

# MACKENZIE US SMALL-MID CAP GROWTH CLASS

*(Formerly Mackenzie US Mid Cap Growth Class)*

US EQUITY FUND

## ***Interim Unaudited Financial Statements***

*For the Six-Month Period Ended September 30, 2020*

*These Interim Unaudited Financial Statements do not contain the Interim Management Report of Fund Performance (“MRFP”) of the investment fund. You may obtain a copy of the Interim MRFP, at no cost, by contacting us using one of the methods noted under Fund Formation and Series Information or by visiting the SEDAR website at [www.sedar.com](http://www.sedar.com). Copies of the Annual Financial Statements or Annual MRFP may also be obtained, at no cost, using any of the methods outlined above.*

*Securityholders may also contact us using one of these methods to request a copy of the investment fund’s proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.*

### **NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS**

*Mackenzie Financial Corporation, the Manager of the Fund, appoints independent auditors to audit the Fund’s Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Interim Financial Statements, this must be disclosed in an accompanying notice.*

*The Fund’s independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.*

# MACKENZIE US SMALL-MID CAP GROWTH CLASS

(Formerly Mackenzie US Mid Cap Growth Class)

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

US EQUITY FUND

## STATEMENTS OF FINANCIAL POSITION

In thousands (except per security figures)  
As at

	Sep. 30 2020	Mar. 31 2020 (Audited)		Sep. 30 2020	Mar. 31 2020 (Audited)
	\$	\$		\$	\$
<b>ASSETS</b>					
<b>Current assets</b>					
Investments at fair value	3,705,732	3,236,733	HW Series	3,558	2,875
Cash and cash equivalents	126,095	131,077	L Series	37,443	32,765
Dividends receivable	2,722	3,681	N Series	56,022	48,060
Accounts receivable for investments sold	4,762	–	QF Series	11,524	9,142
Accounts receivable for securities issued	2,808	5,219	QFW Series	2,154	1,559
Unrealized gains on derivative contracts	2,665	9,180	Series LB	25,047	22,228
Taxes recoverable (note 5)	2,658	652	Series LF	17,890	13,653
<b>Total assets</b>	<b>3,847,442</b>	<b>3,386,542</b>	Series LW	71,898	60,569
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable for investments purchased	6,066	177	<b>Net assets attributable to securityholders</b>		
Accounts payable for securities redeemed	6,152	6,178	per security (note 3)		
Due to manager	173	154	Series A	43.07	40.04
<b>Total liabilities</b>	<b>12,391</b>	<b>6,509</b>	Series AR	16.83	15.63
<b>Net assets attributable to securityholders</b>	<b>3,835,051</b>	<b>3,380,033</b>	Series B	22.58	21.03
<b>Net assets attributable to securityholders</b>					
per series (note 3)					
Series A	965,633	859,666	Series D	15.81	14.83
Series AR	33,054	24,986	Series F	47.38	44.65
Series B	359	342	Series F5	14.09	13.69
Series D	11,469	9,836	Series F8	12.99	12.87
Series F	1,258,492	1,141,794	Series FB	12.73	11.96
Series F5	6,617	6,585	Series FB5	12.94	12.53
Series F8	9,590	10,836	Series I	46.94	43.94
Series FB	3,467	2,210	Series J	23.07	21.51
Series FB5	13	11	Series M	50.45	47.37
Series I	4,234	3,938	Series O	47.16	44.76
Series J	1,008	855	Series PW	16.66	15.54
Series M	4,295	3,735	Series PWFB	10.76	10.14
Series O	353,670	297,728	Series PWFB5	12.93	12.57
Series PW	714,013	619,808	Series PWR	9.01	8.41
Series PWFB	22,690	16,949	Series PWT5	13.20	12.70
Series PWFB5	331	163	Series PWT8	13.61	13.35
Series PWR	5,473	3,749	Series PWX	17.40	16.51
Series PWT5	17,763	12,620	Series PWX8	13.32	13.30
Series PWT8	17,051	13,998	Series R	19.94	18.92
Series PWX	16,162	12,462	Series S	16.29	15.46
Series PWX8	677	597	Series T5	21.01	20.14
Series R	12,966	11,102	Series T8	17.39	16.98
Series S	1,070	742	Series UM	8.36	7.97
Series T5	16,759	16,578	Q Series	42.66	39.64
Series T8	17,003	17,600	H Series	48.96	46.03
Series UM	942	909	HW Series	9.12	8.59
Q Series	109,183	95,101	L Series	24.14	22.51
H Series	5,531	4,282	N Series	28.20	26.76
			QF Series	12.14	11.40
			QFW Series	9.12	8.60
			Series LB	22.90	21.27
			Series LF	9.37	8.82
			Series LW	10.52	9.80

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



# MACKENZIE US SMALL-MID CAP GROWTH CLASS

(Formerly Mackenzie US Mid Cap Growth Class)

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

US EQUITY FUND

## STATEMENTS OF COMPREHENSIVE INCOME

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

	2020	2019
	\$	\$
<b>Income</b>		
Dividends	16,842	14,119
Interest income	356	1,456
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(90,523)	348,147
Net unrealized gain (loss)	710,498	(291,476)
Securities lending income	105	138
<b>Total income (loss)</b>	<b>637,278</b>	<b>72,384</b>

### Expenses (note 6)

Management fees	27,829	25,950
Administration fees	3,710	3,460
Interest charges	2	1
Commissions and other portfolio transaction costs	682	1,487
Independent Review Committee fees	6	6
Other	2	3
<b>Expenses before amounts absorbed by Manager</b>	<b>32,231</b>	<b>30,907</b>
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	<b>32,231</b>	<b>30,907</b>

<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>605,047</b>	<b>41,477</b>
Foreign withholding taxes	2,283	1,818
Income taxes (note 5)	–	2

<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>602,764</b>	<b>39,657</b>
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<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>		
Series A	151,923	6,689
Series AR	4,460	197
Series B	60	7
Series D	1,850	105
Series F	199,215	13,793
Series F5	1,043	50
Series F8	1,989	128
Series FB	454	19
Series FB5	2	–
Series I	712	48
Series J	153	11
Series M	681	66
Series O	57,323	8,202
Series PW	110,670	5,104
Series PWFB	3,182	170
Series PWFB5	23	1
Series PWR	724	(39)
Series PWT5	2,095	135
Series PWT8	2,416	149
Series PWX	2,356	293
Series PWX8	114	19
Series R	2,099	305
Series S	146	19
Series T5	2,817	135
Series T8	3,065	148

	2020	2019
	\$	\$
Series UM	156	–
Q Series	16,963	964
H Series	827	90
HW Series	547	51
L Series	5,947	387
N Series	9,259	1,210
QF Series	1,734	102
QFW Series	306	14
Series LB	3,952	261
Series LF	2,626	52
Series LW	10,875	772

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

Series A	6.71	0.35
Series AR	2.45	0.16
Series B	3.49	0.32
Series D	2.49	0.16
Series F	7.58	0.68
Series F5	2.26	0.14
Series F8	2.34	0.22
Series FB	1.80	0.15
Series FB5	2.11	(0.29)
Series I	7.67	0.59
Series J	3.57	0.26
Series M	8.11	0.81
Series O	7.83	1.20
Series PW	2.60	0.16
Series PWFB	1.62	0.14
Series PWFB5	1.32	0.20
Series PWR	1.30	(0.16)
Series PWT5	1.75	0.17
Series PWT8	2.12	0.15
Series PWX	2.74	0.40
Series PWX8	2.30	0.33
Series R	3.35	0.50
Series S	2.49	0.39
Series T5	3.43	0.18
Series T8	2.95	0.15
Series UM	1.39	–
Q Series	6.60	0.40
H Series	7.67	0.84
HW Series	1.45	0.16
L Series	3.76	0.28
N Series	4.63	0.69
QF Series	1.88	0.16
QFW Series	1.37	0.08
Series LB	3.55	0.23
Series LF	1.47	0.06
Series LW	1.62	0.12

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# MACKENZIE US SMALL-MID CAP GROWTH CLASS

(Formerly Mackenzie US Mid Cap Growth Class)

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

US EQUITY FUND

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Series A		Series AR		Series B		Series D		Series F	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	859,666	864,045	24,986	22,483	342	531	9,836	10,349	1,141,794	946,243
Increase (decrease) in net assets from operations	151,923	6,689	4,460	197	60	7	1,850	105	199,215	13,793
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(79,455)	(45,790)	(2,398)	(1,088)	(33)	(28)	(1,077)	(747)	(119,306)	(62,739)
Return of capital	–	–	–	–	–	–	–	–	–	–
Total dividends paid to securityholders	(79,455)	(45,790)	(2,398)	(1,088)	(33)	(28)	(1,077)	(747)	(119,306)	(62,739)
Security transactions:										
Proceeds from securities issued	133,238	273,106	5,676	5,500	–	–	2,250	6,754	261,001	384,247
Reinvested dividends	77,853	44,925	2,397	1,087	33	27	1,055	721	90,245	46,817
Payments on redemption of securities	(177,592)	(169,772)	(2,067)	(3,758)	(43)	(91)	(2,445)	(5,811)	(314,457)	(118,214)
Total security transactions	33,499	148,259	6,006	2,829	(10)	(64)	860	1,664	36,789	312,850
<b>Total increase (decrease) in net assets</b>	<b>105,967</b>	<b>109,158</b>	<b>8,068</b>	<b>1,938</b>	<b>17</b>	<b>(85)</b>	<b>1,633</b>	<b>1,022</b>	<b>116,698</b>	<b>263,904</b>
<b>End of period</b>	<b>965,633</b>	<b>973,203</b>	<b>33,054</b>	<b>24,421</b>	<b>359</b>	<b>446</b>	<b>11,469</b>	<b>11,371</b>	<b>1,258,492</b>	<b>1,210,147</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	21,473	17,200	1,598	1,146	16	20	663	557	25,575	16,947
Issued	3,090	5,543	335	287	–	–	142	365	5,517	7,072
Reinvested dividends	1,959	938	154	58	2	1	73	41	2,076	888
Redeemed	(4,104)	(3,437)	(122)	(190)	(2)	(3)	(153)	(321)	(6,607)	(2,165)
<b>Securities outstanding – end of period</b>	<b>22,418</b>	<b>20,244</b>	<b>1,965</b>	<b>1,301</b>	<b>16</b>	<b>18</b>	<b>725</b>	<b>642</b>	<b>26,561</b>	<b>22,742</b>

	Series F5		Series F8		Series FB		Series FB5		Series I	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	6,585	3,437	10,836	8,675	2,210	1,604	11	1	3,938	4,125
Increase (decrease) in net assets from operations	1,043	50	1,989	128	454	19	2	–	712	48
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(600)	(363)	(1,195)	(590)	(283)	(108)	(1)	–	(413)	(240)
Return of capital	(200)	(146)	(559)	(374)	–	–	–	–	–	–
Total dividends paid to securityholders	(800)	(509)	(1,754)	(964)	(283)	(108)	(1)	–	(413)	(240)
Security transactions:										
Proceeds from securities issued	1,422	4,378	843	2,567	1,769	1,271	–	13	519	280
Reinvested dividends	650	384	1,356	678	283	108	1	–	413	240
Payments on redemption of securities	(2,283)	(829)	(3,680)	(584)	(966)	(796)	–	–	(935)	(99)
Total security transactions	(211)	3,933	(1,481)	2,661	1,086	583	1	13	(3)	421
<b>Total increase (decrease) in net assets</b>	<b>32</b>	<b>3,474</b>	<b>(1,246)</b>	<b>1,825</b>	<b>1,257</b>	<b>494</b>	<b>2</b>	<b>13</b>	<b>296</b>	<b>229</b>
<b>End of period</b>	<b>6,617</b>	<b>6,911</b>	<b>9,590</b>	<b>10,500</b>	<b>3,467</b>	<b>2,098</b>	<b>13</b>	<b>14</b>	<b>4,234</b>	<b>4,354</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	481	191	842	498	185	107	1	–	90	75
Issued	99	248	62	154	139	87	–	1	10	5
Reinvested dividends	49	23	108	41	24	8	–	–	10	5
Redeemed	(159)	(49)	(274)	(36)	(76)	(55)	–	–	(20)	(2)
<b>Securities outstanding – end of period</b>	<b>470</b>	<b>413</b>	<b>738</b>	<b>657</b>	<b>272</b>	<b>147</b>	<b>1</b>	<b>1</b>	<b>90</b>	<b>83</b>

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



# MACKENZIE US SMALL-MID CAP GROWTH CLASS

(Formerly Mackenzie US Mid Cap Growth Class)

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

US EQUITY FUND

## STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Series J		Series M		Series O		Series PW		Series PWFB	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	<b>855</b>	<b>1,015</b>	<b>3,735</b>	<b>4,564</b>	<b>297,728</b>	<b>370,900</b>	<b>619,808</b>	<b>558,599</b>	<b>16,949</b>	<b>12,723</b>
Increase (decrease) in net assets from operations	153	11	681	66	57,323	8,202	110,670	5,104	3,182	170
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(83)	(55)	(399)	(273)	(37,607)	(25,553)	(60,424)	(32,027)	(1,971)	(838)
Return of capital	–	–	–	–	–	–	–	–	–	–
Total dividends paid to securityholders	(83)	(55)	(399)	(273)	(37,607)	(25,553)	(60,424)	(32,027)	(1,971)	(838)
Security transactions:										
Proceeds from securities issued	–	–	–	–	6,896	7,311	92,180	146,623	4,650	6,037
Reinvested dividends	83	55	397	271	37,583	25,548	58,868	31,219	1,967	835
Payments on redemption of securities	–	–	(119)	(32)	(8,253)	(21,504)	(107,089)	(67,478)	(2,087)	(3,055)
Total security transactions	83	55	278	239	36,226	11,355	43,959	110,364	4,530	3,817
<b>Total increase (decrease) in net assets</b>	<b>153</b>	<b>11</b>	<b>560</b>	<b>32</b>	<b>55,942</b>	<b>(5,996)</b>	<b>94,205</b>	<b>83,441</b>	<b>5,741</b>	<b>3,149</b>
<b>End of period</b>	<b>1,008</b>	<b>1,026</b>	<b>4,295</b>	<b>4,596</b>	<b>353,670</b>	<b>364,904</b>	<b>714,013</b>	<b>642,040</b>	<b>22,690</b>	<b>15,872</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	<b>40</b>	<b>38</b>	<b>79</b>	<b>77</b>	<b>6,651</b>	<b>6,603</b>	<b>39,882</b>	<b>28,671</b>	<b>1,672</b>	<b>1,003</b>
Issued	–	–	–	–	148	133	5,519	7,654	432	493
Reinvested dividends	4	2	9	5	872	485	3,835	1,684	199	70
Redeemed	–	–	(3)	(1)	(172)	(382)	(6,388)	(3,539)	(194)	(252)
<b>Securities outstanding – end of period</b>	<b>44</b>	<b>40</b>	<b>85</b>	<b>81</b>	<b>7,499</b>	<b>6,839</b>	<b>42,848</b>	<b>34,470</b>	<b>2,109</b>	<b>1,314</b>

	Series PWFB5		Series PWR		Series PWT5		Series PWT8		Series PWX	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	<b>163</b>	<b>1</b>	<b>3,749</b>	<b>–</b>	<b>12,620</b>	<b>12,604</b>	<b>13,998</b>	<b>14,678</b>	<b>12,462</b>	<b>13,666</b>
Increase (decrease) in net assets from operations	23	1	724	(39)	2,095	135	2,416	149	2,356	293
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(19)	–	(408)	–	(1,203)	(679)	(1,347)	(861)	(1,561)	(1,022)
Return of capital	(7)	(1)	–	–	(488)	(301)	(788)	(633)	–	–
Total dividends paid to securityholders	(26)	(1)	(408)	–	(1,691)	(980)	(2,135)	(1,494)	(1,561)	(1,022)
Security transactions:										
Proceeds from securities issued	152	80	1,332	3,040	5,083	2,167	3,117	5,107	2,635	2,312
Reinvested dividends	20	–	408	–	1,389	786	1,707	1,165	1,522	994
Payments on redemption of securities	(1)	(1)	(332)	(91)	(1,733)	(1,532)	(2,052)	(1,498)	(1,252)	(1,569)
Total security transactions	171	79	1,408	2,949	4,739	1,421	2,772	4,774	2,905	1,737
<b>Total increase (decrease) in net assets</b>	<b>168</b>	<b>79</b>	<b>1,724</b>	<b>2,910</b>	<b>5,143</b>	<b>576</b>	<b>3,053</b>	<b>3,429</b>	<b>3,700</b>	<b>1,008</b>
<b>End of period</b>	<b>331</b>	<b>80</b>	<b>5,473</b>	<b>2,910</b>	<b>17,763</b>	<b>13,180</b>	<b>17,051</b>	<b>18,107</b>	<b>16,162</b>	<b>14,674</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	<b>13</b>	<b>–</b>	<b>446</b>	<b>–</b>	<b>994</b>	<b>754</b>	<b>1,048</b>	<b>810</b>	<b>755</b>	<b>659</b>
Issued	11	5	148	298	370	133	221	294	149	113
Reinvested dividends	2	–	49	–	110	50	129	68	96	51
Redeemed	–	–	(36)	(9)	(129)	(92)	(146)	(86)	(71)	(78)
<b>Securities outstanding – end of period</b>	<b>26</b>	<b>5</b>	<b>607</b>	<b>289</b>	<b>1,345</b>	<b>845</b>	<b>1,252</b>	<b>1,086</b>	<b>929</b>	<b>745</b>

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



# MACKENZIE US SMALL-MID CAP GROWTH CLASS

(Formerly Mackenzie US Mid Cap Growth Class)

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

US EQUITY FUND

## STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Series PWX8		Series R		Series S		Series T5		Series T8	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS	\$		\$		\$		\$		\$	
<b>Beginning of period</b>	<b>597</b>	<b>834</b>	<b>11,102</b>	<b>13,904</b>	<b>742</b>	<b>861</b>	<b>16,578</b>	<b>18,010</b>	<b>17,600</b>	<b>21,395</b>
Increase (decrease) in net assets from operations	114	19	2,099	305	146	19	2,817	135	3,065	148
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(75)	(65)	(1,405)	(985)	(93)	(61)	(1,426)	(968)	(1,552)	(1,131)
Return of capital	(34)	(35)	–	–	–	–	(526)	(454)	(903)	(833)
Total dividends paid to securityholders	(109)	(100)	(1,405)	(985)	(93)	(61)	(1,952)	(1,422)	(2,455)	(1,964)
Security transactions:										
Proceeds from securities issued	–	85	9,517	2,399	290	–	2,024	4,958	1,736	5,760
Reinvested dividends	81	70	–	–	93	61	1,661	1,144	1,820	1,320
Payments on redemption of securities	(6)	(7)	(8,347)	(1,350)	(108)	–	(4,369)	(2,710)	(4,763)	(4,896)
Total security transactions	75	148	1,170	1,049	275	61	(684)	3,392	(1,207)	2,184
<b>Total increase (decrease) in net assets</b>	<b>80</b>	<b>67</b>	<b>1,864</b>	<b>369</b>	<b>328</b>	<b>19</b>	<b>181</b>	<b>2,105</b>	<b>(597)</b>	<b>368</b>
<b>End of period</b>	<b>677</b>	<b>901</b>	<b>12,966</b>	<b>14,273</b>	<b>1,070</b>	<b>880</b>	<b>16,759</b>	<b>20,115</b>	<b>17,003</b>	<b>21,763</b>

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	<b>45</b>	<b>46</b>	<b>587</b>	<b>585</b>	<b>48</b>	<b>44</b>	<b>823</b>	<b>679</b>	<b>1,037</b>	<b>928</b>
Issued	–	5	492	106	18	–	95	191	97	259
Reinvested dividends	6	4	–	–	6	4	83	45	108	60
Redeemed	–	–	(429)	(58)	(6)	–	(203)	(104)	(264)	(222)
<b>Securities outstanding – end of period</b>	<b>51</b>	<b>55</b>	<b>650</b>	<b>633</b>	<b>66</b>	<b>48</b>	<b>798</b>	<b>811</b>	<b>978</b>	<b>1,025</b>

	Series UM		Q Series		H Series		HW Series		L Series	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS	\$		\$		\$		\$		\$	
<b>Beginning of period</b>	<b>909</b>	<b>–</b>	<b>95,101</b>	<b>113,247</b>	<b>4,282</b>	<b>6,050</b>	<b>2,875</b>	<b>3,158</b>	<b>32,765</b>	<b>37,257</b>
Increase (decrease) in net assets from operations	156	–	16,963	964	827	90	547	51	5,947	387
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(112)	–	(8,879)	(5,821)	(487)	(364)	(340)	(209)	(3,251)	(1,993)
Return of capital	–	–	–	–	–	–	–	–	–	–
Total dividends paid to securityholders	(112)	–	(8,879)	(5,821)	(487)	(364)	(340)	(209)	(3,251)	(1,993)
Security transactions:										
Proceeds from securities issued	51	–	9,668	15,179	1,077	699	176	267	4,088	5,109
Reinvested dividends	–	–	8,879	5,818	485	362	340	209	3,251	1,993
Payments on redemption of securities	(62)	–	(12,549)	(14,347)	(653)	(978)	(40)	(165)	(5,357)	(4,065)
Total security transactions	(11)	–	5,998	6,650	909	83	476	311	1,982	3,037
<b>Total increase (decrease) in net assets</b>	<b>33</b>	<b>–</b>	<b>14,082</b>	<b>1,793</b>	<b>1,249</b>	<b>(191)</b>	<b>683</b>	<b>153</b>	<b>4,678</b>	<b>1,431</b>
<b>End of period</b>	<b>942</b>	<b>–</b>	<b>109,183</b>	<b>115,040</b>	<b>5,531</b>	<b>5,859</b>	<b>3,558</b>	<b>3,311</b>	<b>37,443</b>	<b>38,688</b>

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	<b>114</b>	<b>–</b>	<b>2,399</b>	<b>2,277</b>	<b>93</b>	<b>105</b>	<b>334</b>	<b>293</b>	<b>1,455</b>	<b>1,320</b>
Issued	7	–	227	312	22	12	19	25	169	186
Reinvested dividends	–	–	226	123	11	7	41	21	146	74
Redeemed	(8)	–	(292)	(295)	(13)	(17)	(4)	(16)	(219)	(146)
<b>Securities outstanding – end of period</b>	<b>113</b>	<b>–</b>	<b>2,560</b>	<b>2,417</b>	<b>113</b>	<b>107</b>	<b>390</b>	<b>323</b>	<b>1,551</b>	<b>1,434</b>

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



# MACKENZIE US SMALL-MID CAP GROWTH CLASS

(Formerly Mackenzie US Mid Cap Growth Class)

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

US EQUITY FUND

## STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	N Series		QF Series		QFW Series		Series LB		Series LF	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	<b>48,060</b>	<b>54,094</b>	<b>9,142</b>	<b>8,105</b>	<b>1,559</b>	<b>1,311</b>	<b>22,228</b>	<b>30,602</b>	<b>13,653</b>	<b>4,689</b>
Increase (decrease) in net assets from operations	9,259	1,210	1,734	102	306	14	3,952	261	2,626	52
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(6,167)	(3,999)	(1,041)	(496)	(183)	(117)	(2,052)	(1,509)	(1,618)	(531)
Return of capital	–	–	–	–	–	–	–	–	–	–
Total dividends paid to securityholders	(6,167)	(3,999)	(1,041)	(496)	(183)	(117)	(2,052)	(1,509)	(1,618)	(531)
Security transactions:										
Proceeds from securities issued	7,432	10,513	2,011	3,494	562	1,335	3,676	4,952	2,736	7,778
Reinvested dividends	6,164	3,993	1,041	496	183	117	2,048	1,509	1,590	531
Payments on redemption of securities	(8,726)	(10,182)	(1,363)	(1,965)	(273)	(169)	(4,805)	(7,080)	(1,097)	(436)
Total security transactions	4,870	4,324	1,689	2,025	472	1,283	919	(619)	3,229	7,873
<b>Total increase (decrease) in net assets</b>	<b>7,962</b>	<b>1,535</b>	<b>2,382</b>	<b>1,631</b>	<b>595</b>	<b>1,180</b>	<b>2,819</b>	<b>(1,867)</b>	<b>4,237</b>	<b>7,394</b>
<b>End of period</b>	<b>56,022</b>	<b>55,629</b>	<b>11,524</b>	<b>9,736</b>	<b>2,154</b>	<b>2,491</b>	<b>25,047</b>	<b>28,735</b>	<b>17,890</b>	<b>12,083</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	<b>1,796</b>	<b>1,611</b>	<b>802</b>	<b>568</b>	<b>181</b>	<b>122</b>	<b>1,045</b>	<b>1,147</b>	<b>1,547</b>	<b>422</b>
Issued	261	320	167	252	63	127	161	188	294	717
Reinvested dividends	239	127	93	37	22	11	97	59	185	51
Redeemed	(309)	(314)	(112)	(142)	(30)	(17)	(209)	(269)	(116)	(41)
<b>Securities outstanding – end of period</b>	<b>1,987</b>	<b>1,744</b>	<b>950</b>	<b>715</b>	<b>236</b>	<b>243</b>	<b>1,094</b>	<b>1,125</b>	<b>1,910</b>	<b>1,149</b>

	Series LW		Total	
	\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>				
<b>Beginning of period</b>	<b>60,569</b>	<b>75,745</b>	<b>3,380,033</b>	<b>3,239,505</b>
Increase (decrease) in net assets from operations	10,875	772	602,764	39,657
Dividends paid to securityholders:				
Ordinary	–	–	–	–
Capital gains	(5,940)	(3,991)	(344,404)	(195,241)
Return of capital	–	–	(3,505)	(2,777)
Total dividends paid to securityholders	(5,940)	(3,991)	(347,909)	(198,018)
Security transactions:				
Proceeds from securities issued	6,914	8,436	574,721	921,757
Reinvested dividends	5,918	3,974	311,784	177,457
Payments on redemption of securities	(6,438)	(13,152)	(686,342)	(458,216)
Total security transactions	6,394	(742)	200,163	640,998
<b>Total increase (decrease) in net assets</b>	<b>11,329</b>	<b>(3,961)</b>	<b>455,018</b>	<b>482,637</b>
<b>End of period</b>	<b>71,898</b>	<b>71,784</b>	<b>3,835,051</b>	<b>3,722,142</b>

	Securities	
<b>Increase (decrease) in fund securities (note 7):</b>		
<b>Securities outstanding – beginning of period</b>	<b>6,180</b>	<b>6,166</b>
Issued	655	695
Reinvested dividends	611	340
Redeemed	(610)	(1,093)
<b>Securities outstanding – end of period</b>	<b>6,836</b>	<b>6,108</b>

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



# MACKENZIE US SMALL-MID CAP GROWTH CLASS

(Formerly Mackenzie US Mid Cap Growth Class)

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

US EQUITY FUND

## STATEMENTS OF CASH FLOWS

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

	2020	2019
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	602,764	39,657
Adjustments for:		
Net realized loss (gain) on investments	114,503	(349,902)
Change in net unrealized loss (gain) on investments	(715,189)	291,467
Purchase of investments	(390,256)	(1,376,727)
Proceeds from sale and maturity of investments	529,512	926,571
Change in dividends receivable	959	(357)
Change in taxes recoverable	(2,006)	80
Change in due to manager	19	–
Change in taxes payable	–	2
<b>Net cash from operating activities</b>	<b>140,306</b>	<b>(469,209)</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	484,249	809,370
Payments on redemption of securities	(593,485)	(339,615)
Dividends paid net of reinvestments	(36,125)	(20,540)
<b>Net cash from financing activities</b>	<b>(145,361)</b>	<b>449,215</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,055)</b>	<b>(19,994)</b>
Cash and cash equivalents at beginning of period	131,077	87,867
Effect of exchange rate fluctuations on cash and cash equivalents	73	–
<b>Cash and cash equivalents at end of period</b>	<b>126,095</b>	<b>67,873</b>
Cash	34,741	1
Cash equivalents	91,354	67,872
<b>Cash and cash equivalents at end of period</b>	<b>126,095</b>	<b>67,873</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	17,801	13,762
Taxes paid	2,283	1,818
Interest received	356	1,456
Interest paid	2	1

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



# MACKENZIE US SMALL-MID CAP GROWTH CLASS

(Formerly Mackenzie US Mid Cap Growth Class)

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

US EQUITY FUND

## SCHEDULE OF INVESTMENTS

As at September 30, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES</b>					
A.O. Smith Corp.	United States	Industrials	2,181,035	132,704	153,316
Cantel Medical Corp.	United States	Health Care	907,396	92,750	53,082
Carter's Inc.	United States	Consumer Discretionary	1,285,475	154,771	148,174
Charles River Laboratories International Inc.	United States	Health Care	252,462	46,582	76,113
CommVault Systems Inc.	United States	Information Technology	1,625,241	109,073	88,281
CoreLogic Inc.	United States	Industrials	364,432	21,223	32,832
Dentsply Sirona Inc.	United States	Health Care	2,461,096	139,655	143,284
Dolby Laboratories Inc. Class A	United States	Information Technology	1,636,668	137,837	144,422
Equifax Inc.	United States	Industrials	554,528	84,931	115,834
ExlService Holdings Inc.	United States	Information Technology	1,367,215	96,442	120,081
First Horizon National Corp.	United States	Financials	3,281,383	72,483	41,196
Frontdoor Inc.	United States	Consumer Discretionary	2,192,577	123,544	113,581
Gartner Inc.	United States	Information Technology	987,682	168,725	164,303
Glanbia PLC	Ireland	Consumer Staples	6,186,122	121,236	84,682
Healthcare Services Group Inc.	United States	Industrials	3,530,454	138,459	101,196
HMS Holdings Corp.	United States	Health Care	2,344,030	77,674	74,741
Kennedy-Wilson Holdings Inc.	United States	Real Estate	2,958,686	80,926	57,195
Keysight Technologies Inc.	United States	Information Technology	195,000	24,950	25,645
LivePerson Inc.	United States	Information Technology	979,774	41,007	67,817
Markel Corp.	United States	Financials	109,993	131,633	142,587
MAXIMUS Inc.	United States	Information Technology	1,554,684	125,505	141,596
Middleby Corp.	United States	Industrials	639,235	92,437	76,347
Motorola Solutions Inc.	United States	Information Technology	520,000	99,618	108,559
MSC Industrial Direct Co. Inc. Class A	United States	Industrials	775,921	71,553	65,369
Pluralsight Inc. Class A	United States	Information Technology	3,927,341	88,123	89,567
Polo Ralph Lauren Corp. Class A	United States	Consumer Discretionary	1,197,495	186,653	108,363
Premier Inc. Class A	United States	Health Care	3,161,001	139,487	138,161
The Progressive Corp.	United States	Financials	1,338,353	85,055	168,685
Signature Bank	United States	Financials	614,745	91,789	67,922
Syneos Health Inc.	United States	Health Care	2,157,636	128,881	152,705
Tenable Holdings Inc.	United States	Information Technology	3,350,701	109,925	168,401
Verra Mobility Corp.	United States	Information Technology	4,077,231	76,392	52,436
Wabtec Corp.	United States	Industrials	1,893,988	196,681	156,035
Waters Corp.	United States	Health Care	439,713	117,831	114,553
Xilinx Inc.	United States	Information Technology	1,022,600	121,677	141,916
Zebra Technologies Corp. Class A	United States	Information Technology	20,098	6,777	6,755
<b>Total equities</b>				<b>3,734,989</b>	<b>3,705,732</b>
Transaction costs				(3,192)	—
<b>Total investments</b>				<b>3,731,797</b>	<b>3,705,732</b>
Derivative instruments (see schedule of derivative instruments)					2,665
Cash and cash equivalents					126,095
Other assets less liabilities					559
<b>Total net assets</b>					<b>3,835,051</b>

# MACKENZIE US SMALL-MID CAP GROWTH CLASS

(Formerly Mackenzie US Mid Cap Growth Class)

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

US EQUITY FUND

## SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2020		March 31, 2020	
<b>Portfolio Allocation</b>	<b>% of NAV</b>	<b>Portfolio Allocation</b>	<b>% of NAV</b>
Equities	96.6	Equities	95.7
Cash and short-term investments	3.3	Cash and short-term investments	3.9
Other assets (liabilities)	0.1	Other assets (liabilities)	0.4
<b>Regional Allocation</b>	<b>% of NAV</b>	<b>Regional Allocation</b>	<b>% of NAV</b>
United States	94.4	United States	93.1
Cash and short-term investments	3.3	Cash and short-term investments	3.9
Ireland	2.2	Ireland	2.6
Other assets (liabilities)	0.1	Other assets (liabilities)	0.4
<b>Sector Allocation</b>	<b>% of NAV</b>	<b>Sector Allocation</b>	<b>% of NAV</b>
Information technology	34.3	Information technology	31.5
Health care	19.6	Industrials	18.3
Industrials	18.3	Health care	18.0
Financials	11.0	Financials	13.2
Consumer discretionary	9.7	Consumer discretionary	10.4
Cash and short-term investments	3.3	Cash and short-term investments	3.9
Consumer staples	2.2	Consumer staples	2.6
Real estate	1.5	Real estate	1.7
Other assets (liabilities)	0.1	Other assets (liabilities)	0.4

# MACKENZIE US SMALL-MID CAP GROWTH CLASS

(Formerly Mackenzie US Mid Cap Growth Class)

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

US EQUITY FUND

## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at September 30, 2020

### Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (\$ 000s)
A	49,023	Canadian dollar	(36,500)	U.S. dollar	Oct. 9, 2020	(49,023)	(48,597)	426
A	36,500	U.S. dollar	(48,394)	Canadian dollar	Oct. 9, 2020	48,394	48,598	204
AA	96,155	Canadian dollar	(71,000)	U.S. dollar	Oct. 23, 2020	(96,155)	(94,544)	1,611
AA	71,000	U.S. dollar	(94,120)	Canadian dollar	Oct. 23, 2020	94,120	94,544	424
Unrealized Gains								2,665
<b>Total forward currency contracts</b>								<b>2,665</b>
<b>Total derivative instruments at fair value</b>								<b>2,665</b>

# MACKENZIE US SMALL-MID CAP GROWTH CLASS

(Formerly Mackenzie US Mid Cap Growth Class)

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

US EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2020 and 2019, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2020, 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 Corporation of Canada. The Canada Life Assurance Company is also a subsidiary of Power Corporation of Canada. Investments in companies within the Power Group of companies held by the Fund are identified in the Schedule of Investments.

### 2. Basis of Preparation and Presentation

These unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2020. A summary of the Fund's significant accounting policies under IFRS is presented in Note 3.

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

These financial statements were authorized for issue by the Board of Directors of Mackenzie Financial Corporation on November 10, 2020.

### 3. Significant Accounting Policies

#### (a) Financial instruments

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

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

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

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

Realized and unrealized gains and losses on investments are calculated based on the weighted average cost of investments and exclude commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income – Commissions and other portfolio transaction costs. Gains and losses arising from changes in the fair value of the investments are included in the Statement of Comprehensive Income for the period in which they arise.

# MACKENZIE US SMALL-MID CAP GROWTH CLASS

(Formerly Mackenzie US Mid Cap Growth Class)

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

US EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (a) Financial instruments (cont'd)

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

#### (b) Fair value measurement

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

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

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

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

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

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

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

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

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

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at September 30, 2020.

# MACKENZIE US SMALL-MID CAP GROWTH CLASS

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## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (c) Income recognition

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

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

#### (d) Commissions and other portfolio transaction costs

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

#### (e) Securities lending, repurchase and reverse repurchase transactions

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

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

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

#### (f) Offsetting

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

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

#### (g) Foreign currency

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

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

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

#### (h) Net assets attributable to securityholders per security

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

#### (i) Net asset value per security

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

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## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

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

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

(k) Mergers

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

### 4. Critical Accounting Estimates and Judgments

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

The duration and long-term impact of the novel coronavirus (COVID-19) pandemic on businesses and markets, and the extent of additional economic relief measures which may be offered by some governments and central banks, are unknown at the reporting date. The Manager uses judgment in assessing the impact from such events on the assumptions and estimates applied in reporting the assets and liabilities in the Fund's financial statements at September 30, 2020. However, this uncertainty means it is impossible to reliably estimate the impact on the financial results and position of the Fund in future periods.

#### 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.

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## NOTES TO FINANCIAL STATEMENTS

### 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.

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

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

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

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

### 6. Management Fees and Operating Expenses

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

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

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

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

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



# MACKENZIE US SMALL-MID CAP GROWTH CLASS

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## NOTES TO FINANCIAL STATEMENTS

### 7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at September 30, 2020 and 2019 and securities issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the Fund in accordance with the investment objectives as discussed in Note 9.

### 8. Financial Instruments Risk

#### i. Risk exposure and management

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7, *Financial Instruments: Disclosures* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at September 30, 2020, grouped by asset type, with geographic and sector information.

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

#### ii. Liquidity risk

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

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

#### iii. Currency risk

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

#### iv. Interest rate risk

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

#### v. Other price risk

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

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## NOTES TO FINANCIAL STATEMENTS

### 8. Financial Instruments Risk (cont'd)

#### vi. Credit risk

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

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

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

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

#### vii. Underlying funds

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

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## NOTES TO FINANCIAL STATEMENTS

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

#### (a) Fund Formation and Series Information

Date of Formation      October 28, 2002

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

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

Series A, Series AR, Series D, Series F, Series F5, Series F8, Series FB, Series FB5, Series I, Series O, Series PW, Series PWFB, Series PWFB5, Series PWR, Series PWT5, Series PWT8, Series PWX, Series PWX8, Series R, Series S, Series T5 and Series T8 were closed to new sales on October 29, 2020, except for purchases by the following types of investor: 1) those who have held securities of the Fund since October 29, 2020; 2) those who purchase through a discretionary account and whose advisor has signed an acknowledgement of portfolio management registration with Mackenzie to purchase securities of the Fund; and 3) those who purchase through dealer model portfolio programs where the dealer has trading authority or discretionary authority over the portfolio and the Fund was part of the portfolio as of October 29, 2020.

Series UM securities are offered only to certain institutional investors.

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

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

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

Q Series, H Series, HW Series, L Series, N Series, QF Series and QFW Series were closed to new sales on October 29, 2020, except for additional purchases by investors who have held securities of the Fund since that date. Before August 14, 2020, Q Series securities were known as Quadrus Series.

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

Series LB, Series LF and Series LW were closed to new sales on October 29, 2020, except for additional purchases by investors who who have held securities of the Fund since that date.

An investor in the Fund may choose among different purchase options that are available under each series. These purchase options are a sales charge purchase option, a redemption charge purchase option, various low-load purchase options and a no-load purchase option. The charges under the sales charge purchase option are negotiated by investors with their dealers. The charges under the redemption charge and low-load purchase options are paid to Mackenzie if an investor redeems securities of the Fund during specific periods. Not all purchase options are available under each series of the Fund, and the charges for each purchase option may vary among the different series. For further details on these purchase options, please refer to the Fund's Simplified Prospectus and Fund Facts.

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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 (\$)	
				Sep. 30, 2020	Mar. 31, 2020
Series A	November 8, 2002	2.00%	0.28%	43.07	40.04
Series AR	October 15, 2013	2.00%	0.31%	16.83	15.63
Series B	June 15, 2012	1.75%	0.31%	22.58	21.03
Series D	December 18, 2013	1.25%	0.20%	15.81	14.83
Series F	January 9, 2003	0.80%	0.15%	47.38	44.65
Series F5	October 16, 2017	0.80%	0.15%	14.09	13.69
Series F8	October 16, 2017	0.80%	0.15%	12.99	12.87
Series FB	October 26, 2015	1.00%	0.28%	12.73	11.96
Series FB5	October 24, 2018	1.00%	0.28%	12.94	12.53
Series I	December 18, 2002	1.35%	0.28%	46.94	43.94
Series J	February 17, 2011	1.75%	0.25%	23.07	21.51
Series M	November 8, 2002	Up to 1.00%	0.28%	50.45	47.37
Series O	October 25, 2004	— <sup>(1)</sup>	—*	47.16	44.76
Series PW	October 17, 2013	1.80%	0.15%	16.66	15.54
Series PWFB	April 3, 2017	0.80%	0.15%	10.76	10.14
Series PWFB5	October 24, 2018	0.80%	0.15%	12.93	12.57
Series PWR	April 1, 2019	1.80%	0.15%	9.01	8.41
Series PWT5	April 3, 2017	1.80%	0.15%	13.20	12.70
Series PWT8	December 20, 2013	1.80%	0.15%	13.61	13.35
Series PWX	October 16, 2013	— <sup>(2)</sup>	— <sup>(2)</sup>	17.40	16.51
Series PWX8	September 12, 2014	— <sup>(2)</sup>	— <sup>(2)</sup>	13.32	13.30
Series R	July 9, 2013	—*	—*	19.94	18.92
Series S	November 28, 2013	— <sup>(1)</sup>	0.03%	16.29	15.46
Series T5	March 16, 2010	2.00%	0.28%	21.01	20.14
Series T8	July 27, 2010	2.00%	0.28%	17.39	16.98
Series UM	February 26, 2020	0.70%	0.15%	8.36	7.97
Q Series <sup>(3)</sup>	November 8, 2002	2.00%	0.28%	42.66	39.64
H Series	November 8, 2002	1.00%	0.15%	48.96	46.03
HW Series	August 7, 2018	0.80%	0.15%	9.12	8.59
L Series	December 16, 2011	1.80%	0.15%	24.14	22.51
N Series	September 28, 2011	— <sup>(1)</sup>	— <sup>(1)</sup>	28.20	26.76
QF Series	July 12, 2016	1.00%	0.28%	12.14	11.40
QFW Series	August 7, 2018	0.80%	0.15%	9.12	8.60
Series LB	January 26, 2012	2.00%	0.28%	22.90	21.27
Series LF	December 7, 2018	0.80%	0.15%	9.37	8.82
Series LW	December 1, 2017	1.80%	0.15%	10.52	9.80

\* 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) Before August 14, 2020, Q Series securities were known as Quadrus Series.

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## NOTES TO FINANCIAL STATEMENTS

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

#### (b) Investments by Mackenzie and Affiliates

As at September 30, 2020, Mackenzie, other funds managed by Mackenzie and Segregated funds managed by The Canada Life Assurance Company had an investment of \$2,305, \$12,966 and \$1,070 (March 31, 2020 – \$1,935, \$11,102 and \$742), respectively, in the Fund.

#### (c) Securities Lending

The value of securities loaned and collateral received from securities lending at September 30, 2020 and March 31, 2020, were as follows:

	September 30, 2020	March 31, 2020
	(\$)	(\$)
Value of securities loaned	137,086	145,480
Value of collateral received	144,481	156,030

Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments and financial institutions.

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended September 30, 2020 and 2019 is as follows:

	2020		2019	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	140	100.0	191	100.0
Tax withheld	(12)	(8.6)	(7)	(3.7)
	128	91.4	184	96.3
Payments to Securities Lending Agent	(23)	(16.4)	(46)	(24.1)
Securities lending income	105	75.0	138	72.2

#### (d) Name Change

Effective May 27, 2020, the Fund was renamed Mackenzie US Small-Mid Cap Growth Class.

#### (e) Offsetting of Financial Assets and Liabilities

The table below presents financial assets and financial liabilities that are subject to master netting arrangements or other similar agreements and the net impact on the Fund's Statements of Financial Position if all set-off rights were exercised as part of future events such as bankruptcy or termination of contracts. No amounts were offset in the financial statements.

	September 30, 2020			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	2,035	–	–	2,035
Unrealized losses on derivative contracts	–	–	–	–
Liability for options written	–	–	–	–
Total	2,035	–	–	2,035

# MACKENZIE US SMALL-MID CAP GROWTH CLASS

(Formerly Mackenzie US Mid Cap Growth Class)

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

US EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS

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

#### (e) Offsetting of Financial Assets and Liabilities (cont'd)

	March 31, 2020			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	3,090	–	–	3,090
Unrealized losses on derivative contracts	–	–	–	–
Liability for options written	–	–	–	–
Total	3,090	–	–	3,090

#### (f) Risks Associated with Financial Instruments

##### i. Risk exposure and management

The Fund seeks long-term capital growth and a reasonable rate of return by investing primarily in equities of small- to mid-capitalization U.S. companies. The Fund may also invest in equities of companies based outside of North America and in fixed income securities of U.S. and Canadian corporations and government bodies.

##### ii. Currency risk

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

Currency	September 30, 2020			
	Investments (\$)	Cash and Cash Equivalents (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	3,621,050	125,981	1	3,747,032
Euro	84,682	30	–	84,712
British pound	–	(18)	–	(18)
Total	3,705,732	125,993	1	3,831,726
% of Net Assets	96.6	3.3	–	99.9

Currency	March 31, 2020			
	Investments (\$)	Cash and Cash Equivalents (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	3,149,119	129,712	(299,558)	2,979,273
Euro	87,614	30	–	87,644
British pound	–	(18)	–	(18)
Total	3,236,733	129,724	(299,558)	3,066,899
% of Net Assets	95.8	3.8	(8.9)	90.7

\* Includes both monetary and non-monetary financial instruments.

As at September 30, 2020, 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 \$191,586 or 5.0% of total net assets (March 31, 2020 – \$153,345 or 4.5%). In practice, the actual trading results may differ and the difference could be material.

# MACKENZIE US SMALL-MID CAP GROWTH CLASS

(Formerly Mackenzie US Mid Cap Growth Class)

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

US EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

##### iii. Interest rate risk

As at September 30, 2020 and March 31, 2020, the Fund did not have a significant exposure to interest rate risk.

##### iv. Other price risk

The Fund's most significant exposure to price risk arises from its investment in equity securities. As at September 30, 2020, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$370,573 or 9.7% of total net assets (March 31, 2020 – \$323,673 or 9.6%). In practice, the actual trading results may differ and the difference could be material.

##### v. Credit risk

As at September 30, 2020 and March 31, 2020, 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.

	September 30, 2020				March 31, 2020			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	3,621,050	84,682	–	3,705,732	3,149,119	87,614	–	3,236,733
Derivative assets	–	2,665	–	2,665	–	9,180	–	9,180
Short-term investments	–	91,354	–	91,354	–	58,632	–	58,632
Total	3,621,050	178,701	–	3,799,751	3,149,119	155,426	–	3,304,545

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 September 30, 2020, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at September 30, 2020, these securities were classified as Level 2 (March 31, 2020 – Level 2).

Financial instruments classified as Level 2 investments are valued through incorporating observable market data and using standard market convention practices. Short-term investments classified as Level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.