	–	–	–	–	–	–	–	–	–	–
Reinvested dividends	–	1	–	–	–	26	–	23	–	592
Payments on redemption of securities	–	(7)	–	–	(191)	(9)	(1)	(187)	(1,259)	(2,029)
Total security transactions	–	(6)	–	–	(191)	17	(1)	(164)	(1,259)	(1,437)
<b>Total increase (decrease) in net assets</b>	<b>–</b>	<b>(8)</b>	<b>–</b>	<b>–</b>	<b>(170)</b>	<b>(26)</b>	<b>16</b>	<b>(201)</b>	<b>(787)</b>	<b>(2,359)</b>
<b>End of period</b>	<b>1</b>	<b>6</b>	<b>1</b>	<b>1</b>	<b>132</b>	<b>448</b>	<b>196</b>	<b>254</b>	<b>3,736</b>	<b>7,236</b>

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	–	1	–	–	20	22	17	31	286	419
Issued	–	–	–	–	–	–	–	–	–	–
Reinvested dividends	–	–	–	–	–	1	–	2	–	28
Redeemed	–	–	–	–	(12)	–	–	(14)	(74)	(96)
<b>Securities outstanding – end of period</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>8</b>	<b>23</b>	<b>17</b>	<b>19</b>	<b>212</b>	<b>351</b>

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

# MACKENZIE CUNDILL CANADIAN SECURITY CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

CANADIAN EQUITY FUND

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

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

	2020		2019		2020		2019	
	Series PW		Series PWFB		Series PWFB5		Series PWT5	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	18,637	34,280	571	918	1	1	159	729
Increase (decrease) in net assets from operations	1,855	(1,211)	59	(24)	-	-	14	(14)
Dividends paid to securityholders:								
Ordinary	-	-	-	-	-	-	-	-
Capital gains	-	(1,711)	-	(51)	-	-	-	(22)
Return of capital	-	-	-	-	-	-	(5)	(11)
Total dividends paid to securityholders	-	(1,711)	-	(51)	-	-	(5)	(33)
Security transactions:								
Proceeds from securities issued	896	941	2	115	-	-	28	4
Reinvested dividends	-	1,678	-	51	-	-	2	24
Payments on redemption of securities	(3,534)	(5,738)	(254)	(292)	-	-	(48)	(308)
Total security transactions	(2,638)	(3,119)	(252)	(126)	-	-	(18)	(280)
<b>Total increase (decrease) in net assets</b>	<b>(783)</b>	<b>(6,041)</b>	<b>(193)</b>	<b>(201)</b>	<b>-</b>	<b>-</b>	<b>(9)</b>	<b>(327)</b>
<b>End of period</b>	<b>17,854</b>	<b>28,239</b>	<b>378</b>	<b>717</b>	<b>1</b>	<b>1</b>	<b>150</b>	<b>402</b>

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

	Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	2,398	3,107	86	97	-	-	19	58
Issued	105	88	-	12	-	-	3	-
Reinvested dividends	-	161	-	6	-	-	-	2
Redeemed	(416)	(554)	(34)	(32)	-	-	(5)	(24)
<b>Securities outstanding – end of period</b>	<b>2,087</b>	<b>2,802</b>	<b>52</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>36</b>

	Series PWT8		Series PWX		Series PWX8		Series R	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	574	1,296	3,359	4,560	45	63	5,263	7,635
Increase (decrease) in net assets from operations	58	(38)	370	(122)	4	(2)	609	(191)
Dividends paid to securityholders:								
Ordinary	-	-	-	-	-	-	-	-
Capital gains	-	(64)	-	(334)	-	(5)	-	(550)
Return of capital	(31)	(43)	-	-	(2)	(2)	-	-
Total dividends paid to securityholders	(31)	(107)	-	(334)	(2)	(7)	-	(550)
Security transactions:								
Proceeds from securities issued	11	26	-	-	-	-	6,150	857
Reinvested dividends	4	67	-	334	1	5	-	-
Payments on redemption of securities	(34)	(324)	(119)	(78)	-	-	(6,136)	(461)
Total security transactions	(19)	(231)	(119)	256	1	5	14	396
<b>Total increase (decrease) in net assets</b>	<b>8</b>	<b>(376)</b>	<b>251</b>	<b>(200)</b>	<b>3</b>	<b>(4)</b>	<b>623</b>	<b>(345)</b>
<b>End of period</b>	<b>582</b>	<b>920</b>	<b>3,610</b>	<b>4,360</b>	<b>48</b>	<b>59</b>	<b>5,886</b>	<b>7,290</b>

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

	Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	87	128	462	434	7	6	399	400
Issued	2	3	-	-	-	-	437	49
Reinvested dividends	1	7	-	35	-	1	-	-
Redeemed	(5)	(35)	(15)	(8)	-	-	(435)	(25)
<b>Securities outstanding – end of period</b>	<b>85</b>	<b>103</b>	<b>447</b>	<b>461</b>	<b>7</b>	<b>7</b>	<b>401</b>	<b>424</b>

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# MACKENZIE CUNDILL CANADIAN SECURITY CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

CANADIAN EQUITY FUND

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

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

	2020	2019	2020	2019	2020	2019
	Series T5		Series T8		Total	
	\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>						
<b>Beginning of period</b>	<b>400</b>	<b>682</b>	<b>726</b>	<b>1,415</b>	<b>99,066</b>	<b>165,773</b>
Increase (decrease) in net assets from operations	40	(25)	70	(51)	9,952	(5,722)
Dividends paid to securityholders:						
Ordinary	–	–	–	–	–	–
Capital gains	–	(31)	–	(63)	–	(8,513)
Return of capital	(13)	(15)	(39)	(50)	(96)	(126)
Total dividends paid to securityholders	(13)	(46)	(39)	(113)	(96)	(8,639)
Security transactions:						
Proceeds from securities issued	32	30	37	6	8,088	4,097
Reinvested dividends	4	36	6	73	17	7,728
Payments on redemption of securities	(47)	(84)	(22)	(152)	(18,687)	(19,082)
Total security transactions	(11)	(18)	21	(73)	(10,582)	(7,257)
<b>Total increase (decrease) in net assets</b>	<b>16</b>	<b>(89)</b>	<b>52</b>	<b>(237)</b>	<b>(726)</b>	<b>(21,618)</b>
<b>End of period</b>	<b>416</b>	<b>593</b>	<b>778</b>	<b>1,178</b>	<b>98,340</b>	<b>144,155</b>
<b>Increase (decrease) in fund securities (note 7):</b>						
<b>Securities outstanding – beginning of period</b>	<b>46</b>	<b>52</b>	<b>109</b>	<b>138</b>		
Issued	4	3	5	1		
Reinvested dividends	–	3	1	8		
Redeemed	(5)	(7)	(3)	(16)		
<b>Securities outstanding – end of period</b>	<b>45</b>	<b>51</b>	<b>112</b>	<b>131</b>		

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# MACKENZIE CUNDILL CANADIAN SECURITY CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

CANADIAN EQUITY FUND

## STATEMENTS OF CASH FLOWS

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

	2020	2019
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	9,952	(5,722)
Adjustments for:		
Net realized loss (gain) on investments	6,465	9,918
Change in net unrealized loss (gain) on investments	(15,879)	(3,573)
Purchase of investments	(43,155)	(32,112)
Proceeds from sale and maturity of investments	53,008	47,634
Change in dividends receivable	36	(46)
Change in taxes recoverable	(11)	13
Change in taxes payable	(24)	–
<b>Net cash from operating activities</b>	<b>10,392</b>	<b>16,112</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	1,101	2,911
Payments on redemption of securities	(11,525)	(18,179)
Dividends paid net of reinvestments	(79)	(911)
<b>Net cash from financing activities</b>	<b>(10,503)</b>	<b>(16,179)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(111)</b>	<b>(67)</b>
Cash and cash equivalents at beginning of period	172	1,040
Effect of exchange rate fluctuations on cash and cash equivalents	(3)	–
<b>Cash and cash equivalents at end of period</b>	<b>58</b>	<b>973</b>
Cash	58	973
Cash equivalents	–	–
<b>Cash and cash equivalents at end of period</b>	<b>58</b>	<b>973</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	1,578	2,419
Taxes paid	97	172
Interest received	2	51
Interest paid	–	–

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# MACKENZIE CUNDILL CANADIAN SECURITY CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

CANADIAN EQUITY FUND

## SCHEDULE OF INVESTMENTS

As at September 30, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES</b>					
Alimentation Couche-Tard Inc. Class B Sub. voting	Canada	Consumer Staples	57,407	1,853	2,662
Alphabet Inc. Class A	United States	Communication Services	1,028	1,862	2,006
Aon PLC	Ireland	Financials	4,414	1,183	1,212
Bank of America Corp.	United States	Financials	67,730	750	2,172
Bank of Montreal	Canada	Financials	8,735	728	680
The Bank of Nova Scotia	Canada	Financials	41,387	2,787	2,290
Barrick Gold Corp.	Canada	Materials	47,676	1,828	1,783
Becton, Dickinson and Co.	United States	Health Care	6,383	2,117	1,977
Boardwalk Real Estate Investment Trust	Canada	Real Estate	22,997	950	631
Boston Properties Inc.	United States	Real Estate	4,146	482	443
Brookfield Asset Management Inc. Class A limited voting	Canada	Financials	100,873	3,739	4,445
Canadian National Railway Co.	Canada	Industrials	25,601	1,981	3,630
Canadian Natural Resources Ltd.	Canada	Energy	24,315	629	519
Canadian Pacific Railway Ltd.	Canada	Industrials	6,091	1,105	2,467
Celestica Inc. Sub. voting	Canada	Information Technology	187,778	1,740	1,728
Cisco Systems Inc.	United States	Information Technology	14,996	969	786
Citigroup Inc.	United States	Financials	36,144	1,345	2,074
Coca-Cola European Partners PLC	United Kingdom	Consumer Staples	8,245	558	426
Comcast Corp. Class A	United States	Communication Services	41,760	2,170	2,572
CVS Health Corp.	United States	Health Care	16,892	1,718	1,313
Deutsche Post AG Reg.	Germany	Industrials	25,256	1,120	1,533
Dollar Tree Inc.	United States	Consumer Discretionary	19,628	2,327	2,387
DuPont de Nemours Inc.	United States	Materials	26,829	1,824	1,982
DXC Technology Co.	United States	Information Technology	51,221	1,263	1,217
Empire Co. Ltd. Class A non-voting	Canada	Consumer Staples	57,382	1,264	2,218
Enbridge Inc.	Canada	Energy	87,112	4,585	3,389
Franco-Nevada Corp.	Canada	Materials	6,507	1,313	1,211
General Motors Co.	United States	Consumer Discretionary	24,520	842	966
Hang Lung Properties Ltd.	Hong Kong	Real Estate	286,000	769	971
Hitachi Ltd.	Japan	Information Technology	29,580	1,081	1,331
Johnson & Johnson	United States	Health Care	4,828	864	957
Koninklijke Philips NV	Netherlands	Health Care	33,740	2,075	2,116
Liberty Global PLC Class A	United Kingdom	Communication Services	29,574	1,207	827
Magna International Inc.	Canada	Consumer Discretionary	21,887	1,048	1,334
Manulife Financial Corp.	Canada	Financials	144,485	3,245	2,676
Merck & Co. Inc.	United States	Health Care	10,450	1,166	1,154
Mondelez International Inc.	United States	Consumer Staples	8,597	637	658
Nutrien Ltd.	Canada	Materials	38,660	2,026	2,018
Oracle Corp.	United States	Information Technology	29,531	1,820	2,347
Philip Morris International Inc.	United States	Consumer Staples	19,281	2,108	1,925
Reckitt Benckiser Group PLC	United Kingdom	Consumer Staples	9,352	1,087	1,215
Restaurant Brands International Inc.	Canada	Consumer Discretionary	24,883	1,513	1,903
Rogers Communications Inc. Class B non-voting	Canada	Communication Services	45,490	2,851	2,403
Royal Bank of Canada	Canada	Financials	45,981	4,042	4,299
Samsung Electronics Co. Ltd.	South Korea	Information Technology	39,580	1,531	2,663
Sanofi	France	Health Care	16,218	1,905	2,165
SAP AG	Germany	Information Technology	8,916	1,479	1,848
SNC-Lavalin Group Inc.	Canada	Industrials	134,703	2,928	2,876



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# MACKENZIE CUNDILL CANADIAN SECURITY CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

CANADIAN EQUITY FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Suncor Energy Inc.	Canada	Energy	29,108	1,108	473
Teck Resources Ltd. Class B	Canada	Materials	64,399	1,006	1,194
The TJX Companies Inc.	United States	Consumer Discretionary	21,807	1,560	1,616
The Toronto-Dominion Bank	Canada	Financials	58,775	3,533	3,623
Tourmaline Oil Corp.	Canada	Energy	16,756	357	273
Westshore Terminals Investment Corp.	Canada	Industrials	67,077	1,410	1,020
Wheaton Precious Metals Corp.	Canada	Materials	13,780	891	900
Zimmer Biomet Holdings Inc.	United States	Health Care	3,782	629	685
<b>Total equities</b>				<b>90,908</b>	<b>98,189</b>
Transaction costs				(75)	—
<b>Total investments</b>				<b>90,833</b>	<b>98,189</b>
Derivative instruments (see schedule of derivative instruments)					44
Cash and cash equivalents					58
Other assets less liabilities					49
<b>Total net assets</b>					<b>98,340</b>



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# MACKENZIE CUNDILL CANADIAN SECURITY CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

CANADIAN EQUITY FUND

## SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2020	
Portfolio Allocation	% of NAV
Equities	99.8
Other assets (liabilities)	0.1
Cash and short-term investments	0.1

Regional Allocation	
Regional Allocation	% of NAV
Canada	53.5
United States	29.7
Germany	3.4
South Korea	2.7
United Kingdom	2.5
France	2.2
Netherlands	2.2
Japan	1.4
Ireland	1.2
Hong Kong	1.0
Other assets (liabilities)	0.1
Cash and short-term investments	0.1

Sector Allocation	
Sector Allocation	% of NAV
Financials	24.0
Information technology	12.1
Industrials	11.7
Health care	10.5
Consumer staples	9.3
Materials	9.2
Consumer discretionary	8.3
Communication services	7.9
Energy	4.7
Real estate	2.1
Other assets (liabilities)	0.1
Cash and short-term investments	0.1

March 31, 2020	
Portfolio Allocation	% of NAV
Equities	97.0
Exchange-traded funds/notes	2.0
Other assets (liabilities)	0.8
Cash and short-term investments	0.2

Regional Allocation	
Regional Allocation	% of NAV
Canada	52.4
United States	28.7
United Kingdom	2.9
Hong Kong	2.9
South Korea	2.4
Switzerland	2.3
Japan	2.2
France	1.9
Netherlands	1.7
Germany	1.6
Other assets (liabilities)	0.8
Cash and short-term investments	0.2

Sector Allocation	
Sector Allocation	% of NAV
Financials	25.5
Industrials	11.4
Information technology	11.0
Communication services	11.0
Health care	10.9
Consumer staples	10.5
Energy	6.8
Real estate	3.6
Consumer discretionary	3.5
Materials	2.8
Exchange-traded funds/notes	2.0
Other assets (liabilities)	0.8
Cash and short-term investments	0.2



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# MACKENZIE CUNDILL CANADIAN SECURITY CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

CANADIAN EQUITY FUND

## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at September 30, 2020

### Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
A	4,446	Canadian dollar	(3,310)	U.S. dollar	Oct. 9, 2020	(4,446)	(4,407)	39
A	780	U.S. dollar	(1,038)	Canadian dollar	Oct. 9, 2020	1,038	1,039	1
AA	1,588	Canadian dollar	(1,170)	U.S. dollar	Oct. 23, 2020	(1,588)	(1,558)	30
Unrealized Gains								70
A	200	U.S. dollar	(268)	Canadian dollar	Oct. 9, 2020	268	267	(1)
A	480	U.S. dollar	(640)	Canadian dollar	Oct. 9, 2020	640	639	(1)
AA	500	U.S. dollar	(670)	Canadian dollar	Oct. 23, 2020	670	666	(4)
AA	480	U.S. dollar	(644)	Canadian dollar	Oct. 23, 2020	644	639	(5)
AA	984	Canadian dollar	(750)	U.S. dollar	Feb. 12, 2021	(984)	(999)	(15)
Unrealized (Losses)								(26)
<b>Total forward currency contracts</b>								<b>44</b>
<b>Total derivative instruments at fair value</b>								<b>44</b>



**MACKENZIE**  
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## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2020 and 2019, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2020, 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 Corporation of Canada. The Canada Life Assurance Company is also 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, 2020. 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 10, 2020.

### 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.

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.

## NOTES TO FINANCIAL STATEMENTS

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

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

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.

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, 2020.

## NOTES TO FINANCIAL STATEMENTS

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

(c) Income recognition

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

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

(d) Commissions and other portfolio transaction costs

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

(e) Securities lending, repurchase and reverse repurchase transactions

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

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

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

(f) Offsetting

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

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

(g) Foreign currency

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

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

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

(h) Net assets attributable to securityholders per security

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

(i) Net asset value per security

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

## NOTES TO FINANCIAL STATEMENTS

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

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

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

(k) Mergers

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

### 4. Critical Accounting Estimates and Judgments

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

The duration and long-term impact of the novel coronavirus (COVID-19) pandemic on businesses and markets, and the extent of additional economic relief measures which may be offered by some governments and central banks, are unknown at the reporting date. The Manager uses judgment in assessing the impact from such events on the assumptions and estimates applied in reporting the assets and liabilities in the Fund's financial statements at September 30, 2020. However, this uncertainty means it is impossible to reliably estimate the impact on the financial results and position of the Fund in future periods.

#### 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.

## NOTES TO FINANCIAL STATEMENTS

### 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.

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

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

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

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

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

### 6. Management Fees and Operating Expenses

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

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

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

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

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



## NOTES TO FINANCIAL STATEMENTS

### 7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at September 30, 2020 and 2019 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, 2020, grouped by asset type, with geographic and sector information.

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

#### ii. Liquidity risk

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

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

#### iii. Currency risk

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

#### iv. Interest rate risk

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

#### v. Other price risk

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

## NOTES TO FINANCIAL STATEMENTS

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

#### vi. Credit risk

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

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

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

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

#### vii. Underlying funds

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



## NOTES TO FINANCIAL STATEMENTS

### 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)*

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.

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.

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

Series I, Series J, Series O, Series PWX and Series PWX8 securities are no longer available for sale.

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.



# MACKENZIE CUNDILL CANADIAN SECURITY CLASS

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CANADIAN EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Sep. 30, 2020	Mar. 31, 2020
Series A	November 24, 2003	2.00%	0.24%	15.41	14.04
Series D	February 3, 2014	1.25%	0.19%	8.72	7.91
Series F	December 15, 2003	0.75%	0.15%	17.49	15.81
Series F5	October 24, 2018	0.75%	0.15%	10.54	9.83
Series F8	June 1, 2018	0.75%	0.15%	8.94	8.51
Series FB	October 26, 2015	1.00%	0.24%	8.11	7.35
Series FB5	January 15, 2019	1.00%	0.24%	10.86	10.14
Series I	January 6, 2004	1.35%	0.24%	16.62	15.08
Series J	December 10, 2010	1.70%	0.20%	11.52	10.47
Series O	December 20, 2004	— <sup>(1)</sup>	—*	17.60	15.84
Series PW	October 15, 2013	1.75%	0.15%	8.55	7.78
Series PWFB	April 3, 2017	0.75%	0.15%	7.32	6.62
Series PWFB5	January 15, 2019	0.75%	0.15%	10.90	10.16
Series PWT5	April 3, 2017	1.75%	0.15%	8.92	8.37
Series PWT8	December 20, 2013	1.75%	0.15%	6.87	6.57
Series PWX	January 22, 2014	— <sup>(2)</sup>	— <sup>(2)</sup>	8.08	7.27
Series PWX8	December 20, 2013	— <sup>(2)</sup>	— <sup>(2)</sup>	7.03	6.66
Series R	June 22, 2007	—*	—*	14.68	13.20
Series T5	February 19, 2008	2.00%	0.24%	9.30	8.73
Series T8	January 25, 2008	2.00%	0.24%	6.94	6.65

\* 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.

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

As at September 30, 2020, Mackenzie and other funds managed by Mackenzie had an investment of \$8 and \$5,886 (March 31, 2020 – \$7 and \$5,263), respectively, in the Fund.

#### (c) Securities Lending

As at September 30, 2020 and March 31, 2020, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

#### (d) Commissions

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

	(\$)
September 30, 2020	30
September 30, 2019	21

# MACKENZIE CUNDILL CANADIAN SECURITY CLASS

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## NOTES TO FINANCIAL STATEMENTS

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

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

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

	September 30, 2020			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	30	(9)	–	21
Unrealized losses on derivative contracts	(9)	9	–	–
Liability for options written	–	–	–	–
Total	21	–	–	21

	March 31, 2020			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	83	(83)	–	–
Unrealized losses on derivative contracts	(115)	83	–	(32)
Liability for options written	–	–	–	–
Total	(32)	–	–	(32)

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

##### i. Risk exposure and management

The Fund seeks long-term capital growth by investing primarily in Canadian equities and fixed income securities. The Fund uses a value style of investing and may hold up to 49% of its assets in foreign investments.

##### ii. Currency risk

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

Currency	September 30, 2020			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	31,702	74	(3,714)	28,062
Euro	7,662	–	–	7,662
South Korean won	2,663	–	–	2,663
Japanese yen	1,331	–	–	1,331
British pound	1,215	–	–	1,215
Hong Kong dollar	971	–	–	971
Total	45,544	74	(3,714)	41,904
% of Net Assets	46.3	0.1	(3.8)	42.6



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# MACKENZIE CUNDILL CANADIAN SECURITY CLASS

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## NOTES TO FINANCIAL STATEMENTS

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

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

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

Currency	March 31, 2020			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	29,556	196	(2,885)	26,867
Euro	5,138	–	–	5,138
Hong Kong dollar	2,886	(151)	–	2,735
South Korean won	2,374	–	–	2,374
Swiss franc	2,285	–	–	2,285
Japanese yen	2,137	(191)	–	1,946
British pound	1,034	–	–	1,034
Total	45,410	(146)	(2,885)	42,379
% of Net Assets	45.8	(0.1)	(2.9)	42.8

\* Includes both monetary and non-monetary financial instruments

As at September 30, 2020, 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 \$2,095 or 2.1% of total net assets (March 31, 2020 – \$2,119 or 2.1%). In practice, the actual trading results may differ and the difference could be material.

##### iii. Interest rate risk

As at September 30, 2020 and March 31, 2020, the Fund did not have a significant exposure to interest rate risk.

##### iv. Other price risk

The Fund's most significant exposure to price risk arises from its investment in equity securities, exchange-traded funds/notes and mutual funds. As at September 30, 2020, 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 \$9,819 or 10.0% of total net assets (March 31, 2020 – \$9,810 or 9.9%). In practice, the actual trading results may differ and the difference could be material.

##### v. Credit risk

As at September 30, 2020 and March 31, 2020, the Fund did not have a significant exposure to credit risk.



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# MACKENZIE CUNDILL CANADIAN SECURITY CLASS

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CANADIAN EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS

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

#### (g) 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, 2020				March 31, 2020			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	84,347	13,842	–	98,189	80,283	15,854	–	96,137
Exchange-traded funds/notes	–	–	–	–	1,964	–	–	1,964
Derivative assets	–	70	–	70	–	266	–	266
Derivative liabilities	–	(26)	–	(26)	–	(319)	–	(319)
Total	84,347	13,886	–	98,233	82,247	15,801	–	98,048

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, 2020, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at September 30, 2020, these securities were classified as Level 2 (March 31, 2020 – Level 2).

Financial instruments classified as Level 2 investments are valued through incorporating observable market data and using standard market convention practices.



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