

MACKENZIE GLOBAL RESOURCE CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

SECTOR FUND

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

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

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

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

On behalf of Mackenzie Financial Corporation,
Manager of the Fund



Barry McNerney
President and Chief Executive Officer



Terry Rountes
Chief Financial Officer, Funds

June 7, 2018

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Global Resource Class (the "Fund") of Mackenzie Financial Capital Corporation

We have audited the accompanying financial statements of the Fund which comprise the statements of financial position as at March 31, 2018 and 2017, and the statements of comprehensive income, statements of changes in financial position and statements of cash flows for the periods then ended, as indicated in Note 1, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2018 and 2017, and its financial performance and its cash flows for the periods then ended, as indicated in Note 1, in accordance with International Financial Reporting Standards.



Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada
June 7, 2018



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STATEMENTS OF FINANCIAL POSITION

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

	2018	2017		2018	2017
	\$	\$		\$	\$
ASSETS			Net assets attributable to securityholders		
Current assets			per security (note 3)		
Investments at fair value	39,141	47,400	Series A	29.65	31.60
Cash and cash equivalents	–	471	Series D	9.45	10.09
Accrued interest receivable	7	42	Series F	30.45	32.50
Dividends receivable	38	60	Series FB	11.93	12.72
Accounts receivable for investments sold	281	2,659	Series I	32.56	34.73
Accounts receivable for securities issued	1	8	Series J	–	9.27
Margin on futures contracts	13	14	Series O	38.99	41.88
Taxes recoverable	3	3	Series PW	9.37	9.99
Total assets	39,484	50,657	Series PWF	9.86	10.52
			Series PWFB	9.18	–
			Series PWX	9.04	9.71
			Series R	15.96	17.07
			Series U	12.38	13.20
LIABILITIES					
Current liabilities					
Bank indebtedness	331	–			
Accounts payable for investments purchased	1	2,219			
Accounts payable for securities redeemed	108	111			
Distribution payable	–	257			
Due to manager	5	–			
Total liabilities	445	2,587			
Net assets attributable to securityholders	39,039	48,070			
Net assets attributable to securityholders					
per series (note 3)					
Series A	25,892	39,505			
Series D	185	341			
Series F	1,354	2,508			
Series FB	39	40			
Series I	333	543			
Series J	–	42			
Series O	574	715			
Series PW	6,776	1,576			
Series PWF	1,557	608			
Series PWFB	1	–			
Series PWX	240	313			
Series R	1,906	1,664			
Series U	182	215			

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



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STATEMENTS OF COMPREHENSIVE INCOME

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

	2018	2017		2018	2017
	\$	\$		\$	\$
Income			Increase (decrease) in net assets attributable to securityholders from operations per security		
Dividends	456	547	Series A	(1.31)	6.95
Interest income	–	209	Series D	(0.48)	1.04
Other changes in fair value of investments			Series F	(0.75)	6.29
Net realized gain (loss)	3,135	5,260	Series FB	(0.26)	2.25
Net unrealized gain (loss)	(4,086)	6,886	Series I	(2.56)	7.88
Securities lending income	–	8	Series J	(0.03)	1.94
Total income (loss)	(495)	12,910	Series O	(1.27)	11.13
			Series PW	(0.18)	2.24
Expenses (note 6)			Series PWF	(0.17)	1.91
Management fees	817	1,011	Series PWFB	(0.24)	–
Administration fees	118	156	Series PWX	(0.13)	3.42
Interest charges	4	5	Series R	(0.02)	4.18
Commissions and other portfolio transaction costs	104	164	Series U	(0.41)	3.16
Independent Review Committee fees	–	–			
Other	4	2			
Expenses before amounts absorbed by Manager	1,047	1,338			
Expenses absorbed by Manager	–	–			
Net expenses	1,047	1,338			
Increase (decrease) in net assets attributable to securityholders from operations before tax	(1,542)	11,572			
Foreign withholding taxes	47	56			
Foreign income taxes paid (recovered)	–	–			
Increase (decrease) in net assets attributable to securityholders from operations	(1,589)	11,516			
Increase (decrease) in net assets attributable to securityholders from operations per series					
Series A	(1,323)	9,540			
Series D	(14)	20			
Series F	(37)	422			
Series FB	–	5			
Series I	(32)	146			
Series J	–	9			
Series O	(21)	271			
Series PW	(123)	404			
Series PWF	(27)	82			
Series PWFB	–	–			
Series PWX	(4)	127			
Series R	(3)	430			
Series U	(5)	60			

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



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STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Series A		Series D		Series F		Series FB		Series I	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	39,505	37,284	341	105	2,508	1,563	40	21	543	553
Increase (decrease) in net assets from operations	(1,323)	9,540	(14)	20	(37)	422	–	5	(32)	146
Dividends paid to securityholders:										
Ordinary	–	(212)	–	(2)	–	(17)	–	–	–	(3)
Capital gains	(989)	–	(14)	–	(67)	–	(2)	–	(20)	–
Total dividends paid to securityholders	(989)	(212)	(14)	(2)	(67)	(17)	(2)	–	(20)	(3)
Security transactions:										
Proceeds from securities issued	2,435	14,780	50	257	321	1,294	–	14	3	–
Reinvested dividends	1,191	–	14	–	76	–	2	–	20	–
Value of securities redeemed	(14,927)	(21,887)	(192)	(39)	(1,447)	(754)	(1)	–	(181)	(153)
Total security transactions	(11,301)	(7,107)	(128)	218	(1,050)	540	1	14	(158)	(153)
Total increase (decrease) in net assets	(13,613)	2,221	(156)	236	(1,154)	945	(1)	19	(210)	(10)
End of period	25,892	39,505	185	341	1,354	2,508	39	40	333	543
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	1,250	1,478	34	13	77	61	3	2	16	20
Issued	82	453	5	25	11	40	–	1	–	–
Reinvested dividends	40	–	2	–	2	–	–	–	1	–
Redeemed	(499)	(681)	(21)	(4)	(46)	(24)	–	–	(7)	(4)
Securities outstanding – end of period	873	1,250	20	34	44	77	3	3	10	16
	Series J		Series O		Series PW		Series PWF		Series PWFB	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	42	33	715	978	1,576	1,471	608	267	–	–
Increase (decrease) in net assets from operations	–	9	(21)	271	(123)	404	(27)	82	–	–
Dividends paid to securityholders:										
Ordinary	–	–	(3)	(6)	–	(9)	–	(4)	–	–
Capital gains	–	–	(41)	–	(211)	–	(65)	–	–	–
Total dividends paid to securityholders	–	–	(44)	(6)	(211)	(9)	(65)	(4)	–	–
Security transactions:										
Proceeds from securities issued	–	–	60	171	6,776	768	1,121	382	1	–
Reinvested dividends	–	–	49	–	211	–	61	–	–	–
Value of securities redeemed	(42)	–	(185)	(699)	(1,453)	(1,058)	(141)	(119)	–	–
Total security transactions	(42)	–	(76)	(528)	5,534	(290)	1,041	263	1	–
Total increase (decrease) in net assets	(42)	9	(141)	(263)	5,200	105	949	341	1	–
End of period	–	42	574	715	6,776	1,576	1,557	608	1	–
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	5	5	17	30	158	185	58	32	–	–
Issued	–	–	2	4	696	78	108	37	–	–
Reinvested dividends	–	–	1	–	23	–	6	–	–	–
Redeemed	(5)	–	(5)	(17)	(154)	(105)	(14)	(11)	–	–
Securities outstanding – end of period	–	5	15	17	723	158	158	58	–	–

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

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STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2018	2017	2018	2017	2018	2017	2018	2017
	Series PWX		Series R		Series U		Total	
	\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS								
Beginning of period	313	724	1,664	1,633	215	244	48,070	44,876
Increase (decrease) in net assets from operations	(4)	127	(3)	430	(5)	60	(1,589)	11,516
Dividends paid to securityholders:								
Ordinary	(1)	(3)	–	–	–	(1)	(4)	(257)
Capital gains	(24)	–	(94)	–	(7)	–	(1,534)	–
Total dividends paid to securityholders	(25)	(3)	(94)	–	(7)	(1)	(1,538)	(257)
Security transactions:								
Proceeds from securities issued	148	76	346	92	1	16	11,262	17,850
Reinvested dividends	25	–	–	–	7	–	1,656	–
Value of securities redeemed	(217)	(611)	(7)	(491)	(29)	(104)	(18,822)	(25,915)
Total security transactions	(44)	(535)	339	(399)	(21)	(88)	(5,904)	(8,065)
Total increase (decrease) in net assets	(73)	(411)	242	31	(33)	(29)	(9,031)	3,194
End of period	240	313	1,906	1,664	182	215	39,039	48,070
Increase (decrease) in fund securities (note 7):								
Securities outstanding – beginning of period	32	96	98	124	16	23		
Issued	15	8	21	5	–	1		
Reinvested dividends	3	–	–	–	1	–		
Redeemed	(24)	(72)	–	(31)	(2)	(8)		
Securities outstanding – end of period	26	32	119	98	15	16		

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

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STATEMENTS OF CASH FLOWS

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

	2018	2017
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	(1,589)	11,516
Adjustments for:		
Net realized loss (gain) on investments	(3,135)	(5,260)
Change in net unrealized loss (gain) on investments	4,086	(6,886)
Purchase of investments	(25,071)	(35,186)
Proceeds from sale and maturity of investments	32,543	43,291
Change in accrued interest receivable	35	55
Change in dividends receivable	22	(4)
Change in due to manager	5	–
Change in taxes recoverable	–	4
Change in margin on futures contracts	1	–
Net cash from operating activities	6,897	7,530
Cash flows from financing activities		
Proceeds from redeemable securities issued	3,271	8,899
Payments on redemption of redeemable securities	(10,827)	(16,891)
Dividends paid net of reinvestments	(139)	–
Net cash from financing activities	(7,695)	(7,992)
Net increase (decrease) in cash and cash equivalents	(798)	(462)
Cash and cash equivalents at beginning of period	471	928
Effect of exchange rate fluctuations on cash and cash equivalents	(4)	5
Cash and cash equivalents at end of period	(331)	471
Cash	–	471
Cash equivalents	–	–
Bank indebtedness	(331)	–
Cash and cash equivalents at end of period	(331)	471
Supplementary disclosures on cash flow from operating activities:		
Dividends received	478	543
Foreign taxes paid	47	58
Interest received	35	264
Interest paid	4	5

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



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SCHEDULE OF INVESTMENTS

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS					
Hornbeck Offshore Services Inc. 5.88% 04-01-2020 Callable	United States	Corporate - Non Convertible	USD 180,000	155	151
Total bonds				155	151
EQUITIES					
Advantage Oil & Gas Ltd.	Canada	Energy	150,000	720	572
AngloGold Ashanti Ltd. ADR	South Africa	Materials	110,000	1,585	1,345
Ashland Global Holdings Inc.	United States	Materials	4,000	360	360
Bonavista Energy Corp.	Canada	Energy	325,000	1,029	384
Brazil Potash Corp. Private Placement	Canada	Materials	220,000	221	850
Buried Hill Energy (Cyprus) Public Co. Ltd. Private Placement	Canada	Energy	650,000	1,361	1,239
Cabot Oil & Gas Corp.	United States	Energy	13,000	379	402
California Resources Corp.	United States	Energy	63,600	1,073	1,405
Canadian Natural Resources Ltd.	Canada	Energy	20,000	770	810
Carrizo Oil & Gas Inc.	United States	Energy	52,500	1,749	1,082
Cascades Inc.	Canada	Materials	40,000	588	533
Cemex SAB de CV ADR	Mexico	Materials	20,000	203	171
China Metal Recycling (Holdings) Ltd.	Hong Kong	Materials	1,050,000	1,266	—
Clariant AG Reg.	Switzerland	Materials	10,000	320	308
Detour Gold Corp.	Canada	Materials	74,973	1,127	978
Eastman Chemical Co.	United States	Materials	7,300	813	993
EastSiberian PLC	Canada	Energy	24,250	591	—
Eni SPA ADR	Italy	Energy	30,000	1,209	1,365
First Quantum Minerals Ltd.	Zambia	Materials	90,000	1,228	1,628
Glencore PLC	Switzerland	Materials	157,500	444	1,010
Halliburton Co.	United States	Energy	20,000	1,100	1,209
HeidelbergCement AG	Germany	Materials	6,400	755	810
Hochschild Mining PLC	Peru	Materials	55,000	222	198
Hoegh LNG Holdings Ltd.	Norway	Energy	17,000	236	117
Hornbeck Offshore Services Inc.	United States	Energy	19,329	457	72
Keane Group Inc.	United States	Energy	20,000	398	381
LyondellBasell Industries NV Class A	United States	Materials	8,500	993	1,157
Marathon Petroleum Corp.	United States	Energy	5,000	280	471
MMG Ltd.	China	Materials	500,000	276	399
MRC Global Inc.	United States	Industrials	55,000	1,181	1,165
Noble Energy Inc.	United States	Energy	42,500	1,882	1,659
Norbord Inc.	Canada	Materials	4,000	184	187
Nutrien Ltd.	Canada	Materials	20,380	1,292	1,241
Pan American Silver Corp.	Canada	Materials	17,000	341	353
Plains GP Holdings LP	United States	Energy	48,000	1,292	1,345
Pretium Resources Inc.	Canada	Materials	27,500	236	235
QEP Resources Inc.	United States	Energy	90,000	1,875	1,135
Raging River Exploration Inc.	Canada	Energy	75,000	640	468
Range Energy Resources Inc.	Canada	Energy	1,400,000	265	7
Reliance Steel & Aluminum Co.	United States	Materials	10,500	869	1,160
Royal Dutch Shell PLC A ADR	Netherlands	Energy	5,000	407	411
Secure Energy Services Inc.	Canada	Energy	32,000	266	235
Sierra Metals Inc.	Canada	Materials	108,300	348	357
SM Energy Co.	United States	Energy	40,000	1,168	929



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SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
Smurfit Kappa Group PLC	Ireland	Materials	15,000	489	785
Solvay SA	Belgium	Materials	3,500	598	627
Ternium SA ADR	Luxembourg	Materials	10,000	385	419
TimkenSteel Corp.	United States	Materials	10,000	217	196
Tourmaline Oil Corp.	Canada	Energy	67,500	2,087	1,475
Turquoise Hill Resources Ltd.	Canada	Materials	59,856	277	236
Venuturion Oil Ltd. Private Placement	Canada	Energy	335,000	335	653
Voestalpine AG	Austria	Materials	5,000	374	338
Western Energy Services Corp.	Canada	Energy	90,000	255	95
Western Forest Products Inc.	Canada	Materials	390,000	664	1,010
The Williams Companies Inc.	United States	Energy	35,000	915	1,121
Total equities				40,595	38,091
OPTIONS					
Options purchased (see schedule of options purchased)				835	899
Total options				835	899
Transaction costs				(100)	–
Total investments				41,485	39,141
Bank indebtedness					(331)
Other assets less liabilities					229
Total net assets					39,039



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SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2018	
Portfolio Allocation	% of NAV
Equities	99.9
<i>Equities</i>	97.6
<i>Purchased options</i>	2.3
Other assets (liabilities)	0.5
Bonds	0.4
Cash and short-term investments	(0.8)

Regional Allocation	
	% of NAV
United States	43.6
Canada	31.2
Zambia	4.2
Italy	3.5
South Africa	3.4
Switzerland	3.4
Germany	2.1
Ireland	2.0
Belgium	1.6
Luxembourg	1.1
Netherlands	1.1
China	1.0
Austria	0.9
Other	0.7
Other assets (liabilities)	0.5
Peru	0.5
Cash and short-term investments	(0.8)

Sector Allocation	
	% of NAV
Oil, gas and consumable fuels	43.6
Metals and mining	22.7
Chemicals	14.2
Energy equipment and services	5.1
Containers and packaging	3.4
Paper and forest products	3.1
Trading companies and distributors	3.0
Construction materials	2.5
Other	2.3
Other assets (liabilities)	0.5
Corporate bonds	0.4
Cash and short-term investments	(0.8)

March 31, 2017	
Portfolio Allocation	% of NAV
Equities	97.6
<i>Equities</i>	95.8
<i>Purchased options</i>	1.8
Cash and short-term investments	1.0
Bonds	1.0
Other assets (liabilities)	0.4

Regional Allocation	
	% of NAV
United States	41.6
Canada	38.9
Switzerland	3.2
Italy	2.7
South Africa	2.7
Jersey	2.6
Brazil	1.8
Germany	1.2
Other	1.1
United Kingdom	1.1
Ireland	1.1
Cash and short-term investments	1.0
Peru	0.6
Other assets (liabilities)	0.4

Sector Allocation	
	% of NAV
Oil, gas and consumable fuels	52.5
Metals and mining	24.4
Paper and forest products	5.2
Chemicals	5.0
Trading companies and distributors	3.0
Containers and packaging	2.5
Energy equipment and services	2.0
Other	1.8
Construction materials	1.2
Cash and short-term investments	1.0
Corporate bonds	1.0
Other assets (liabilities)	0.4



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SCHEDULE OF OPTIONS PURCHASED

As at March 31, 2018

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000s)	Fair Value (\$ 000s)
Gold 100oz Futures	22	Call	May 24, 2018	USD 1,100.00	554	644
iShares S&P/TSX Global Gold Index Fund	400	Call	Jun. 15, 2018	CAD 8.00	172	145
iShares S&P/TSX Global Gold Index Fund	300	Call	Sep. 21, 2018	CAD 8.00	109	110
Total options					835	899



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NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the periods ended or as at March 31, 2018 and 2017, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Refer to Note 9 for the formation date of the Fund and the inception date of each series.

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

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

Mackenzie Financial Corporation ("Mackenzie") is the manager of the Fund and is wholly owned by IGM Financial Inc., a subsidiary of Power Financial Corporation, which itself is a subsidiary of Power Corporation of Canada. The Great-West Life Assurance Company, London Life Insurance Company and The Canada Life Assurance Company (collectively, the "Related Insurance Companies") are wholly owned by Great-West Lifeco Inc., which is also a subsidiary of Power Financial Corporation. Investments in companies within the Power Group of companies held by the Fund are identified in the Schedule of Investments.

2. Basis of Preparation and Presentation

These audited annual financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). A summary of the Fund's significant accounting policies under IFRS is presented in Note 3.

These financial statements are presented in Canadian dollars, which is the Fund's functional and presentation currency, and rounded to the nearest thousand unless otherwise indicated. These financial statements are prepared on a going concern basis using the historical cost basis, except for financial assets and liabilities that have been measured at fair value.

These financial statements were authorized for issue by the Board of Directors of Mackenzie Financial Corporation on June 7, 2018.

Standards issued but not yet effective for the current accounting year, as applicable, are described in Note 3.

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 – Net unrealized gain (loss).

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

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

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.

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 fair value through profit and loss. 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 – 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 futures contracts or swaps. Any change in the variation margin requirement is settled daily.

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

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at March 31, 2018.

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 – Net realized gain (loss).

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

(h) Net assets attributable to securityholders per security

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

(i) Net asset value per security

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

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

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

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(k) Mergers

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

4. Critical Accounting Estimates and Judgments

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

Use of Estimates

Fair value of securities not quoted in an active market

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

Use of Judgments

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

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

Functional currency

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

Structured entities and associates

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

5. Income Taxes

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

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

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

NOTES TO FINANCIAL STATEMENTS

5. Income Taxes (cont'd)

Income from other sources, such as interest and foreign income ("Ordinary Income"), is taxed at standard corporate rates. To the extent that Capitalcorp has positive Ordinary Income net of expenses ("Net Ordinary Income") Capitalcorp will be required to pay corporate income tax as a whole. The Fund is allocated a portion of this expense based on its series' contribution to Capitalcorp's overall tax liability. Any income tax expense allocated to the Fund is included in the Statement of Comprehensive Income – Income taxes. Due to deductible expenses and tax credits available to Capitalcorp, no taxes are currently payable in respect of Ordinary Income.

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

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

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

6. Management Fees and Operating Expenses

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

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

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

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

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

7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at March 31, 2018 and 2017 and securities issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the Fund in accordance with the investment objectives as discussed in Note 9.

8. Financial Instruments Risk

i. Risk exposure and management

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at March 31, 2018, grouped by asset type, with geographic and sector information.

NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

i. Risk exposure and management (cont'd)

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

ii. Liquidity risk

Liquidity risk arises when the Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. In accordance with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e., investments that can be readily sold). In addition, the Fund retains sufficient cash and short-term investment positions to maintain adequate liquidity. The Fund also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

iii. Currency risk

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

iv. Interest rate risk

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

v. Other price risk

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

vi. Credit risk

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

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

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

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

vii. Underlying funds

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

NOTES TO FINANCIAL STATEMENTS

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

(a) Fund Formation and Series Information

Date of Formation October 26, 2000

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

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 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; they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie.

Series FB 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.

Series O securities are offered only to investors investing a minimum of \$500,000 who have an account with Mackenzie Private Wealth Counsel; certain institutional investors; and certain qualifying employees of Mackenzie and its subsidiaries.

Series PW securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000.

Series PWF securities are offered through our Private Wealth Solutions to certain high net worth 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 \$100,000. Effective June 1, 2018, Series PWF securities were consolidated into Series F securities.

Series PWFB 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.

Series PWX 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.

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

Series I, Series J and Series U securities are no longer available for sale.

An investor in the Fund may choose among different purchase options that are available under each series. These purchase options are a sales charge purchase option, a redemption charge purchase option and various low-load purchase options. The charges under the sales charge purchase option are negotiated by investors with their dealers. The charges under the redemption charge and low-load purchase options are paid to Mackenzie if an investor redeems securities of the Fund during specific periods. Not all purchase options are available under each series of the Fund, and the charges for each purchase option may vary among the different series. For further details on these purchase options, please refer to the Fund's Simplified Prospectus and Fund Facts.



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NOTES TO FINANCIAL STATEMENTS

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Mar. 31, 2018	Mar. 31, 2017
Series A	October 26, 2000	2.00%	0.31%	29.65	31.74
Series D	January 2, 2014	1.25%	0.20%	9.45	10.13
Series F	October 23, 2001	0.80% ⁽⁴⁾	0.15% ⁽⁷⁾	30.46	32.64
Series FB	October 26, 2015	1.00%	0.31%	11.93	12.77
Series I	December 20, 2000	1.35%	0.31%	32.56	34.88
Series J	None issued ⁽³⁾	1.75%	0.30%	—	9.31
Series O	October 2, 2001	— ⁽¹⁾	— *	38.99	42.06
Series PW	December 30, 2013	1.80% ⁽⁵⁾	0.15%	9.37	10.03
Series PWF	December 10, 2013	0.90%	0.15%	9.86	10.57
Series PWFB	April 3, 2017	0.80% ⁽⁶⁾	0.15%	9.18	—
Series PWX	October 1, 2014	— ⁽²⁾	— ⁽²⁾	9.04	9.75
Series R	July 7, 2009	— *	— *	15.96	17.14
Series U	May 25, 2009	1.70%	0.31%	12.39	13.26

* 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) The series' original start date was December 20, 2010. All securities in the series were redeemed on April 13, 2017.

(4) Prior to June 1, 2018, the management fee for Series F was charged to the Fund at a rate of 1.00%.

(5) Prior to June 1, 2018, the management fee for Series PW was charged to the Fund at a rate of 1.90%.

(6) Prior to June 1, 2018, the management fee for Series PWFB was charged to the Fund at a rate of 0.90%.

(7) Prior to June 1, 2018, the administration fee for Series F was charged to the Fund at a rate of 0.20%.

(b) Investments by Mackenzie and Affiliates

As at March 31, 2018, Mackenzie and other funds managed by Mackenzie had an investment of \$121 and \$1,906 (2017 – \$215 and \$1,664), respectively, in the Fund.

(c) Securities Lending

As at March 31, 2018 and 2017, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended March 31, 2018 and 2017 is as follows:

	2018		2017	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	—	—	13	100.0
Tax withheld	—	—	(2)	(15.4)
	—	—	11	84.6
Payments to Securities Lending Agent	—	—	(3)	(23.1)
Securities lending income	—	—	8	61.5

MACKENZIE GLOBAL RESOURCE CLASS

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NOTES TO FINANCIAL STATEMENTS

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

(d) Commissions

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

	(\$)
March 31, 2018	3
March 31, 2017	3

(e) Offsetting of Financial Assets and Liabilities

As at March 31, 2018 and 2017, there were no amounts subject to offsetting.

(f) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks long-term capital growth by investing primarily in equities of energy and natural resource companies located anywhere in the world. It generally invests in both small- and large-capitalization companies.

ii. Currency risk

The table below indicates currencies to which the Fund had significant exposure as at period end in Canadian dollar terms, including the underlying principal amount of any derivative instruments. Other financial assets and liabilities (including accrued interest and dividends receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

Currency	March 31, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	22,837	(258)	–	22,579
Euro	2,560	–	–	2,560
British pound	1,208	(1)	–	1,207
Hong Kong dollar	399	–	–	399
Swiss franc	308	(7)	–	301
Norwegian krone	117	–	–	117
Total	27,429	(266)	–	27,163
% of Net Assets	70.3	(0.7)	–	69.6

Currency	March 31, 2017			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	27,227	–	–	27,227
British pound	1,844	–	–	1,844
Euro	1,088	315	–	1,403
Norwegian krone	231	–	–	231
Hong Kong dollar	199	–	–	199
Total	30,589	315	–	30,904
% of Net Assets	63.6	0.7	–	64.3

*Includes both monetary and non-monetary financial instruments



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NOTES TO FINANCIAL STATEMENTS

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

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

ii. Currency risk (cont'd)

As at March 31, 2018, 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 \$1,358 or 3.5% of total net assets (2017 – \$1,545 or 3.2%). In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

As at March 31, 2018 and 2017, 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 and options. As at March 31, 2018, had the prices on the respective stock exchanges for these securities increased by 10%, with all other variables held constant, net assets would have increased by approximately \$4,263 or 10.9% of total net assets (2017 – \$5,084 or 10.6%). Similarly, had the prices on the respective stock exchanges for these securities decreased by 10%, with all other variables held constant, net assets would have decreased by approximately \$4,263 or 10.9% of total net assets (2017 – \$5,038 or 10.5%). In practice, the actual trading results may differ and the difference could be material.

v. Credit risk

As at March 31, 2018 and 2017, the Fund did not have a significant exposure to credit risk.

(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.

	March 31, 2018				March 31, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	151	–	151	–	464	–	464
Equities	30,757	4,592	2,742	38,091	41,369	–	4,699	46,068
Options	899	–	–	899	868	–	–	868
Total	31,656	4,743	2,742	39,141	42,237	464	4,699	47,400

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

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for non-North American equities when North American intraday stock market movements exceed predetermined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, during the period ended March 31, 2018, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices).

As at March 31, 2018, fair value adjustments were applied to the majority of securities in non-North American markets (Level 2) that were closed on the last business day. The remaining non-North American securities were classified as Level 1. As at March 31, 2017, all non-North American equities were classified as Level 1. Other than as described above, there were no significant transfers between Level 1 and Level 2.

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

(g) Fair Value Classification (cont'd)

Other financial instruments classified as Level 2 investments are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices. For the period ended March 31, 2018, equity positions with a fair value of \$2,700 (March 31, 2017 – \$Nil) were transferred from Level 3 to Level 1 and were primarily due to the conversion of holdings into actively-traded securities (Level 1).

The table below presents a reconciliation of financial instruments measured at fair value using unobservable inputs (Level 3) for the periods ended March 31, 2018 and 2017:

	March 31, 2018	March 31, 2017
	Equities (\$)	Equities (\$)
Balance – beginning of period	4,699	5,347
Purchases	–	–
Sales	–	–
Transfers in	–	–
Transfers out	(2,700)	–
Gains (losses) during the period:		
Realized	–	(845)
Unrealized	743	197
Balance – end of period	2,742	4,699
Change in unrealized gains (losses) during the period attributable to securities held at end of period	207	(648)

Fair value of each Level 3 financial instrument is generally measured using unobservable market inputs with the best information available at the time. Various valuation techniques are utilized, depending on a number of factors including, key inputs and assumptions which are company specific and may include estimated discount rates and expected price volatilities.

The table below presents investments in the Fund whose fair values are determined based on valuation techniques that utilize unobservable market inputs. The effect of changing one or more of those inputs are indicated in the table below:

March 31, 2018				
Fair Value (\$)	Valuation Technique	Unobservable Input	Reasonable Possible Change in Input	Impact on Fair Value (\$)
850	Discount off financing	Financing discount	Zero discount	213

The remaining Level 3 investments of \$1,892 have been valued based on financing transactions and values of comparable indices that are observable. If the value of these investments were to increase or decrease by 10%, the value of the Fund would increase or decrease by \$189.

March 31, 2017				
Fair Value (\$)	Valuation Technique	Unobservable Input	Reasonable Possible Change in Input	Impact on Fair Value (\$)
585	Discount off financing	Financing discount	Zero discount	146.80
2,164	Discount off financing	Financing discount	+/-5%	+ 131 /-139

The remaining Level 3 investments of \$1,950 have been valued based on recent financing transactions or values of comparable indices that are observable. If the value of these investments were to increase or decrease by 10%, the value of the Fund would increase or decrease by \$195.

(h) Comparative Amounts

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