

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 HIGH DIVERSIFICATION US EQUITY FUND

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			Net assets attributable to securityholders per security (note 3)		
Current assets					
Investments at fair value	51,321	56,527	Series A	12.96	12.55
Cash and cash equivalents	11	46	Series AR	12.96	12.56
Dividends receivable	175	–	Series D	13.31	12.83
Accounts receivable for investments sold	16	63	Series F	13.32	12.82
Accounts receivable for securities issued	–	–	Series F5	17.16	16.90
Due from manager	21	23	Series F8	14.86	14.83
Total assets	51,544	56,659	Series FB	13.27	12.78
			Series FB5	17.12	16.85
			Series O	13.51	12.96
			Series PW	12.99	12.58
			Series PWFB	11.81	11.37
			Series PWFB5	15.72	15.48
			Series PWR	10.31	–
			Series PWT5	16.74	16.58
			Series PWT8	14.79	14.84
			Series PWX	13.51	12.96
			Series PWX5	17.37	17.04
			Series R	10.03	9.62
			Series T5	16.64	16.49
			Series T8	14.78	14.86
LIABILITIES					
Current liabilities					
Accounts payable for investments purchased	126	–			
Accounts payable for securities redeemed	59	89			
Total liabilities	185	89			
Net assets attributable to securityholders	51,359	56,570			
Net assets attributable to securityholders per series (note 3)					
Series A	16,805	19,360			
Series AR	1,195	1,273			
Series D	78	68			
Series F	11,674	12,357			
Series F5	1,155	1,286			
Series F8	1	1			
Series FB	108	104			
Series FB5	3	2			
Series O	1,303	1,498			
Series PW	13,734	15,303			
Series PWFB	150	146			
Series PWFB5	2	2			
Series PWR	188	–			
Series PWT5	1,735	2,016			
Series PWT8	22	1			
Series PWX	419	534			
Series PWX5	1	1			
Series R	897	541			
Series T5	1,888	2,076			
Series T8	1	1			

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



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MACKENZIE HIGH DIVERSIFICATION US EQUITY FUND

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STATEMENTS OF COMPREHENSIVE INCOME

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

	2019	2018		2019	2018
	\$	\$		\$	\$
Income			Series R	29	7
Dividends	374	195	Series T5	64	258
Interest income	–	11	Series T8	–	–
Other changes in fair value of investments and other net assets			Increase (decrease) in net assets attributable to securityholders from operations per security		
Net realized gain (loss)	123	193	Series A	0.42	0.66
Net unrealized gain (loss)	1,656	1,872	Series AR	0.44	0.65
Fee rebate income	136	118	Series D	0.45	1.26
Total income (loss)	2,289	2,389	Series F	0.50	0.83
			Series F5	0.67	1.58
Expenses (note 6)			Series F8	0.58	–
Management fees	371	245	Series FB	0.49	0.95
Administration fees	50	32	Series FB5	0.65	1.54
Interest charges	1	1	Series O	0.57	0.75
Commissions and other portfolio transaction costs	2	15	Series PW	0.43	0.57
Independent Review Committee fees	–	–	Series PWF	–	0.51
Other	1	1	Series PWF5	–	0.67
Expenses before amounts absorbed by Manager	425	294	Series PWF8	0.44	0.53
Expenses absorbed by Manager	–	–	Series PWF85	0.60	1.41
Net expenses	425	294	Series PWR	0.06	–
Increase (decrease) in net assets attributable to securityholders from operations before tax	1,864	2,095	Series PWT5	0.53	1.29
Foreign withholding taxes	–	–	Series PWT8	0.21	–
Foreign income taxes paid (recovered)	–	–	Series PWX	0.66	1.04
Increase (decrease) in net assets attributable to securityholders from operations	1,864	2,095	Series PWX5	0.72	1.97
Increase (decrease) in net assets attributable to securityholders from operations per series			Series R	0.38	0.17
Series A	588	629	Series T5	0.53	1.78
Series AR	41	29	Series T8	0.47	–
Series D	2	7			
Series F	452	476			
Series F5	46	86			
Series F8	–	–			
Series FB	4	5			
Series FB5	1	1			
Series O	59	75			
Series PW	485	363			
Series PWF	–	51			
Series PWF5	–	–			
Series PWF8	6	3			
Series PWF85	–	–			
Series PWR	2	–			
Series PWT5	64	79			
Series PWT8	–	–			
Series PWX	21	26			
Series PWX5	–	–			

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STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Series A		Series AR		Series D		Series F		Series F5	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	19,360	2,943	1,273	125	68	56	12,357	1,415	1,286	672
Increase (decrease) in net assets from operations	588	629	41	29	2	7	452	476	46	86
Distributions paid to securityholders:										
Investment income	–	–	–	–	–	–	–	–	–	–
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–	(27)	(23)
Total distributions paid to securityholders	–	–	–	–	–	–	–	–	(27)	(23)
Security transactions:										
Proceeds from securities issued	1,354	2,997	145	125	8	23	865	2,331	47	117
Proceeds from securities issued on merger	–	20,871	–	875	–	5	–	11,013	–	515
Reinvested distributions	–	–	–	–	–	–	–	–	15	15
Payments on redemption of securities	(4,497)	(5,152)	(264)	(8)	–	–	(2,000)	(1,496)	(212)	(41)
Total security transactions	(3,143)	18,716	(119)	992	8	28	(1,135)	11,848	(150)	606
Total increase (decrease) in net assets	(2,555)	19,345	(78)	1,021	10	35	(683)	12,324	(131)	669
End of period	16,805	22,288	1,195	1,146	78	91	11,674	13,739	1,155	1,341

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	1,542	245	101	10	5	5	964	116	76	40
Issued	106	230	12	10	1	2	66	180	2	6
Issued on merger	–	1,594	–	67	–	–	–	824	–	28
Reinvested distributions	–	–	–	–	–	–	–	–	1	1
Redeemed	(351)	(393)	(21)	(1)	–	–	(153)	(111)	(12)	(2)
Securities outstanding – end of period	1,297	1,676	92	86	6	7	877	1,009	67	73

	Series F8		Series FB		Series FB5		Series O		Series PW	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	1	–	104	34	2	1	1,498	250	15,303	797
Increase (decrease) in net assets from operations	–	–	4	5	1	1	59	75	485	363
Distributions paid to securityholders:										
Investment income	–	–	–	–	–	–	–	–	–	–
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	–	–	–	–	–	–	–	–	–	–
Security transactions:										
Proceeds from securities issued	–	–	–	41	–	–	–	–	1,092	3,258
Proceeds from securities issued on merger	–	–	–	67	–	1	–	2,257	–	13,552
Reinvested distributions	–	–	–	–	–	–	–	–	–	–
Payments on redemption of securities	–	–	–	(14)	–	–	(254)	(1)	(3,146)	(1,046)
Total security transactions	–	–	–	94	–	1	(254)	2,256	(2,054)	15,764
Total increase (decrease) in net assets	–	–	4	99	1	2	(195)	2,331	(1,569)	16,127
End of period	1	–	108	133	3	3	1,303	2,581	13,734	16,924

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	–	–	8	3	–	–	116	20	1,217	66
Issued	–	–	–	3	–	–	–	–	85	250
Issued on merger	–	–	–	5	–	–	–	168	–	1,033
Reinvested distributions	–	–	–	–	–	–	–	–	–	–
Redeemed	–	–	–	(1)	–	–	(20)	–	(245)	(79)
Securities outstanding – end of period	–	–	8	10	–	–	96	188	1,057	1,270

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



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MACKENZIE HIGH DIVERSIFICATION US EQUITY FUND

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STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2019	2018	2019	2018	2019	2018
	Series T5		Series T8		Total	
	\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS						
Beginning of period	2,076	2,830	1	–	56,570	10,649
Increase (decrease) in net assets from operations	64	258	–	–	1,864	2,095
Distributions paid to securityholders:						
Investment income	–	–	–	–	–	–
Capital gains	–	–	–	–	–	–
Return of capital	(45)	(58)	–	–	(117)	(108)
Total distributions paid to securityholders	(45)	(58)	–	–	(117)	(108)
Security transactions:						
Proceeds from securities issued	105	519	–	–	4,504	11,296
Proceeds from securities issued on merger	–	323	–	–	–	50,571
Reinvested distributions	29	35	–	–	63	64
Payments on redemption of securities	(341)	(1,647)	–	–	(11,525)	(11,045)
Total security transactions	(207)	(770)	–	–	(6,958)	50,886
Total increase (decrease) in net assets	(188)	(570)	–	–	(5,211)	52,873
End of period	1,888	2,260	1	–	51,359	63,522
Increase (decrease) in fund securities (note 7):						
Securities outstanding – beginning of period	126	171	–	–		
Issued	5	29	–	–		
Issued on merger	–	18	–	–		
Reinvested distributions	2	2	–	–		
Redeemed	(20)	(94)	–	–		
Securities outstanding – end of period	113	126	–	–		

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MACKENZIE HIGH DIVERSIFICATION US EQUITY FUND

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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	1,864	2,095
Adjustments for:		
Net realized loss (gain) on investments	(123)	(206)
Change in net unrealized loss (gain) on investments	(1,656)	(1,872)
Purchase of investments	(979)	(53,412)
Proceeds from sale and maturity of investments	8,137	2,978
Change in dividends receivable	(175)	(188)
Change in due from manager	2	(4)
Change in due to manager	–	(1)
Net cash from operating activities	7,070	(50,610)
Cash flows from financing activities		
Proceeds from securities issued	3,224	56,961
Payments on redemption of securities	(10,275)	(6,209)
Distributions paid net of reinvestments	(54)	(40)
Net cash from financing activities	(7,105)	50,712
Net increase (decrease) in cash and cash equivalents	(35)	102
Cash and cash equivalents at beginning of period	46	47
Effect of exchange rate fluctuations on cash and cash equivalents	–	–
Cash and cash equivalents at end of period	11	149
Cash	11	149
Cash equivalents	–	–
Cash and cash equivalents at end of period	11	149
Supplementary disclosures on cash flow from operating activities:		
Dividends received	199	7
Foreign taxes paid	–	–
Interest received	–	11
Interest paid	1	1

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



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MACKENZIE HIGH DIVERSIFICATION US EQUITY FUND

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SCHEDULE OF INVESTMENTS

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EXCHANGE-TRADED FUNDS/NOTES					
Mackenzie Maximum Diversification US Index ETF	Canada	Exchange-Traded Funds/Notes	1,864,858	50,022	51,321
Total exchange-traded funds/notes				50,022	51,321
Transaction costs				(5)	–
Total investments				50,017	51,321
Cash and cash equivalents					11
Other assets less liabilities					27
Total net assets					51,359



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SUMMARY OF INVESTMENT PORTFOLIO OF THE UNDERLYING ETF*

September 30, 2019		March 31, 2019	
Portfolio Allocation	% of NAV	Portfolio Allocation	% of NAV
Equities	99.8	Equities	99.7
Cash and short-term investments	0.5	Cash and short-term investments	0.2
Other assets (liabilities)	(0.3)	Exchange-traded funds/notes	0.2
		Other assets (liabilities)	(0.1)
Regional Allocation	% of NAV	Regional Allocation	% of NAV
United States	98.0	United States	98.6
China	0.6	United Kingdom	0.4
Cash and short-term investments	0.5	China	0.4
Ireland	0.4	Cash and short-term investments	0.2
United Kingdom	0.3	Bermuda	0.1
Bermuda	0.2	Netherlands	0.1
Netherlands	0.1	Ireland	0.1
Argentina	0.1	Argentina	0.1
Israel	0.1	Israel	0.1
Other assets (liabilities)	(0.3)	Other assets (liabilities)	(0.1)
Sector Allocation	% of NAV	Sector Allocation	% of NAV
Consumer discretionary	16.1	Consumer discretionary	19.3
Consumer staples	15.4	Health care	16.4
Health care	14.7	Consumer staples	12.9
Financials	9.7	Communication services	8.9
Utilities	9.4	Financials	8.8
Communication services	9.4	Utilities	8.3
Real estate	8.2	Real estate	7.6
Information technology	6.6	Information technology	7.2
Industrials	4.3	Industrials	4.9
Materials	3.5	Materials	2.8
Energy	2.5	Energy	2.6
Cash and short-term investments	0.5	Cash and short-term investments	0.2
Other assets (liabilities)	(0.3)	Exchange-traded funds/notes	0.2
		Other assets (liabilities)	(0.1)

* The Fund is currently fully invested in Mackenzie Maximum Diversification US Index ETF (the "Underlying ETF").



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NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 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 organized as an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust as amended and restated from time to time. The address of the Fund's registered office is 180 Queen Street West, Toronto, Ontario, Canada. The Fund is authorized to issue an unlimited number of units (referred to as "security" or "securities") of multiple series. Series of the Fund are available for sale under Simplified Prospectus or exempt distribution options.

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 and expires. As such, investment purchase and sale transactions are recorded as of the trade date.

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

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

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

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

MACKENZIE HIGH DIVERSIFICATION US EQUITY FUND

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NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

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 any unlisted open-ended investment fund and exchange-traded funds in which the Fund invests, do not meet either the definition of a structured entity or the definition of an associate.

(b) Fair value measurement

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

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

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

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

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

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

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

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

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

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at September 30, 2019.

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NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(c) Income recognition

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

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

(d) Commissions and other portfolio transaction costs

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

(e) Securities lending, repurchase and reverse repurchase transactions

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

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

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

(f) Offsetting

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

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

(g) Foreign currency

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

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

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

(h) Net assets attributable to securityholders per security

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

(i) Net asset value per security

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

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

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

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

- (k) Mergers

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

4. Critical Accounting Estimates and Judgments

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

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

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. It is the intention of the Fund to distribute all of its net income and sufficient net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable.

Losses of the Fund cannot be allocated to investors and are retained in the Fund for use in future years. Non-capital losses may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 9 for the Fund's loss carryforwards.

NOTES TO FINANCIAL STATEMENTS

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 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.

NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

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.

MACKENZIE HIGH DIVERSIFICATION US EQUITY FUND

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NOTES TO FINANCIAL STATEMENTS

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

(a) Fund Formation and Series Information

Date of Formation June 13, 2016

The Fund may issue an unlimited number of securities of each series. The number of issued and outstanding securities of each series is disclosed in the Statements of Changes in Financial Position.

Series Offered by Mackenzie Financial Corporation *(180 Queen Street West, Toronto, Ontario, M5V 3K1; 1-800-387-0614; www.mackenzieinvestments.com)*

Series A, Series T5 and Series T8 securities are offered to retail investors investing a minimum of \$500 (\$5,000 for Series T5 and Series T8). Investors in Series T5 and Series T8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively.

Series 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.

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 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.

Series PWF and Series PWF5 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 PWF5 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 PWX5 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 PWX5 securities also want to receive a monthly cash flow of 5% per year.

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

Series PWF and Series PWF5 securities are no longer available for sale. Effective June 1, 2018, Series PWF and Series PWF5 securities were consolidated into Series F and Series F5 securities, respectively.

An investor in the Fund may choose among different purchase options that are available under each series. These purchase options are a sales charge purchase option, a redemption charge purchase option and a low-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.

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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	June 27, 2016	1.50% ⁽⁸⁾	0.20%	12.96	12.55
Series AR	June 29, 2016	1.50% ⁽⁸⁾	0.23%	12.96	12.56
Series D	June 27, 2016	0.75% ⁽⁹⁾	0.15%	13.31	12.83
Series F	June 27, 2016	0.45% ⁽³⁾	0.15%	13.32	12.82
Series F5	June 27, 2016	0.45% ⁽³⁾	0.15%	17.16	16.90
Series F8	October 24, 2018	0.45% ⁽¹⁰⁾	0.15%	14.86	14.83
Series FB	June 27, 2016	0.50% ⁽¹¹⁾	0.20%	13.27	12.78
Series FB5	June 27, 2016	0.50% ⁽¹¹⁾	0.20%	17.12	16.85
Series O	June 27, 2016	— ⁽¹⁾	— *	13.51	12.96
Series PW	June 27, 2016	1.45% ⁽⁴⁾	0.15%	12.99	12.58
Series PWF	None issued ⁽⁶⁾	0.575%	0.15%	—	—
Series PWF5	None issued ⁽⁷⁾	0.575%	0.15%	—	—
Series PWFB	April 3, 2017	0.45% ⁽⁵⁾	0.15%	11.81	11.37
Series PWFB5	April 3, 2017	0.45% ⁽⁵⁾	0.15%	15.72	15.48
Series PWR	April 1, 2019	1.45% ⁽¹²⁾	0.15%	10.31	—
Series PWT5	June 27, 2016	1.45% ⁽⁴⁾	0.15%	16.74	16.58
Series PWT8	October 24, 2018	1.45% ⁽¹²⁾	0.15%	14.79	14.84
Series PWX	June 27, 2016	— ⁽²⁾	— ⁽²⁾	13.51	12.96
Series PWX5	June 27, 2016	— ⁽²⁾	— ⁽²⁾	17.37	17.04
Series R	July 6, 2018	— *	— *	10.03	9.62
Series T5	June 27, 2016	1.50% ⁽⁸⁾	0.20%	16.64	16.49
Series T8	October 24, 2018	1.50% ⁽⁸⁾	0.20%	14.78	14.86

* Not applicable.

(1) This fee is negotiable and payable directly to Mackenzie by investors in this series.

(2) This fee is payable directly to Mackenzie by investors in this series through redemptions of their securities.

(3) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.60%. From June 1, 2018, through August 1, 2019, the management fee for this series was charged to the Fund at a rate of 0.55%.

(4) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 1.575%. From June 1, 2018, through August 1, 2019, the management fee for this series was charged to the Fund at a rate of 1.55%.

(5) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.575%. From June 1, 2018, through August 1, 2019, the management fee for this series was charged to the Fund at a rate of 0.55%.

(6) The series' original start date was June 27, 2016. All securities in the series were consolidated into Series F on June 1, 2018.

(7) The series' original start date was June 27, 2016. All securities in the series were consolidated into Series F5 on June 1, 2018.

(8) Prior to August 2, 2019, the management fee for this series was charged to the Fund at a rate of 1.60%.

(9) Prior to August 2, 2019, the management fee for Series D was charged to the Fund at a rate of 0.85%.

(10) Prior to August 2, 2019, the management fee for Series F8 was charged to the Fund at a rate of 0.55%.

(11) Prior to August 2, 2019, the management fee for this series was charged to the Fund at a rate of 0.60%.

(12) Prior to August 2, 2019, the management fee for this series was charged to the Fund at a rate of 1.55%.



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MACKENZIE HIGH DIVERSIFICATION US EQUITY FUND

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NOTES TO FINANCIAL STATEMENTS

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

(b) Investments by Mackenzie and Affiliates

As at September 30, 2019, Mackenzie and other funds managed by Mackenzie had an investment of \$31 and \$897 (March 31, 2019 – \$29 and \$541), respectively, in the Fund.

(c) Loss Carryforwards

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

(d) Securities Lending

As at September 30, 2019 and March 31, 2019, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

(e) Fund Merger

At a meeting held on June 22, 2018, investors in Mackenzie US Low Volatility Fund (the "Terminating Fund") approved the merger of the Terminating Fund into the Fund. The merger was effective after the close of business on July 6, 2018. The merger was effected by transferring the net assets of the Terminating Fund in exchange for the securities of the Fund at fair market value. Series A, Series AR, Series D, Series F, Series F6, Series FB, Series FB5, Series O, Series PW, Series PWFB, Series PWFB5, Series PWT6, Series PWT8, Series PWX, Series R and Series T6 of the Terminating Fund were issued 1,594 Series A securities, 67 Series AR securities, 0.4 Series D securities, 824 Series F securities, 28 Series F5 securities, 5 Series FB securities, 0.1 Series FB5 securities, 168 Series O securities, 1,033 Series PW securities, 16 Series PWFB securities, 0.1 Series PWFB5 securities, 17 Series PWT5 securities, 26 Series PWX securities, 24 Series R securities and 18 Series T5 securities of the Fund in exchange for net assets of \$50,571 which was the fair value on July 6, 2018. The merger has been accounted for as an acquisition of the Terminating Fund.

Following the merger, the Terminating Fund was terminated. Mackenzie paid the expenses incurred to effect the merger.

(f) Offsetting of Financial Assets and Liabilities

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

(g) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks long-term capital growth by investing in equities of U.S. companies, either directly or through other investment funds. The Fund will invest in a manner that aims to enhance the diversification of its investments. The Fund will generally invest 20% to 100% of its assets in a manner that tracks the TOBAM Maximum Diversification USA Index.

ii. Currency risk

The Underlying ETF is denominated in Canadian dollars. However, the Fund is indirectly exposed to the risk that the value of foreign currency denominated financial instruments held by the Underlying ETF will fluctuate due to changes in exchange rates. The Fund may hedge some or all of its currency exposure.

As at September 30, 2019, had foreign currency exchange rates increased or decreased by 5% relative to the Canadian dollar, with all other variables held constant, net assets would have decreased or increased, by approximately \$2,560 or 5.0% of total net assets (March 31, 2019 – \$2,823 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 the Underlying ETF's investments in equity securities and exchange-traded funds/notes. 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 \$5,120 or 10.0% of total net assets (March 31, 2019 – \$5,647 or 10.0%). 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 HIGH DIVERSIFICATION US EQUITY FUND

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US EQUITY FUND

NOTES TO FINANCIAL STATEMENTS

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

(h) Fair Value Classification

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

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

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

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

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

	September 30, 2019				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Exchange-traded funds/notes	51,321	–	–	51,321	56,527	–	–	56,527
Total	51,321	–	–	51,321	56,527	–	–	56,527

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.