

MACKENZIE US MID CAP GROWTH CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

US EQUITY FUND

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Mackenzie Financial Corporation, as Manager of Mackenzie US Mid Cap Growth Class (the "Fund"). The Manager is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with International Financial Reporting Standards. The Manager is also responsible for the development of internal controls over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors (the "Board") of Mackenzie Financial Capital Corporation is responsible for reviewing and approving the financial statements and overseeing the Manager's performance of its financial reporting responsibilities. The Board is assisted in discharging this responsibility by an Audit Committee, which reviews the financial statements and recommends them for approval by the Board. The Audit Committee also meets regularly with the Manager, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

Deloitte LLP is the external auditor of the Fund. It is appointed by the Board. The external auditor has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the securityholders its opinion on the financial statements. Its report is set out below.

On behalf of Mackenzie Financial Corporation,
Manager of the Fund



Barry McInerney
President and Chief Executive Officer



Terry Rountes
Chief Financial Officer, Funds

June 3, 2019

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie US Mid Cap Growth Class (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at March 31, 2019 and 2018, and the statements of comprehensive income, changes in financial position and cash flows for the periods then ended, as indicated in Note 1, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2019 and 2018, and its financial performance and its cash flows for the periods then ended, as indicated in Note 1, in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information which comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



MACKENZIE
Investments

INDEPENDENT AUDITOR'S REPORT (cont'd)

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
June 3, 2019



MACKENZIE US MID CAP GROWTH CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

US EQUITY FUND

STATEMENTS OF FINANCIAL POSITION

*In thousands (except per security figures)
As at March 31*

	2019	2018
	\$	\$
ASSETS		
Current assets		
Investments at fair value	3,135,444	1,979,943
Cash and cash equivalents	87,867	113,506
Dividends receivable	1,989	714
Accounts receivable for investments sold	16,680	15,577
Accounts receivable for securities issued	12,837	1,787
Unrealized gains on derivative contracts	–	54
Taxes recoverable (note 5)	439	95
Total assets	3,255,256	2,111,676

LIABILITIES

Current liabilities		
Accounts payable for investments purchased	12,258	2
Accounts payable for securities redeemed	3,493	6,490
Due to manager	–	193
Unrealized losses on derivative contracts	–	1,786
Total liabilities	15,751	8,471
Net assets attributable to securityholders	3,239,505	2,103,205

Net assets attributable to securityholders per series (note 3)

Series A	864,045	697,618
Series AR	22,483	11,409
Series B	531	1,154
Series D	10,349	3,488
Series F	946,243	330,414
Series F5	3,437	49
Series F8	8,675	44
Series FB	1,604	766
Series FB5	1	–
Series I	4,125	3,267
Series J	1,015	1,043
Series M	4,564	3,864
Series O	370,900	364,429
Series PW	558,599	180,140
Series PWF	–	172,149
Series PWF6	–	103
Series PWF8	–	6,082
Series PWFB	12,723	2,493
Series PWFB5	1	–
Series PWT5	12,604	6,194
Series PWT8	14,678	5,117
Series PWX	13,666	9,618
Series PWX8	834	702
Series R	13,904	14,246
Series S	861	692
Series T5	18,010	13,839
Series T8	21,395	16,584
Quadrus Series	113,247	90,810

	2019	2018
	\$	\$
H Series	6,050	7,014
HW Series	3,158	–
L Series	37,257	28,329
N Series	54,094	34,354
QF Series	8,105	4,627
QFW Series	1,311	–
Series LB	30,602	58,762
Series LF	4,689	–
Series LW	75,745	33,805

Net assets attributable to securityholders per security (note 3)

Series A	50.24	42.58
Series AR	19.62	16.63
Series B	26.38	22.34
Series D	18.57	15.68
Series F	55.83	47.00
Series F5	17.98	16.03
Series F8	17.42	15.87
Series FB	14.97	12.64
Series FB5	16.58	–
Series I	55.04	46.51
Series J	26.97	22.83
Series M	59.30	50.04
Series O	56.17	47.32
Series PW	19.48	16.48
Series PWF	–	16.53
Series PWF6	–	16.05
Series PWF8	–	16.49
Series PWFB	12.68	10.68
Series PWFB5	16.61	–
Series PWT5	16.71	14.91
Series PWT8	18.11	16.51
Series PWX	20.72	17.46
Series PWX8	18.06	16.40
Series R	23.75	20.01
Series S	19.40	16.34
Series T5	26.53	23.71
Series T8	23.05	21.06
Quadrus Series	49.74	42.14
H Series	57.60	48.54
HW Series	10.78	–
L Series	28.22	23.88
N Series	33.58	28.29
QF Series	14.27	12.03
QFW Series	10.79	–
Series LB	26.69	22.64
Series LF	11.11	–
Series LW	12.28	10.50

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



MACKENZIE
Investments

MACKENZIE US MID CAP GROWTH CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

US EQUITY FUND

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended March 31 (note 1)
In thousands (except per security figures)

	2019	2018
	\$	\$
Income		
Dividends	21,173	10,966
Interest income	3,754	1,003
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	302,430	275,831
Net unrealized gain (loss)	234,064	(73,253)
Securities lending income	420	422
Total income (loss)	561,841	214,969
Expenses (note 6)		
Management fees	36,808	28,436
Administration fees	4,919	3,975
Interest charges	8	1
Commissions and other portfolio transaction costs	1,979	1,206
Independent Review Committee fees	9	8
Other	8	5
Expenses before amounts absorbed by Manager	43,731	33,631
Expenses absorbed by Manager	—	—
Net expenses	43,731	33,631
Increase (decrease) in net assets attributable to securityholders from operations before tax	518,110	181,338
Foreign withholding taxes	2,408	1,220
Income taxes (note 5)	7	—
Increase (decrease) in net assets attributable to securityholders from operations	515,695	180,118
Increase (decrease) in net assets attributable to securityholders from operations per series		
Series A	143,562	53,904
Series AR	3,048	779
Series B	157	115
Series D	1,139	260
Series E	—	5
Series F	127,698	27,575
Series F5	279	3
Series F8	1,137	2
Series FB	224	56
Series FB5	—	—
Series I	769	289
Series J	209	85
Series M	870	356
Series O	80,693	38,896
Series PW	68,735	14,966
Series PWF	11,490	14,760
Series PWF6	8	2
Series PWF8	385	572
Series PWFB	1,286	52
Series PWFB5	—	—
Series PWT5	1,805	545
Series PWT8	1,813	409
Series PWX	2,479	882
Series PWX8	169	72
Series R	3,673	1,532

	2019	2018
	\$	\$
Series S	168	74
Series T5	2,859	1,002
Series T8	3,631	1,336
Quadrus Series	19,518	7,239
H Series	1,564	627
HW Series	118	—
L Series	6,403	2,290
N Series	9,099	3,519
QF Series	1,305	331
QFW Series	53	—
Series LB	7,998	6,771
Series LF	99	—
Series LW	11,252	812
Increase (decrease) in net assets attributable to securityholders from operations per security		
Series A	9.31	3.33
Series AR	3.46	1.39
Series B	5.42	1.76
Series D	3.37	1.20
Series E	—	1.31
Series F	9.98	4.16
Series F5	3.19	1.29
Series F8	2.92	1.30
Series FB	3.00	1.34
Series FB5	1.93	—
Series I	10.38	4.03
Series J	4.62	1.68
Series M	11.05	4.50
Series O	11.40	4.99
Series PW	3.14	1.54
Series PWF	1.05	1.64
Series PWF6	1.01	0.90
Series PWF8	1.02	1.60
Series PWFB	2.40	0.78
Series PWFB5	1.98	—
Series PWT5	2.85	1.64
Series PWT8	3.09	1.63
Series PWX	4.05	1.72
Series PWX8	3.81	1.59
Series R	4.57	2.20
Series S	3.86	1.69
Series T5	4.85	1.83
Series T8	4.39	1.75
Quadrus Series	8.89	3.34
H Series	13.13	4.30
HW Series	0.47	—
L Series	5.06	1.97
N Series	6.54	2.89
QF Series	2.80	1.18
QFW Series	0.58	—
Series LB	3.89	1.75
Series LF	1.29	—
Series LW	2.61	0.28

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



MACKENZIE
Investments

MACKENZIE US MID CAP GROWTH CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

US EQUITY FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the periods ended March 31 (note 1)
In thousands

	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Series A		Series AR		Series B		Series D		Series E	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	697,618	680,785	11,409	6,969	1,154	1,643	3,488	2,451	–	83
Increase (decrease) in net assets from operations	143,562	53,904	3,048	779	157	115	1,139	260	–	5
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(21,433)	(9,324)	(364)	(111)	(33)	(23)	(133)	(64)	–	–
Return of capital	–	–	–	–	–	–	–	–	–	–
Total dividends paid to securityholders	(21,433)	(9,324)	(364)	(111)	(33)	(23)	(133)	(64)	–	–
Security transactions:										
Proceeds from securities issued	436,045	216,840	8,896	4,465	–	3	8,009	2,139	–	–
Reinvested dividends	21,121	10,392	364	123	33	23	131	70	–	–
Payments on redemption of securities	(412,868)	(254,979)	(870)	(816)	(780)	(607)	(2,285)	(1,368)	–	(88)
Total security transactions	44,298	(27,747)	8,390	3,772	(747)	(581)	5,855	841	–	(88)
Total increase (decrease) in net assets	166,427	16,833	11,074	4,440	(623)	(489)	6,861	1,037	–	(83)
End of period	864,045	697,618	22,483	11,409	531	1,154	10,349	3,488	–	–
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	16,382	17,135	686	449	52	79	222	168	–	4
Issued	9,323	5,346	488	280	–	–	459	142	–	–
Reinvested dividends	483	255	21	8	1	1	8	5	–	–
Redeemed	(8,988)	(6,354)	(49)	(51)	(33)	(28)	(132)	(93)	–	(4)
Securities outstanding – end of period	17,200	16,382	1,146	686	20	52	557	222	–	–
	Series F		Series F5		Series F8		Series FB		Series FB5	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	330,414	285,412	49	–	44	–	766	259	–	–
Increase (decrease) in net assets from operations	127,698	27,575	279	3	1,137	2	224	56	–	–
Dividends paid to securityholders:										
Ordinary	(243)	–	(1)	–	(4)	–	–	–	–	–
Capital gains	(12,564)	(6,195)	(5)	–	(6)	–	(35)	(8)	–	–
Return of capital	–	–	(78)	(1)	(491)	(1)	–	–	–	–
Total dividends paid to securityholders	(12,807)	(6,195)	(84)	(1)	(501)	(1)	(35)	(8)	–	–
Security transactions:										
Proceeds from securities issued	650,979	171,029	3,376	47	8,725	43	3,197	886	1	–
Reinvested dividends	9,311	5,198	24	–	144	–	35	8	–	–
Payments on redemption of securities	(159,352)	(152,605)	(207)	–	(874)	–	(2,583)	(435)	–	–
Total security transactions	500,938	23,622	3,193	47	7,995	43	649	459	1	–
Total increase (decrease) in net assets	615,829	45,002	3,388	49	8,631	44	838	507	1	–
End of period	946,243	330,414	3,437	49	8,675	44	1,604	766	1	–
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	7,031	6,533	3	–	3	–	61	22	–	–
Issued	12,859	3,840	199	3	538	3	231	75	–	–
Reinvested dividends	193	116	1	–	9	–	3	1	–	–
Redeemed	(3,136)	(3,458)	(12)	–	(52)	–	(188)	(37)	–	–
Securities outstanding – end of period	16,947	7,031	191	3	498	3	107	61	–	–

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

MACKENZIE US MID CAP GROWTH CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

US EQUITY FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

For the periods ended March 31 (note 1)
In thousands

	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Series PWT5		Series PWT8		Series PWX		Series PWX8		Series R	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	6,194	–	5,117	1,542	9,618	7,778	702	1,041	14,246	12,144
Increase (decrease) in net assets from operations	1,805	545	1,813	409	2,479	882	169	72	3,673	1,532
Dividends paid to securityholders:										
Ordinary	–	–	–	–	(57)	(24)	(4)	(2)	(58)	–
Capital gains	(202)	(153)	(184)	(59)	(426)	(265)	(32)	(25)	(786)	(400)
Return of capital	(533)	(308)	(773)	(331)	–	–	(57)	(58)	–	–
Total dividends paid to securityholders	(735)	(461)	(957)	(390)	(483)	(289)	(93)	(85)	(844)	(400)
Security transactions:										
Proceeds from securities issued	7,427	6,201	10,747	3,686	4,460	2,969	38	244	6,471	2,513
Reinvested dividends	342	175	573	169	475	314	35	32	–	–
Payments on redemption of securities	(2,429)	(266)	(2,615)	(299)	(2,883)	(2,036)	(17)	(602)	(9,642)	(1,543)
Total security transactions	5,340	6,110	8,705	3,556	2,052	1,247	56	(326)	(3,171)	970
Total increase (decrease) in net assets	6,410	6,194	9,561	3,575	4,048	1,840	132	(339)	(342)	2,102
End of period	12,604	6,194	14,678	5,117	13,666	9,618	834	702	13,904	14,246

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	416	–	310	93	551	480	43	63	712	655
Issued	471	422	618	226	232	176	2	15	309	138
Reinvested dividends	22	12	33	10	26	19	2	2	–	–
Redeemed	(155)	(18)	(151)	(19)	(150)	(124)	(1)	(37)	(436)	(81)
Securities outstanding – end of period	754	416	810	310	659	551	46	43	585	712

	Series S		Series T5		Series T8		Quadrus Series		H Series	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	692	648	13,839	15,683	16,584	15,951	90,810	83,402	7,014	6,453
Increase (decrease) in net assets from operations	168	74	2,859	1,002	3,631	1,336	19,518	7,239	1,564	627
Dividends paid to securityholders:										
Ordinary	(3)	(2)	–	–	–	–	–	–	–	–
Capital gains	(31)	(22)	(413)	(179)	(525)	(224)	(2,677)	(1,190)	(255)	(148)
Return of capital	–	–	(784)	(738)	(1,367)	(1,257)	–	–	–	–
Total dividends paid to securityholders	(34)	(24)	(1,197)	(917)	(1,892)	(1,481)	(2,677)	(1,190)	(255)	(148)
Security transactions:										
Proceeds from securities issued	1	3	10,600	5,602	9,525	6,174	25,776	19,062	1,862	1,348
Reinvested dividends	34	24	709	406	828	575	2,677	1,330	255	165
Payments on redemption of securities	–	(33)	(8,800)	(7,937)	(7,281)	(5,971)	(22,857)	(19,033)	(4,390)	(1,431)
Total security transactions	35	(6)	2,509	(1,929)	3,072	778	5,596	1,359	(2,273)	82
Total increase (decrease) in net assets	169	44	4,171	(1,844)	4,811	633	22,437	7,408	(964)	561
End of period	861	692	18,010	13,839	21,395	16,584	113,247	90,810	6,050	7,014

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	42	43	584	668	787	749	2,155	2,121	144	143
Issued	–	–	418	242	432	297	557	473	35	28
Reinvested dividends	2	2	29	17	38	27	62	33	5	4
Redeemed	–	(3)	(352)	(343)	(329)	(286)	(497)	(472)	(79)	(31)
Securities outstanding – end of period	44	42	679	584	928	787	2,277	2,155	105	144

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



MACKENZIE US MID CAP GROWTH CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

US EQUITY FUND

STATEMENTS OF CASH FLOWS

For the periods ended March 31 (note 1)
In thousands

	2019	2018
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	515,695	180,118
Adjustments for:		
Net realized loss (gain) on investments	(297,667)	(275,031)
Change in net unrealized loss (gain) on investments	(233,772)	72,229
Purchase of investments	(1,657,555)	(1,053,902)
Proceeds from sale and maturity of investments	1,042,914	1,012,200
Change in dividends receivable	(1,275)	113
Change in taxes recoverable	(344)	–
Change in due to manager	(193)	193
Net cash from operating activities	(632,197)	(64,080)
Cash flows from financing activities		
Proceeds from securities issued	1,350,951	536,637
Payments on redemption of securities	(735,170)	(353,682)
Dividends paid net of reinvestments	(9,223)	(5,379)
Net cash from financing activities	606,558	177,576
Net increase (decrease) in cash and cash equivalents	(25,639)	113,496
Cash and cash equivalents at beginning of period	113,506	10
Effect of exchange rate fluctuations on cash and cash equivalents	–	–
Cash and cash equivalents at end of period	87,867	113,506
Cash	368	471
Cash equivalents	87,499	113,035
Cash and cash equivalents at end of period	87,867	113,506
Supplementary disclosures on cash flow from operating activities:		
Dividends received	19,898	11,079
Taxes paid	2,415	1,220
Interest received	3,754	1,003
Interest paid	8	1

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



MACKENZIE
Investments

MACKENZIE US MID CAP GROWTH CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

US EQUITY FUND

SCHEDULE OF INVESTMENTS

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES					
Bright Horizons Family Solutions Inc.	United States	Consumer Discretionary	171,232	16,291	29,082
Broadridge Financial Solutions Inc.	United States	Information Technology	58,500	7,772	8,105
Brown & Brown Inc.	United States	Financials	306,896	5,348	12,101
Cambrex Corp.	United States	Health Care	1,175,069	79,435	60,997
Cantel Medical Corp.	United States	Health Care	954,732	100,727	85,329
Carter's Inc.	United States	Consumer Discretionary	1,039,678	122,712	140,014
Cerner Corp.	United States	Health Care	1,560,404	114,805	119,279
Cognex Corp.	United States	Information Technology	262,395	18,221	17,831
CommVault Systems Inc.	United States	Information Technology	1,064,375	69,218	92,071
CoreLogic Inc.	United States	Information Technology	723,830	42,152	36,036
CoStar Group Inc.	United States	Industrials	279,280	107,971	174,048
Dave & Buster's Entertainment Inc.	United States	Consumer Discretionary	1,628,709	109,845	108,527
Dentsply Sirona Inc.	United States	Health Care	2,497,067	136,306	165,455
DexCom Inc.	United States	Health Care	781,528	95,115	124,369
Dolby Laboratories Inc. Class A	United States	Information Technology	762,245	62,103	64,133
Endologix Inc.	United States	Health Care	130,517	19,294	1,153
Equifax Inc.	United States	Industrials	744,690	107,442	117,909
ExlService Holdings Inc.	United States	Information Technology	1,156,315	78,972	92,731
First Republic Bank	United States	Financials	85,343	4,221	11,456
Gartner Inc.	United States	Information Technology	389,182	54,612	78,874
Glanbia PLC	Ireland	Consumer Staples	2,414,922	53,177	63,140
Globant SA	United States	Information Technology	326,366	20,789	31,136
Healthcare Services Group Inc.	United States	Industrials	900,904	38,286	39,711
Hudson Ltd.	United States	Consumer Discretionary	1,303,993	32,582	23,957
Instructure Inc.	United States	Information Technology	1,145,418	56,834	72,115
Kennedy-Wilson Holdings Inc.	United States	Real Estate	2,532,098	68,467	72,368
Markel Corp.	United States	Financials	60,851	61,281	81,000
MAXIMUS Inc.	United States	Information Technology	1,253,884	94,843	118,918
Middleby Corp.	United States	Industrials	266,428	40,157	46,289
Nielsen Holdings PLC	United States	Industrials	1,748,387	86,475	55,296
Polo Ralph Lauren Corp. Class A	United States	Consumer Discretionary	418,726	68,588	72,553
Premier Inc. Class A	United States	Health Care	511,622	23,518	23,577
The Progressive Corp.	United States	Financials	1,483,663	65,267	142,911
Signature Bank	United States	Financials	313,165	40,644	53,589
Silicon Laboratories Inc.	United States	Information Technology	135,368	10,060	14,625
Spirit Airlines Inc.	United States	Industrials	1,459,102	83,801	103,055
Syneos Health Inc.	United States	Health Care	2,054,643	114,454	142,097
Teradyne Inc.	United States	Information Technology	136,800	6,743	7,282
Tyler Technologies Inc.	United States	Information Technology	167,500	41,373	45,746
Varonis Systems Inc.	United States	Information Technology	342,100	24,066	27,257
Verisk Analytics Inc.	United States	Industrials	739,267	68,859	131,373
Wabtec Corp.	United States	Industrials	616,617	68,732	60,737



MACKENZIE
Investments

MACKENZIE US MID CAP GROWTH CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

US EQUITY FUND

SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
Waters Corp.	United States	Health Care	121,544	30,027	40,878
Worldpay Inc.	United States	Information Technology	833,045	83,764	126,334
Total equities				2,635,349	3,135,444
Transaction costs				(1,647)	—
Total investments				2,633,702	3,135,444
Cash and cash equivalents					87,867
Other assets less liabilities					16,194
Total net assets					3,239,505



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MACKENZIE US MID CAP GROWTH CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

US EQUITY FUND

SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2019	
Portfolio Allocation	% of NAV
Equities	96.8
Cash and short-term investments	2.7
Other assets (liabilities)	0.5

Regional Allocation	
	% of NAV
United States	94.9
Cash and short-term investments	2.7
Ireland	1.9
Other assets (liabilities)	0.5

Sector Allocation	
	% of NAV
Information technology	25.8
Health care	23.6
Industrials	22.5
Consumer discretionary	11.5
Financials	9.3
Cash and short-term investments	2.7
Real estate	2.2
Consumer staples	1.9
Other assets (liabilities)	0.5

March 31, 2018	
Portfolio Allocation	% of NAV
Equities	94.1
Cash and short-term investments	5.4
Other assets (liabilities)	0.5

Regional Allocation	
	% of NAV
United States	94.1
Cash and short-term investments	5.4
Other assets (liabilities)	0.5

Sector Allocation	
	% of NAV
Information technology	24.9
Industrials	20.2
Health care	16.8
Financials	13.9
Consumer discretionary	11.6
Cash and short-term investments	5.4
Consumer staples	4.8
Real estate	1.9
Other assets (liabilities)	0.5



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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 periods ended or as at March 31, 2019 and 2018, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Refer to Note 9 for the formation date of the Fund and the inception date of each series.

The Fund is comprised of one or more classes of shares (referred to as "security" or "securities") of Mackenzie Financial Capital Corporation ("Capitalcorp"), a mutual fund corporation incorporated under the laws of the Province of Ontario, and is authorized to issue up to 1,000 classes of securities of multiple series. The address of the Fund's registered office is 180 Queen Street West, Toronto, Ontario, Canada. Reference is made to the Fund's Simplified Prospectus for additional information on the Fund's structure.

The foregoing financial statements and accompanying notes to the financial statements presented herein are for the Fund. Separate financial statements of each of the other funds of Capitalcorp have also been prepared.

Mackenzie Financial Corporation ("Mackenzie") is the manager of the Fund and is wholly owned by IGM Financial Inc., a subsidiary of Power Financial Corporation, which itself is a subsidiary of Power Corporation of Canada. The Great-West Life Assurance Company, London Life Insurance Company and The Canada Life Assurance Company (collectively, the "Related Insurance Companies") are wholly owned by Great-West Lifeco Inc., which is also a subsidiary of Power Financial Corporation. 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 audited annual financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). 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 June 3, 2019.

3. Significant Accounting Policies

(a) Financial instruments

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

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

The Fund's redeemable securities contain multiple dissimilar contractual obligations and therefore meet the criteria for classification as financial liabilities under IAS 32, *Financial Instruments: Presentation*. The Fund's obligation for net assets attributable to securityholders is presented at the redemption amount.

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

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

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

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

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

(b) Fair value measurement

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

Investments listed on a public securities exchange or traded on an over-the-counter market are valued on the basis of the last traded market price or close price recorded by the security exchange on which the security is principally traded, where this price falls within the quoted bid-ask spread for the investment. In circumstances where this price is not within the bid-ask spread, Mackenzie determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Mutual fund securities of an underlying fund are valued on a business day at the price calculated by the manager of such underlying fund in accordance with the constating documents of such underlying fund. Unlisted or non-exchange traded investments, or investments where a last sale or close price is unavailable or investments for which market quotations are, in Mackenzie's opinion, inaccurate, unreliable, or not reflective of all available material information, are valued at their fair value as determined by Mackenzie using appropriate and accepted industry valuation techniques including valuation models. The fair value determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the fair value may be determined using valuation techniques that are not supported by observable market data.

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

Cash and cash equivalents which includes cash on deposit with financial institutions and short-term investments that are readily convertible to cash, are subject to an insignificant risk of changes in value, and are used by the Fund in the management of short-term commitments. Cash and cash equivalents are reported at fair value which closely approximates their amortized cost due to their nature of being highly liquid and having short terms to maturity. Bank overdraft positions are presented under current liabilities as bank indebtedness in the Statement of Financial Position.

The Fund may use derivatives (such as written options, futures, forward contracts, swaps or customized derivatives) to hedge against losses caused by changes in securities prices, interest rates or exchange rates. The Fund may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, to gain exposure to other currencies, to seek to generate additional income, and/or for any other purpose considered appropriate by the Fund's portfolio manager(s), provided that the use of the derivative is consistent with the Fund's investment objectives. Any use of derivatives will comply with Canadian mutual fund laws, subject to the regulatory exemptions granted to the Fund, as applicable. Refer to "Exemptions from National Instrument 81-102" in the Annual Information Form of the Fund for further details, including the complete conditions of these exemptions, as applicable.

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

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

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

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

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 March 31, 2019.



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.

(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.



NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(k) Mergers

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

4. Critical Accounting Estimates and Judgments

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

Use of Estimates

Fair value of securities not quoted in an active market

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

Use of Judgments

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

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

Functional currency

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

Structured entities and associates

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

5. Income Taxes

Capitalcorp qualifies as a mutual fund corporation under the provisions of the Income Tax Act (Canada). The taxation year-end for Capitalcorp is March 31.

Capitalcorp is a single legal entity for tax purposes and is not taxed on a fund-by-fund basis. As such, non-capital and capital losses of Capitalcorp may be applied against the income and/or capital gains attributable to Capitalcorp as a whole irrespective of the Fund from which the income, gains and/or losses arose. Therefore, where a Fund has positive net taxable income, the current tax liability has been offset with the utilization of unused tax losses of Capitalcorp to the extent possible.

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.

NOTES TO FINANCIAL STATEMENTS

5. Income Taxes (cont'd)

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.

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 March 31, 2019 and 2018 and securities issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the Fund in accordance with the investment objectives as discussed in Note 9.

8. Financial Instruments Risk

i. Risk exposure and management

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at March 31, 2019, grouped by asset type, with geographic and sector information.

NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

i. Risk exposure and management (cont'd)

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 accordance with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e., investments that can be readily sold). In addition, the Fund retains sufficient cash and short-term investment positions to maintain adequate liquidity. The Fund also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

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.

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 October 28, 2002

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. Before January 1, 2019, Series T5 securities were known as Series T6.

Series AR securities are offered to retail investors in a Registered Disability Savings Plan offered by Mackenzie.

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. Before January 1, 2019, Series F5 securities were known as Series F6.

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 I securities are offered to retail investors investing a minimum of \$500 in a qualified group plan with a minimum of \$20,000,000 in assets.

Series O securities are offered only to investors investing a minimum of \$500,000 who are enrolled in Mackenzie Portfolio Architecture Service or Open Architecture Service; certain institutional investors; and certain qualifying employees of Mackenzie and its subsidiaries.

Series PW, Series PWT5 and Series PWT8 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors in Series PWT5 and Series PWT8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively. Before January 1, 2019, Series PWT5 securities were known as Series PWT6.

Series PWFB and Series PWFB5 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor. Investors in Series PWFB5 securities also want to receive a monthly cash flow of 5% per year.

Series PWR securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000 in a Registered Disability Savings Plan offered by Mackenzie.

Series PWX and Series PWX8 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 PWX8 securities also want to receive a monthly cash flow of 8% per year.

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

Series S securities are offered to the Related Insurance Companies and certain other mutual funds, but may be sold to other investors as determined by Mackenzie.

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

Series E, Series J and Series M securities are no longer available for sale.

Series PWF, Series PWF6 and Series PWF8 securities are no longer available for sale. Effective June 1, 2018, Series PWF, Series PWF6 and Series PWF8 securities were consolidated into Series F, Series F6 (now Series F5) and Series F8 securities, respectively.



NOTES TO FINANCIAL STATEMENTS

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

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

Series Distributed by Quadrus Investment Services Ltd. *(255 Dufferin Ave., London, Ontario, N6A 4K1; 1-888-532-3322; www.quadrusgroupoffunds.com)*

Quadrus Investment Services Ltd. ("Quadrus") is the principal distributor of the series of securities listed below:

Quadrus Series securities are offered to investors investing a minimum of \$500.

H Series securities are offered to investors investing a minimum of \$500, who are enrolled in a Quadrus-sponsored fee-for-service or wrap program and who are subject to an asset-based fee.

HW Series securities are offered to high net worth investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000, who are enrolled in a Quadrus-sponsored fee-for-service or wrap program and who are subject to an asset-based fee.

L Series securities are offered to investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000.

N Series securities are offered to investors investing a minimum of \$100,000, who have eligible minimum total holdings of \$500,000, and who have entered into an N type series account agreement with Mackenzie and Quadrus.

QF Series securities are offered to retail investors investing a minimum of \$500. Investors are required to negotiate their advisor service fee, which cannot exceed 1.25%, with their financial advisor.

QFW Series securities are offered to high net worth investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.25%, with their financial advisor.

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

Series LB securities are offered to retail investors investing a minimum of \$500.

Series LF securities are offered to retail investors investing a minimum of \$500, who are enrolled in the LBC Private Banking sponsored fee-for-service program.

Series LW securities are offered through our Preferred Pricing Program to certain high net worth investors who invest a minimum of \$100,000.

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, various low-load purchase options and a no-load purchase option. 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 US MID CAP GROWTH CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

US 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 (\$)	
				Mar. 31, 2019	Mar. 31, 2018
Series A	November 8, 2002	2.00%	0.28%	50.23	42.59
Series AR	October 15, 2013	2.00%	0.31%	19.62	16.63
Series B	June 15, 2012	1.75%	0.31%	26.38	22.35
Series D	December 18, 2013	1.25%	0.20%	18.57	15.68
Series E	None issued ⁽³⁾	0.85%	0.25%	—	—
Series F	January 9, 2003	0.80% ⁽⁶⁾	0.15% ⁽⁹⁾	55.83	47.00
Series F5 ⁽¹⁶⁾	October 16, 2017	0.80% ⁽⁶⁾	0.15% ⁽⁹⁾	17.98	16.03
Series F8	October 16, 2017	0.80% ⁽⁶⁾	0.15% ⁽⁹⁾	17.42	15.88
Series FB	October 26, 2015	1.00%	0.28%	14.97	12.64
Series FB5	October 24, 2018	1.00%	0.28%	16.58	—
Series I	December 18, 2002	1.35%	0.28%	55.04	46.52
Series J	February 17, 2011	1.75%	0.25%	26.97	22.83
Series M	November 8, 2002	Up to 1.00%	0.28%	59.30	50.04
Series O	October 25, 2004	— ⁽¹⁾	—*	56.17	47.32
Series PW	October 17, 2013	1.80% ⁽⁷⁾	0.15%	19.48	16.48
Series PWF	None issued ⁽¹²⁾	0.90%	0.15%	—	16.53
Series PWF6	None issued ⁽¹³⁾	0.90%	0.15%	—	16.05
Series PWF8	None issued ⁽¹⁴⁾	0.90%	0.15%	—	16.49
Series PWFB	April 3, 2017	0.80% ⁽⁸⁾	0.15%	12.68	10.68
Series PWFB5	October 24, 2018	0.80%	0.15%	16.61	—
Series PWR	None issued	1.80%	0.15%	—	—
Series PWT5 ⁽¹⁶⁾	April 3, 2017	1.80% ⁽⁷⁾	0.15%	16.71	14.91
Series PWT8	December 20, 2013	1.80% ⁽⁷⁾	0.15%	18.11	16.51
Series PWX	October 16, 2013	— ⁽²⁾	— ⁽²⁾	20.72	17.46
Series PWX8	September 12, 2014	— ⁽²⁾	— ⁽²⁾	18.06	16.40
Series R	July 9, 2013	—*	—*	23.75	20.01
Series S	November 28, 2013	— ⁽¹⁾	0.03%	19.40	16.34
Series T5 ⁽¹⁶⁾	March 16, 2010	2.00%	0.28%	26.53	23.72
Series T8	July 27, 2010	2.00%	0.28%	23.05	21.06
Quadrus Series	November 8, 2002	2.00% ⁽⁴⁾	0.28%	49.74	42.15
H Series	November 8, 2002	1.00% ⁽⁵⁾	0.15% ⁽¹⁰⁾	57.59	48.54
HW Series	August 7, 2018	0.80%	0.15%	10.78	—
L Series	December 16, 2011	1.80% ⁽¹¹⁾	0.15%	28.22	23.89
N Series	September 28, 2011	— ⁽¹⁾	— ⁽¹⁾	33.58	28.29
QF Series	July 12, 2016	1.00% ⁽⁵⁾	0.28%	14.27	12.03
QFW Series	August 7, 2018	0.80%	0.15%	10.79	—
Series LB	January 26, 2012	2.00%	0.28%	26.69	22.64
Series LF	December 7, 2018	0.80%	0.15%	11.11	—
Series LW	December 1, 2017	1.80% ⁽¹⁵⁾	0.15%	12.28	10.50

* Not applicable.

MACKENZIE US MID CAP GROWTH CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

US 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)

- (1) This fee is negotiable and payable directly to Mackenzie by investors in this series.
- (2) This fee is payable directly to Mackenzie by investors in this series through redemptions of their securities.
- (3) The series' original start date was January 11, 2011. All securities in the series were redeemed on May 17, 2017.
- (4) Prior to February 28, 2018, the management fee for Quadrus Series was charged to the Fund at a rate of 2.10%.
- (5) Prior to February 28, 2018, the management fee for this series was charged to the Fund at a rate of 1.10%.
- (6) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 1.00%.
- (7) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 1.90%.
- (8) Prior to June 1, 2018, the management fee for Series PWF6 was charged to the Fund at a rate of 0.90%.
- (9) Prior to June 1, 2018, the administration fee for this series was charged to the Fund at a rate of 0.20%.
- (10) Prior to June 28, 2018, the administration fee for H Series was charged to the Fund at a rate of 0.20%.
- (11) Prior to June 28, 2018, the management fee for L Series was charged to the Fund at a rate of 1.85%.
- (12) The series' original start date was October 28, 2013. All securities in the series were consolidated into Series F on June 1, 2018.
- (13) The series' original start date was October 16, 2017. All securities in the series were consolidated into Series F6 (now Series F5) on June 1, 2018.
- (14) The series' original start date was January 29, 2014. All securities in the series were consolidated into Series F8 on June 1, 2018.
- (15) Prior to September 28, 2018, the management fee for Series LW was charged to the Fund at a rate of 1.90%.
- (16) Before January 1, 2019, Series F5, Series PWT5 and Series T5 securities were known as Series F6, Series PWT6 and Series T6, respectively.

(b) Investments by Mackenzie and Affiliates

As at March 31, 2019, Mackenzie, other funds managed by Mackenzie and Related Insurance Companies had an investment of \$1,545, \$13,904 and \$861 (2018 – \$796, \$14,246 and \$692), respectively, in the Fund.

(c) Securities Lending

The value of securities loaned and collateral received from securities lending at March 31, 2019 and 2018, were as follows:

	March 31, 2019	March 31, 2018
	(\$)	(\$)
Value of securities loaned	283,723	387,755
Value of collateral received	300,095	404,057

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 March 31, 2019 and 2018 is as follows:

	2019		2018	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	596	100.0	601	100.0
Tax withheld	(37)	(6.2)	(38)	(6.3)
	559	93.8	563	93.7
Payments to Securities Lending Agent	(139)	(23.3)	(141)	(23.5)
Securities lending income	420	70.5	422	70.2



MACKENZIE
Investments

MACKENZIE US MID CAP GROWTH CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

US EQUITY FUND

NOTES TO FINANCIAL STATEMENTS

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

(d) Commissions

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

	(\$)
March 31, 2019	–
March 31, 2018	50

(e) Fund Merger

On January 21, 2019, investors in North American Specialty Class voted to reject a proposed merger into the Fund. This merger therefore did not proceed.

(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.

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

	March 31, 2018			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	54	–	–	54
Unrealized losses on derivative contracts	(1,204)	–	–	(1,204)
Liability for options written	–	–	–	–
Total	(1,150)	–	–	(1,150)

(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.

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	March 31, 2019			
	Investments (\$)	Cash and Cash Equivalents (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	3,072,304	87,111	–	3,159,415
Euro	63,140	–	–	63,140
Total	3,135,444	87,111	–	3,222,555
% of Net Assets	96.8	2.7	–	99.5



MACKENZIE
Investments

MACKENZIE US MID CAP GROWTH CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

US EQUITY FUND

NOTES TO FINANCIAL STATEMENTS

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

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

ii. Currency risk (cont'd)

Currency	March 31, 2018			
	Investments (\$)	Cash and Cash Equivalents (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	1,979,943	113,012	(207,950)	1,885,005
Total	1,979,943	113,012	(207,950)	1,885,005
% of Net Assets	94.1	5.4	(9.9)	89.6

* Includes both monetary and non-monetary financial instruments.

As at March 31, 2019, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$161,128 or 5.0% of total net assets (2018 – \$94,250 or 4.5%). In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

As at March 31, 2019 and 2018, 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 March 31, 2019, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$313,544 or 9.7% of total net assets (2018 – \$197,994 or 9.4%) In practice, the actual trading results may differ and the difference could be material.

v. Credit risk

As at March 31, 2019 and 2018, 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.

	March 31, 2019				March 31, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	3,135,444	–	–	3,135,444	1,979,943	–	–	1,979,943
Derivative assets	–	–	–	–	–	54	–	54
Derivative liabilities	–	–	–	–	–	(1,786)	–	(1,786)
Short-term investments	–	87,499	–	87,499	–	113,035	–	113,035
Total	3,135,444	87,499	–	3,222,943	1,979,943	111,303	–	2,091,246

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.



MACKENZIE
Investments

MACKENZIE US MID CAP GROWTH CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

US EQUITY FUND

NOTES TO FINANCIAL STATEMENTS

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

(h) Fair Value Classification (cont'd)

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

(i) Comparative Amounts

Certain prior period comparative amounts have been reclassified to conform to the current period's presentation.