

Interim Unaudited Financial Statements

For the Six-Month Period Ended September 30, 2019

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.



MACKENZIE US MID CAP GROWTH CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

US EQUITY FUND

STATEMENTS OF FINANCIAL POSITION

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

	Sep. 30 2019	Mar. 31 2019 (Audited)		Sep. 30 2019	Mar. 31 2019 (Audited)
	\$	\$		\$	\$
ASSETS					
Current assets					
Investments at fair value	3,613,743	3,135,444	N Series	55,629	54,094
Cash and cash equivalents	67,873	87,867	QF Series	9,736	8,105
Dividends receivable	2,346	1,989	QFW Series	2,491	1,311
Accounts receivable for investments sold	50,526	16,680	Series LB	28,735	30,602
Accounts receivable for securities issued	7,091	12,837	Series LF	12,083	4,689
Taxes recoverable (note 5)	359	439	Series LW	71,784	75,745
Total assets	3,741,938	3,255,256	Net assets attributable to securityholders per security (note 3)		
LIABILITIES					
Current liabilities					
Accounts payable for investments purchased	15,812	12,258	Series A	48.07	50.24
Accounts payable for securities redeemed	3,961	3,493	Series AR	18.77	19.62
Distribution payable	21	–	Series B	25.22	26.38
Taxes payable	2	–	Series D	17.72	18.57
Total liabilities	19,796	15,751	Series F	53.21	55.83
Net assets attributable to securityholders	3,722,142	3,239,505	Series F5	16.73	17.98
Net assets attributable to securityholders per series (note 3)					
Series A	973,203	864,045	Series F8	15.98	17.42
Series AR	24,421	22,483	Series FB	14.28	14.97
Series B	446	531	Series FB5	15.34	16.58
Series D	11,371	10,349	Series I	52.56	55.04
Series F	1,210,147	946,243	Series J	25.79	26.97
Series F5	6,911	3,437	Series M	56.57	59.30
Series F8	10,500	8,675	Series O	53.36	56.17
Series FB	2,098	1,604	Series PW	18.63	19.48
Series FB5	14	1	Series PWFB	12.08	12.68
Series I	4,354	4,125	Series PWFB5	15.36	16.61
Series J	1,026	1,015	Series PWR	10.07	–
Series M	4,596	4,564	Series PWT5	15.60	16.71
Series O	364,904	370,900	Series PWT8	16.67	18.11
Series PW	642,040	558,599	Series PWX	19.68	20.72
Series PWFB	15,872	12,723	Series PWX8	16.51	18.06
Series PWFB5	80	1	Series R	22.56	23.75
Series PWR	2,910	–	Series S	18.43	19.40
Series PWT5	13,180	12,604	Series T5	24.80	26.53
Series PWT8	18,107	14,678	Series T8	21.24	23.05
Series PWX	14,674	13,666	Quadrus Series	47.60	49.74
Series PWX8	901	834	H Series	54.93	57.60
Series R	14,273	13,904	HW Series	10.25	10.78
Series S	880	861	L Series	26.98	28.22
Series T5	20,115	18,010	N Series	31.90	33.58
Series T8	21,763	21,395	QF Series	13.61	14.27
Quadrus Series	115,040	113,247	QFW Series	10.25	10.79
H Series	5,859	6,050	Series LB	25.55	26.69
HW Series	3,311	3,158	Series LF	10.52	11.11
L Series	38,688	37,257	Series LW	11.75	12.28

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



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Investments

MACKENZIE US MID CAP GROWTH CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

US EQUITY FUND

STATEMENTS OF COMPREHENSIVE INCOME

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

	2019	2018
	\$	\$
Income		
Dividends	14,119	6,562
Interest income	1,456	2,201
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	348,147	196,323
Net unrealized gain (loss)	(291,476)	227,473
Securities lending income	138	224
Total income (loss)	72,384	432,783

Expenses (note 6)

Management fees	25,950	17,047
Administration fees	3,460	2,300
Interest charges	1	—
Commissions and other portfolio transaction costs	1,487	1,315
Independent Review Committee fees	6	4
Other	3	3
Expenses before amounts absorbed by Manager	30,907	20,669
Expenses absorbed by Manager	—	—
Net expenses	30,907	20,669

Increase (decrease) in net assets attributable to securityholders from operations before tax 41,477 412,114

Foreign withholding taxes 1,818 710
Income taxes (note 5) 2 7

Increase (decrease) in net assets attributable to securityholders from operations 39,657 411,397

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

Series A	6,689	118,876
Series AR	197	2,321
Series B	7	151
Series D	105	750
Series F	13,793	92,775
Series F5	50	86
Series F8	128	840
Series FB	19	147
Series FB5	—	—
Series I	48	644
Series J	11	194
Series M	66	739
Series O	8,202	68,021
Series PW	5,104	51,135
Series PWF	—	11,490
Series PWF6	—	8
Series PWF8	—	385
Series PWFB	170	673
Series PWFB5	1	—
Series PWR	(39)	—
Series PWT5	135	1,422
Series PWT8	149	1,339
Series PWX	293	1,909
Series PWX8	19	137

	2019	2018
	\$	\$
Series R	305	3,376
Series S	19	138
Series T5	135	2,397
Series T8	148	2,996
Quadrus Series	964	16,679
H Series	90	1,356
HW Series	51	10
L Series	387	5,380
N Series	1,210	7,244
QF Series	102	1,000
QFW Series	14	4
Series LB	261	10,186
Series LF	52	—
Series LW	772	6,589

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

Series A	0.35	7.83
Series AR	0.16	3.00
Series B	0.32	4.26
Series D	0.16	2.84
Series F	0.68	8.79
Series F5	0.14	2.46
Series F8	0.22	2.94
Series FB	0.15	2.38
Series FB5	(0.29)	—
Series I	0.59	8.63
Series J	0.26	4.18
Series M	0.81	9.35
Series O	1.20	9.26
Series PW	0.16	2.85
Series PWF	—	1.05
Series PWF6	—	1.01
Series PWF8	—	1.02
Series PWFB	0.14	1.88
Series PWFB5	0.20	—
Series PWR	(0.16)	—
Series PWT5	0.17	2.61
Series PWT8	0.15	2.77
Series PWX	0.40	3.36
Series PWX8	0.33	3.13
Series R	0.50	3.96
Series S	0.39	3.17
Series T5	0.18	4.26
Series T8	0.15	3.80
Quadrus Series	0.40	7.65
H Series	0.84	9.65
HW Series	0.16	0.06
L Series	0.28	4.35
N Series	0.69	5.46
QF Series	0.16	2.28
QFW Series	0.08	0.09
Series LB	0.23	4.11
Series LF	0.06	—
Series LW	0.12	1.89

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



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Investments

MACKENZIE US MID CAP GROWTH CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

US EQUITY FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	HW Series		L Series		N Series		QF Series		QFW Series	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS	\$		\$		\$		\$		\$	
Beginning of period	3,158	–	37,257	28,329	54,094	34,354	8,105	4,627	1,311	–
Increase (decrease) in net assets from operations	51	10	387	5,380	1,210	7,244	102	1,000	14	4
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(209)	–	(1,993)	(920)	(3,999)	(1,611)	(496)	(182)	(117)	–
Return of capital	–	–	–	–	–	–	–	–	–	–
Total dividends paid to securityholders	(209)	–	(1,993)	(920)	(3,999)	(1,611)	(496)	(182)	(117)	–
Security transactions:										
Proceeds from securities issued	267	2,990	5,109	4,733	10,513	8,576	3,494	1,944	1,335	958
Reinvested dividends	209	–	1,993	919	3,993	1,611	496	182	117	–
Payments on redemption of securities	(165)	(94)	(4,065)	(3,122)	(10,182)	(3,855)	(1,965)	(1,542)	(169)	(5)
Total security transactions	311	2,896	3,037	2,530	4,324	6,332	2,025	584	1,283	953
Total increase (decrease) in net assets	153	2,906	1,431	6,990	1,535	11,965	1,631	1,402	1,180	957
End of period	3,311	2,906	38,688	35,319	55,629	46,319	9,736	6,029	2,491	957

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	293	–	1,320	1,186	1,611	1,214	568	385	122	–
Issued	25	287	186	182	320	284	252	150	127	91
Reinvested dividends	21	–	74	38	127	56	37	15	11	–
Redeemed	(16)	(9)	(146)	(121)	(314)	(129)	(142)	(114)	(17)	–
Securities outstanding – end of period	323	278	1,434	1,285	1,744	1,425	715	436	243	91

	Series LB		Series LF		Series LW		Total	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS	\$		\$		\$		\$	
Beginning of period	30,602	58,762	4,689	–	75,745	33,805	3,239,505	2,103,205
Increase (decrease) in net assets from operations	261	10,186	52	–	772	6,589	39,657	411,397
Dividends paid to securityholders:								
Ordinary	–	–	–	–	–	–	–	–
Capital gains	(1,509)	(1,702)	(531)	–	(3,991)	(1,421)	(195,241)	(75,757)
Return of capital	–	–	–	–	–	–	(2,777)	(1,915)
Total dividends paid to securityholders	(1,509)	(1,702)	(531)	–	(3,991)	(1,421)	(198,018)	(77,672)
Security transactions:								
Proceeds from securities issued	4,952	3,858	7,778	–	8,436	6,165	921,757	890,424
Reinvested dividends	1,509	1,701	531	–	3,974	1,406	177,457	70,078
Payments on redemption of securities	(7,080)	(10,499)	(436)	–	(13,152)	(3,070)	(458,216)	(677,217)
Total security transactions	(619)	(4,940)	7,873	–	(742)	4,501	640,998	283,285
Total increase (decrease) in net assets	(1,867)	3,544	7,394	–	(3,961)	9,669	482,637	617,010
End of period	28,735	62,306	12,083	–	71,784	43,474	3,722,142	2,720,215

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities	
Securities outstanding – beginning of period	1,147	2,596	422	–	6,166	3,220
Issued	188	153	717	–	695	547
Reinvested dividends	59	73	51	–	340	132
Redeemed	(269)	(431)	(41)	–	(1,093)	(267)
Securities outstanding – end of period	1,125	2,391	1,149	–	6,108	3,632

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



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MACKENZIE US MID CAP GROWTH CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

US EQUITY FUND

STATEMENTS OF CASH FLOWS

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

	2019	2018
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	39,657	411,397
Adjustments for:		
Net realized loss (gain) on investments	(349,902)	(195,282)
Change in net unrealized loss (gain) on investments	291,467	(229,308)
Purchase of investments	(1,376,727)	(756,065)
Proceeds from sale and maturity of investments	926,571	661,206
Change in dividends receivable	(357)	(709)
Change in taxes recoverable	80	(339)
Change in due to manager	–	153
Change in taxes payable	2	–
Net cash from operating activities	(469,209)	(108,947)
Cash flows from financing activities		
Proceeds from securities issued	809,370	640,746
Payments on redemption of securities	(339,615)	(436,255)
Dividends paid net of reinvestments	(20,540)	(7,594)
Net cash from financing activities	449,215	196,897
Net increase (decrease) in cash and cash equivalents	(19,994)	87,950
Cash and cash equivalents at beginning of period	87,867	113,506
Effect of exchange rate fluctuations on cash and cash equivalents	–	4
Cash and cash equivalents at end of period	67,873	201,460
Cash	1	254
Cash equivalents	67,872	201,206
Cash and cash equivalents at end of period	67,873	201,460
Supplementary disclosures on cash flow from operating activities:		
Dividends received	13,762	5,853
Taxes paid	1,818	717
Interest received	1,456	2,201
Interest paid	1	–

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



MACKENZIE
Investments

MACKENZIE US MID CAP GROWTH CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

US EQUITY FUND

SCHEDULE OF INVESTMENTS

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES					
A.O. Smith Corp.	United States	Industrials	2,293,935	139,479	144,859
Brown & Brown Inc.	United States	Financials	306,896	5,348	14,648
Cambrex Corp.	United States	Health Care	1,175,069	79,435	92,541
Cantel Medical Corp.	United States	Health Care	896,235	92,648	88,731
Carter's Inc.	United States	Consumer Discretionary	1,440,775	173,470	173,936
Cerner Corp.	United States	Health Care	366,182	26,965	33,040
Charles River Laboratories International Inc.	United States	Health Care	158,350	28,280	27,744
Cognex Corp.	United States	Information Technology	1,221,695	80,399	79,444
CommVault Systems Inc.	United States	Information Technology	1,625,241	109,073	96,178
CoreLogic Inc.	United States	Information Technology	723,830	42,152	44,329
CoStar Group Inc.	United States	Industrials	133,310	51,538	104,669
Dave & Buster's Entertainment Inc.	United States	Consumer Discretionary	1,628,709	109,845	83,966
Dentsply Sirona Inc.	United States	Health Care	2,314,450	131,064	163,309
DexCom Inc.	United States	Health Care	591,241	83,138	116,790
Dolby Laboratories Inc. Class A	United States	Information Technology	1,362,268	113,110	116,552
Endologix Inc.	United States	Health Care	130,517	19,294	686
Equifax Inc.	United States	Industrials	659,789	95,193	122,846
ExlService Holdings Inc.	United States	Information Technology	1,156,315	78,972	102,482
First Republic Bank	United States	Financials	85,343	4,221	10,923
Frontdoor Inc.	United States	Consumer Discretionary	1,178,840	65,053	75,784
Gartner Inc.	United States	Information Technology	687,382	109,897	130,094
Glanbia PLC	Ireland	Consumer Staples	3,777,022	84,322	62,133
Healthcare Services Group Inc.	United States	Industrials	2,946,397	119,374	94,727
Hudson Ltd.	United States	Consumer Discretionary	1,383,993	33,741	22,477
Instructure Inc.	United States	Information Technology	1,145,418	56,834	58,732
Kennedy-Wilson Holdings Inc.	United States	Real Estate	2,857,486	77,935	82,905
Markel Corp.	United States	Financials	92,833	106,422	145,224
MAXIMUS Inc.	United States	Information Technology	1,226,084	92,741	125,380
Middleby Corp.	United States	Industrials	266,428	40,157	41,224
Nielsen Holdings PLC	United States	Industrials	1,748,387	86,475	49,176
Pluralsight Inc. Class A	United States	Information Technology	3,558,441	80,899	79,103
Polo Ralph Lauren Corp. Class A	United States	Consumer Discretionary	975,222	156,268	123,232
Premier Inc. Class A	United States	Health Care	2,319,440	101,175	88,784
The Progressive Corp.	United States	Financials	1,565,753	88,805	160,094
Redfin Corp.	United States	Real Estate	838,574	18,713	18,691
SailPoint Technologies Holdings Inc.	United States	Information Technology	909,600	23,747	22,502
Signature Bank	United States	Financials	352,414	46,881	55,610
Silicon Laboratories Inc.	United States	Information Technology	40,203	2,988	5,925
Spirit Airlines Inc.	United States	Industrials	2,046,579	125,232	98,331
Syneos Health Inc.	United States	Health Care	1,967,346	110,563	138,557
Tenable Holdings Inc.	United States	Information Technology	1,935,072	63,541	57,321
Teradyne Inc.	United States	Information Technology	136,800	6,743	10,486
Varonis Systems Inc.	United States	Information Technology	288,371	21,001	22,817
Verra Mobility Corp.	United States	Information Technology	1,603,698	29,066	30,460



MACKENZIE
Investments

MACKENZIE US MID CAP GROWTH CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

US EQUITY FUND

SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
Wabtec Corp.	United States	Industrials	616,617	68,732	58,648
Waters Corp.	United States	Health Care	465,886	125,498	137,653
Total equities				3,406,427	3,613,743
Transaction costs				(2,961)	—
Total investments				3,403,466	3,613,743
Cash and cash equivalents					67,873
Other assets less liabilities					40,526
Total net assets					3,722,142



MACKENZIE
Investments

MACKENZIE US MID CAP GROWTH CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

US EQUITY FUND

SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2019		March 31, 2019	
Portfolio Allocation	% of NAV	Portfolio Allocation	% of NAV
Equities	97.1	Equities	96.8
Cash and short-term investments	1.8	Cash and short-term investments	2.7
Other assets (liabilities)	1.1	Other assets (liabilities)	0.5
Regional Allocation	% of NAV	Regional Allocation	% of NAV
United States	95.4	United States	94.9
Cash and short-term investments	1.8	Cash and short-term investments	2.7
Ireland	1.7	Ireland	1.9
Other assets (liabilities)	1.1	Other assets (liabilities)	0.5
Sector Allocation	% of NAV	Sector Allocation	% of NAV
Information technology	26.3	Information technology	25.8
Health care	23.9	Health care	23.6
Industrials	19.2	Industrials	22.5
Consumer discretionary	12.9	Consumer discretionary	11.5
Financials	10.4	Financials	9.3
Real estate	2.7	Cash and short-term investments	2.7
Cash and short-term investments	1.8	Real estate	2.2
Consumer staples	1.7	Consumer staples	1.9
Other assets (liabilities)	1.1	Other assets (liabilities)	0.5



MACKENZIE
Investments

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, 2019 and 2018, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2019, 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. The Related Insurance Companies are moving to formally amalgamate into one company, The Canada Life Assurance Company, effective January 1, 2020. This amalgamation is subject to a policyholder vote and other regulatory approvals. 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, 2019. 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 12, 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 period-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.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(b) Fair value measurement (cont'd)

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, 2019.

(c) Income recognition

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

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

(d) Commissions and other portfolio transaction costs

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

(e) Securities lending, repurchase and reverse repurchase transactions

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

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

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

(f) Offsetting

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

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

(g) Foreign currency

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

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

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

(h) Net assets attributable to securityholders per security

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

(i) Net asset value per security

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

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

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

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

(k) Mergers

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

4. Critical Accounting Estimates and Judgments

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

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.

NOTES TO FINANCIAL STATEMENTS

5. Income Taxes (cont'd)

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

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

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

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

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

6. Management Fees and Operating Expenses

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

7. Fund's Capital

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

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

ii. Liquidity risk

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

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

iii. Currency risk

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

iv. Interest rate risk

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

v. Other price risk

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

NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

vi. Credit risk

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

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

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

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

vii. Underlying funds

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



MACKENZIE US MID CAP GROWTH CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

US EQUITY FUND

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 \$10,000,000 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; investors in a qualified group plan, 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 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.



MACKENZIE
Investments

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

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 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 (\$)	
				Sep. 30, 2019	Mar. 31, 2019
Series A	November 8, 2002	2.00%	0.28%	48.07	50.23
Series AR	October 15, 2013	2.00%	0.31%	18.77	19.62
Series B	June 15, 2012	1.75%	0.31%	25.22	26.38
Series D	December 18, 2013	1.25%	0.20%	17.72	18.57
Series F	January 9, 2003	0.80% ⁽³⁾	0.15% ⁽⁶⁾	53.21	55.83
Series F5 ⁽¹³⁾	October 16, 2017	0.80% ⁽³⁾	0.15% ⁽⁶⁾	16.73	17.98
Series F8	October 16, 2017	0.80% ⁽³⁾	0.15% ⁽⁶⁾	15.98	17.42
Series FB	October 26, 2015	1.00%	0.28%	14.28	14.97
Series FB5	October 24, 2018	1.00%	0.28%	15.34	16.58
Series I	December 18, 2002	1.35%	0.28%	52.56	55.04
Series J	February 17, 2011	1.75%	0.25%	25.79	26.97
Series M	November 8, 2002	Up to 1.00%	0.28%	56.57	59.30
Series O	October 25, 2004	— ⁽¹⁾	—*	53.36	56.17
Series PW	October 17, 2013	1.80% ⁽⁴⁾	0.15%	18.63	19.48
Series PWF	None issued ⁽⁹⁾	0.90%	0.15%	—	—
Series PWF6	None issued ⁽¹⁰⁾	0.90%	0.15%	—	—
Series PWF8	None issued ⁽¹¹⁾	0.90%	0.15%	—	—
Series PWFB	April 3, 2017	0.80% ⁽⁵⁾	0.15%	12.08	12.68
Series PWFB5	October 24, 2018	0.80%	0.15%	15.36	16.61
Series PWR	April 1, 2019	1.80%	0.15%	10.07	—
Series PWT5 ⁽¹³⁾	April 3, 2017	1.80% ⁽⁴⁾	0.15%	15.60	16.71
Series PWT8	December 20, 2013	1.80% ⁽⁴⁾	0.15%	16.67	18.11
Series PWX	October 16, 2013	— ⁽²⁾	— ⁽²⁾	19.68	20.72
Series PWX8	September 12, 2014	— ⁽²⁾	— ⁽²⁾	16.51	18.06
Series R	July 9, 2013	—*	—*	22.56	23.75
Series S	November 28, 2013	— ⁽¹⁾	0.03%	18.43	19.40
Series T5 ⁽¹³⁾	March 16, 2010	2.00%	0.28%	24.80	26.53
Series T8	July 27, 2010	2.00%	0.28%	21.24	23.05
Quadrus Series	November 8, 2002	2.00%	0.28%	47.60	49.74
H Series	November 8, 2002	1.00%	0.15% ⁽⁷⁾	54.93	57.59
HW Series	August 7, 2018	0.80%	0.15%	10.25	10.78
L Series	December 16, 2011	1.80% ⁽⁸⁾	0.15%	26.98	28.22
N Series	September 28, 2011	— ⁽¹⁾	— ⁽¹⁾	31.90	33.58
QF Series	July 12, 2016	1.00%	0.28%	13.61	14.27
QFW Series	August 7, 2018	0.80%	0.15%	10.25	10.79
Series LB	January 26, 2012	2.00%	0.28%	25.55	26.69
Series LF	December 7, 2018	0.80%	0.15%	10.52	11.11
Series LW	December 1, 2017	1.80% ⁽¹²⁾	0.15%	11.75	12.28

* Not applicable.

MACKENZIE US MID CAP GROWTH CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 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) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 1.00%.
- (4) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 1.90%.
- (5) Prior to June 1, 2018, the management fee for Series PWFB was charged to the Fund at a rate of 0.90%.
- (6) Prior to June 1, 2018, the administration fee for this series was charged to the Fund at a rate of 0.20%.
- (7) Prior to June 28, 2018, the administration fee for H Series was charged to the Fund at a rate of 0.20%.
- (8) Prior to June 28, 2018, the management fee for L Series was charged to the Fund at a rate of 1.85%.
- (9) The series' original start date was October 28, 2013. All securities in the series were consolidated into Series F on June 1, 2018.
- (10) 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.
- (11) The series' original start date was January 29, 2014. All securities in the series were consolidated into Series F8 on June 1, 2018.
- (12) Prior to November 23, 2018, the management fee for Series LW was charged to the Fund at a rate of 1.90%.
- (13) 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 September 30, 2019, Mackenzie, other funds managed by Mackenzie and Related Insurance Companies had an investment of \$1,271, \$14,273 and \$880 (March 31, 2019 – \$1,545, \$13,904 and \$861), respectively, in the Fund.

(c) Securities Lending

The value of securities loaned and collateral received from securities lending at September 30, 2019 and March 31, 2019, were as follows:

	September 30, 2019	March 31, 2019
	(\$)	(\$)
Value of securities loaned	305,623	283,723
Value of collateral received	323,252	300,095

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, 2019 and 2018 is as follows:

	2019		2018	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	191	100.0	322	100.0
Tax withheld	(7)	(3.7)	(24)	(7.5)
	184	96.3	298	92.5
Payments to Securities Lending Agent	(46)	(24.1)	(74)	(23.0)
Securities lending income	138	72.2	224	69.5

(d) 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.

(e) Offsetting of Financial Assets and Liabilities

As at September 30, 2019 and March 31, 2019, there were no amounts subject to offsetting.

MACKENZIE US MID CAP GROWTH CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

US EQUITY FUND

NOTES TO FINANCIAL STATEMENTS

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

(f) 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	September 30, 2019			
	Investments (\$)	Cash and Cash Equivalents (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	3,551,610	67,633	–	3,619,243
Euro	62,133	–	–	62,133
Total	3,613,743	67,633	–	3,681,376
% of Net Assets	97.1	1.8	–	98.9

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

* Includes both monetary and non-monetary financial instruments.

As at September 30, 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 \$184,069 or 4.9% of total net assets (March 31, 2019 – \$161,128 or 5.0%). In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

As at September 30, 2019 and March 31, 2019, 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, 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 \$361,374 or 9.7% of total net assets (March 31, 2019 – \$313,544 or 9.7%) In practice, the actual trading results may differ and the difference could be material.

v. Credit risk

As at September 30, 2019 and March 31, 2019, the Fund did not have a significant exposure to credit risk.



MACKENZIE
Investments

MACKENZIE US MID CAP GROWTH CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

US EQUITY FUND

NOTES TO FINANCIAL STATEMENTS

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

(g) Fair Value Classification

The table below summarizes the fair value of the Fund's financial instruments using the following fair value hierarchy:

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

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

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

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

	September 30, 2019				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	3,613,743	–	–	3,613,743	3,135,444	–	–	3,135,444
Short-term investments	–	67,872	–	67,872	–	87,499	–	87,499
Total	3,613,743	67,872	–	3,681,615	3,135,444	87,499	–	3,222,943

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

During the period, there were no 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.



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Investments