

MACKENZIE INVESTMENTS ASIA LIMITED

BROCHURE

March 30, 2020

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This brochure ("Brochure") provides information about the qualifications and business practices of Mackenzie Investments Asia Limited ("Mackenzie Asia"). If you have any questions about the contents of this Brochure, please contact us by telephone 011-852-2918-9200 or by email at cdeveau@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 Asia is also available on the SEC's website at www.adviserinfo.sec.gov.

Mackenzie Asia is a registered investment adviser with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"). Recipients of this Brochure should be aware that registration as an investment adviser 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 29, 2019.

About this Brochure and Mackenzie Asia's 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 securities
- a complete discussion of the features, risks or conflicts associated with any service offered by Mackenzie Asia.

As required by the Advisers Act, Mackenzie Asia provides this Brochure to current and prospective U.S. Clients prior to the commencement of Mackenzie Asia's advisory services and will offer this Brochure to such U.S. Clients on an annual basis thereafter. The Brochure may also, if applicable, be provided to prospective investors in a private fund, in conjunction with the private fund's disclosure and investment documents and other relevant offering materials, such as the private fund's Private Placement Memorandum or other offering document, prior to or in connection with such persons' consideration or execution of an investment in a private fund, and may subsequently be provided, in Mackenzie Asia'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 of Mackenzie Asia, persons who receive this Brochure should be aware that it is designed solely to provide information relevant to U.S. persons about Mackenzie Asia as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in disclosure and investment documents and other relevant offering materials. More complete information about each product or service offered by Mackenzie Asia or its affiliates is included in disclosure and investment documents and other relevant offering materials, certain of which may be provided to current and eligible prospective Clients only by Mackenzie Asia or another authorized party such as a placement agent. 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.

Moreover, Mackenzie Asia's activities with respect to non-U.S. Clients may differ from those described generally herein and Mackenzie Asia may provide additional or different services to non-U.S. Clients. Mackenzie Asia does not generally hold itself out to non-U.S. Clients as an SEC-registered adviser nor does it generally provide this Brochure to non-U.S. Clients. Since Mackenzie Asia does not maintain a place of business within the U.S., it may rely 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.

The Canadian Mutual Funds are not available to residents of the United States. Investors and other recipients should be aware that while this Brochure may include information about Mackenzie Asia's activities with respect to such services provided outside of the U.S., as necessary or appropriate, it should not be considered to represent a complete discussion of the features, risks or conflicts associated with any investment product advised by Mackenzie Asia. Rather, all discussion of the Canadian Mutual Funds and such accounts contained herein is intended solely to provide recipients a complete understanding of Mackenzie Asia's business, including potential 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.

“1940 Act Fund” means a U.S. investment fund.

“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, 1940 Act Funds, Private Funds and Separately Managed Accounts.

“Code” means the 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.

“Mackenzie Asia” or “we” or “our” or “us” means Mackenzie Investments Asia Limited. We also refer to our business as “we” and “us”.

“Mackenzie Europe” means Mackenzie Investments Europe Limited.

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

“Registration Statement”, for Canadian Mutual Funds, means a prospectus and annual information form, as applicable, and for 1940 Act Funds, means a prospectus and a statement of additional information.

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

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

Item 3 Table of Contents

Item 1 Cover Page.....	1
Item 2 Material Changes	2
Item 3 Table of Contents.....	5
Item 4 Advisory Business	6
Item 5 Fees and Compensation	8
Item 6 Performance-Based Fees and Side-By-Side Management	10
Item 7 Types of Clients	11
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	13
Item 9 Disciplinary Information	19
Item 10 Other Financial Industry Activities and Affiliations	20
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading 21	
Item 12 Brokerage Practices	24
Item 13 Review of Accounts.....	32
Item 14 Client Referrals and Other Compensation.....	33
Item 15 Custody	34
Item 16 Investment Discretion.....	35
Item 17 Voting Client Securities.....	36
Item 18 Financial Information	38

General and Ownership

Mackenzie Asia was incorporated in 2000 and provides investment advisory and related services. Mackenzie Asia is wholly-owned by Mackenzie Europe, an indirect subsidiary of IGM Financial Inc. (TSX: IGM). IGM Financial Inc. is one of Canada's premier financial services companies. As of February 13, 2020, Power Financial Corporation, a wholly-owned subsidiary of Power Corporation of Canada, beneficially owned, directly and indirectly, 65.939% of IGM Financial Inc. (excluding 0.013% 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 or indirectly of Power Corporation of Canada.

Types of Advisory Services We Offer

We provide discretionary investment advisory services, as sub-adviser to affiliated investment advisers to Canadian mutual funds ("**Canadian Mutual Funds**"), each of which is distributed under a prospectus in each of the provinces and territories of Canada. We also provide discretionary investment advisory services to a Canadian pension fund.

We provide discretionary investment advisory services either directly or as a sub-adviser to Mackenzie Europe or another affiliated investment adviser registered with the SEC, to the following types of Clients in the U.S.:

- Separately Managed Accounts (*i.e.*, private client accounts including pensions) ("**Separately Managed Accounts**");
- U.S. registered investment funds ("**1940 Act Funds**");
- Privately placed pooled investment vehicles ("**Private Funds**"), including Mackenzie Institutional Series, LP, a limited partnership organized in Delaware ("**MIS LP**").

Tailoring Advisory Services to the Individual Need of Clients

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

(1) **Canadian Mutual Funds, Private Funds and 1940 Act Funds** 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.

(2) **Separately Managed Accounts** are managed in accordance with the relevant Client's investment objectives, strategies, restrictions and guidelines, as communicated to Mackenzie Asia by the Client. Clients can impose restrictions on investing in certain securities or types of securities;

Information about funds can be found in their relevant registration, governing and/or offering documents. For the 1940 Act Funds, a Registration Statement can be found on the SEC's EDGAR website. Information about Canadian Mutual Funds can be found in their relevant Canadian prospectus and annual information form, as applicable, on the SEDAR website. For a Private Fund, relevant information is available in the Private Placement Memorandum as well as the Private Fund's 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, 2019, we managed USD \$ 2,531,847,668 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 Asia is paid advisory fees, expressed as a percentage of the Account's assets under management.

Our Fee Schedule

For Canadian Mutual Funds and 1940 Act Funds, fees paid by investors are described in the applicable Registration Statement or other applicable disclosure and/or governing documents.

Our fees could change over time and, different fee schedules apply to different types of Clients or advisory arrangements. However, we reserve the right, in our sole discretion, to negotiate alternative fee arrangements, which are not necessarily based on the general fee schedules, when circumstances warrant. We expect fees for Separately Managed Account and Private Fund clients to be negotiable.

In appropriate circumstances, we can waive or reduce all or a portion of the fees we charge to a particular Client in our sole and absolute discretion.

Fees for Certain Accounts are Negotiable

We may negotiate fees for services with certain Clients on an individual basis, taking 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.

How We Collect Fees

Generally, we invoice Clients for fees incurred as follows:

- advisory fees for 1940 Act funds are accrued and paid monthly. Generally, the 1940 Act funds (or their adviser) pay an advisory fee to Mackenzie Europe, and Mackenzie Europe in turn pays a portion of the advisory fee it receives to Mackenzie Asia.
- advisory fees for the Canadian Mutual Funds are accrued and paid monthly. The Canadian Mutual Funds pay an advisory or management fee to an affiliate of ours, and that affiliate in turn pays a portion of the advisory or management fee it receives to Mackenzie Asia.
- advisory fees for Separately Managed Accounts will be negotiated and invoiced in accordance with such Account's investment management agreement.
- advisory fees for MIS LP will be negotiated and invoiced in accordance with such Account's subscription agreement or a separate fee agreement. For MIS LP, an advisory fee will be paid to Mackenzie Europe by an investor, and Mackenzie Europe in turn pays a portion of the advisory fee it receives to Mackenzie Asia.

Invoices for advisory fees are payable upon receipt. We do not anticipate debiting a Client's fees from the assets held in their Account. 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 (please see Item 12: Brokerage Practices for more details),

- 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 may be set forth in the Account's relevant governing documents.

Such fees will reduce the assets held in (and the returns experienced by) an Account.

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

Not Applicable.

Types of Clients

We generally provide investment advice to:

- Canadian Mutual Funds;
- 1940 Act Funds;
- Private Funds; and
- Separately Managed Accounts for pension funds, collective investment trusts and other clients.

Minimum Initial Investments

Separately Managed Accounts typically require a minimum initial market value of \$25,000,000 depending upon the investment mandate.

Canadian Mutual Funds typically have eligibility requirements including minimum investment requirements, which could differ for each series of the funds offered. Details of the requirements are described in the prospectus of the funds.

1940 Act Funds typically have eligibility requirements including minimum investment requirements, which could differ for each series of the funds offered. Details of the requirements are described in the Registration Statement of the funds.

The existing **Private Fund**, MIS LP, has established a minimum investment level, which is described in MIS LP's Private Placement Memorandum and can be changed at the sole and absolute discretion of the general partner. Currently, the minimum investment level for MIS LP is \$1 million USD. Mackenzie U.S. Fund Management Inc., the general partner of MIS LP, in its sole discretion, can require the maintenance of a minimum capital account size in the event of a partial withdrawal from MIS LP and requires an investor to redeem all or part of its interest in MIS LP.

Other Eligibility Requirements

We expect MIS LP, to which we provide advisory services as sub-advisor to Mackenzie Europe, to qualify for exemption from the definition of "investment company" under the 1940 Act under either Section 3(c)(1) ("**3(c)(1) Funds**") or Section 3(c)(7) ("**3(c)(7) Funds**"). Compliance with these exceptions (and other applicable law) requires the Private Fund to restrict the classes of persons who may invest. The Private Fund is offered on a private placement basis to "U.S. Persons," as defined by Regulation S under the Securities Act of 1933 ("**1933 Act**").

For 3(c)(1) Funds:

- Interest in 3(c)(1) Funds generally may be offered only to (i) U.S. Persons who are "**accredited investors**", as defined in Regulation D ("**Reg D**") under the 1933 Act, although, with respect to U.S. Persons, up to 35 persons who are not accredited investors may be allowed to invest, consistent with Rule 506 of Reg D and (ii) non-U.S. Persons.
- Where the fee structure of a 3(c)(1) Fund includes an incentive allocation, each Investor (except those for whom the incentive allocation is waived) must also be a "**qualified client**" as defined in Rule 205-3 under the Advisers Act.

For 3(c)(7) Funds:

- Interest in 3(c)(7) Funds generally may be offered only to (i) U.S. Persons who are both "**accredited investors**", as described above, and "**qualified purchasers**" as defined by 1940 Act Section 2(a)(51) and (ii) non-U.S. Persons.

We also offer investment advisory services to Canadian Mutual Funds that are not generally available to U.S. Persons.

Investors in MIS LP may also be subject to additional qualification requirements imposed by MIS LP or applicable law, as set forth in MIS LP's governing documents.

Consistent with these requirements, MIS LP Investors typically include:

- 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 MIS LP's investment objective; and
- Mackenzie Asia 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 MIS LP's eligibility requirements.

In no event should this Brochure be considered to be an offer of interests in MIS LP or any 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 Strategy and Approach

In general, we employ a comprehensive investment model that features five interconnected components including: idea generation and research, security selection, strategic portfolio construction, regular portfolio monitoring, and a well-defined sell discipline. Securities are evaluated based on top-down macro trends, bottom-up company analysis, and both internal and external research and analysis. We attempt to manage Accounts in adherence to defined benchmarks and targets, and fund portfolio managers operate within a well-defined framework to ensure an Account stays true to its mandate. We conduct ongoing reviews of holdings combined with performance attribution and monitor securities for changes in fundamentals that we believe can trigger sell decisions.

The following is a description of the *significant* investment strategies we use for our U.S. Clients, and the *material* risks involved in the strategies. These strategies are offered across different Accounts and types of investment vehicles. The risks are defined further below. We may offer different strategies for non-U.S. Clients.

The investment strategy	Its principal material risks
<p>International Small Cap Strategy: Mackenzie Asia carries out the International Small Cap Strategy by generally investing in common stocks of small-capitalization companies, which are companies with market capitalizations within the range of companies in the MSCI EAFE Small Cap Index. The strategy seeks to invest primarily in companies in developed markets outside of the United States and Canada, although the strategy may involve investment in United States and Canadian issuers at Mackenzie Asia's discretion. The strategy may invest in emerging markets companies and in issuers that are not considered "small cap" by conventional market standards. In its stock selection, Mackenzie Asia follows a three-stage process that includes idea generation, fundamental analysis and portfolio construction. Mackenzie Asia begins the stock selection process by utilizing initial filters (<i>i.e.</i>, market cap) to narrow the investment universe, followed by a specific set of criteria to filter and rank the universe by sector. Part of this idea generation stage includes considering internal and external research ideas, meeting with company management and developing investment themes (top down view). The fundamental analysis stage consists of identifying stock and sector themes through proprietary and third-party analyst discussion and research, financial statement analysis, valuation modeling and further meetings with company management. Finally, the portfolio construction stage utilizes a well-defined set of portfolio parameters, while seeking to balance the investment thesis of each security in relation to other securities within the portfolio. Generally, in determining whether to sell a security, Mackenzie Asia uses the same type of analysis that it uses in buying securities. Accounts within this strategy may have some degree of variance with regard to how Mackenzie Asia applies the strategy.</p>	<p><i>Company Risk</i> <i>Depositary Receipts Risk</i> <i>Emerging Markets Risk</i> <i>Foreign Currency Risk</i> <i>Foreign Securities Risk</i> <i>Growth Stock Risk</i> <i>Liquidity Risk</i> <i>Management Risk</i> <i>Market Risk</i> <i>Sector Risk</i> <i>Small Company Risk</i> <i>Value Stock Risk</i></p>

Risk Factors

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

While Mackenzie Asia 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 Asia does not limit its advice to particular types of investments, mandates can be limited to certain types of securities (e.g., equities) and not all strategies will be diversified. The Accounts managed by Mackenzie Asia are generally not intended to provide a complete investment program for a Client or investor and Mackenzie Asia expects that the assets it manages do not represent all of the Client's assets. Clients are responsible for appropriately diversifying their assets to guard against the risk of loss.

The *material* risks involved in the strategies are defined 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.

Concentration risk: A strategy that has held a large portion of its net assets in any single issuer will be less diversified and could experience larger fluctuations in value that result from the price volatility of that issuer. In addition, a strategy might not be able to sell its full investment in that issuer at current prices if there is a shortage of buyers willing to purchase those securities. Consequently, it could be more difficult for the strategy to obtain a reasonable price for that issuer's securities. This risk might not necessarily apply where a strategy invests in overnight deposit receipts or notes which are sometimes held by a strategy as a means to enhance the yield on its cash.

Counterparty Risk: Transactions, including certain derivative transactions, entered into directly with a counterparty are subject to the risk that the counterparty will fail to perform its obligations in accordance with the agreed terms and conditions of the transaction. A counterparty could become bankrupt or otherwise fail to perform its obligations due to financial difficulties, resulting in significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding or no recovery in such circumstances.

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.

Depository Receipts Risk: Investments in depository receipts (including American Depositary Receipts, European Depositary Receipts and Global Depositary Receipts) generally are subject to the same risks of investing in the foreign securities that they evidence or into which they could be converted.

Derivatives risk: Generally, all strategies can use derivatives, but only in the ways allowed by regulations. For example, a strategy could use derivatives to:

- protect against losses caused by changes in the prices of securities, stock markets, interest rates, currency exchange rates or other risks;
- serve as an alternative to investing in actual shares and bonds. This can reduce transaction costs, achieve greater liquidity, increase or decrease exposure to certain financial markets, or make it easier to adjust a strategy's investments;
- reduce risk by accepting a more certain lower return instead of a less certain higher return;
- effectively increase or decrease the maturity of bonds and other fixed income securities, if any, in the strategy's investments;
- position the strategy so that it may profit from declining markets; and

- enhance returns.

There is no guarantee that the use of derivatives will be effective. The most common risks include:

- a derivative might not always produce the same result as it has in the past;
- depending on market conditions or other factors, a strategy could be unable to buy or sell a derivative to make a profit or limit a loss;
- Derivatives don't prevent changes in the market value of the investments in a strategy's portfolio or prevent losses if the market value of the investments falls;
- Derivatives can prevent the strategy from making a gain if there is an unexpected change in currency exchange rates, stock markets, or interest rates;
- Derivatives traded on foreign markets could have a higher risk of default and could be harder to sell than similar derivatives traded on North American markets;
- there is no guarantee that the other party in a contract will meet its obligations;
- if the other party in a contract or the dealer goes bankrupt, the strategy could lose any deposit and unpaid gains on the contract; and
- the strategy might not be able to purchase derivatives if other investors are expecting the same change, such as changes in interest rates, market prices or currency exchange rates.

Dilution risk: When a strategy is new or is relatively small in size, or has significant cash flows relative to its size, it could be difficult for the portfolio manager to fully invest its assets pursuant to the strategy's investment strategy. This could result in the strategy holding a larger than expected proportion of its assets in cash. This could decrease relative performance of any strategy in a rising market.

Effect of General Economic Conditions: General economic conditions affect our investment activities. Changing economic, political, regulatory or market conditions, interest 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 investments. In addition, many portfolio companies could be similarly subject to the same economic conditions, which could adversely impact investment returns.

Emerging Market Risk: Investments in countries with emerging economies or securities markets can carry greater risk than investments in more developed countries. Political and economic structures in many such countries could be undergoing significant evolution and rapid development, and such countries could lack the social, political and economic stability characteristics of more developed countries. Investments in securities issued in these countries could be more volatile and less liquid than securities issued in more developed countries. Emerging markets are more susceptible to capital controls, governmental interference, local taxes being imposed on international investments, restrictions on gaining access to sales proceeds, and less efficient trading markets.

Equity investment risk: The value of equity securities held by Clients could decrease in value significantly due to changes in a company's financial condition, in response to adverse political, regulatory, market or economic developments affecting the company, its industry or the markets generally, or for other reasons. There is no assurance that the equity securities held by Clients will not lose their value.

Foreign Currency Exchange Transactions and Forward Foreign Currency Contracts Risk: Mackenzie Asia can use foreign currency exchange transactions and forward foreign currency contracts to hedge certain market risks (such as interest rates, currency exchange rates and broad or specific market movement). These investment techniques involve a number of risks, including the possibility of default by the counterparty to the transaction and, to the extent Mackenzie Asia's judgment as to certain market movements is incorrect, the risk of losses are greater than if the investment technique had not been used.

Foreign Currency Risk: Foreign securities can be denominated in foreign currencies. The value of an Account's investments, as measured in U.S. dollars, could be unfavorably affected by changes in foreign currency exchange rates and exchange control regulations.

Foreign Securities Risk: Investing in foreign securities involves a number of economic, financial, legal, and political considerations that are not associated with the U.S. markets and that could affect an Account's performance unfavorably, depending upon the prevailing conditions at any given time. Among these potential risks are: greater price volatility; comparatively weak supervision and regulation of securities exchanges, brokers and issuers; higher brokerage costs; social, political or economic instability; fluctuations in foreign currency exchange rates and related conversion costs or currency redenomination; nationalization or expropriation of assets; adverse foreign tax consequences; different and/or less stringent financial reporting standards; and settlement, custodial or other operational delays. The risks can be exacerbated in connection with investments in emerging markets. World markets, or those in a particular region, all could react in similar fashion to important economic or political developments. In addition, key information about the issuer, the markets or the local government or economy might be unavailable, incomplete or inaccurate. Securities of issuers traded on exchanges could be suspended, either by the issuers themselves, by an exchange or by governmental authorities. The likelihood of such suspensions is higher for securities of issuers in emerging markets than in more developed markets. In the event that an Account holds material positions in such suspended securities, our ability to liquidate its positions or provide liquidity to investors could be compromised and the Account could incur significant losses.

Growth Stock Risk: Prices of growth stocks can be more sensitive to changes in current or expected earnings than the prices of other stocks. Growth stocks can be more volatile or not perform as well as value stocks or the stock market in general.

Initial Public Offering Risk: Any positive effect of investments in Initial Public Offerings ("IPOs") might not be sustainable because of a number of factors. Namely, an Account could be unable to buy shares in some IPOs, or only be able to buy only a small number of shares. Also, the performance of IPOs generally is volatile, and is dependent on market psychology and economic conditions. To the extent that IPOs have a significant positive impact on an Account's performance, this might not be able to be replicated in the future. The relative performance impact of IPOs also is likely to decline as an Account grows.

Large order risk: This is the risk of lower Account performance associated with a possible redemption requested by a large investor. If a large redemption order is placed by an investor, the strategy might have to sell a significant portion of its investments at unfavorable prices or keep a larger amount of its assets in cash than would otherwise be the case. These conditions could impact the performance of the strategy.

Liquidity Risk: Generally, a security is liquid if it is able to be sold at a fair price within a reasonable time. Liquidity generally is related to the market trading volume for a particular security. Illiquid securities can trade at a discount from comparable, more liquid investments, and can be subject to wider fluctuations in market value. Less liquid securities are more difficult to dispose of at their recorded values and are subject to increased spreads and volatility. Also, we might be unable to dispose of illiquid securities when that would be beneficial at a favorable time or price.

Management Risk: Account performance is primarily dependent on Mackenzie Asia's skill in evaluating and managing the Account's portfolio. There can be no guarantee that its decisions will produce the desired result.

Market Risk. Markets can be volatile, and 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. Different parts of the market, including different sectors and different types of securities, can react differently to these developments. The U.S. and many foreign economies continue to experience the after-effects of the 2008 financial crisis, which have resulted, and could continue to result, in volatility in the financial markets, both U.S. and foreign. 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 would 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, potential pandemics, 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.

Non-Diversification Risk: A strategy might not be subject to any comprehensive diversification or asset allocation requirements or be limited to a particular investment strategy. To the extent a strategy concentrates investments in a particular geographic region, security, investment sector or stage of investment, investments could become more susceptible to fluctuations in value resulting from adverse economic or business conditions applicable to such region, type of security, sector or stage of investment. In addition, a strategy might participate in a limited number of investments in which case the investment returns of the strategy could be substantially adversely affected by the unfavorable performance of a single investment. It is assumed that investors hold assets apart from the Accounts and are responsible for diversifying their assets appropriately.

Operational Risk: An Account can suffer a loss arising from shortcomings or failures in internal processes, people or systems, or from external events. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents related to, for example, major systems failures.

Political Uncertainty Risk: Markets in which Clients are invested or to which Clients are exposed could experience political uncertainty (*e.g.*, Brexit), which subjects investments to heightened risks, even when made in established markets. These risks include: greater fluctuations in currency exchange rates; increased risk of default (by both government and private issuers); greater social, economic, and political instability (including the risk of war or natural disaster); increased risk of nationalization, greater governmental involvement in the economy; less governmental supervision and regulation of the securities markets and participants in those markets; controls on foreign investment, capital controls and limitations on repatriation of invested capital and on the Clients' ability to exchange currencies; inability to purchase and sell investments or otherwise settle security or derivative transactions (*i.e.*, a market freeze); unavailability of currency hedging techniques; slower clearance; and difficulties in obtaining and/or enforcing legal judgments. During times of political uncertainty the securities, derivatives and currency markets could become volatile. There also could be a lower level of monitoring and regulation of markets while a country is experiencing political uncertainty, and the activities of investors in such markets and enforcement of existing regulations could be extremely limited. Markets experiencing political uncertainty 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 such countries' economies and securities markets. There can be no assurance that adverse political changes will not cause a client to suffer a loss of any or all of its investments or, in the case of fixed income securities, interest thereon.

Portfolio Turnover Risk: Active and frequent trading of securities and financial instruments can result in increased transaction costs, including potentially substantial brokerage commissions, fees and other transaction costs. In addition, frequent trading is likely to result in short-term capital gains tax treatment. As a result of portfolio turnover, the performance of an Account can be adversely affected.

Sector Risk: At times, an Account might have a significant portion of its assets invested in securities of companies conducting business in a broadly related group of industries within an economic sector. Companies in the same economic sector can be similarly affected by economic or market events, making the Account more vulnerable to unfavorable developments in that economic sector than funds that invest more broadly. Sector Risk can also be related to Non-Diversification Risk described above.

Securities Lending Repurchase and Reverse Repurchase Transaction Risk: Certain Accounts are eligible to enter into securities lending, repurchase and reverse repurchase transactions. In a securities lending transaction, the Account lends its securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the Account sells its securities for cash through an authorized agent while at the same time it assumes an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the mutual fund buys securities for cash while at the same time it agrees to resell the same securities for cash (usually at a higher price) at a later date. We have set out below some of the general risks associated with securities lending, repurchase and reverse repurchase transactions:

- When entering into securities lending, repurchase and reverse repurchase transactions, the Account is subject to the credit risk that the counterparty could go bankrupt or could default under the agreement and the Account would be forced to make a claim in order to recover its investment.
- When recovering its investment on a default, an Account could incur a loss if the value of the securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Account.
- Similarly, an Account could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by such Account to the counterparty, plus interest.

Small Company Risk: Securities of small-capitalization companies are subject to greater price volatility, lower trading volume and less liquidity due to, among other things, such companies' small size, limited product lines, limited access to financing sources and limited management depth. In addition, the frequency and volume of trading of such securities can be less than is typical of larger companies, making them subject to wider price fluctuations and such securities can be affected to a greater extent than other types of securities by the underperformance of a sector or during market downturns. In some cases, there could be difficulties in selling securities of small-capitalization companies at the desired time.

Tax policy Risk: All strategies could be affected by changes in the tax legislation that affect the entities in which the strategies invest or the taxation of the strategies.

Value Stock Risk: Value stocks are stocks of companies that could have experienced adverse business or industry developments or could be subject to special risks that have caused the stocks to be out of favor and, in the opinion of Mackenzie Asia, undervalued. The value of a security believed by Mackenzie Asia to be undervalued might never reach what is believed to be its full value; such security's value could decrease or such security could be appropriately priced.

Volatility Risk: The prices of an Account's investments can be highly volatile. Price movements of assets are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, developments or trends in any particular industry, the financial condition of the issuers of such assets, changing supply and demand relationships, programs and policies of governments, and national and international political and economic events and policies.

Item 9 Disciplinary Information

Not applicable.

Item 10 Other Financial Industry Activities and Affiliations

Other Registrations

Mackenzie Asia is licensed under the Hong Kong Securities and Futures Ordinance for the following regulated activities: Dealing in Securities (Type 1), Advising on Securities (Type 4) and Asset Management (Type 9).

Other Financial Industry Activities and Affiliations

Mackenzie Asia 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 Asia is affiliated with a number of entities that are engaged in financial industry-related activities. The following are those related entities with which Mackenzie Asia maintains arrangements that are material to its advisory business or its Clients.

Other Investment Advisers

Mackenzie Asia is employed by affiliated advisers/sub-advisers to provide investment sub-advisory services to certain Canadian Mutual Funds, 1940 Act Funds and Separately Managed Accounts. Currently, Mackenzie Asia acts as sub-adviser to: (i) Mackenzie Europe (registered with the Central Bank of Ireland and the SEC), the parent corporation of Mackenzie Asia, for certain Canadian Mutual Funds, MIS LP and a 1940 Act Fund; and (ii) Mackenzie Financial Corporation (registered with the SEC) in respect of one Canadian Mutual Fund.

Investment Fund Managers

I.G. Investment Management, Ltd. and Mackenzie Financial Corporation, which are affiliates of Mackenzie Asia, act as investment fund managers for the Canadian Mutual Funds. I.G. Investment Management, Ltd. and Mackenzie Financial Corporation are registered with securities regulators in various Canadian provinces. Mackenzie Asia serves as a sub-adviser to the Canadian Mutual Funds.

Mackenzie Financial Corporation and Mackenzie Investments Corporation

Mackenzie Financial Corporation and / or Mackenzie Investments Corporation can introduce Clients to Mackenzie Asia through Mackenzie Europe. Mackenzie Asia, and not any Client, compensates its affiliates for any referrals.

Material Conflicts of Interest between Mackenzie Asia and Related Parties

Mackenzie Asia has adopted policies and procedures reasonably designed to avoid conflicts of interest with respect to investment in securities issued by its related companies. These policies require that a purchase, sale, or holding of those securities, among other requirements, must: (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; (iii) achieve a fair and reasonable result for the Account; and (iv) comply with the policy and the procedures supporting the policy.

Interest in Client Transactions

Mackenzie Asia advises numerous Accounts. Mackenzie Asia 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 Asia on behalf of other Accounts.

Mackenzie Asia (or a related person) may:

- recommend to Clients securities in which Mackenzie Asia (or a related person) has a material financial interest;
- recommend securities to Clients at the same time that a related person to Mackenzie Asia 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 Asia (or a related person) recommends to Clients.

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

The buy or sell programs of Mackenzie Asia 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 Asia might have interests in securities held by or recommended to Clients.

As these situations could involve conflicts of interest, Mackenzie Asia has implemented policies and procedures relating to personal securities transactions, insider trading and outside activities, which are designed to identify and prevent or mitigate actual conflicts of interest. These policies and procedures, including The Code of Business Code for Employees and the Personal Trading Code of Conduct (collectively, the “**Code**”), are intended to avoid conflicts of interest with Clients and to resolve such conflicts appropriately, if they do occur. Any person covered by the Code (each “**Covered Person**”) who fails to observe the Code and other relevant compliance policies risks serious sanctions, including dismissal and personal liability.

Our Code

A basic tenet of our 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 Asia 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 Asia's policies and procedures, fiduciary duties owed by an investment adviser to its Clients and applicable legal standards. Covered Persons are expected to avoid situations in which their personal interests could conflict with their professional duties and to disclose any such conflicts to Mackenzie Asia's Compliance Officer. 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 and approved by relevant personnel within Mackenzie Asia.

As personal trading can involve conflicts of interest, Mackenzie Asia 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 Conduct Policy which is included in the Code

contains provisions regarding Covered Persons' personal trading and, reporting requirements that are designed to address potential conflicts of interest. In particular, the Code restricts Covered Persons' from trading in relevant securities discussed in meetings with respect to the holdings or transactions within the funds, when they have access to material non-public information. After each relevant meeting, the Compliance Officer notifies each Covered Person of the relevant restrictions. This prohibition is lifted once the restriction is removed.

Mackenzie Asia'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.

Clients and prospective Clients may obtain a copy of Mackenzie Asia's Code by contacting Mackenzie Asia, in writing at Suites 1011-1012, Two Pacific Place, 88 Queensway, Hong Kong. Each of our relevant affiliates maintain 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 Asia and its related persons will, 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 Asia, its affiliates, Accounts which offer publicly traded securities, or other issuers. Under applicable law, Mackenzie Asia 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 Asia has also adopted policies and procedures to prevent the misuse of Inside Information by Mackenzie Asia 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, relevant provisions of the Securities Act (Ontario) and Hong Kong law. 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 when Mackenzie Asia otherwise would to the potential detriment of the Account.

Other Conflicts of Interest

Inconsistent Investment Positions and Timing of Competing Transactions

From time to time, Mackenzie Asia can 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.

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 Asia could find that its own interests, the interests of certain Accounts and/or the interests of other Accounts could 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 Asia 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 might hold the debt securities of an issuer which has become financially impaired, and another might hold 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 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 Asia can refrain from participating or may exercise the rights of all such Accounts to the fullest extent, even though doing so could disadvantage some Accounts.

How We Select Broker-Dealers for Client Transactions

Investment and brokerage decisions for Accounts, to the extent such discretion has been granted to Mackenzie Asia, are made by Mackenzie Asia's portfolio managers and traders. In placing brokerage transactions for Accounts with respect to which Mackenzie Asia has been granted trading discretion, Mackenzie Asia 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.

On a quarterly basis, Mackenzie Asia reviews its trading practices and results including the quality of executions received, and commissions paid, by discretionary accounts. Among the items considered in this review are: a broker-dealer's trading history, administrative quality and responsiveness; examinations of failed trades and the broker-dealer's response thereto; conflicts of interest; commission rates and execution costs. Mackenzie Asia's goal, when evaluating its efforts to seek best execution is to exercise reasonable, good faith judgment to select broker-dealers that will consistently provide quality execution.

The following summarizes Mackenzie Asia's policies with respect to its exercise of investment and brokerage discretion on behalf of its Accounts.

Selection Criteria for Trade Execution

Mackenzie Asia 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 Asia seeks to obtain best price and execution from responsible broker-dealers at competitive commission rates (or equivalents). Mackenzie Asia insists on a high standard of quality regarding execution services and deals only with broker-dealers that Mackenzie Asia believes meet this standard. Commissions paid by Mackenzie Asia are reviewed on a regular basis. Mackenzie Asia also places value on broker-dealers who are able to provide useful research and brokerage assistance and can consider whether Mackenzie Asia maintains a soft dollar arrangement with the broker-dealer.

Mackenzie Asia's objective in effecting portfolio transactions is to seek to obtain best 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 Asia 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 Asia'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 Asia'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 Asia'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 Asia's satisfaction;
- the broker-dealer's ability to accommodate Mackenzie Asia'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 Asia 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 Asia and the price received or paid by the market maker in trades with other broker-dealers or customers). Most NASDAQ securities are now traded on a commission basis as more and more market makers shift from principal to agency trading.

Mackenzie Asia 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 Asia 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 Asia 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 may benefit Clients by providing anonymity in connection with a transaction or because the broker may, in certain cases, have greater expertise or capability in connection with both accessing the market and executing a transaction.

In appropriate circumstances, Mackenzie Asia can also use an electronic communication network (“ECN”) or alternative trading system (“ATS”) to effect over-the-counter trades when, in Mackenzie Asia's judgment, the use of an ECN or ATS could result in equally or more favorable overall execution quality for the transaction. Mackenzie Asia 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 Accounts could seek to dispose of securities which would be appropriate or desirable for one or more other Accounts. In these circumstances, Mackenzie Asia can utilize “cross-trading,” consistent with applicable law. When cross-trading, Mackenzie Asia is required to execute through a brokerage firm and/or exchange or registered dealer, consistent with applicable law. When executing a cross-trade, Mackenzie Asia will value the traded securities at the executing price of the trade between each participating Account. Cross-trades involving certain Accounts, including Accounts subject to the Employee Retirement Income Security Act of 1974 and 1940 Act Funds and Canadian Mutual Funds may be subject to additional restrictions.

In some cases, Mackenzie Asia might engage in a transaction not involving a public market or for which only a single avenue for execution is available (*e.g.*, where securities can be purchased or redeemed only through the issuer or the issuer's specified agent). Similarly, certain of the markets in which Mackenzie Asia trades on behalf of Accounts are “emerging markets” where there is limited or no choice of brokers, where commission rates (or commission equivalents) could 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 Asia might 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 Asia 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 Asia invests are highly regulated. Accounts investing through such markets could be adversely affected by regulations relating to the acquisition and sale of shares, which could limit Mackenzie Asia'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 could limit Mackenzie Asia'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 Asia 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 Asia disclose such Accounts' interests in the relevant investment or issuer, which could adversely affect price or liquidity. In such cases, Mackenzie Asia 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 Asia 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 Asia periodically reviews the quality of executions received from its brokers and considers the services of other brokers (or other execution venues) that may be available to execute Client transactions, when evaluating its efforts to seek best execution. Any broker (or execution venue) that has provided (or may be expected to provide) acceptable performance and whose financial condition and commission rates are acceptable to Mackenzie Asia could be selected to execute Account transactions. Where Mackenzie Asia believes that, over time, a particular broker-dealer has consistently and materially engaged in activity that is not in the best interest of Mackenzie Asia's Clients, Mackenzie Asia's chief investment officer can determine to restrict or prohibit future execution of transactions through that broker-dealer.

Mackenzie Asia can set ranges for commission rates and negotiate with broker-dealers, when appropriate. However, Mackenzie Asia 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 Asia generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Mackenzie Asia believes that paying fair and reasonable commissions to broker-dealers in return for quality execution services and useful research 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 Asia utilizes several different broker dealers and favors those whose research services, execution abilities or other legitimate and appropriate services are particularly helpful to Mackenzie Asia in seeking favorable investment results for Clients. As part of this determination, Mackenzie Asia 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 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' research and execution capabilities.

Thus, in Mackenzie Asia's view, the reasonableness of commissions is based on market conditions and Mackenzie Asia's opinion of the broker's ability to provide professional services, competitive commission rates, useful research and other permissible services which will help Mackenzie Asia in providing investment advisory services to its Clients. Recognizing the value of these factors, Mackenzie Asia can pay to a broker who provides such services a commission in excess of that which another broker, which offers no research services and minimal transaction assistance (*i.e.*, "execution-only" service), might have charged for effecting the same transaction. Mackenzie Asia regularly evaluates the placement of brokerage and the reasonableness of commissions paid. In the same vein, Mackenzie Asia makes a good faith determination that the amount of commission paid is reasonable in relation to the value of the research and brokerage services rendered, and relative to market norms when viewed in terms of either a specific transaction or Mackenzie Asia'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 Asia Considers “Soft Dollar” Benefits in Allocating Brokerage

In allocating brokerage, and consistent with Mackenzie Asia’s policies and procedures, Mackenzie Asia 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 Asia can direct brokerage transactions for Client Accounts to broker-dealers who provide Mackenzie Asia 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 may be proprietary (created and provided by the broker-dealer, including tangible research products as well as access to analysts and traders) or 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 Asia can use soft dollars to acquire proprietary or third-party research, and order execution products or services; however, Mackenzie Asia will not enter into any agreement or understanding with a broker-dealer that would obligate Mackenzie Asia to direct a specific amount of brokerage business to that broker-dealer in return for a soft dollar item. Nonetheless, certain broker-dealers may state in advance the amount of brokerage commissions they require for certain soft dollar items and the applicable cash equivalent. Mackenzie Asia can use soft dollars to acquire soft dollar items that are also available for cash, where appropriate and permissible by law. Mackenzie Asia acquired the following types of products and services from broker-dealers during the last fiscal year:

- industry and company analysis
- economic, technical and commodity data
- statistical data pertaining to capital markets
- rating agency credit analysis
- equity research
- trade-order management system elements (mixed-use)

When Mackenzie Asia uses client brokerage commissions (or markups or markdowns) to obtain soft dollar benefits, it receives a benefit because, except as noted otherwise, Mackenzie Asia generally does not have to produce or pay for the benefits. This creates an incentive for Mackenzie Asia to select or recommend a broker-dealer based on its 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 which assist Mackenzie Asia in meeting its Clients’ investment objectives and Mackenzie Asia’s relevant responsibilities to its Client Accounts. The receipt of soft dollar items in exchange for soft dollars benefits Mackenzie Asia by, among other things, allowing Mackenzie Asia, at no cost to it, to supplement its own research, analysis and execution facilities. It also allows Mackenzie Asia 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 Asia of expenses that it might otherwise bear in obtaining the same or comparable items 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 Asia uses soft dollars generated with respect to trades for its U.S. Clients consistently with the safe harbor. As such, in determining whether to pay up for a relevant execution, Mackenzie Asia 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 Asia 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 Asia 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 Asia 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 Asia receives from broker-dealers effecting transactions in portfolio securities.

Mackenzie Asia 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 Asia 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 Asia's non-U.S. Clients, Mackenzie Asia 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 May 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 Asia 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 Asia 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 Asia'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 Asia, in whole or in part, for the specific Account that generated the soft dollars and Mackenzie Asia 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 Asia 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 Asia 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 Asia 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 Asia 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).

Mackenzie Asia will not receive 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. It is the policy of Mackenzie Asia that in order to ensure best execution, all orders must be taken together when determining which brokers will fulfill this obligation.

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

Additionally, Mackenzie Asia 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 Asia’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.

Mackenzie Asia’s Trade Allocation or “Bunching” Policy

Because the size and mandate of Client Accounts often differ, the securities held in such Accounts are unlikely to be identical. Mackenzie Asia’s portfolio managers make investment decisions for managed Accounts based on suitability factors and other circumstances which can differ from Account to Account, resulting in a particular security being acquired, held, or sold for some Accounts and not others. In accordance with Mackenzie Asia’s Trade Allocation Policy (the “**Policy**”), portfolio managers seek to allocate suitable transactions among eligible accounts in a manner believed to be fair and equitable over time.

In appropriate circumstances, any Account managed by Mackenzie Asia could purchase or sell a security prior to other Accounts. This could occur, for example, as a result of the specific investment objectives of an Account, different cash resources arising from contributions or withdrawals or specific, client imposed, restrictions. However, Accounts that are managed in similar styles by the same portfolio manager often have similar or identical portfolio composition and weightings. In other circumstances multiple Accounts could seek to acquire or dispose of the same security for other reasons. For this reason, Mackenzie Asia could seek 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 Asia’s trading desk and in accordance with the Policy.

The Policy is intended to promote fairness, to mitigate conflicts of interest, and to conform to applicable regulatory and fiduciary principles. The Policy strictly forbids any allocation request or allocation decision that favors one account over another based on the self-interest of the Account’s portfolio manager or Mackenzie Asia.

Under the Policy, and to the extent consistent with each participating Client’s investment advisory agreement, Mackenzie Asia can bunch orders for more than one Account to facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution or reducing overall commission charges. Mackenzie Asia seeks to aggregate trade orders in a manner that is consistent with its duty to (1) seek best execution

of Client orders; (2) treat all Clients fairly and equitably over time; and (3) not systematically advantage or disadvantage any single Client or group of Clients over time. When a decision is made to aggregate transactions on behalf of more than one Account, such transactions will be allocated to all participating Client Accounts in a fair and equitable manner over time. When such an order is filled in its entirety, each participating Client Account generally participates at the average share price for the aggregated order, and transaction costs are shared *pro rata* based on each Client's participation in the aggregated order. When a bunched order is partially filled, Mackenzie Asia will allocate the order in accordance with the Policy, as described below.

Mackenzie Asia can allocate *pro rata* when a bunched order cannot be fully executed in a single day, with the portion of the order filled on that day generally being allocated among participating Accounts based on the size of each Account's original order, subject to rounding to achieve "round lots" and Mackenzie Asia's ability to cancel an order for particular Account(s) if, due to the Account potentially receiving a *de minimis* amount of securities or otherwise, Mackenzie Asia believes that, as a result of the incomplete fill, the order is no longer appropriate for the relevant Account(s). Mackenzie Asia can also apply a minimum order allocation amount, which could vary depending upon the market convention associated with the particular security. Where remaining positions are too small to satisfy the minimum allocation amount, Mackenzie Asia might decide to allocate the remaining shares to those Accounts seeking large positions which remain unfilled or to allocate remaining shares to those Accounts whose order would be completed as a result of the allocation.

Mackenzie Asia can allocate on a basis other than *pro rata* if, under the circumstances, such other method is reasonable, equitable, does not result in improper or undisclosed advantage or disadvantage to a particular Account or group of Accounts and results in fair access, over time, to trading opportunities for all eligible managed Accounts. Methods other than *pro rata* can be appropriate where Mackenzie Asia identifies investment opportunities that are more appropriate for certain Accounts than others. In these cases, Mackenzie Asia could determine to allocate a partial fill to such Accounts. Factors which Mackenzie Asia considers in making allocation decisions include, among others: investment objectives and restrictions; whether the security is currently held; relative size and rate of growth; and cash flow changes (including available cash, redemptions, exchanges, capital additions and capital withdrawals).

Other allocation methods that can be used by Mackenzie Asia include random and rotational allocation, which can be particularly appropriate when the transaction size is too limited to be effectively allocated *pro rata* among all eligible Accounts.

Mackenzie Asia generally will not aggregate trades for Clients who have limited Mackenzie Asia's brokerage discretion with trades for other Accounts. Notwithstanding the foregoing, Mackenzie Asia can attempt, when circumstances permit, to include transactions of Clients who have directed the use of a particular broker-dealer in a bunched order if the executing broker-dealer agrees to transfer that portion of the bunched order relating to Clients who have directed the use of a particular broker-dealer to the specified broker-dealer. If the executing broker-dealer does not agree to make this transfer, the order for the same security on behalf of the directing Clients will be effected through the specified broker-dealer and the cost of the transaction may be greater.

Mackenzie Asia generally includes Clients whose Accounts are managed by Mackenzie Asia in bunched orders for other Mackenzie Asia Clients. However, if an Account is managed by a Mackenzie Asia affiliate, then the affiliate's orders can be bunched together, but the affiliate's orders will not be bunched with the bunched orders of Mackenzie Asia Clients.

Allocation of "New Issues"

Mackenzie Asia generally allocates new issues among Accounts that can invest in "new issues," as defined under relevant rules established by the Financial Industry Regulatory Authority ("FINRA") and the Account's investment objectives and restrictions. FINRA Rule 5130 provides that certain "Restricted Persons," as defined by that Rule and including, among others: broker-dealers and their personnel, owners and affiliates; finders and fiduciaries; portfolio managers; and certain family members thereof, are often ineligible to, or restricted in their ability to, participate in new issues. Mackenzie Asia also considers, where believed relevant in allocating a new issue, relevant tax implications for the Client Account and the extent that the Account's custodian is capable of executing same day trades in new issues.

Private funds and other investment funds (except for sub-advised funds) could be unable to participate in new issues if more than a certain percentage of the beneficial interests are held by investors that are Restricted Persons, unless the Account is subject to processes which prohibit Restricted Person investors from participating in profits or losses attributable to new issues. In order to ensure that such Accounts remain eligible to receive new issues, Mackenzie Asia can take certain actions to maintain the investment fund's compliance with FINRA Rule 5130. For example, Mackenzie Asia could prohibit or limit investment in certain investment funds by Restricted Person investors or, with respect to private funds, creating multiple class structures pursuant to which a certain class (or classes) may be issued only to Restricted Persons while another class (or classes) will exclude Restricted Persons.

Investments in IPOs or similar issuances in non-U.S. markets are not subject to FINRA Rule 5130 but could be subject to similar or additional limitations. Subject to local regulatory requirements or market considerations, such investments are allocated consistently with the Policy (as described above). In some jurisdictions, significant restrictions apply to investments in IPOs and to an investor's exit from an investment through an IPO. These restrictions could include lock-in of pre-issuance share capital of unlisted companies and securities issued on a firm allotment basis, as well as pricing restrictions on private placements by listed companies, each of which is likely to limit Mackenzie Asia's freedom of action with respect to such investments. Where, under local rules or conventions, IPOs are allocated *pro rata* among all accounts of any person expressing an interest, Mackenzie Asia can enter indications of interest on either an Account-by-Account or an aggregate basis and can allocate the resulting fill among participating Accounts in accordance with the Policy, which will not necessarily result in each Account receiving a *pro rata* share when, in Mackenzie Asia's discretion (subject to the Policy) an alternate means of allocation is determined to be fair and equitable over time.

As noted above, the Code prohibits Covered Persons from investing in initial public offerings, including new issues.

Mackenzie Asia's Internal Cross Trade Policy

In certain circumstances one or more Accounts could seek to dispose of securities which would be appropriate or desirable for one or more other Accounts. In these circumstances, Mackenzie Asia can utilize "cross-trading," consistent with applicable law. When cross-trading, Mackenzie Asia is required to execute through a brokerage firm and/or exchange or registered dealer, consistent with applicable law. When executing a cross-trade, Mackenzie Asia will value the traded securities at the execution price of the trade between each participating Account. Cross-trades involving certain Accounts, including Accounts subject to the Employee Retirement Income Security Act of 1974 and 1940 Act Funds may be subject to additional restrictions. In addition, cross trades between accounts subject to National Instrument 81-102 and accounts not subject to that regulation, are prohibited.

Review of Accounts

Mackenzie Asia and Mackenzie Financial Corporation'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 Chief Investment Officer ("CIO") of Mackenzie Financial Corporation and other members of the management team.

Additionally, the portfolio manager for an Account, is responsible for ensuring that each managed Account conforms to the Account's 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

With respect to Separately Managed Accounts, the nature and frequency of reports are agreed upon between the Client and Mackenzie Asia and typically set forth in the relevant investment advisory contract and can vary from Account to Account. Mackenzie Asia can make representatives available to discuss investments in a Client's Account with that Client on a periodic basis.

Many Clients also receive custodial statements from their Account's custodian and transaction reports from executing brokers.

Investors in MIS LP will receive reports as described in its Private Placement Memorandum. Such reports typically include quarterly investment commentary and analysis. Where required by law, investors in MIS LP are also provided with Form K-1 for tax purposes. To comply with the U.S. Custody Rule (as defined below), investors in MIS LP will receive audited financial statements, within 120 days following MIS LP's fiscal year end.

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

The reports discussed herein could also, under certain circumstances, be provided by or through Mackenzie Europe.

Item 14 Client Referrals and Other Compensation

Referral Arrangements

From time to time, Mackenzie Asia enters into arrangements whereby Mackenzie Asia engages a solicitor, including an affiliated solicitor, to refer Clients or investors to Mackenzie Asia. To the extent that Mackenzie Asia pays cash referral fees to a solicitor, the referral agreement and related activities will be in compliance with the terms and conditions of Advisers Act Rule 206(4)-3 to the extent applicable, which specifies certain requirements related to solicitations and referrals.

Persons introduced to Mackenzie Asia by an unaffiliated solicitor are provided with this Brochure and the solicitor's disclosure statement at the time of solicitation and must provide Mackenzie Asia, either directly or through the solicitor, a signed and dated acknowledgement of their receipt of this Brochure and the solicitor's relevant disclosure document prior to, or at the time of, entering into an advisory relationship with Mackenzie Asia. The solicitor's disclosure statement should be reviewed carefully; it contains important information with respect to, among other things, the material terms of the solicitor's compensation from Mackenzie Asia, the nature of any relationship or affiliation between Mackenzie Asia 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.

Solicitors that introduce prospective investors to Mackenzie Asia are subject to a conflict of interest to the extent that they will be compensated in connection with their placement activities. Placement agents are required to disclose to prospective investors the placement arrangement and any fees associated with the arrangement prior to investment.

Item 15 Custody

Custody of Accounts

Mackenzie Asia is deemed to have “custody” of Accounts within the meaning of the **U.S. Custody Rule** if Mackenzie Asia 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 Asia’s non-U.S. clients. If Mackenzie Asia is deemed to have custody over a U.S. 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 Asia separately provides reports or account statements. Clients should compare these carefully to the custodian’s account statements. Clients should contact Mackenzie Asia immediately if there appears to be any discrepancy between the custodian’s statements and Mackenzie Asia’s.

In addition, because an affiliate of Mackenzie Asia serves as general partner of MIS LP, Mackenzie Asia is deemed to have “custody” of MIS LP’s assets under the U.S. Custody Rule. Each investor in MIS LP will receive audited financial statements within 120 days following MIS LP’s fiscal year end and (where applicable) upon liquidation of MIS LP. If you have invested in MIS LP and have not received audited financial statements timely, or have any questions about MIS LP’s Financial Statements, please contact us immediately.

Item 16 Investment Discretion

Generally, Mackenzie Asia 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.

As noted above in Item 4, Clients can impose restrictions on account investments, including reasonable limits on the types of securities held as well as prohibitions or limitations on particular securities or issuers.

Mackenzie Asia'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 Asia from voting), Mackenzie Asia will vote proxies with respect to each Account for which it has discretionary authority. Where Mackenzie Asia only has discretionary authority with respect to a portion of a portfolio, it will only vote proxies with respect to such portion.

Mackenzie Asia has written proxy voting policies and procedures as required by relevant local law. Under these policies and procedures, Mackenzie Asia votes proxies relating to portfolio securities in accordance with the Mackenzie Asia 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 Asia 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 Asia's proxy voting policies and procedures vest each Account's portfolio manager with the responsibility for making proxy voting decisions for the Accounts he or she manages and, from time to time, different portfolio managers could come to a different conclusion as to the course of action which he or she deems to be in the best interests of Clients. In those circumstances, Mackenzie Asia expects to vote proxies for one or more Accounts differently than other Accounts. Mackenzie Asia also maintains proxy voting guidelines which inform each portfolio manager's decision making with respect to proxy votes, however, portfolio managers retain discretion to vote proxies on a case-by-case basis taking into account all relevant circumstances.

In some circumstances, Mackenzie Asia could determine that it is in the Client's best interest to refrain from voting proxies, including, for example, where such securities are subject to legal or contractual restrictions on voting, where requirements with respect to voting render the expense of voting excessive in relation to the value of casting a vote or where voting would subject Accounts to "share blocking" which would prevent Mackenzie Asia from disposing of the security for a specified amount of time surrounding the shareholder meeting.

Conflicts of Interest

Circumstances may occur where there is a potential conflict of interest between an Account and Mackenzie Asia with respect to voting the client's securities. Where a portfolio manager has a conflict or potential conflict, he or she will notify the SVP Portfolio Manager Asian Equities ("SVP"), and the Chief Compliance Officer ("CCO"). Should the SVP and the CCO conclude that a conflict exists, the CCO will document the conflict and inform the Fund Services Department of Mackenzie Financial Corporation (the "**Fund Services Department**"). The Fund Services Department will maintain a Proxy Voting Watch List ("**Watch List**") that includes the names of issuers that may be in conflict and will notify the SVP and/or CCO of any meeting circulars and proxies received from an issuer on the Watch List. The SVP and CCO will discuss the voting matter(s) with the Internal Manager and ensure that the proxy voting decision is based on the proxy voting policies and is in the best interests of the Account.

All voting decisions made under this section are documented and filed by the Fund Services Department.

How to Learn More About Mackenzie Asia's Voting of Proxies

Clients can obtain a copy of Mackenzie Asia's proxy voting policies and procedures and/or information on how their securities were voted by contacting Mackenzie Asia, in writing at Suites 1011-1012, Two Pacific Place, 88 Queensway, Hong Kong. Mackenzie Asia will not disclose proxy votes for other Clients or third-parties, unless specifically requested, in writing, by the Client or required by law (*e.g.*, U.S. Mutual Funds).

Item 18 Financial Information

Not applicable.