

## ***Interim Management Report of Fund Performance***

*For the Six-Month Period Ended September 30, 2019*

*This Interim Management Report of Fund Performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the investment fund. You may obtain a copy of the interim financial report or annual financial statements, at no cost, by contacting us using one of the methods noted under Fund Formation and Series Information or by visiting the SEDAR website at [www.sedar.com](http://www.sedar.com).*

*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. For more information, please refer to the Fund's Simplified Prospectus, Annual Information Form and Fund Facts, which may also be obtained, at no cost, using any of the methods outlined above.*

*For the Fund's current net asset values per security and for more recent information on general market events, please visit our website.*

### **A NOTE ON FORWARD-LOOKING STATEMENTS**

*This report may contain forward-looking statements that reflect our current expectations or forecasts of future events. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "preliminary", "typical" and other similar expressions. In addition, these statements may relate to future corporate actions, future financial performance of a fund or a security and their future investment strategies and prospects. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in government regulations, changes in securities laws and regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events and the ability of Mackenzie to attract or retain key employees. The foregoing list of important risks, uncertainties and assumptions is not exhaustive. Please consider these and other factors carefully and do not place undue reliance on forward-looking statements.*

*The forward-looking information contained in this report is current only as of the date of this report. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.*



## Management Discussion of Fund Performance

November 12, 2019

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments during the period ended September 30, 2019, that have affected the Fund's performance and outlook. If the Fund was established during the period, "period" represents the period from inception to the end of the fiscal period. For information on the Fund's longer-term performance, as applicable, please refer to the *Past Performance* section of the report. In this report, "Mackenzie" refers to Mackenzie Financial Corporation, the manager of the Fund. In addition, net asset value ("NAV") refers to the value of the Fund as calculated for transaction purposes, on which the discussion of Fund performance is based.

### Results of Operations

#### Investment Performance

The performance of the Fund's Series R securities is discussed below. The performance of all series is shown in the *Past Performance* section of the report. Where series returns differ, it is primarily because different levels of fees and expenses were charged to each series, or because securities of a series were not issued and outstanding for the entire reporting period. Please refer to the *Fund Formation and Series Information* section of this report for the varying management and administration fees payable by each series.

During the period, the Fund's Series R securities returned 5.6% (after deducting fees and expenses paid by the series). This compares with the MSCI EAFE (Net) Index return of 1.6%. All index and series returns are calculated on a total return basis in Canadian dollar terms. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in the index returns.

Stocks in Europe, Australasia and the Far East ("EAFE") generally posted healthy gains in local currency terms over the period, while Canadian-dollar returns were slightly lower due to the strength of the dollar. The United Kingdom was one of the weaker-performing countries in Europe as concerns over its potential withdrawal from the European Union continued to weigh on the market. Hong Kong experienced protests and political unrest, leaving little room for the optimism required to lift equity markets.

Within the MSCI EAFE (Net) Index, Switzerland, the Netherlands and Australia were the strongest-performing countries in Canadian dollar terms, while Hong Kong, Israel and Austria were the weakest. From a sector perspective, consumer discretionary, information technology and health care were the strongest performers, while energy, real estate and materials were the weakest.

The Fund outperformed the index, with stock selection in the financials sector contributing to performance. At a country level, stock selection in Germany and France contributed. Conversely, stock selection in the information technology sector detracted from performance, as did stock selection in Finland and lack of exposure to Australia.

The Fund's foreign currency exposure was not hedged. Currency exposure detracted from the performance of both the Fund and the index primarily as the euro and the U.S. dollar depreciated relative to the Canadian dollar.

Over the period, portfolio activity and market effect resulted in increased exposure to Germany, the Netherlands and Luxembourg, and decreased exposure to the United Kingdom. At the sector level, exposure to financials, health care and consumer discretionary increased, while exposure to communication services, information technology and consumer staples decreased. Changes to the portfolio included a new position in Hannover Rueckversicherung SE Reg., and the elimination of the positions in Scout24 AG and The Weir Group PLC.

#### Net Assets

The Fund's NAV increased by 15.5% to \$896.6 million at September 30, 2019, from \$776.0 million at March 31, 2019. This change was composed primarily of \$49.1 million in net income (including dividend and interest income) from investment performance, after deducting fees and expenses, \$72.0 million in net sales, and \$0.5 million in cash distributions.

See *Related Party Transactions* for the percentage of the Fund's NAV owned by related parties. As a result of these investments, the Fund is subject to large transaction risk as discussed in the Prospectus. Mackenzie manages this risk to reduce the possibility of any adverse effect on the Fund or on its investors, through such processes as requiring advance notice of large redemptions. At September 30, 2019, Mackenzie had received no such notices.

#### Fees and Expenses

The annualized management expense ratio ("MER") for Series R of 0.01% during the period ended September 30, 2019, was slightly higher than the MER of 0.00% for the year ended March 31, 2019. No management fee or administration fee, other than certain specific fund costs, is charged to Series R or Series IG.

#### Recent Developments

The portfolio management team believes that, given its long-term time horizon and focus on high-quality companies, the Fund may benefit from market volatility. The team will look to take advantage of any volatility as it occurs by purchasing undervalued holdings in companies that in the team's view have a positive long-term outlook.



# MACKENZIE INTERNATIONAL DIVIDEND FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended September 30, 2019

INTERNATIONAL EQUITY FUND

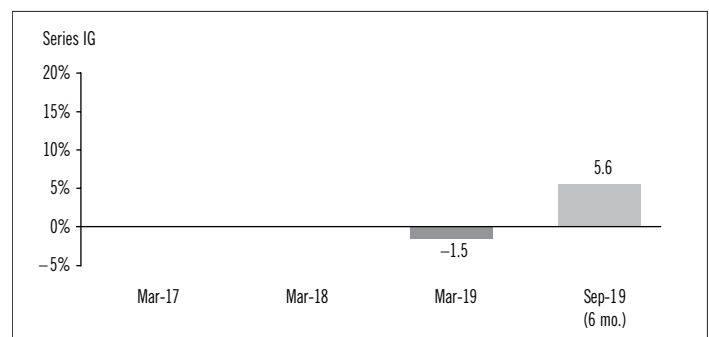
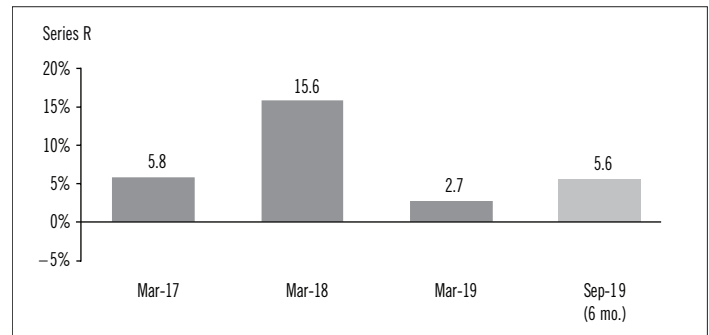
## Related Party Transactions

Mackenzie is wholly owned by IGM Financial Inc. ("IGM"). IGM is a subsidiary of Power Financial Corp., which in turn is a subsidiary of Power Corp. of Canada. Companies related to Power Financial Corp. are therefore considered affiliates of Mackenzie. At September 30, 2019, the Fund held the following investment(s) in companies affiliated with Mackenzie: \$21.3 million invested in securities issued by Pernod Ricard SA. The investment(s) represented 2.4% of the Fund's NAV. In making the investment(s), Mackenzie relied on the approval of the Mackenzie Funds' Independent Review Committee. The Independent Review Committee issued the approval on the basis that the investment(s) would be made in compliance with Mackenzie's policies. Mackenzie's policies are designed to ensure that any related party transaction (i) is made free from any influence by an entity related to Mackenzie and without taking into account any considerations relevant to an entity related to Mackenzie; (ii) represents the business judgment of Mackenzie, uninfluenced by considerations other than the best interests of the Fund; and (iii) achieves a fair and reasonable result for the Fund.

Investment funds managed by Mackenzie invest in Series R securities of the Fund on a prospectus-exempt basis in accordance with the investment objectives of those funds. Series IG securities are offered on a prospectus-exempt basis to mutual funds managed by I.G. Investment Management, Ltd., which is a company affiliated with Mackenzie. At September 30, 2019, funds managed by Mackenzie owned 4.0% of the Fund's NAV, and funds managed by I.G. Investment Management, Ltd. owned 96.0% of the Fund's NAV. All related party transactions are based on the NAV per security on each transaction day.

## Past Performance

The following bar charts present the performance of each series of the Fund for each of the fiscal periods shown. The charts show, in percentage terms, how much an investment made on the first day of each fiscal period, or on the series inception or reinstatement date, as applicable, would have increased or decreased by the last day of the fiscal period presented. Series inception or reinstatement dates can be found under *Fund Formation and Series Information*.



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# MACKENZIE INTERNATIONAL DIVIDEND FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended September 30, 2019

INTERNATIONAL EQUITY FUND

## Summary of Investment Portfolio at September 30, 2019

<b>Portfolio Allocation</b>	<b>% of NAV</b>
Equities	99.6
Other assets (liabilities)	0.8
Cash and short-term investments	(0.4)
<b>Regional Allocation</b>	<b>% of NAV</b>
Germany	24.4
China	13.2
France	12.7
Switzerland	11.4
Netherlands	8.5
Japan	7.7
United Kingdom	7.5
Spain	4.5
Luxembourg	4.3
Denmark	3.9
Finland	1.5
Other assets (liabilities)	0.8
Cash and short-term investments	(0.4)
<b>Sector Allocation</b>	<b>% of NAV</b>
Consumer staples	18.9
Industrials	15.4
Health care	15.4
Financials	14.8
Consumer discretionary	13.0
Information technology	12.4
Materials	7.1
Communication services	2.6
Other assets (liabilities)	0.8
Cash and short-term investments	(0.4)

The Fund did not hedge its foreign currency exposure at the end of the period.

## Top 25 Holdings

<b>Issuer</b>	<b>% of NAV</b>
Safran SA	7.2
Deutsche Boerse AG	6.7
Alibaba Group Holding Ltd.	5.7
SAP AG	5.2
Hannover Rueckversicherung SE Reg.	5.2
Heineken Holding NV	5.0
Kweichow Moutai Co. Ltd.	4.9
Aena SA	4.5
Eurofins Scientific	4.3
Nestlé SA	4.0
Sika AG	4.0
Novo Nordisk AS	3.9
Keyence Corp.	3.9
Sony Corp.	3.9
Brenntag AG	3.7
Bayer AG	3.6
Koninklijke Philips NV	3.5
Compagnie Financière Richemont SA	3.4
Air Liquide SA	3.1
London Stock Exchange Group PLC	3.0
British American Tobacco PLC	2.6
Tencent Holdings Ltd.	2.6
Pernod Ricard SA <sup>(1)</sup>	2.4
Micro Focus International PLC	1.8
Nokia OYJ	1.5

## Top long positions as a percentage of total net asset value

**99.6**

(1) The issuer of this security is related to Mackenzie Financial Corporation.

The Fund held no short positions at the end of the period.

The investments and percentages may have changed since September 30, 2019, due to the ongoing portfolio transactions of the Fund. Quarterly updates of holdings are available within 60 days of the end of each quarter except for March 31, the Fund's fiscal year-end, when they are available within 90 days.



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# MACKENZIE INTERNATIONAL DIVIDEND FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended September 30, 2019

INTERNATIONAL EQUITY FUND

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for each of the fiscal periods presented below. If during the period a fund or series was established or reinstated, "period" represents the period from inception or reinstatement to the end of that fiscal period. Series inception or reinstatement dates can be found under *Fund Formation and Series Information*.

### THE FUND'S NET ASSETS PER SECURITY (\$)¹

Series R	Sep. 30 2019	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017
<b>Net assets, beginning of period</b>	<b>11.96</b>	11.87	10.58	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	0.16	0.55	0.18	0.03
Total expenses	(0.01)	(0.16)	(0.03)	(0.03)
Realized gains (losses) for the period	(0.04)	(0.68)	0.26	0.02
Unrealized gains (losses) for the period	0.56	0.60	1.21	0.57
<b>Total increase (decrease) from operations²</b>	<b>0.67</b>	0.31	1.62	0.59
<b>Distributions:</b>				
From net investment income (excluding dividends)	(0.17)	(0.23)	(0.18)	–
From dividends	–	–	–	–
From capital gains	–	–	(0.17)	–
Return of capital	–	–	–	–
<b>Total annual distributions³</b>	<b>(0.17)</b>	(0.23)	(0.35)	–
<b>Net assets, end of period</b>	<b>12.45</b>	11.96	11.87	10.58

Series IG	Sep. 30 2019	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017
<b>Net assets, beginning of period</b>	<b>9.79</b>	10.00	n/a	n/a
<b>Increase (decrease) from operations:</b>				
Total revenue	0.13	0.07	n/a	n/a
Total expenses	(0.01)	(0.02)	n/a	n/a
Realized gains (losses) for the period	0.05	(0.12)	n/a	n/a
Unrealized gains (losses) for the period	0.45	0.07	n/a	n/a
<b>Total increase (decrease) from operations²</b>	<b>0.62</b>	–	n/a	n/a
<b>Distributions:</b>				
From net investment income (excluding dividends)	(0.14)	(0.05)	n/a	n/a
From dividends	–	–	n/a	n/a
From capital gains	–	–	n/a	n/a
Return of capital	–	–	n/a	n/a
<b>Total annual distributions³</b>	<b>(0.14)</b>	(0.05)	n/a	n/a
<b>Net assets, end of period</b>	<b>10.20</b>	9.79	n/a	n/a

- (1) These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per security. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. The net assets per security presented in the financial statements may differ from the net asset value per security calculated for fund pricing purposes. An explanation of these differences can be found in the *Notes to Financial Statements*.
- (2) Net assets and distributions are based on the actual number of securities outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of securities outstanding over the fiscal period.
- (3) Distributions were paid in cash/reinvested in additional securities of the Fund, or both.



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# MACKENZIE INTERNATIONAL DIVIDEND FUND

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INTERNATIONAL EQUITY FUND

## RATIOS AND SUPPLEMENTAL DATA

	Sep. 30	Mar. 31	Mar. 31	Mar. 31
Series R	2019	2019	2018	2017
Total net asset value (\$000) <sup>1</sup>	35,976	34,550	34,277	26,622
Securities outstanding (000) <sup>1</sup>	2,889	2,889	2,887	2,517
Management expense ratio (%) <sup>2</sup>	0.01	–	–	–
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	0.01	–	–	–
Trading expense ratio (%) <sup>3</sup>	0.14	0.31	0.25	2.67
Portfolio turnover rate (%) <sup>4</sup>	38.98	18.37	48.34	n/a
Net asset value per security (\$)	12.45	11.96	11.86	10.58

	Sep. 30	Mar. 31	Mar. 31	Mar. 31
Series IG	2019	2019	2018	2017
Total net asset value (\$000) <sup>1</sup>	860,667	741,461	n/a	n/a
Securities outstanding (000) <sup>1</sup>	84,420	75,729	n/a	n/a
Management expense ratio (%) <sup>2</sup>	0.01	–	n/a	n/a
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	0.01	–	n/a	n/a
Trading expense ratio (%) <sup>3</sup>	0.14	0.31	n/a	n/a
Portfolio turnover rate (%) <sup>4</sup>	38.98	18.37	n/a	n/a
Net asset value per security (\$)	10.20	9.79	n/a	n/a

(1) This information is provided as at the end of the fiscal period shown.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. If in the period a series was established or reinstated, the management expense ratio is annualized from the date of inception or reinstatement. Mackenzie may waive or absorb operating expenses at its discretion and stop waiving or absorbing such expenses at any time without notice.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is not provided when the Fund is less than one year old. The value of any trades to realign the Fund's portfolio after a fund merger, if any, is excluded from the portfolio turnover rate.

## Management Fees

The Fund pays no management fees on its Series R and Series IG securities.



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# MACKENZIE INTERNATIONAL DIVIDEND FUND

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INTERNATIONAL EQUITY FUND

## Fund Formation and Series Information

The Fund may have undergone a number of changes, such as a reorganization or a change in manager, mandate or name. A history of the major changes affecting the Fund in the last 10 years can be found in the Fund's Annual Information Form.

Date of Formation February 9, 2017

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 *Financial Highlights*.

**Series Offered by Mackenzie Financial Corporation** (180 Queen Street West, Toronto, Ontario, M5V 3K1; 1-800-387-0614; [www.mackenzieinvestments.com](http://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 IG securities are offered exclusively to mutual funds managed by I.G. Investment Management, Ltd.

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 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.



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## 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	None issued	2.00%	0.28%	—	—
Series AR	None issued	2.00%	0.31%	—	—
Series D	None issued	1.25%	0.20%	—	—
Series F	None issued	0.80%	0.15%	—	—
Series F5	None issued	0.80%	0.15%	—	—
Series F8	None issued	0.80%	0.15%	—	—
Series FB	None issued	1.00%	0.28%	—	—
Series FB5	None issued	1.00%	0.28%	—	—
Series IG	June 5, 2018	— *	— *	10.20	9.79
Series O	None issued	— <sup>(1)</sup>	— *	—	—
Series PW	None issued	1.80%	0.15%	—	—
Series PWFB	None issued	0.80%	0.15%	—	—
Series PWFB5	None issued	0.80%	0.15%	—	—
Series PWR	None issued	1.80%	0.15%	—	—
Series PWT5	None issued	1.80%	0.15%	—	—
Series PWT8	None issued	1.80%	0.15%	—	—
Series PWX	None issued	0.80%	0.15%	—	—
Series PWX8	None issued	0.80%	0.15%	—	—
Series R	February 21, 2017	— *	— *	12.45	11.96
Series T5	None issued	2.00%	0.28%	—	—
Series T8	None issued	2.00%	0.28%	—	—

\* Not applicable.

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