

MACKENZIE FINANCIAL CORPORATION

BROCHURE

March 28, 2024

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This brochure provides information about the qualifications and business practices of Mackenzie Financial Corporation. If you have any questions about the contents of this brochure, please contact us by telephone at (416) 967-2380 or by email at dean.silver@mackenzieinvestments.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Mackenzie Financial Corporation is also available on the SEC's website at www.adviserinfo.sec.gov.

Mackenzie Financial Corporation is a registered investment adviser. Registration does not imply a certain level of skill or training.

Item 2 Material Changes

There were no material changes since our last annual update on March 30, 2023.

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About this Brochure and Mackenzie's Canadian Mutual Funds, the Private Fund and Non-U.S. Clients

This Brochure is not:

- an offer or agreement to provide advisory services to any person
- an offer to sell interests (or a solicitation of an offer to purchase interests) in any Investment Fund
- a complete discussion of the features, risks or conflicts associated with any Investment Fund or any other product or service offered by Mackenzie

As required by the Advisers Act, Mackenzie provides this Brochure to current and prospective U.S. Clients prior to the commencement of Mackenzie's advisory services and will offer this Brochure to such U.S. Clients on an annual basis thereafter. The Brochure can also be provided to current or prospective Investors in the Private Fund, in conjunction with the Private Fund's offering materials, prior to or in connection with such persons' consideration or execution of an investment in the Private Fund and subsequently in Mackenzie's discretion, annually or upon request. This Brochure is also available through the SEC's Investment Adviser Public Disclosure website.

Although this publicly available Brochure describes investment advisory services and products of Mackenzie and certain of its affiliates, persons who receive this Brochure should be aware that it is designed solely to provide information relevant to U.S. persons about Mackenzie as necessary to respond to certain disclosure obligations under the Advisers Act. Mackenzie's activities with respect to non-U.S. Clients often will differ from those described generally herein and Mackenzie provides additional and different services to non-U.S. Clients. As such, the information in this Brochure could differ from information provided in disclosure and investment documents and other relevant offering materials. More complete information about any other product or service offered by Mackenzie or its affiliates is included in disclosure and investment documents and other relevant offering materials, certain of which are provided to current and eligible prospective Clients and Investors only by Mackenzie and/or its affiliates or another authorized party. To the extent there is any conflict between discussions herein and similar or related discussions in any such materials, the relevant disclosure and investment documents and other relevant offering materials shall govern and control.

Mackenzie does not generally hold itself out to non-U.S. Clients as an SEC-registered adviser nor does it provide this Brochure to non-U.S. Clients as a matter of course. Since Mackenzie does not maintain a place of business within the U.S., it relies on SEC Staff guidance to apply local governing law, rather than the substantive provisions of the Advisers Act, to its relationships with such non-U.S. Clients to the extent that activities with respect to those relationships do not constitute "conduct" or have "effects" within the U.S.

Those Canadian Mutual Funds that are not exchange-traded funds are not available to residents of the United States and the availability of the Private Fund and certain other accounts, including other types of Investment Funds, is limited. This Brochure is not, nor is it intended to be, a complete discussion of the features, risks or conflicts associated with any investment product offered or advised by Mackenzie. Rather, this Brochure is intended solely to help recipients understand Mackenzie's business, including any related conflicts of interest. It is not intended as an offer, or solicitation of an offer, with respect to any investment nor should it be relied upon in determining to invest. It is also not an offer of, or an agreement to provide, advisory services directly to any recipient who is not already a Client.

Glossary:

“1940 Act” means the U.S. Investment Company Act of 1940, as amended.

“Account” means an account held by a Client.

“Advisers Act” means the U.S. Investment Advisers Act of 1940, as amended.

“Brochure” means this Form ADV Part 2A.

“Canadian Mutual Funds” has the meaning assigned in Item 4.

“Client” means Canadian Mutual Funds, the Private Fund, Separately Managed Accounts and the Closed-End Fund.

“Closed-End Fund” has the meaning assigned in Item 4.

“Code” means the IGM Financial Code of Business Conduct and Ethics for Directors, Officers and Employees.

“Covered Person” means persons covered by the Code.

“Eligible Account” means accounts that are eligible under FINRA Rule 5130 to participate in profits and losses attributable to new issues.

“Investor” means an interest holder in a Canadian Mutual Fund or Private Fund.

“Mackenzie” or “we” or “our” or “us” means Mackenzie Financial Corporation.

“Investment Funds” means Canadian Mutual Funds and the Private Fund, collectively. Individually, each is referred to as an **“Investment Fund”**.

“Private Fund” has the meaning assigned in Item 4.

“SEC” means the U.S. Securities and Exchange Commission.

“Separately Managed Accounts” has the meaning assigned in Item 4.

“U.S. Custody Rule” refers to the Advisers Act Rule 206(4)-2.

General and Ownership

Mackenzie Financial Corporation was founded in 1967 and is a leading investment management firm providing investment advisory and related services. Mackenzie collaborates with its affiliates, Mackenzie Investments Corporation (“MIC”), Mackenzie Investments Europe Limited (“MIEL”) and Mackenzie Investments Asia Limited (“MIAL”) in providing such services. Mackenzie is a subsidiary of IGM Financial Inc. (TSX: IGM). IGM Financial is one of Canada’s premier financial services companies. As of January 31, 2024, Power Financial Corporation, a wholly-owned subsidiary of Power Corporation of Canada, beneficially owned, directly and indirectly, 65.984% of IGM Financial Inc. (excluding 0.019% held by The Canada Life Assurance Company in its segregated funds or for similar purposes). The Desmarais Family Residuary Trust, a trust for the benefit of the members of the family of the late Mr. Paul G. Desmarais, has voting control, directly and indirectly of Power Corporation of Canada.

Types of Advisory Services We Offer

We currently provide discretionary investment advisory services to the following Clients:

- Canadian mutual funds, including exchange-traded funds (“**Canadian Mutual Funds**”), each of which is distributed under a prospectus in each of the provinces and territories of Canada, or is exempt from distribution under a prospectus under Canadian securities legislation;
- Separately Managed Accounts (*i.e.*, private client or institutional accounts, including pension plans) (“**Separately Managed Accounts**”);
- One Cayman Islands private investment fund structure (“**Private Fund**”) that operates as a “master feeder” structure; and
- One closed-end fund listed on the Toronto Stock Exchange (“**Closed-End Fund**”).

Tailoring Advisory Services to the Individual Needs of Clients

Consistent with its fiduciary duty, Mackenzie generally considers the individual needs of all clients and tailors the advisory services it provides to Clients as follows:

- (1) **Separately Managed Accounts** are managed in accordance with the relevant Client’s investment objectives, strategies, restrictions and guidelines, as communicated to Mackenzie by the Client. Clients can impose restrictions on investing in certain securities or types of securities;
- (2) **Canadian Mutual Funds, the Closed-End Fund, and the Private Fund** are managed in accordance with the relevant fund’s investment objectives, strategies and restrictions. A fund can impose restrictions on investing in certain securities or types of securities. These funds are not managed in accordance with the individualized needs of any particular interest holder in the fund. Therefore, a fund’s Investors should consider whether the fund meets their investment objectives and risk tolerance prior to investing.

Information about funds can be found in their relevant registration, governing and/or offering documents. For Canadian Mutual Funds, a Canadian prospectus can be found on the SEDAR website. For the Private Fund, relevant information is available in the applicable offering materials and governing documents, which will be available to current and prospective investors only through Mackenzie or another authorized party.

What is the Value of the Client Assets We Manage

As of December 31, 2023, we managed USD \$158,220,261,356 in client assets on a discretionary basis. We did not manage any client assets on a non-discretionary basis as of that date.

How We are Compensated for our Advisory Services

Mackenzie's fees for investment advisory services can include:

- (1) for US Accounts and certain non-US Accounts, management fees, expressed as a percentage of the Account's assets under management;
- (2) for certain non-US Accounts, incentive allocations or performance fees, generally calculated as a percentage of the Account's net capital appreciation during the applicable period in compliance with applicable laws and to the extent agreed with the client; or
- (3) for certain non-US Accounts, a combination of the foregoing.

Canadian Mutual Funds, including exchange-traded funds, and the Private Fund charge asset based fees as described in the applicable offering materials and/or governing documents. Fees for Separately Managed Accounts are negotiated individually with each client and set forth in the advisory agreement or account documentation for each respective Client.

In either case, our fees can take into account the type of Client or advisory arrangement and can change over time. As a result, similar Clients' fees could differ as a result of the inception dates of their respective advisory relationships with Mackenzie.

In some cases, we maintain a basic fee schedule based on the investment mandate, Client type or advisory arrangement. However, except with respect to certain Canadian Mutual Funds (and their Investors), we can negotiate fees for services with a Client (or, in some cases, Investor) on an individual basis, including alternative fee arrangements, rather than basing our fees on a general fee schedule. When we negotiate fees, we can take into consideration, among other things, the investment mandate, total market value, regulatory requirements, reporting requirements, customization of the investment or reporting process or other special considerations relevant to a particular Account. Similarly, in appropriate circumstances, we can waive or reduce all or a portion of the fees we charge to a particular Client or Investor in our sole and absolute discretion. For example, we can waive or reduce fees for Accounts held by or on behalf of Mackenzie and its employees, principals, shareholders or affiliates. Also, Mackenzie or an affiliate could, in its sole discretion, agree to bear certain operating expenses of the Private Fund that exceed a cap agreed with the Private Fund Investors generally or applicable to the Private Fund as a whole. Except as otherwise agreed or required by applicable law, when we negotiate fees, or offer fee waivers, expense caps or similar arrangements to a Client or Investor, we are not obligated to inform, or offer similar arrangements to, other Clients or Investors.

Thus, some Clients or Investors might pay more or less than others for the same or similar services depending, for example, on account inception dates, fee negotiations or waivers, number of accounts or value of related accounts, the nature of the mandate, total assets under management by Mackenzie or the manner in which Mackenzie's services are provided.

Payment schedules and mechanisms for US Accounts are negotiated and these Clients are invoiced in accordance with such Account's investment management agreement. In certain circumstances, with the Client's consent, Mackenzie can subtract a Client's fees from the assets held in their Account. Mackenzie groups multiple Accounts of certain Clients (or group of related Clients) together for fee invoicing purposes. Fees are ordinarily based on the level of total assets under management within the relevant Account(s), including allocations to cash, on the appropriate valuation day.

Additional Fees and Expenses

Except as otherwise agreed or as otherwise stipulated in the prospectus of a Canadian Mutual Fund, each Account bears (and the fees described above do not include) the following costs and expenses:

- custodial charges,
- brokerage fees or commissions and related costs and expenses,
- duties and other governmental charges,
- transfer fees,
- registration fees and other expenses associated with the purchase, holding or sale of assets,
- costs and charges associated with making deposits in connection with foreign exchange transactions,
- taxes, including withholding taxes payable and required to be withheld by issuers, their agents and others,
- audit, administrative and other expenses associated with regulatory or tax compliance or investment operations,
- legal fees, and
- such other expenses as are set forth in the Account's relevant governing documents.

For the Canadian Sub-Advised Funds, many of these fees are covered by a fixed administration fee that the Canadian Sub-Advised Fund pays to Mackenzie and that is separate from the management fee. Such fees will reduce the assets held in (and the gross returns experienced by) an Account. Mackenzie has a conflict of interest in determining whether an expense is an expense of an Account or is instead part of Mackenzie's general overhead. In addition, Mackenzie could, from time to time, incur expenses for the benefit of one or more Accounts (and/or for its own benefit or for the benefit of an affiliate). In such cases, Accounts will typically bear an allocable portion of any such expenses in such manner as Mackenzie considers to be fair, and in accordance with Mackenzie's policies and procedures and any applicable Account governing documents. However, to the extent that any such Account's governing documents prohibit the Account from bearing that expense, Mackenzie or an affiliate will bear that portion of an expense. In these cases, or where the expense benefits one or more Accounts and Mackenzie or its affiliates, Mackenzie has an incentive to allocate relatively more of the expense to Accounts that are able to bear the expense, to reduce the amount that would be borne by Mackenzie or an affiliate.

Subject to a Client's investment objectives and restrictions, Mackenzie can invest a portion of a client's assets in shares of mutual funds or other investment companies, including exchange-traded funds. To the extent that such investments are made in an investment company that is advised by an affiliate of Mackenzie, Clients will be rebated any associated advisory fees to the extent necessary to assure that a Client does not double pay for advisory services. Investments in a fund are subject to advisory and other fees and expenses, which are paid by the fund but ultimately borne by the Client, in addition to management fees assessed by Mackenzie. Each fund's fees and expenses are described in the fund's offering or disclosure documents (such as a prospectus and SAI).

Our fees and the expenses Clients bear in connection with their Accounts will reduce the assets held in (and the returns experienced by) an Account. Please see Item 12: Brokerage Practices for more details on our trading practices and costs related thereto.

As described in more detail in Item 10: Other Financial Industry Activities and Affiliations, below, Mackenzie provides certain marketing and administrative support for MIEL. MIEL compensates Mackenzie for such services, and Clients do not. The fees paid by a Client of MIEL are not impacted by such services.

Item 6 Performance-Based Fees and Side-By-Side Management

Currently, Mackenzie's U.S.-based Account does not include any incentive or performance-based component to Mackenzie's compensation. Should Mackenzie determine to charge such fees to a U.S.-based Account in the future, such fees will be charged in compliance with Rule 205-3 under the Advisers Act, unless that rule is inapplicable by reason of Section 205(b) of the Advisers Act or related rules or interpretations of the SEC and its staff.

For non-U.S. Accounts, Mackenzie and the Client can agree to a fee structure that includes incentive compensation, as and when individually negotiated with the relevant Client. In certain instances, incentive compensation is charged only when gains in an Account exceed a particular rate or agreed upon benchmark (*i.e.*, a hurdle provision) and, if and as negotiated, losses can be carried forward so that no incentive compensation is charged unless the losses have been recouped, subject to certain adjustments (*i.e.*, a high-water mark provision).

Because Mackenzie manages Accounts that charge performance-based fees, while its U.S.-based Account does not, Mackenzie would have an incentive to favor Accounts that include a performance-based compensation component over the U.S.-based Account, where Accounts have the same or similar investment styles or otherwise compete for investment opportunities or have differing abilities to engage in short sales or similar investment strategies. Mackenzie also could have an incentive to favor an Account in which it, or its personnel or affiliates have personal or proprietary interests.

Mackenzie maintains policies and procedures, including the Code (described in Item 11: Side-by-Side Management and Differential Interests, below) and Trade Allocation Policy, reasonably designed to assure that Mackenzie and its personnel service all Accounts: (1) in a manner consistent with the fiduciary duties an adviser owes its clients and applicable law and without considering such persons' ownership, compensatory or other pecuniary or financial interests; and (2) fairly and equitably over time to mitigate these and other conflicts associated with "side-by-side" management. Please see the discussion in Item 11: Side-by-Side Management and Differential Interests for a further description of the applicable conflicts of interest.

Other Conflicts of Interest

Where an Investor purchases or redeems interests in an Investment Fund at a net asset value that is impacted by a discrepancy in valuation, the Investor could receive a greater or lesser interest in (or increased or decreased redemption proceeds from) such Investment Fund than would have been the case absent the discrepancy. Similarly, existing and continuing Investors could be subject to dilution or accretion. A portion of the assets in which Accounts managed by Mackenzie invest could, at any time or from time to time, be illiquid, thinly traded or otherwise difficult to value. Mackenzie has implemented valuation policies and procedures reasonably designed to mitigate the conflicts and potential for material pricing discrepancies in respect of Account assets and to assure that assets are valued in good faith and as accurately as is reasonably practicable. However, the valuation procedures cannot assure that the fair value assigned to an asset will match the next available and reliable market price or, in retrospect, have been the price at which that asset could have been sold during the period in which the particular fair values were being used in determining an Account's value for performance, fee calculation or net asset value purposes.

Types of Clients

We generally provide investment advice to:

- Private investment funds and fund structures;
- Canadian mutual funds including exchange-traded funds;
- Pension and profit sharing plans, including a U.S. plan;
- Charitable organizations;
- Insurance companies;
- Corporations or business entities other than those listed above;
- Religious organizations, unions, trusts, medical associations, and family investment vehicles; and
- a Closed-End Fund which is organized under Ontario law (which is not generally available to U.S. persons).

We can also provide investment advice to sovereign wealth funds and government sponsored asset pools.

Mackenzie can establish requirements for opening or maintaining an account, which would be listed in the offering document or account agreement.

The Private Fund, to which we currently provide discretionary investment advisory services, has established a minimum investment level, which is described in the applicable offering materials and can be changed at the sole and absolute discretion of the general partner, Mackenzie EM Funds Management (Cayman) Ltd., an affiliate of Mackenzie or the directors of the feeder fund, as applicable. Currently, the minimum investment level for the Private Fund is \$1 million USD. The general partner or the directors in the case of the feeder fund, can require the maintenance of a minimum capital account size in the event of a partial withdrawal from the Private Fund or require an Investor to redeem all or part of its interest in the Private Fund.

We expect the Private Fund will be excluded from the definition of “investment company” under the 1940 Act because it offers its interests on a private placement basis to “U.S. Persons,” as defined by Regulation S under the Securities Act of 1933 (“**1933 Act**”) and limits the number and type of its U.S. Person investors. As a result, if offered to U.S. Persons, such investors will be expected to be limited to U.S. Persons who are “**accredited investors**”, as defined in Regulation D under the 1933 Act and “**qualified purchasers**” as defined by 1940 Act Section 2(a)(51). Investors in the Private Fund could also be subject to additional qualification requirements imposed by the Private Fund or applicable law, as set forth in Private Fund’s governing documents. Consistent with these requirements, the Investors in the Private Fund are generally expected to include: (i) a variety of institutional investors (e.g., trusts, employee benefit plans, endowments, foundations, corporations and other types of entities, including private funds of funds) that wish to invest in accordance with the Private Fund’s investment objective and (ii) Mackenzie and its affiliates, as well as personnel of Mackenzie and its affiliates (including but not limited to portfolio management personnel responsible for the management of Accounts) who are “knowledgeable employees” (as defined by 1940 Act Rule 3c-5) or otherwise meet the Private Fund’s eligibility requirements.

In no event should this Brochure be considered to be an offer of interests in the Private Fund or relied upon in determining to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient.

Our Investment Strategies

Securities investments are subject to a variety of risks. These risks could cause an investor to lose money on their investments. Investors should be prepared to bear the risk of loss associated with their chosen investment strategy.

While Mackenzie seeks to manage Accounts so that risks are appropriate to the return potential for the strategy, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. Clients should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses. Clients should be aware that while Mackenzie does not limit its advice to particular types of investments, mandates can be limited to certain types of securities (e.g., equities) and might not be diversified. The accounts managed by Mackenzie are generally not intended to provide a complete investment program for a Client or Investor. Clients are responsible for appropriately diversifying their assets to guard against the risk of loss.

The following is a description of the *significant* investment strategies we use for our U.S. Clients (or currently expect to offer to U.S. Clients), and the *material* risks involved in the strategies. The risks are defined further below. We offer additional strategies for non-U.S. Clients.

The investment strategy	Its principal material risks
<p><u>Global Core Equity</u></p> <p>This strategy seeks to provide long-term capital growth and current income by investing primarily in equity securities of companies anywhere in the world that pay, or are expected to pay, dividends, or in other types of securities that distribute, or are expected to distribute, income.</p>	<p>Company risk Foreign currency risk Foreign markets risk Market risk Portfolio Manager risk Uncertainty risk</p>
<p><u>Greenchip Global Environmental Equity</u></p> <p>This strategy seeks to provide long-term capital appreciation by investing primarily in listed equity securities of issuers located anywhere in the world that operate in the environmental economy. Mackenzie seeks to identify undervalued securities that will benefit from the long-term trends of changing demographics, resource scarcity, and environmental degradation.</p>	<p>Company risk Concentration risk Environmental sector risk Foreign currency risk Foreign markets risk Market risk Portfolio Manager risk Uncertainty risk</p>
<p><u>International Concentrated Core Equity</u></p> <p>This strategy seeks to provide long-term capital growth by constructing a well-diversified portfolio comprised primarily of compounder companies in developed markets other than the United States and Canada.</p>	<p>Company risk Concentration risk Foreign currency risk Foreign markets risk Market risk Portfolio Manager risk Uncertainty risk</p>
<p><u>Ivy Foreign Equity</u></p> <p>This strategy seeks to provide long-term capital growth, consistent with protection of capital and invests in equity securities worldwide, emphasizing companies that operate globally. Investments are not limited geographically but generally do not include investments in emerging markets.</p>	<p>Company risk Concentration risk Foreign currency risk Foreign markets risk Market risk Portfolio Manager risk Uncertainty risk</p>

<p>Private Equity Replication Strategy</p> <p>The strategy seeks to provide long-term capital appreciation and to replicate the long-term returns of diversified U.S. private equity investments by investing primarily in listed U.S. equity securities.</p>	<p><i>Company risk</i> <i>Concentration risk</i> <i>Credit risk</i> <i>Cyber Security risk</i> <i>Derivatives risk</i> <i>ESG strategy risk</i> <i>Foreign currency risk</i> <i>Foreign markets risk</i> <i>Interest Rate risk</i> <i>Leverage risk</i> <i>Market risk</i> <i>Portfolio Manager risk</i> <i>Small company risk</i> <i>Uncertainty risk</i></p>
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The principal material risks (as set forth in the table above), as well as the other material risks are described in more detail below.

Company Risk: Equity investments such as stocks and investments in trusts, and fixed income investments, such as bonds, carry several risks that are specific to the company that issues the investments. A number of factors could cause the price of these investments to fall. These factors include specific developments relating to the company, conditions in the market where these investments are traded, and general economic, financial and political conditions in the countries where the company operates. While these factors impact all securities issued by a company, the values of equity securities generally tend to change more frequently and vary more widely than fixed income securities. Because an Account's value is based on the value of its portfolio securities, an overall decline in the value of portfolio securities that it holds will reduce the value of the Account.

Concentration Risk: Accounts can invest a large portion of their net assets in a small number of issuers, in a particular industry, geographic region or sector, or use a specific investment style, such as growth or value. A relatively high concentration of assets in or exposure to a single issuer, or a small number of issuers, will reduce the diversification of an Account and could result in increased volatility in the Account's value. Issuer concentration may also increase the illiquidity of the Account's portfolio if there is a shortage of buyers willing to purchase those securities. It is generally assumed that investors hold assets apart from the Accounts and are responsible for diversifying their assets appropriately.

An Account concentrates in an issuer, industry, geographic region, style or sector either to provide investors with more certainty about how the Account will be invested or the style of the Account or because a portfolio manager believes that specialization increases the potential for positive returns. If an industry or region faces difficult economic times or if the investment approach used by the Account is out of favour, the Account will likely lose more than it would if it diversified its investments or style. If an Account's investment objectives or strategies require concentration, the Account could experience negative returns over a prolonged period of time.

Credit Risk: Certain Accounts are subject to the risk that the issuer of a security or the counterparty to a contract will default or otherwise become unable to honor a financial obligation.

Cyber Security Risk: With the increased use of technologies such as the internet to conduct business, a portfolio is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and are not limited to, gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. Cyber security failures or breaches by a third party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents.

Derivatives Risk: Some Accounts can use derivatives to pursue their investment objectives. Generally, a derivative is a contract between two parties, whose value is determined with reference to the market price of an asset, such as a currency, commodity or stock, or the value of an index or an economic indicator, such as a stock market index or a specified interest rate (the “**underlying interest**”).

Most derivatives are options, forwards, futures or swaps. An *option* gives the holder the right, but not the obligation, to buy or sell the underlying interest at an agreed price within a certain time period. A call option gives the holder the right to buy; a put option gives the holder the right to sell. A *forward* is a commitment to buy or sell the underlying interest for an agreed price on a future date. A *future* is similar to a forward except that futures are traded on exchanges. A *swap* is a commitment to exchange one set of payments for another set of payments. Some derivatives are settled by one party’s delivery of the underlying interest to the other party; others are settled by a cash payment representing the value of the contract.

The use of derivatives carries several risks:

- There is no guarantee that a market will exist for some derivatives, which could prevent the Account from selling or exiting the derivative prior to the maturity of the contract. This risk could restrict the Account’s ability to realize its profits or limit its losses.
- It is possible that the other party to the derivative contract (“**counterparty**”) will fail to perform its obligations under the contract resulting in a loss to an Account.
- When entering into a derivative contract, the Account could be required to provide margin or collateral to the counterparty. If the counterparty becomes insolvent, the Account could lose its margin or its collateral or incur expenses to recover it.
- Securities and commodities exchanges could set daily trading limits on exchange-traded derivatives, such as options and futures. Such rule changes could prevent the Account from completing a futures or options transaction, causing the Account to realize a loss because it cannot hedge properly or limit a loss.
- Where an Account holds a long or short position in a future whose underlying interest is a commodity, the Account will typically seek to close out its position by entering into an offsetting future prior to the first date on which the Account might be required to make or take delivery of the commodity under the future. There is no guarantee the Account will be able to do so. This could result in the Account having to make or take delivery of the commodity.
- Some Accounts can use derivatives to reduce certain risks associated with investments in foreign markets, currencies or specific securities. Using derivatives for these purposes is called hedging. Hedging might not be effective in preventing or mitigating losses. Hedging could also reduce the opportunity for gain if the value of the hedged investment rises, because the derivative could incur an offsetting loss. Hedging can also be costly or difficult to implement.

Effect of General Economic Conditions: General economic conditions affect Mackenzie’s investment activities. Changing economic, political, regulatory or market conditions, interest rates, inflation rates, general levels of economic activity, the price of securities and debt instruments and participation by other investors in the financial markets can affect the value and number of investments made by the firm or considered for prospective investment. The value of investments could fluctuate in accordance with changes in the financial condition of portfolio companies and other factors that affect the markets in which the firm invests. Economic, political, regulatory or

market developments can affect a single obligor, obligors within an industry, economic sector or geographic region, or the market as a whole. Different parts of the market and different types of investments can react differently to these developments. Every investment has some level of market volatility risk. Economic slowdowns or downturns could lead to financial losses in the firm's investments. In addition, many portfolio companies could be similarly subject to the same economic conditions, which could adversely impact investment returns.

Emerging Markets Risk: Emerging markets have the risks described under foreign currency risk and foreign markets risk. In addition, they are more likely to experience political, economic and social instability and can be subject to corruption or have lower business standards. Instability can result in the expropriation of assets or restrictions on payment of dividends, income or proceeds from the sale of an Account's securities. In addition, accounting and auditing standards and practices can be less stringent than those of developed countries resulting in limited availability of information relating to an Account's investments. Further, emerging market securities are often less liquid and custody and settlement mechanisms in emerging market countries can be less developed resulting in delays and the incurring of additional costs to execute trades of securities.

Environmental Sector Risk: The environmental sectors and their industry participants are subject to significant scientific, financial, regulatory and marketing risks. Companies engaging in environmental businesses can be strongly affected by scientific or technological developments, and their products could become obsolete. Environmental business can also be significantly affected by government regulation, standards, restrictions and prohibitions; government intervention (such as subsidies or tariffs) and policy changes; international political events; unpredictable short-term (e.g., hurricanes) and long-term (e.g., climate change) changes in weather and weather patterns; changing supply and demand for traditional energy sources; consumer and environmental protection advocacy; acts of war; terrorist attacks; force majeure or other unforeseen events. These events are, by their nature, unpredictable, and can cause extreme and sudden price reversals and market disruptions which could have a material adverse effect on an Account's investments.

ESG Strategy Risk: Certain Accounts use environmental, social and governance ("ESG") criteria as a component of their investment strategies. Applying ESG criteria to the investment process could limit the number and types of investment opportunities available and as a result, an Account that applies ESG criteria to its investment process could perform differently compared to similar accounts that do not apply ESG criteria or otherwise focus on ESG investing. Accounts that apply ESG criteria to their investment process could forgo opportunities to buy certain securities when it might otherwise be economically advantageous to do so or could sell securities for ESG reasons when it might otherwise be economically disadvantageous to do so. Furthermore, ESG criteria are subject to uncertainty, discretion and subjective application. The determination of the ESG criteria to apply and the assessment of the ESG characteristics of a company or industry by a portfolio management team can differ from the criteria or assessment applied by others. As a result, securities selected by a portfolio management team can at times not reflect the values or principles of any particular investor.

ETF Risk: Certain Accounts invest in exchange-traded funds ("ETFs") in accordance with their mandates. ETFs represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks or bonds, which are designed to generally correspond to the price and yield performance of their underlying indices, either broad stock market, stock industry sector, international stock, or bond. ETF shareholders are subject to risks similar to those of holders of other diversified portfolios. A primary consideration is that the general level of stock or bond prices could decline, thus affecting the value of an equity or fixed income ETF, respectively. Moreover, the overall depth and liquidity of the secondary market can fluctuate. A sector ETF could also be adversely affected by the performance of that specific sector or group of industries on which it is based. Although ETFs are designed to provide investment results that generally correspond to the price and yield performance of their respective underlying indices, ETFs might not be able to exactly replicate the performance of the indices because of their expenses and other factors.

Extension Risk: Certain Accounts are subject to the risk that, in a rising interest rate environment, fixed income securities with stated interest rates will have the principal paid later than expected. This may negatively affect the Account's returns, as the value of the security decreases when principal payments are made later than expected. In addition, because principal payments are made later than expected, the Account may be required to invest the proceeds at generally higher interest rates.

Foreign Currency Risk: Most foreign investments are purchased in currencies other than the Canadian (or U.S.) dollar. As a result, the value of those investments will be affected by the value of the Canadian (or U.S.) dollar relative to the value of the foreign currency. If the Canadian (or U.S.) dollar rises in value relative to the other currency but the value of the investment otherwise remains constant, the value of the investment in Canadian dollars (or U.S.) will have fallen. Similarly, if the value of the Canadian (or U.S.) dollar has fallen relative to the foreign currency, the value of the Account's investment will have increased. Some Accounts use derivatives such as options, futures, forward contracts, swaps and customized types of derivatives to hedge against losses caused by changes in exchange rates. However, the use of derivatives for this purpose might not be effective in preventing or mitigating losses.

Foreign Markets Risk: The value of an investment in a foreign issuer depends on general global economic factors and specific economic and political factors relating to the country or countries in which the foreign issuer operates. The regulatory environment in some foreign countries could be less stringent than in Canada (or the U.S.), including legal and financial reporting requirements. There could be more or less information available with respect to foreign companies. The legal systems of some foreign countries might not adequately protect investor rights. Stock markets in foreign countries can have lower trading volumes and sharper price corrections. Some or all of these factors could make a foreign investment more or less volatile than a Canadian (or U.S.) investment.

Illiquidity Risk: A security is illiquid if it cannot be sold at an amount that at least approximates the amount at which the security is valued. Illiquidity can occur for a number of reasons, including the following: (a) if the securities have sale restrictions; (b) if the securities do not trade through normal market facilities; or (c) if there is a shortage of buyers. In highly volatile markets, such as in periods of sudden interest rate changes or severe market disruptions, securities that were previously liquid could suddenly and unexpectedly become illiquid. Illiquid securities are more difficult to sell and an Account might be forced to accept a discounted price.

Interest Rate Risk: Interest rates impact the cost of borrowing for governments, companies and individuals, which in turn impacts overall economic activity. Changing interest rates can indirectly impact the share prices of equity securities. When interest rates are high, it could cost a company more to fund its operations or pay down existing debt. This can impair a company's profitability and earnings growth potential, which can negatively impact its share price. Conversely, lower interest rates can make financing for a company cheaper, which could increase its earnings growth potential. Interest rates can also impact the demand for goods and services that a company provides by impacting overall economic activity as described above. Interest rates could rise during the term of a fixed income investment. If interest rates rise, then the value of that fixed income investment generally will fall. During periods of declining interest rates, because the interest rates on adjustable-rate securities generally reset downward, their market value is generally unlikely to rise to the same extent as the value of comparable fixed-rate securities. Changes in monetary policy may exacerbate the risks associated with changing interest rates.

Legislation Risk: Securities, tax, or other regulators make changes to legislation, rules and administrative practice. Those changes could have an adverse impact on the value of an Account.

Leverage Risk: When an Account makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities, fixed income securities or other portfolio assets, leverage will likely be introduced into the Account. Leverage occurs when the Account's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently, any adverse change in the value or level of the underlying asset, rate or index will likely amplify losses compared to those that would have been incurred if the underlying asset had been directly held by the Account and can result in losses greater than the amount invested in the derivative itself. Leverage can increase volatility, impair the Account's liquidity and cause the Account to liquidate positions at unfavorable times.

Market Risk: An Account's holdings can decline in response to adverse issuer, political, regulatory, market or economic developments or conditions that could cause a broad market decline or volatility in the financial markets, both U.S. and foreign. Different parts of the market, including different sectors and different types of securities, can react differently to these developments. Global economies and financial markets are becoming increasingly interconnected, which increases the possibilities that conditions in one country or region will adversely affect issuers in another country or region, which in turn could adversely affect securities held by the Account. These

circumstances also have decreased liquidity in some markets and could continue to do so. In addition, certain events, such as natural disasters, terrorist attacks, war, epidemics and pandemics, crises or concerns affecting the financial services industry or banking sector, and other geopolitical events, have led, and could in the future lead, to increased short-term market volatility and could have adverse long-term effects on world economies and markets generally. Finally, there are risks associated with being invested in the equity and fixed income markets generally. The market value of an Account will rise and fall based on specific company developments and broader equity or fixed income market conditions. Market value will also vary with changes in the general economic and financial conditions in the countries where the investments are based.

Mid-Sized Company risk: Certain Accounts can be expected to invest a material portion of capital in issuers that are considered to be “mid cap” by conventional market standards. Small-cap and mid-cap issuers often lack the management experience, financial resources and product diversification of larger companies, making them more susceptible to market pressures and business failure. The small-cap and mid-cap equities markets are, in general, subject to a number of materially greater risks than the larger capitalization equity market. In particular, the securities of small-cap and mid-cap issuers are often more volatile and less liquid than investments in larger issuers, and more likely to be adversely affected by poor economic or market conditions. Among the reasons for such increased risk are: the generally smaller amount of information that is available concerning small-cap and mid-cap issuers or stocks rather than large-cap issuers or stocks; the tendency of all small-cap and mid-cap stocks to trade down during periods of market crisis; the greater chance for management misconduct or incompetence to materially adversely affect the prospects for the issuer as a whole; and the comparative illiquidity of the small-cap and mid-cap market, creating the possibility of unusually wide bid-ask spreads and increasing the expected delay before the market value is brought into equilibrium with actual or realizable value. Small- and mid-capitalization issuers are particularly vulnerable to changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, competition, regulatory environment, technological developments, political and diplomatic events and trends, tax laws and innumerable other factors outside the control of the firm, that can substantially and adversely affect the business and prospects of the Account.

Portfolio Manager Risk: An Account is dependent on its portfolio manager or sub-adviser to select its investments. Accounts are subject to the risk that poor security selection decisions will cause an Account to underperform relative to its benchmark or other Accounts with similar mandates.

Regulatory and Tax risk: From time to time, certain of the firm’s and/or an Account’s activities will be subject to regulatory inquiries, investigations and/or enforcement proceedings from U.S. and non-U.S. governmental agencies, regulatory bodies and securities commissions, which can be costly and occupy significant staff time and resources of the firm. Tax reform and other financial markets regulatory reform both in the U.S. and abroad could impact the Account and securities in which the Account invests.

Small Company Risk: An Account can make investments in equities and sometimes fixed income securities issued by smaller capitalization companies. These investments are generally riskier than investments in larger companies for several reasons. Smaller companies are often relatively new and do not have an extensive track record. This lack of history makes it difficult for the market to place a proper value on these companies. Some of these companies do not have extensive financial resources and, as a result, they could be unable to react to events in an optimal manner. In addition, securities issued by smaller companies are sometimes less liquid, meaning there is less demand for the securities in the marketplace at a price deemed fair by sellers.

Uncertainty Risk: Political, social and economic uncertainty creates and exacerbates risks and could impact our investment strategies, processes and methods of analysis. Social, political, economic and other conditions and events (such as natural disasters, war, epidemics and pandemics, terrorism, conflicts and civil or social unrest) will occur that create uncertainty and have significant impacts on issuers, industries, governments and other systems, including the financial markets, to which Client investments are exposed. Markets experiencing these and other conditions and events can have substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates can have negative effects on economies and securities markets.

As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets, including in established markets such as the United States. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat. For example, the COVID-19 pandemic led to disruptions in local, regional, national and global markets and economies. It can be difficult to predict the scope of an outbreak; how long any such outbreak, market disruption or uncertainties will last; the effect any governmental actions will have; or the full potential impact on us, the issuers in which we invest and our Clients.

Similarly, geopolitical tensions can result in new or enhanced risks. For example, the ongoing Russia-Ukraine conflict has resulted in significant sanctions imposed by the United States and other Western countries, including significant restrictions on access by Russia to certain financial systems. Such sanctions and related actions could significantly inhibit our ability to invest on behalf of a Client in securities of issuers in Russia. In addition, as of the date of this document, Israel and Hamas remain in active armed conflict. In response, the United States has announced sanctions and other measures against Hamas-related persons and organizations, and the United States and/or other countries may announce further sanctions related to the ongoing conflict in the future. These conflicts and related sanctions also have had, and likely will continue to have, significant macroeconomic impacts and can create additional risks, even for Clients who are not directly exposed to securities tied to the region.

Although it is impossible to predict the precise nature, severity, duration and consequences of these (or similar) events, or of any political or policy decisions and regulatory changes occasioned by emerging events or uncertainty on applicable laws or regulations that impact us, our Clients and their investments, it is clear that these types of events do (and will, for at least some time, continue to) have an impact that in many instances is adverse and profound. There can be no assurance that such emerging events will not cause a Client to suffer a loss of any or all of its investments or interest thereon. A Client would also be negatively affected if our operations and effectiveness or those of our affiliates or an issuer (or any of the key personnel or service providers of Mackenzie, its affiliates or the issuers in which we invest) is compromised or if necessary or beneficial systems and processes are disrupted.

As a result, each of the risks discussed in Item 8 of this Brochure is subject to, and should be considered in light of, the foregoing risks and uncertainties.

Our methods of analysis

We advise Accounts using different methods of analysis depending on the Account's mandate, including "Fundamental analysis", which includes the analysis of financial statements, the general financial health of companies and/or the analysis of management or competitive advantages.

Other techniques we can use include:

- **Temporary investment in short-term market instruments:** In certain Accounts, although the composition of the portfolios managed by the investment managers will not be governed by consideration of income, there could be times when, in the investment managers' judgment, security price levels or adverse business prospects indicate that preservation of capital can best be achieved by temporary investments in short-term market instruments.
- **Investing in mutual funds and/or ETFs:** In certain cases, an Account can purchase the securities of mutual funds and/or ETFs as a means of following the techniques and strategies followed and instruments used in their portfolios.

Item 9 Disciplinary Information

Not applicable.

Item 10 Other Financial Industry Activities and Affiliations

Other Registrations

Mackenzie is registered as a commodity trading manager in Ontario, Canada and as a portfolio manager in each of the provinces and territories of Canada.

Other Financial Industry Activities and Affiliations

Mackenzie is an indirect, majority-owned subsidiary of Power Corporation of Canada, a diversified international management and holding company with interests in companies that are active in the financial services, communications and other business sectors. As such, Mackenzie is affiliated with a number of entities that are engaged in financial industry-related activities. Following are those related entities with which Mackenzie maintains arrangements that are material to Mackenzie's advisory business or its U.S. Clients.

Other Investment Advisers

Mackenzie employs affiliates to provide investment sub-advisory services to certain Canadian Mutual Funds and/or other Accounts. Currently: China Asset Management Company Limited, MIC, MIEL and MIAL, provide such services and are each a Mackenzie-affiliate that is exempt from being registered with the Canadian regulatory authority. Mackenzie provides sub-advisory services to I.G. Investment Management, Ltd., Canada Life Investment Management Ltd. and Counsel Portfolio Services Inc., each a Mackenzie-affiliate that is registered with the appropriate Canadian regulatory authority.

Mackenzie can also employ unaffiliated sub-advisers to provide investment sub-advisory services to certain Canadian Mutual Funds and/or other Accounts.

Mackenzie provides certain marketing support services for MIEL, an affiliated investment adviser registered with the SEC, including database population, responding to requests for proposals, all client prospecting activities and client servicing. In addition, MIEL employs Mackenzie to provide various administrative services to MIEL to enable MIEL to fulfil its investment management/advisory obligations to institutional clients, including: compliance support, portfolio operations and analytics and Global Investment Performance Standards support. Mackenzie does not provide such services on behalf of or refer Clients to unaffiliated investment advisers.

MIC, an affiliated investment adviser registered with the SEC, currently provides certain referral, marketing and client intake services to Mackenzie. Mackenzie, and not any Client, compensates MIC for its services and/or any referrals, and the fees paid by Clients are not impacted by these activities.

Insurance Company or Agency

The Canada Life Assurance Company ("**Canada Life**") is a Canadian insurance company and affiliate of Mackenzie that carries on business under the Insurance Companies Act (Canada). Mackenzie provides management and administrative services to certain Canada Life insurance contracts and related segregated funds.

Material Conflicts of Interest between Mackenzie and Related Parties

We expect that U.S. Accounts will prohibit (due to applicable law or through an investment restriction) investment in securities issued by Mackenzie's related companies ("**Related Issuers**"). For Accounts that do permit investment in Related Issuers, Mackenzie has adopted policies and procedures reasonably designed to manage and, to the extent possible, avoid related conflicts of interest. These policies require that a purchase, sale, or holding of those securities, among other requirements, must among other things: (i) be made free from any influence by a related company; (ii) represent the business judgment of the portfolio manager uninfluenced by considerations other than the best interest of the Account; and (iii) be reasonably expected to achieve a fair result for the Account.

Interest in Client Transactions

Mackenzie advises numerous Accounts. Mackenzie can give advice and take action with respect to any Account it manages, or for its own account or the account of a supervised or access person (as those terms are defined by the Advisers Act and rules thereunder), that could differ from actions taken by Mackenzie on behalf of other Accounts. Subject to our policies and procedures and applicable law, Mackenzie (or a related person) is able to:

- recommend to Clients securities in which Mackenzie (or a related person) has a material financial interest;
- recommend securities to Clients at the same time that Mackenzie (or a related person) buys or sells the same securities for its own (or the related person's own) account; and/or
- invest in the same securities that Mackenzie (or a related person) recommends to Clients.

Mackenzie is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling any security that Mackenzie, its affiliates or their respective supervised and access persons buy or sell for its or their own account or for any other Account. Mackenzie is also not obligated to refrain from investing in securities held in the Accounts that it manages, except to the extent that such investments violate policies and procedures applicable to or adopted by Mackenzie (including the Code, described below). Additionally, Mackenzie personnel can invest in the Canadian Mutual Funds or the Private Fund which, in turn, can invest in securities held in other Accounts advised by Mackenzie, including U.S. Accounts.

The buy or sell programs of Mackenzie and its personnel could extend over a period of months and securities could be held for long-term investment. From time to time, officers and employees of Mackenzie might have interests in securities held by or recommended to Clients.

As these situations could involve conflicts of interest, Mackenzie has implemented policies and procedures relating to personal securities transactions and insider trading that are designed to identify and prevent or mitigate conflicts of interest. These policies and procedures, including the Code, are intended to avoid conflicts of interest with Clients and to resolve such conflicts appropriately, if they do occur. Any Covered Person who fails to observe the Code and other relevant compliance policies risks serious sanctions, including dismissal and personal liability.

The Code

A basic tenet of the Code is that Covered Persons must adhere to the highest principles of conduct in the discharge of their duties with respect to managed Accounts. Mackenzie values its adherence to the highest standards of integrity and ethical business conduct in ensuring the fair treatment of Clients. As such, the Code requires Covered Persons to comply with stated standards of business conduct, including compliance with Mackenzie's policies and procedures, relevant fiduciary duties owed by an investment adviser to its Clients and applicable legal standards. Employees are expected to avoid situations in which their personal interests could conflict with their professional duties and to disclose any such conflicts to Mackenzie's legal department. Covered Persons are also expected to report to the compliance department any violations of the Code which come to their attention.

The Code sets forth Covered Persons' obligations when dealing in covered securities for their own accounts, as well as various requirements designed to ensure that personal trading activity is reported to relevant personnel within Mackenzie.

As personal trading can involve conflicts of interest, Mackenzie has adopted policies and procedures relating to personal securities transactions, insider trading (discussed below) and other ethical considerations. These policies and procedures are intended to identify and prevent actual conflicts of interest with Clients and to resolve such conflicts appropriately if they do occur. The Personal Trading Policy, which is included in the Code, contains provisions regarding Covered Persons' personal trading and, reporting requirements that are designed to address conflicts of interest.

Mackenzie's policies and the Code also include ethical restraints relating to Clients and their Accounts, including restrictions on gifts and provisions intended to prevent violations of laws prohibiting insider trading.

Where Mackenzie trades on behalf of its own accounts, Mackenzie has adopted policies and procedures reasonably designed to ensure fairness in the allocation of trades among its Clients and its own accounts and ensures that investment opportunities are not taken ahead of Clients, as described in more detail in Item 12: Brokerage Practices. In the specific circumstance where Mackenzie has established a proprietary account that is being used for “proof of concept” for client portfolio models, the proprietary account would be permitted to participate in Initial Public Offerings, and in the event of a trade being only partially filled, would be permitted to be allocated a pro rata share based on the initial allocation.

Clients and prospective Clients who wish to receive a copy of the Code should contact Mackenzie, in writing, at 180 Queen St. West, Suite 1600, Toronto, Ontario M5V 3K1. Each of our relevant affiliates is subject to the Code or maintains a similar Codes of Ethics, which are available to clients and prospects as set forth in the relevant affiliate’s Form ADV, Part 2A.

Insider Trading Policies

Mackenzie and its related persons could, from time to time, come into possession of material non-public and other confidential information which, if disclosed, might affect an investor’s decision to buy or sell a security (“**Inside Information**”). Inside Information could relate to, among other things, Mackenzie, its affiliates, Accounts which offer publicly traded securities, or other issuers. Under applicable law, Mackenzie and its related persons are prohibited from improperly disclosing or using Inside Information for their personal benefit or for the benefit of any other person, regardless of whether that person is a Client. Accordingly, should such persons come into possession of Inside Information with respect to any issuer, they will be prohibited from communicating such information to, or using such information for the benefit of, their Clients when following policies and procedures designed to comply with applicable law.

Mackenzie has also adopted policies and procedures to prevent the misuse of Inside Information by Mackenzie and its officers, directors and employees which are designed to comply with applicable law including, but not limited to, Section 204A of the Advisers Act and relevant provisions of the Securities Act (Ontario). These policies and procedures include, among other things, blackout periods and restricted lists that prohibit the trading of a company until the company is removed from the restricted list. As a result of a company being placed on the restricted list, an Account (or the personal accounts of a Covered Person) could be precluded or restricted with respect to purchases or sales of that security.

Other Conflicts of Interest

Inconsistent Investment Positions and Timing of Competing Transactions

From time to time, Mackenzie could take an investment position or action for one or more Accounts that is different from, or inconsistent with, an action or position taken for one or more other Accounts having similar or differing investment objectives, and such actions could be taken at differing, and potentially inopportune, times.

When a position is established or disposed of for one Account ahead of, or contemporaneously with, similar portfolio decisions or strategies for another Account, market impact, liquidity constraints, or other factors could result in one or more Accounts receiving less favorable trading results, the costs of implementing such portfolio decisions or strategies could be increased, such Accounts could be diluted, the values, prices or investment strategies of another Account could be impaired or such Accounts could otherwise be disadvantaged.

For example, one Account could buy a security while another Account subsequently establishes a short position in that same security or with respect to another security of that issuer. The subsequent short sale could result in a decrease in the price of the security which the first Account holds. Conversely, an Account could establish a short position in a security while another subsequently buys that same security. The subsequent purchase could result in an increase of the price of the underlying position in the short sale exposure to the first Account’s detriment.

On the other hand, conflicts could also arise because portfolio decisions made for one Account could result in a benefit to other Accounts. For example, the sale of a long position or establishment of a short position for an

Account could decrease the price of the same security sold short by (and therefore benefit) another Account, and the purchase of a security or covering of a short position in a security for one Account could increase the price of the same security held by (and therefore benefit) other Accounts. These effects can be particularly pronounced in less liquid strategies.

Conflicts can also arise in cases where Accounts invest in different parts of an issuer's capital structure, including circumstances in which one or more Accounts own private securities or obligations of an issuer and other Accounts own public securities of the same issuer. For example, an Account could acquire a loan, loan participation or a loan assignment of a particular borrower or fixed income, convertible or preferred securities of an issuer in which one or more other Accounts have an equity (or other more junior) investment. In negotiating the terms and conditions of any such investments, or any subsequent amendments or waivers, Mackenzie could find that its own interests, the interests of certain Accounts and/or the interests of other Accounts conflict. If an issuer in which different Accounts hold different classes of securities (or other assets, instruments or obligations issued by such issuer) encounters financial problems, decisions over the terms of any workout will raise conflicts of interests (including, for example, conflicts over proposed waivers and amendments to debt covenants). For example, a debt holder might be better served by a liquidation of the issuer in which it would be paid in full, whereas an equity holder might prefer a reorganization that holds the potential to create value for the equity holders.

Mackenzie can pursue or enforce rights of certain Accounts with respect to an issuer in which other Accounts have invested, and those activities could have an adverse effect on those other Accounts. For example, one Account could hold the debt securities of an issuer which has become financially impaired, while another holds the equity securities of the same issuer. As a result, prices, availability, liquidity, and terms of the second Account's investment could be negatively impacted by the activities of the first Account, and vice versa, and transactions for such Accounts could be effected at less favorable prices or terms or otherwise impaired. To avoid such conflicts, Mackenzie could refrain from participating or could determine exercise the rights for all such Accounts having a right to participate, to the fullest extent of each Account's interest and right to do so, even though doing so could disadvantage other Accounts.

Side-by-Side Management and Differential Interests

As discussed above, the nature and amount of compensation paid to Mackenzie by certain Accounts managed to investment strategies investing in similar, competing or conflicting investments, could differ from the compensation paid by other Accounts. Additionally, Mackenzie and its personnel might have differing investment or pecuniary interests in different Accounts and personnel might have differing compensatory interests with respect to different Accounts.

Mackenzie faces conflicts of interest when:

- (1) the actions taken on behalf of one Account impact other similar or different Accounts (*e.g.*, because such Accounts have the same or similar investment strategies or otherwise compete for investment opportunities, have potentially conflicting investment strategies or investments, or have differing ability to engage in short sales and economically similar transactions) and
- (2) Mackenzie and its personnel have differential interests in such Accounts (*i.e.*, expose Mackenzie or its related persons to differing potential for gain or loss through differential ownership interests or compensation structures), because Mackenzie has an incentive to favor certain Accounts over others that are less lucrative.

Such conflicts can present particular concern when, for example, Mackenzie places, or allocates the results of, securities transactions that Mackenzie believes could more likely result in favorable performance, engages in cross trades or executes potentially conflicting or competing investments.

To mitigate these conflicts, Mackenzie's policies and procedures seek to provide that investment decisions are made in accordance with the fiduciary duties owed to such Accounts and without consideration of Mackenzie's (or such personnel's) pecuniary, investment or other financial interests.

How We Select Broker-Dealers for Client Transactions

For Mackenzie's current U.S. Separately Managed Account, transactions are directed to a specified broker-dealer for execution pursuant to a directed brokerage arrangement (as described below). However, for the Private Fund and for other Accounts, to the extent such discretion has been granted to Mackenzie, investment and brokerage decisions are made by Mackenzie's portfolio managers and traders. In placing brokerage transactions for Accounts with respect to which Mackenzie has been granted trading discretion, Mackenzie seeks to:

- (1) determine each Client's trading requirements,
- (2) select appropriate trading methods, venues and agents to execute the trades under the circumstances,
- (3) evaluate market liquidity of each security and take appropriate steps to mitigate excessive market impact,
- (4) maintain confidentiality of client and proprietary information related to trading decisions, and
- (5) review the results of executions on a periodic basis.

The following summarizes Mackenzie's policies with respect to its exercise of investment and brokerage discretion on behalf of the Private Fund and, to the extent applicable, other Accounts.

Selection Criteria for Trade Execution

Mackenzie places all orders for the purchase or sale of securities with the primary objective of maximizing the overall value to the Account at the time and under the circumstances. In doing so, Mackenzie seeks to obtain best execution from responsible broker-dealers at competitive commission rates (or equivalents). Mackenzie insists on a high standard of quality regarding execution services and deals only with broker-dealers that Mackenzie believes meet this standard. Commissions paid by Mackenzie are reviewed on a regular basis. As discussed below, Mackenzie also places value on broker-dealers who are able to provide useful research and brokerage assistance and can consider whether Mackenzie maintains a soft dollar arrangement with the broker-dealer.

Mackenzie's objective in effecting portfolio transactions is to seek to obtain the best combination of price and execution. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in execution decisions, but a number of other, judgmental factors can be considered as they are deemed relevant. In applying these factors, Mackenzie recognizes that different broker-dealers can have differing execution capabilities with respect to different types of securities and transactions. The factors that can be considered include, but are not limited to:

- Mackenzie's knowledge of negotiated commission rates and spreads currently available and the competitiveness and reasonableness of rates offered;
- the nature of the security being traded;
- the size and type of transaction;
- the nature and character of the markets for the security to be purchased or sold;
- the desired timing of the trade and the broker-dealer's ability to meet Mackenzie's required or requested speed of execution;
- the activity existing and expected in the market for the particular security;
- the broker-dealer's access to primary markets and quotation sources;
- the broker-dealer's ability to execute orders with minimal market impact;
- the ability of the broker-dealer to locate sources of liquidity and to effect transactions when a large block of securities is involved or where liquidity is limited;
- confidentiality;
- the execution, clearance and settlement capabilities and history as well as the reputation and perceived soundness of considered broker-dealers;
- Mackenzie's knowledge of actual or apparent operational problems of any broker-dealer;
- the broker-dealer's execution services rendered on a continuing basis and in other transactions;

- the broker-dealer's reliability in executing trades, keeping records and accounting for and correcting trade errors and failed trades or settlements to Mackenzie's satisfaction;
- the broker-dealer's ability to accommodate Mackenzie's needs with respect to one or more trades – including its ability and willingness to maintain quality execution in unusual or volatile market conditions;
- the broker-dealer's block trading and arbitrage capabilities; and
- the broker-dealer's access to other markets.

When buying or selling securities in dealer markets, Mackenzie can, subject to its duty to seek best execution, deal directly with market makers either on a commission basis or on a “net” basis, without paying the market maker any commission, commission equivalent or mark-up/mark-down, other than the spread. Net trades mean that the market maker profits from the spread (*i.e.*, the difference between the price paid or received by Mackenzie and the price received or paid by the market maker in trades with other broker-dealers or customers). Many securities are now traded on a commission basis as more and more market makers shift from principal to agency trading.

Mackenzie can execute over-the-counter trades on an agency basis rather than directly through a market maker. In these situations, the broker used by Mackenzie then acquires or disposes of a security through a market maker. The transaction could thus be subject to a mark-up or mark-down in addition to any commission or commission-equivalent paid to the broker. Mackenzie uses a broker in these instances only when consistent with its duty to seek best execution for Client transactions. The use of a broker in this manner could benefit Clients by providing anonymity in connection with a transaction or because the broker can, in certain cases, have greater expertise or capability in connection with both accessing the market and executing a transaction.

In appropriate circumstances, Mackenzie can also use an electronic communication network (“ECN”) or alternative trading system (“ATS”) to effect over-the-counter trades when, in Mackenzie's judgment, the use of an ECN or ATS could result in equally or more favorable overall execution quality for the transaction. Mackenzie can trade in this manner when it believes that any commissions paid to the ECN or ATS, when added to the price and considering all relevant circumstances, still results in equal or better qualitative execution than might have otherwise been obtained trading “net” with a market maker.

In certain circumstances one or more Account could seek to dispose of securities which would be appropriate or desirable for one or more other Accounts. In these circumstances, Mackenzie can utilize “cross-trading,” consistent with applicable law. When cross-trading, Mackenzie can, in some cases, be required to execute through a brokerage firm and/or exchange or registered dealer, consistent with applicable law. When executing a cross-trade, Mackenzie will value the traded securities at a market price that is fair to each participating Account. This generally involves obtaining market information from at least one market source prior to execution. Cross-trades involving certain Accounts, including Accounts subject to the Employee Retirement Income Security Act of 1974, are often subject to additional restrictions.

In some cases, Mackenzie can engage in a transaction not involving a public market or for which only a single avenue for execution is available (*e.g.*, where securities purchased or redeemed only through the issuer or the issuer's specified agent). Similarly, certain of the markets in which Mackenzie trades on behalf of Accounts are “emerging markets” where there is limited or no choice of brokers, where commission rates (or commission equivalents) can be fixed or heavily regulated or where there might not be the same level of transparency as to execution costs and quality as is the case in more developed markets such as the U.S., Canada or European Union countries. In those cases, Mackenzie can be limited in its ability to negotiate costs or terms but will seek, as practicable and consistent with relevant market regulations and conventions, to obtain the most favorable terms reasonably available under the circumstances and to minimize costs, consistent with achieving the desired investment objective and seeking an acceptable quality of execution. Where there is a lack of choice or transparency as to execution related costs and expenses, Mackenzie can focus primarily on securities prices and certainty of execution in determining how to execute a trade and in examining its efforts to seek best execution in the relevant market.

Certain exchanges and markets in or through which Mackenzie invests are highly regulated. Accounts investing through such markets can be adversely affected by regulations relating to the acquisition and sale of shares, which could limit Mackenzie's effective level of discretion or influence the manner, price or cost of transactions. Legal or regulatory restrictions or reporting requirements related to certain types of investments or investment thresholds

can limit Mackenzie's freedom of action or could have an adverse effect on the price or liquidity of a holding. For example, when regulations limit or require reporting of transactions or holdings when certain thresholds (which could apply in the aggregate across all Accounts managed by Mackenzie or its affiliates) are met, the ability of any Account to purchase or sell an investment, exercise rights (including voting rights) or engage in other related transactions could be restricted or impaired or might require that Mackenzie disclose such Accounts' interests in the relevant investment or issuer, which could adversely affect price or liquidity. In such cases, Mackenzie can, in its discretion, limit additional purchases, dispose of existing holdings or refrain from exercising certain rights, as it deems appropriate.

Commission Rates or Equivalents Policy

Mackenzie endeavors to remain aware of current charges of eligible broker-dealers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of its Clients. As noted above, Mackenzie periodically reviews the quality of executions received from its brokers and considers the services of other brokers (or other execution venues) that are available to execute Client transactions, when evaluating its efforts to seek best execution. Any broker (or execution venue) that has provided (or which Mackenzie reasonably expects can provide) acceptable performance and whose financial condition and commission rates are acceptable to Mackenzie can be selected to execute Account transactions. Where Mackenzie believes that, over time, a particular broker-dealer has consistently and materially engaged in activity that is not in the best interest of Mackenzie's Clients, Mackenzie's chief investment officer can determine to restrict or prohibit future execution of transactions through that broker-dealer.

Mackenzie can set ranges for commission rates and negotiate with broker-dealers, when appropriate. However, Mackenzie will not select broker-dealers solely on the basis of "posted" commission schedules nor always seek in advance competitive bidding for the most favorable rate applicable to a particular transaction. Although Mackenzie generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Mackenzie believes that paying fair and reasonable commissions to broker-dealers in return for quality services benefits Clients. Moreover, transactions that involve specialized services on the part of the broker-dealer will usually result in higher commissions or other compensation to the broker-dealer than would be the case absent such services for more routine transactions.

Mackenzie utilizes several different broker dealers and favors those whose execution abilities or other legitimate and appropriate services are particularly helpful to Mackenzie in seeking favorable investment results for Clients. As part of this determination, Mackenzie recognizes that some brokerage firms are better at executing some types of orders than others. Thus, it could be in the best interest of Clients to utilize a broker whose commission rates are not the lowest but whose abilities are expected to result in lower overall transaction costs or more favorable results. The overriding consideration in routing orders for execution is to seek to maximize Client profits (or minimize losses) through a combination of controlling transaction and securities costs and seeking the most effective uses of brokers' capabilities.

Thus, in Mackenzie's view, the reasonableness of commissions is based on market conditions and Mackenzie's opinion of the broker's ability to provide professional services, competitive commission rates and other permissible services which will help Mackenzie in providing investment advisory services to its Clients. Recognizing the value of these factors, Mackenzie can pay to a broker who provides such services a commission in excess of that which another broker, which offers no additional services and minimal transaction assistance (*i.e.*, "execution-only" service), might have charged for effecting the same transaction. Mackenzie regularly evaluates the placement of brokerage and the reasonableness of commissions paid. In the same vein, Mackenzie makes a good faith determination that the amount of commission paid is reasonable in relation to the value of the services rendered, and relative to market norms when viewed in terms of either a specific transaction or Mackenzie's overall responsibilities to its Clients. However, the extent to which commission rates or net prices charged by brokers reflects the value of these services often cannot be readily determined.

Mackenzie Considers “Soft Dollar” Benefits in Allocating Brokerage

In allocating brokerage, and consistent with Mackenzie’s policies and procedures, Mackenzie takes into account the value of eligible brokerage and research products and services (each a “**soft dollar item**”) provided by broker-dealers, as long as such consideration does not jeopardize the objective of seeking best execution.

Broker-dealers typically provide a bundle of services, including research and execution of transactions. When appropriate under its discretionary authority and consistent with its duty to seek best execution, Mackenzie can direct brokerage transactions for Client Accounts to broker-dealers who provide Mackenzie with useful soft dollar items. The brokerage commissions used to acquire soft dollar items in these arrangements are commonly referred to as “soft dollars”.

Soft dollar items are characterized as either proprietary (created and provided by the broker-dealer, including tangible research products as well as access to analysts and traders) or created by a third-party (created by a third party but provided by the broker-dealer) and include:

- advice relating to the value of a security or the advisability of effecting a transaction in a security;
- an analysis, or report, concerning a security, portfolio strategy, issuer, industry or an economic or political factor or trend; or
- a database, or software, to the extent that it supports research goods or services.

Consistent with applicable law, Mackenzie or an affiliate can use soft dollars to acquire proprietary or third-party research, and execution products or services; however, Mackenzie or such affiliate will not enter into any agreement or understanding with a broker-dealer that would obligate it to direct a specific amount of brokerage business to that broker-dealer in return for a soft dollar item. Nonetheless, certain broker-dealers could state in advance the amount of brokerage commissions they require for certain soft dollar items and the applicable cash equivalent. Mackenzie or an affiliate can use soft dollars to acquire soft dollar items that are also available for cash, where appropriate and permissible by law.

When Mackenzie or an affiliate uses client brokerage commissions (or, where consistent with applicable law and regulatory interpretations, markups or markdowns) to obtain soft dollar benefits, Mackenzie or such affiliate receives a benefit because, except as noted otherwise, Mackenzie or an affiliate generally does not have to produce or pay for the benefits. This creates an incentive for Mackenzie to select or recommend a broker-dealer based on the interest in receiving the soft dollar benefits, rather than on the Client’s interest in receiving the most favorable execution.

Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended, provides a “safe harbor” which allows an investment adviser to pay for eligible soft dollar items with commission dollars generated by client securities transactions. When an adviser pays more than the lowest available commission in recognition of the receipt of soft dollar items, the adviser is said to be “paying up.” Under SEC interpretations, soft dollars are permitted to be used for, among other things, eligible soft dollar items that assist Mackenzie or an affiliate in meeting its Clients’ investment objectives and Mackenzie’ or such affiliate’s relevant responsibilities to its Client Accounts. The receipt of soft dollar items in exchange for soft dollars benefits an adviser by, among other things, allowing the adviser, at no cost to it, to supplement its own research, analysis and execution facilities. It also allows the adviser to receive the views and information of individuals and research staffs at other securities firms and those of issuer personnel and to gain access to persons having special expertise on certain companies, industries, economic areas and market factors, relieving Mackenzie or its affiliate of expenses that it might otherwise bear in obtaining the same or comparable products or services on its own.

Procedures we use to Direct Client Transactions to a Broker-Dealer in Return for Soft Dollars

Consistent with U.S. regulatory requirements and interpretations, Mackenzie uses soft dollars generated with respect to trades for the Private Fund consistently with the safe harbor. As such, in determining whether to pay up for a relevant execution, Mackenzie evaluates whether the soft dollar item(s) provided by the broker-dealer:

- (i) consist of advice, analyses or reports containing substantive content with respect to appropriate subject matters, as set forth in section 28(e) and related SEC interpretations thereof, or
- (ii) are sufficiently related to the effectuation, clearance or settlement of a transaction and are provided and/or used during the time period commencing when Mackenzie communicates with the relevant broker-dealer for the purpose of transmitting an order for execution and concluding when the funds or securities are delivered or credited to the Account or the accountholder's agent;
- provide lawful and appropriate assistance to Mackenzie in carrying out its relevant responsibilities to Client Accounts; and
- are acquired for an amount of soft dollars that is reasonable in relation to the value of the soft dollar item(s) provided.

These determinations are based primarily on the professional opinions of the persons responsible for the placement and review of such transactions. These opinions are formed on the basis of, among other things, the experience of these individuals in the securities industry and information available to them concerning the level of commissions paid by other investors of comparable size and type. Mackenzie can select broker-dealers based on its assessment of their ability to provide quality execution and its belief that the research, information and other soft dollar items provided by such broker-dealers will benefit Clients. It is often not possible to place, with precision, a dollar value on the quality executions or on the soft dollar items Mackenzie receives from broker-dealers effecting transactions in portfolio securities.

Mackenzie can also use soft dollars to pay for a portion of certain "mixed use" items (*i.e.*, items which provide both eligible and non-eligible benefits or encompass multiple functionalities some of which are not eligible for the safe harbor). Although the allocation between soft dollars and cash is not always capable of precise calculation, Mackenzie makes a good faith effort to allocate payment for such items appropriately by paying cash for that portion of the cost of the soft dollar item which is attributable to a use or functionality which is not, itself, eligible under the safe harbor. Records of such allocations and payments are maintained.

With respect to Mackenzie's non-U.S. Clients, Mackenzie can, under certain circumstances, use "soft dollars" in conformity with standards established under relevant local law, which could differ from the U.S. standards described above.

Clients Could Pay Commissions (or Markups or Markdowns) Higher than Those Charged by Other Broker-Dealers in Return For Soft Dollar Benefits

Accordingly, as discussed above, broker-dealers selected by Mackenzie could be paid commissions for effecting portfolio transactions for Accounts in excess of amounts other broker-dealers might have charged for effecting similar transactions when Mackenzie determines, in good faith, that such amounts are reasonable in relation to the value of the soft dollar items, or superior qualitative executions, provided by those broker-dealers, viewed either in terms of a particular transaction or Mackenzie's overall duty to its discretionary Clients.

How Soft Dollar Benefits Are Distributed Among Client Accounts

Soft dollar items, including research, are not always utilized by Mackenzie, in whole or in part, for the specific Account that generated the soft dollars and Mackenzie does not usually attempt to allocate the relative costs or benefits of research or other soft dollar items among Accounts because it believes that, in the aggregate, the soft dollar items it receives benefit Clients by assisting Mackenzie in fulfilling its overall duty to its Clients. In the same vein, it should be noted that the value of many soft dollar items including, particularly, research cannot be measured precisely and commissions paid for such items certainly cannot always be allocated to Clients in direct proportion to the value of the item to each Client. Moreover, because Mackenzie routinely bunches Client transactions, brokerage commissions attributable to one or more Client Accounts will sometimes be allocated to brokers who provide soft dollar items (such as statistical data or research) used by Mackenzie in managing the Accounts of other Clients, and vice versa. For this reason, it is inevitable (at least in the short term) that commissions paid in one Account will, in effect, subsidize soft dollar items that benefited another Account. Additionally, consistent with the section 28(e) safe harbor, Mackenzie can use soft dollars generated in respect of trades for one type of Account (*e.g.*, equity) to acquire soft dollar items which benefit other types of Accounts (*e.g.*,

fixed income). Soft dollars involving certain Accounts, including Accounts subject to the Employee Retirement Income Security Act of 1974, are subject to additional restrictions.

In certain circumstances, Mackenzie receives directives from certain Clients to direct, or make a “best effort” attempt to transact, all or a portion of that Client’s brokerage through a Client-designated broker-dealer in consideration for services received solely by that Client from the broker. In such instances, only the Client’s own “soft dollars” are used. Unless contrary instructions are provided, in writing, by the Client, primary consideration is still given to seeking best execution of such client-designated transactions.

Mackenzie does not enter into arrangements with, or make commitments to, any broker-dealer that would bind Mackenzie to compensate that broker-dealer, directly or indirectly, for Client referrals through the placement of brokerage transactions with that broker-dealer. Of course, Clients can, as discussed below, limit Mackenzie’s discretion by directing Mackenzie to execute trades through a particular broker-dealer, including one which could have referred that Client to Mackenzie.

Additionally, Mackenzie can exercise its discretion to execute transactions with broker-dealers that also refer Clients, when the use of such broker-dealer is consistent with Mackenzie’s duty to seek best execution and following procedures reasonably designed to ensure that such referrals are *not* a factor in the decision to execute a trade, or a particular amount of trades, through such broker-dealer.

Directed Brokerage

As noted above, for Mackenzie’s current U.S. Separately Managed Account, transactions are directed to a specified broker-dealer for execution. By directing Mackenzie to use a particular broker-dealer to execute transactions, a Client limits Mackenzie’s ability to, among other things, obtain volume discounts on bunched orders or to obtain best execution by, for example, executing over-the-counter transactions through a market maker. Directing brokerage could cost Clients more money and reduce performance. Transactions for these Clients are generally unable to be combined or “bunched” for execution purposes with orders for the same securities for other Accounts managed by Mackenzie (as described below). In these instances, a Client that has directed Mackenzie to use a particular broker-dealer to execute its trades will generally have its trades placed after Mackenzie’s bunched trading activity for a particular security. Accordingly, directed transactions are often subject to price movements, particularly in volatile markets, that can result in the Client receiving a price that is less favorable than the price obtained by the bunched order. By choosing to direct brokerage to a particular broker or dealer, Clients also could be subject to higher commissions, greater spreads or less favorable net prices or lower quality execution than might be the case if Mackenzie could negotiate commission rates or spreads freely, or select brokers or dealers based on quality of execution. Consequently, best price and execution might not be achieved for these Clients.

Trade Allocation

Mackenzie’s Trade Allocation Policy (the “**Policy**”) is reasonably designed to assure that portfolio managers will seek to allocate suitable transactions among eligible accounts in a manner believed to be fair and equitable over time. While Mackenzie generally seeks to acquire or dispose of the same securities for multiple Accounts contemporaneously and can aggregate into a single trade order several contemporaneous Client orders for a single security through Mackenzie’s trading desk and in accordance with the Policy, because the U.S. Separately Managed Account has chosen to direct brokerage, it cannot participate in such transactions.

Review of Accounts

Mackenzie's Compliance department performs daily pre-trade and post-trade reviews of Accounts, aided primarily by the use of automated Rules built into the order management system. These Rules screen trades and holdings against each Account's applicable investment objective, strategies, and restrictions, as well as applicable regulatory requirements. Also, all Accounts are reviewed on a quarterly basis by the applicable Chief Investment Officer ("CIO") of Mackenzie and other members of the management team.

Additionally, the portfolio manager for each Account is responsible for ensuring that the Account conforms to the relevant investment objectives, strategies, and restrictions and for reviewing all trading activity. These reviews include consideration and analysis of: current market activity and conditions; individual issuers; portfolio composition and performance of each Account, as well as comparisons across similar Accounts.

Client Reports

Institutional Clients receive such reports as are agreed upon between the Client and Mackenzie. The nature and frequency of these reports are typically set forth in the relevant investment advisory contract and can vary from Account to Account. Mackenzie makes representatives available to discuss investments in a Client's Account with that Client on a periodic basis.

Investors in the Private Fund will receive reports as described in the applicable offering materials. Such reports typically include quarterly investment commentary and analysis. Where required by law, Investors in the Private Fund are also provided with Form K-1 for tax purposes. To comply with the U.S. Custody Rule (as defined below), Investors in the Private Fund will receive audited financial statements, within 120 days following the Private Fund's fiscal year end. In some cases, Mackenzie can provide certain information about the Private Fund to some Investors but not others or provide information to some Investors at a different time than such information is provided to others.

Mackenzie can rely on information provided by affiliates or third parties in preparing reports and a third party can assist in preparing or distributing reports. To the extent reports include or rely on information from a source other than Mackenzie (e.g., benchmark information), Mackenzie attempts to obtain such information from reliable sources, however the accuracy of such information cannot be guaranteed. Reports can also include or rely upon fair valuation determinations made by Mackenzie or a third party. While such valuations are made in good faith, as described above, their actual or empirical accuracy cannot be guaranteed.

Many Clients also receive custodial statements from their Account's custodian and transaction reports from executing brokers. If the Client receives an account statement from the Custodian, the Client should carefully review such account statement and contact Mackenzie in the event of any discrepancies.

In addition to written reports, Mackenzie often has formal or informal verbal discussions with Clients regarding their Account.

Item 14 Client Referrals and Other Compensation

Referral Arrangements

Mackenzie currently employs MIC, a Mackenzie affiliate, to provide marketing and client intake services and compensates MIC and, where applicable, certain personnel of MIC could be compensated for successful referrals. In addition, Mackenzie has currently engaged a third-party, unaffiliated placement agent to place interests in the Private Fund. Any placement agent fees payable to the placement agent are paid by Mackenzie out of its own resources.

Disclosures from a solicitor should be reviewed carefully; they generally contain important information with respect to, among other things, the material terms of the solicitor's compensation from Mackenzie, the nature of any relationship or affiliation between Mackenzie and the solicitor and whether the Client or Investor bears any costs with respect to the solicitation or whether the fees paid by such a Client or Investor would differ from fees paid by similarly situated persons who are not so introduced, as a result of the solicitation. Currently, fees charged to those who were introduced by a solicitor are not, as a consequence of the solicitation, higher than those charged to similar persons who were not introduced by a solicitor. However, as discussed above, fees are negotiable, so some Clients not introduced by a solicitor could, as a result of negotiation, pay fees that are lower than similar Clients who were introduced by a solicitor.

As discussed above, Mackenzie provides certain marketing and administrative support for MIEL. MIEL compensates Mackenzie for its services and certain personnel of Mackenzie could be compensated for successful referrals.

Item 15 Custody

Custody of Accounts

Mackenzie would be deemed to have “custody” of Accounts within the meaning of the U.S. Custody Rule if Mackenzie or an affiliate has access to or authority over Client funds and securities for purposes other than issuing trading instructions, although the rule does not apply to Mackenzie’s non-U.S. clients. If Mackenzie is deemed to have custody over a Client’s Account, the custodian will send periodic account statements (generally on a quarterly basis) indicating the amounts of any securities or cash in the Account as of the end of the statement period and any transactions in the Account during the statement period. Clients should review these statements carefully and contact us immediately if you do not receive account statements from your custodian on at least a quarterly basis. As noted in Item 13, above, Mackenzie separately provides reports or account statements. Clients should compare these carefully to the custodian’s account statements. Clients should contact Mackenzie immediately if there appears to be any discrepancy between the custodian’s statements and Mackenzie’s.

Item 16 Investment Discretion

Generally, Mackenzie is retained with respect to its Accounts on a discretionary basis and is authorized to make the following determinations in accordance with the Account's specified investment objectives and restrictions without Client consultation or consent before a transaction is effected:

- which securities to buy or sell;
- the total amount of securities to buy or sell;
- the broker or dealer through which securities are bought or sold;
- the commission rates (or equivalents) at which transactions are effected;
- the prices at which securities are to be bought or sold, including spreads, mark-ups and other transaction costs.

Mackenzie can, however, accept Accounts with limited discretion, where investments are client-directed pursuant to the management agreement or where Mackenzie agrees to execute certain or all Account transactions through specified broker-dealers selected by the Client, as is the case with the current U.S. Separately Managed Account. For that Account, Mackenzie has the discretion to determine the investments that should be held in the Account but these take the form of a model portfolio that Mackenzie provides to the Account's directed broker for execution, as discussed in Item 12 above.

Mackenzie's Voting Policies and Procedures

Except to the extent that a Client, by contract or otherwise, explicitly reserves the power to vote proxies to itself or another party (or prohibits Mackenzie from voting), Mackenzie will vote proxies with respect to each Account for which it has discretionary authority, including the Private Fund. However, Mackenzie does not vote proxies with respect to its current U.S. Separately Managed Account – voting for those proxies will be organized by the Client's investment account platform provider, who will be responsible for providing proxies or other solicitations to the Client and who should be contacted with questions about a particular solicitation instead of Mackenzie.

Mackenzie has written proxy voting policies and procedures as required by relevant local law, including Advisers Act Rule 206(4)-6. Under these policies and procedures, Mackenzie votes proxies relating to portfolio securities in accordance with the Mackenzie proxy voting policies and procedures and in the best interests of its Clients, unless the Client has requested, in writing, that alternate procedures (including, but not limited to, a Client's own proxy voting policies and procedures) be applied. Mackenzie considers the "best interests of its Clients" to be the best economic interests over the long term – that is, the common interest that all Clients, as owners of interests in an issuer, share in seeing the value of their investment increase over time.

Mackenzie has engaged Glass, Lewis & Co. ("Glass Lewis"), a third-party proxy advisory firm, to provide proxy voting recommendations. An agreement of general voting guidelines and policies has been established between Mackenzie and Glass Lewis. Such guidelines and policies provide that environmental, social and governance factors be taken into account by Glass Lewis where appropriate. Mackenzie also periodically reviews Glass Lewis' voting guidelines and processes. Mackenzie has also engaged Glass Lewis' Viewpoint solution to pre-populate each client's votes on its electronic voting platform with Glass Lewis' recommendations and then automatically submits Mackenzie's clients' proxy votes. Pre-population and automated voting generally occur prior to the submission deadline for proxies to be voted at the shareholder meetings and Mackenzie relies on Glass Lewis to ensure proxy voting materials that are received close to the submission deadline are incorporated into its voting recommendations and Mackenzie's clients' votes. Mackenzie will generally vote in accordance with Glass Lewis' recommendations. Should a situation arise where Mackenzie believes voting in a manner other than agreed upon in the guidelines, or abstaining from a vote, is in the best interest of its clients, Mackenzie will exercise its discretion to vote or abstain accordingly.

Conflicts of Interest

Circumstances could occur where there is a conflict of interest between an Account and Mackenzie with respect to voting the Client's securities. Where a Mackenzie portfolio manager has a conflict or potential conflict, he or she will notify Mackenzie's CIO, and either the Senior Vice-President, Legal ("**SVP, Legal**") or the Chief Compliance Officer ("**CCO**"). Should the CIO and either the SVP, Legal or the CCO conclude that a conflict exists, the CCO will document the conflict and inform Mackenzie's Fund Services Department.

The Fund Services Department will maintain a Proxy Voting Watch List ("**Watch List**") that includes the names of issuers that could be in conflict and will notify the CIO, and either the SVP, Legal or CCO of any meeting circulars and proxies received from an issuer on the Watch List. The CIO and either the SVP, Legal or CCO will discuss the voting matter(s) with the internal manager and ensure that the proxy voting decision is based on Mackenzie's proxy voting policies and is in the best interests of the Account.

All voting decisions made in these circumstances are documented and filed by the Fund Services Department.

How to Learn More About Mackenzie's Voting of Proxies

Clients can obtain a copy of Mackenzie's proxy voting policies and procedures and/or information on how their securities were voted by contacting Mackenzie, in writing at 180 Queen St. West, Suite 1600, Toronto, Ontario M5V 3K1. Mackenzie will not disclose proxy votes for a Client to other Clients or third-parties, unless specifically requested, in writing, by the Client or required by law.

Item 18 Financial Information

Not applicable.