

MACKENZIE US SMALL-MID CAP GROWTH CURRENCY NEUTRAL CLASS

(Formerly Mackenzie US Mid Cap Growth Currency Neutral Class)

US EQUITY FUND

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. 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.



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MACKENZIE US SMALL-MID CAP GROWTH CURRENCY NEUTRAL CLASS

(Formerly Mackenzie US Mid Cap Growth Currency Neutral Class)

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

US 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)	
	\$	\$		\$	\$	
ASSETS						
Current assets						
Investments at fair value	377,430	303,821	Net assets attributable to securityholders per security (note 3)	Series A	24.91	22.58
Cash and cash equivalents	15,272	66,758		Series AR	11.99	10.86
Dividends receivable	283	313		Series D	11.35	10.39
Accounts receivable for investments sold	242	–		Series F	27.45	25.28
Accounts receivable for securities issued	409	976		Series F5	11.87	11.31
Unrealized gains on derivative contracts	301	2,799		Series F8	11.14	10.84
Taxes recoverable (note 5)	290	72		Series FB	11.65	10.68
Total assets	394,227	374,739		Series FB5	12.06	11.46
LIABILITIES						
Current liabilities						
Accounts payable for investments purchased	338	22,659		Series I	22.19	20.27
Accounts payable for securities redeemed	431	527		Series J	18.96	17.23
Due to manager	16	13		Series O	25.67	23.84
Unrealized losses on derivative contracts	2,752	24,623		Series PW	12.17	11.07
Total liabilities	3,537	47,822		Series PWFB	9.56	8.81
Net assets attributable to securityholders	390,690	326,917		Series PWFB5	12.07	11.51
Net assets attributable to securityholders per series (note 3)						
Series A	65,639	57,868	Series PWR	8.48	7.71	
Series AR	1,890	1,519	Series PWT5	11.71	11.03	
Series D	893	754	Series PWT8	10.51	10.10	
Series F	225,119	189,484	Series PWX	11.89	11.04	
Series F5	94	288	Series PWX8	10.43	10.25	
Series F8	297	289	Series T5	15.20	14.26	
Series FB	85	22	Series T8	11.10	10.63	
Series FB5	1	1				
Series I	135	113				
Series J	201	251				
Series O	17,629	14,497				
Series PW	66,597	51,132				
Series PWFB	290	210				
Series PWFB5	1	1				
Series PWR	223	113				
Series PWT5	732	656				
Series PWT8	1,026	758				
Series PWX	6,986	6,508				
Series PWX8	134	116				
Series T5	361	574				
Series T8	2,357	1,763				

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



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STATEMENTS OF COMPREHENSIVE INCOME

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

	2020	2019		2020	2019
	\$	\$		\$	\$
Income			Series PWX	1,520	123
Dividends	1,719	1,524	Series PWX8	26	5
Interest income	21	69	Series T5	138	16
Other changes in fair value of investments and other net assets			Series T8	341	28
Net realized gain (loss)	(11,969)	40,059	Increase (decrease) in net assets attributable to securityholders from operations per security		
Net unrealized gain (loss)	89,343	(32,305)	Series A	4.73	0.39
Securities lending income	8	13	Series AR	2.20	0.16
Total income (loss)	79,122	9,360	Series D	2.20	0.25
			Series F	5.34	0.62
Expenses (note 6)			Series F5	3.65	0.31
Management fees	2,507	2,519	Series F8	3.07	0.55
Administration fees	361	358	Series FB	0.85	0.25
Interest charges	–	2	Series FB5	2.33	0.29
Commissions and other portfolio transaction costs	129	144	Series I	4.20	(0.16)
Independent Review Committee fees	1	1	Series J	4.65	0.31
Other	1	–	Series O	5.24	0.76
Expenses before amounts absorbed by Manager	2,999	3,024	Series PW	2.22	0.19
Expenses absorbed by Manager	–	–	Series PWFB	1.74	0.23
Net expenses	2,999	3,024	Series PWFB5	2.37	0.34
Increase (decrease) in net assets attributable to securityholders from operations before tax	76,123	6,336	Series PWR	1.26	(0.06)
Foreign withholding taxes	239	201	Series PWT5	2.21	0.14
Income taxes (note 5)	–	–	Series PWT8	1.87	0.01
Increase (decrease) in net assets attributable to securityholders from operations	75,884	6,135	Series PWX	2.47	0.26
Increase (decrease) in net assets attributable to securityholders from operations per series			Series PWX8	2.15	0.37
Series A	12,899	1,088	Series T5	3.39	0.42
Series AR	336	19	Series T8	1.89	0.15
Series D	186	19			
Series F	44,085	3,559			
Series F5	50	3			
Series F8	137	7			
Series FB	3	–			
Series FB5	–	–			
Series I	25	–			
Series J	57	5			
Series O	3,621	462			
Series PW	12,074	791			
Series PWFB	59	4			
Series PWFB5	–	–			
Series PWR	25	(1)			
Series PWT5	135	7			
Series PWT8	167	–			

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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 AR		Series D		Series F		Series F5	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	57,868	83,392	1,519	1,670	754	1,044	189,484	181,168	288	128
Increase (decrease) in net assets from operations	12,899	1,088	336	19	186	19	44,085	3,559	50	3
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(5,943)	(3,395)	(158)	(67)	(96)	(53)	(21,290)	(9,829)	(38)	(8)
Return of capital	–	–	–	–	–	–	–	–	(5)	(3)
Total dividends paid to securityholders	(5,943)	(3,395)	(158)	(67)	(96)	(53)	(21,290)	(9,829)	(43)	(11)
Security transactions:										
Proceeds from securities issued	14,706	12,912	230	229	220	102	90,108	38,271	15	53
Reinvested dividends	5,739	3,301	158	67	86	47	16,049	7,809	40	8
Payments on redemption of securities	(19,630)	(14,750)	(195)	(158)	(257)	(215)	(93,317)	(31,250)	(256)	(10)
Total security transactions	815	1,463	193	138	49	(66)	12,840	14,830	(201)	51
Total increase (decrease) in net assets	7,771	(844)	371	90	139	(100)	35,635	8,560	(194)	43
End of period	65,639	82,548	1,890	1,760	893	944	225,119	189,728	94	171

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	2,563	2,739	140	114	73	75	7,495	5,325	25	8
Issued	610	429	19	16	19	7	3,456	1,152	2	3
Reinvested dividends	261	114	15	5	9	4	666	243	4	1
Redeemed	(799)	(488)	(16)	(11)	(22)	(16)	(3,417)	(942)	(23)	(1)
Securities outstanding – end of period	2,635	2,794	158	124	79	70	8,200	5,778	8	11

	Series F8		Series FB		Series FB5		Series I		Series J	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	289	1	22	29	1	1	113	150	251	328
Increase (decrease) in net assets from operations	137	7	3	–	–	–	25	–	57	5
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(64)	–	(4)	(1)	–	–	(13)	(7)	(27)	(14)
Return of capital	(26)	(7)	–	–	–	–	–	–	–	–
Total dividends paid to securityholders	(90)	(7)	(4)	(1)	–	–	(13)	(7)	(27)	(14)
Security transactions:										
Proceeds from securities issued	213	265	89	–	–	–	–	85	–	–
Reinvested dividends	69	–	4	1	–	–	13	7	18	9
Payments on redemption of securities	(321)	–	(29)	–	–	–	(3)	(85)	(98)	–
Total security transactions	(39)	265	64	1	–	–	10	7	(80)	9
Total increase (decrease) in net assets	8	265	63	–	–	–	22	–	(50)	–
End of period	297	266	85	29	1	1	135	150	201	328

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	27	–	2	2	–	–	6	6	15	14
Issued	20	18	7	–	–	–	3	–	–	–
Reinvested dividends	7	–	–	–	–	–	1	–	1	1
Redeemed	(27)	–	(2)	–	–	–	(1)	(3)	(5)	–
Securities outstanding – end of period	27	18	7	2	–	–	6	6	11	15

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STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Series O		Series PW		Series PWFB		Series PWFB5		Series PWR	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS	\$		\$		\$		\$		\$	
Beginning of period	14,497	19,014	51,132	58,787	210	229	1	1	113	–
Increase (decrease) in net assets from operations	3,621	462	12,074	791	59	4	–	–	25	(1)
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(2,186)	(1,188)	(5,985)	(2,643)	(31)	(12)	–	–	(13)	–
Return of capital	–	–	–	–	–	–	–	–	–	–
Total dividends paid to securityholders	(2,186)	(1,188)	(5,985)	(2,643)	(31)	(12)	–	–	(13)	–
Security transactions:										
Proceeds from securities issued	1,381	783	14,636	8,158	259	11	–	–	88	77
Reinvested dividends	1,423	866	5,720	2,534	31	12	–	–	13	–
Payments on redemption of securities	(1,107)	(991)	(10,980)	(6,486)	(238)	–	–	–	(3)	(45)
Total security transactions	1,697	658	9,376	4,206	52	23	–	–	98	32
Total increase (decrease) in net assets	3,132	(68)	15,465	2,354	80	15	–	–	110	31
End of period	17,629	18,946	66,597	61,141	290	244	1	1	223	31

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	608	590	4,618	3,940	24	19	–	19	15	–
Issued	60	24	1,228	552	27	1	–	1	9	7
Reinvested dividends	63	29	534	178	4	1	–	1	2	–
Redeemed	(44)	(31)	(906)	(442)	(25)	–	–	–	–	(4)
Securities outstanding – end of period	687	612	5,474	4,228	30	21	–	21	26	3

	Series PWT5		Series PWT8		Series PWX		Series PWX8		Series T5	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS	\$		\$		\$		\$		\$	
Beginning of period	656	669	758	665	6,508	5,322	116	160	574	968
Increase (decrease) in net assets from operations	135	7	167	–	1,520	123	26	5	138	16
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(67)	(32)	(88)	(28)	(884)	(375)	(16)	(10)	(59)	(37)
Return of capital	(24)	(18)	(52)	(29)	–	–	(7)	(6)	(21)	(18)
Total dividends paid to securityholders	(91)	(50)	(140)	(57)	(884)	(375)	(23)	(16)	(80)	(55)
Security transactions:										
Proceeds from securities issued	58	207	205	330	130	2,752	–	–	73	159
Reinvested dividends	73	36	102	36	884	375	16	10	71	47
Payments on redemption of securities	(99)	(28)	(66)	(34)	(1,172)	(268)	(1)	(2)	(415)	(376)
Total security transactions	32	215	241	332	(158)	2,859	15	8	(271)	(170)
Total increase (decrease) in net assets	76	172	268	275	478	2,607	18	(3)	(213)	(209)
End of period	732	841	1,026	940	6,986	7,929	134	157	361	759

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	59	43	75	45	589	357	11	11	40	48
Issued	6	14	20	22	12	187	–	–	5	9
Reinvested dividends	7	2	10	3	85	27	2	1	5	2
Redeemed	(9)	(2)	(7)	(2)	(98)	(18)	–	(1)	(26)	(19)
Securities outstanding – end of period	63	57	98	68	588	553	13	11	24	40

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STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2020	2019	2020	2019
	Series T8		Total	
	\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS				
Beginning of period	1,763	2,562	326,917	356,288
Increase (decrease) in net assets from operations	341	28	75,884	6,135
Dividends paid to securityholders:				
Ordinary	-	-	-	-
Capital gains	(165)	(108)	(37,127)	(17,807)
Return of capital	(109)	(99)	(244)	(180)
Total dividends paid to securityholders	(274)	(207)	(37,371)	(17,987)
Security transactions:				
Proceeds from securities issued	877	511	123,288	64,905
Reinvested dividends	205	147	30,714	15,312
Payments on redemption of securities	(555)	(325)	(128,742)	(55,023)
Total security transactions	527	333	25,260	25,194
Total increase (decrease) in net assets	594	154	63,773	13,342
End of period	2,357	2,716	390,690	369,630
Increase (decrease) in fund securities (note 7):				
		Securities		
Securities outstanding – beginning of period	166	165		
Issued	74	34		
Reinvested dividends	20	10		
Redeemed	(48)	(22)		
Securities outstanding – end of period	212	187		

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STATEMENTS OF CASH FLOWS

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

	2020	2019
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	75,884	6,135
Adjustments for:		
Net realized loss (gain) on investments	9,773	(41,562)
Change in net unrealized loss (gain) on investments	(89,343)	32,303
Purchase of investments	(122,718)	(119,205)
Proceeds from sale and maturity of investments	86,350	109,205
Change in dividends receivable	30	(19)
Change in taxes recoverable	(218)	14
Change in due to manager	3	–
Net cash from operating activities	(40,239)	(13,129)
Cash flows from financing activities		
Proceeds from securities issued	114,331	56,881
Payments on redemption of securities	(119,314)	(46,204)
Dividends paid net of reinvestments	(6,657)	(2,674)
Net cash from financing activities	(11,640)	8,003
Net increase (decrease) in cash and cash equivalents	(51,879)	(5,126)
Cash and cash equivalents at beginning of period	66,758	10,021
Effect of exchange rate fluctuations on cash and cash equivalents	393	–
Cash and cash equivalents at end of period	15,272	4,895
Cash	12,315	450
Cash equivalents	2,957	4,445
Cash and cash equivalents at end of period	15,272	4,895
Supplementary disclosures on cash flow from operating activities:		
Dividends received	1,749	1,505
Taxes paid	239	201
Interest received	21	69
Interest paid	–	2

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SCHEDULE OF INVESTMENTS

As at September 30, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES					
A.O. Smith Corp.	United States	Industrials	220,964	13,381	15,533
Cantel Medical Corp.	United States	Health Care	91,906	9,345	5,376
Carter's Inc.	United States	Consumer Discretionary	131,061	15,064	15,107
Charles River Laboratories International Inc.	United States	Health Care	25,012	4,656	7,541
CommVault Systems Inc.	United States	Information Technology	170,018	10,952	9,235
CoreLogic Inc.	United States	Industrials	36,742	2,115	3,310
Dentsply Sirona Inc.	United States	Health Care	251,305	14,372	14,631
Dolby Laboratories Inc. Class A	United States	Information Technology	167,757	13,869	14,803
Equifax Inc.	United States	Industrials	56,219	8,729	11,743
ExlService Holdings Inc.	United States	Information Technology	139,638	9,803	12,264
First Horizon National Corp.	United States	Financials	336,535	7,149	4,225
Frontdoor Inc.	United States	Consumer Discretionary	222,225	12,389	11,512
Gartner Inc.	United States	Information Technology	99,599	14,325	16,568
Glanbia PLC	Ireland	Consumer Staples	630,826	12,200	8,635
Healthcare Services Group Inc.	United States	Industrials	353,405	13,649	10,130
HMS Holdings Corp.	United States	Health Care	244,324	8,316	7,790
Kennedy-Wilson Holdings Inc.	United States	Real Estate	314,673	8,446	6,083
Keysight Technologies Inc.	United States	Information Technology	19,800	2,533	2,604
LivePerson Inc.	United States	Information Technology	99,300	4,105	6,873
Markel Corp.	United States	Financials	11,230	12,853	14,558
MAXIMUS Inc.	United States	Information Technology	159,156	12,636	14,496
Middleby Corp.	United States	Industrials	65,430	9,034	7,815
Motorola Solutions Inc.	United States	Information Technology	52,500	10,058	10,960
MSC Industrial Direct Co. Inc. Class A	United States	Industrials	80,389	7,300	6,773
Pluralsight Inc. Class A	United States	Information Technology	397,171	8,733	9,058
Polo Ralph Lauren Corp. Class A	United States	Consumer Discretionary	122,277	16,266	11,065
Premier Inc. Class A	United States	Health Care	325,288	14,837	14,218
The Progressive Corp.	United States	Financials	135,787	10,209	17,114
Signature Bank	United States	Financials	61,086	8,671	6,749
Syneos Health Inc.	United States	Health Care	218,960	13,554	15,497
Tenable Holdings Inc.	United States	Information Technology	341,237	11,722	17,150
Verra Mobility Corp.	United States	Information Technology	416,733	7,676	5,360
Wabtec Corp.	United States	Industrials	193,397	18,983	15,933
Waters Corp.	United States	Health Care	44,888	12,148	11,694
Xilinx Inc.	United States	Information Technology	103,327	12,307	14,340
Zebra Technologies Corp. Class A	United States	Information Technology	2,043	689	687
Total equities				373,074	377,430
Transaction costs				(317)	—
Total investments				372,757	377,430
Derivative instruments (see schedule of derivative instruments)					(2,451)
Cash and cash equivalents					15,272
Other assets less liabilities					439
Total net assets					390,690



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SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2020		March 31, 2020	
Portfolio Allocation	% of NAV	Portfolio Allocation	% of NAV
Equities	96.6	Equities	93.0
Cash and short-term investments	3.9	Cash and short-term investments	20.4
Other assets (liabilities)	(0.5)	Other assets (liabilities)	(13.4)
Regional Allocation	% of NAV	Regional Allocation	% of NAV
United States	94.4	United States	90.5
Cash and short-term investments	3.9	Cash and short-term investments	20.4
Ireland	2.2	Ireland	2.5
Other assets (liabilities)	(0.5)	Other assets (liabilities)	(13.4)
Sector Allocation	% of NAV	Sector Allocation	% of NAV
Information technology	34.5	Information technology	31.8
Health care	19.6	Cash and short-term investments	20.4
Industrials	18.2	Health care	17.8
Financials	10.9	Industrials	17.2
Consumer discretionary	9.6	Financials	12.6
Cash and short-term investments	3.9	Consumer discretionary	9.4
Consumer staples	2.2	Consumer staples	2.5
Real estate	1.6	Real estate	1.7
Other assets (liabilities)	(0.5)	Other assets (liabilities)	(13.4)



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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	27,533	Canadian dollar	(20,500)	U.S. dollar	Oct. 9, 2020	(27,533)	(27,293)	240
A	10,593	Canadian dollar	(7,920)	U.S. dollar	Nov. 20, 2020	(10,593)	(10,546)	47
A	10,550	U.S. dollar	(14,034)	Canadian dollar	Nov. 20, 2020	14,034	14,048	14
A	290	Euro	(454)	Canadian dollar	Feb. 12, 2021	454	454	–
Unrealized Gains								301
AA	972	Canadian dollar	(630)	Euro	Oct. 9, 2020	(972)	(983)	(11)
AA	265	Canadian dollar	(170)	Euro	Oct. 9, 2020	(265)	(266)	(1)
AA	460	Euro	(719)	Canadian dollar	Oct. 16, 2020	719	718	(1)
A	115,193	Canadian dollar	(86,755)	U.S. dollar	Nov. 20, 2020	(115,193)	(115,523)	(330)
A	7,962	Canadian dollar	(6,000)	U.S. dollar	Nov. 20, 2020	(7,962)	(7,990)	(28)
A	52,175	Canadian dollar	(39,450)	U.S. dollar	Nov. 20, 2020	(52,175)	(52,531)	(356)
A	32,408	Canadian dollar	(24,500)	U.S. dollar	Nov. 20, 2020	(32,408)	(32,624)	(216)
AA	3,285	Canadian dollar	(2,100)	Euro	Feb. 12, 2021	(3,285)	(3,289)	(4)
A	5,128	Canadian dollar	(3,280)	Euro	Feb. 12, 2021	(5,128)	(5,136)	(8)
AA	60,813	Canadian dollar	(46,370)	U.S. dollar	Feb. 12, 2021	(60,813)	(61,719)	(906)
AA	85,970	Canadian dollar	(65,260)	U.S. dollar	Feb. 26, 2021	(85,970)	(86,861)	(891)
Unrealized (Losses)								(2,752)
Total forward currency contracts								(2,451)
Total derivative instruments at fair value								(2,451)



MACKENZIE
Investments

MACKENZIE US SMALL-MID CAP GROWTH CURRENCY NEUTRAL CLASS

(Formerly Mackenzie US Mid Cap Growth Currency Neutral Class)

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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.



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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.



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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.



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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.

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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.



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7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at September 30, 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.



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8. Financial Instruments Risk (cont'd)

vi. Credit risk

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

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

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

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

vii. Underlying funds

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



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

(a) Fund Formation and Series Information

Date of Formation 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.

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 were closed to new sales on October 29, 2020, except for purchases by the following types of investor: 1) those who have held securities of the Fund since October 29, 2020; 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 authority or discretionary authority over the portfolio and the Fund was part of the portfolio as of October 29, 2020.

Series J 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.

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Sep. 30, 2020	Mar. 31, 2020
Series A	March 6, 2006	2.00%	0.28%	24.91	22.58
Series AR	December 17, 2013	2.00%	0.31%	11.99	10.86
Series D	March 19, 2014	1.25%	0.20%	11.35	10.39
Series F	May 10, 2006	0.80%	0.15%	27.45	25.28
Series F5	October 24, 2018	0.80%	0.15%	11.87	11.31
Series F8	October 24, 2018	0.80%	0.15%	11.14	10.84
Series FB	October 26, 2015	1.00%	0.28%	11.65	10.68
Series FB5	January 15, 2019	1.00%	0.28%	12.06	11.46
Series I	July 24, 2007	1.35%	0.28%	22.19	20.27
Series J	November 29, 2010	1.75%	0.25%	18.96	17.23
Series O	July 24, 2007	— ⁽¹⁾	—*	25.67	23.84
Series PW	October 22, 2013	1.80%	0.15%	12.17	11.07
Series PWFB	April 3, 2017	0.80%	0.15%	9.56	8.81
Series PWFB5	January 15, 2019	0.80%	0.15%	12.07	11.51
Series PWR	April 1, 2019	1.80%	0.15%	8.48	7.71
Series PWT5	April 3, 2017	1.80%	0.15%	11.71	11.03
Series PWT8	January 16, 2015	1.80%	0.15%	10.51	10.10
Series PWX	January 15, 2014	— ⁽²⁾	— ⁽²⁾	11.89	11.04
Series PWX8	December 6, 2013	— ⁽²⁾	— ⁽²⁾	10.43	10.25
Series T5	July 18, 2008	2.00%	0.28%	15.20	14.26
Series T8	May 2, 2008	2.00%	0.28%	11.10	10.63

* 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.



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MACKENZIE US SMALL-MID CAP GROWTH CURRENCY NEUTRAL CLASS

(Formerly Mackenzie US Mid Cap Growth Currency Neutral Class)

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NOTES TO FINANCIAL STATEMENTS

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

(b) Investments by Mackenzie and Affiliates

As at September 30, 2020, Mackenzie had an investment of \$13 (March 31, 2020 – \$11) in the Fund.

(c) Securities Lending

The value of securities loaned and collateral received from securities lending at September 30, 2020 and March 31, 2020, were as follows:

	September 30, 2020	March 31, 2020
	(\$)	(\$)
Value of securities loaned	5,222	5,716
Value of collateral received	5,488	6,221

Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments and financial institutions.

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended September 30, 2020 and 2019 is as follows:

	2020		2019	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	11	100.0	18	100.0
Tax withheld	(1)	(9.1)	–	–
	10	90.9	18	100.0
Payments to Securities Lending Agent	(2)	(18.2)	(5)	(27.8)
Securities lending income	8	72.7	13	72.2

(d) Commissions

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

	(\$)
September 30, 2020	57
September 30, 2019	26

(e) Name Change

Effective May 27, 2020, the Fund was renamed Mackenzie US Small-Mid Cap Growth Currency Neutral Class.

(f) 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	–	–	–	–
Unrealized losses on derivative contracts	(13)	–	–	(13)
Liability for options written	–	–	–	–
Total	(13)	–	–	(13)



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NOTES TO FINANCIAL STATEMENTS

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

(f) Offsetting of Financial Assets and Liabilities (cont'd)

	March 31, 2020			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	2,163	(2,163)	–	–
Unrealized losses on derivative contracts	(5,962)	2,163	–	(3,799)
Liability for options written	–	–	–	–
Total	(3,799)	–	–	(3,799)

(g) 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 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.

	September 30, 2020			
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Euro	8,635	–	(8,502)	133
U.S. dollar	368,795	11,815	(381,039)	(429)
Total	377,430	11,815	(389,541)	(296)
% of Net Assets	96.6	3.0	(99.7)	(0.1)

	March 31, 2020			
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	295,510	25,199	(304,186)	16,523
Euro	8,311	767	(8,142)	936
Total	303,821	25,966	(312,328)	17,459
% of Net Assets	92.9	7.9	(95.5)	5.3

* 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 \$15 or 0.0% of total net assets (March 31, 2020 – \$873 or 0.3%). In practice, the actual trading results may differ and the difference could be material.



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NOTES TO FINANCIAL STATEMENTS

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

(g) Risks Associated with Financial Instruments (cont'd)

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. 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 \$37,743 or 9.7% of total net assets (March 31, 2020 – \$30,382 or 9.3%). 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.

(h) 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	368,795	8,635	–	377,430	295,510	8,311	–	303,821
Derivative assets	–	301	–	301	–	2,799	–	2,799
Derivative liabilities	–	(2,752)	–	(2,752)	–	(24,623)	–	(24,623)
Short-term investments	–	2,957	–	2,957	–	41,062	–	41,062
Total	368,795	9,141	–	377,936	295,510	27,549	–	323,059

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. Short-term investments classified as Level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.



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