

MACKENZIE FINANCIAL CORPORATION

BROCHURE

March 30, 2020

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This brochure provides information about the qualifications and business practices of Mackenzie Financial Corporation. If you have any questions about the contents of this brochure, please contact us by telephone at (416) 967-2380 or by email at 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 Financial Corporation is also available on the SEC's website at www.adviserinfo.sec.gov.

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

Item 2 Material Changes

There were no material changes since our last annual update on March 29, 2019.

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

This Brochure is not:

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

As required by the Advisers Act, Mackenzie provides this Brochure to current and prospective U.S. Clients prior to the commencement of Mackenzie's advisory services and will offer this Brochure to such U.S. Clients on an annual basis thereafter. The Brochure may also be provided to current or 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's discretion, annually or upon request. This Brochure is also available through the SEC's Investment Adviser Public Disclosure website.

Although this publicly available Brochure describes investment advisory services and products of Mackenzie and certain of its affiliates, persons who receive this Brochure should be aware that it is designed solely to provide information relevant to U.S. persons about Mackenzie as necessary to respond to certain disclosure obligations under the Advisers Act. 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 any other product or service offered by Mackenzie or its affiliates is included in disclosure and investment documents and other relevant offering materials, certain of which may be provided to current and eligible prospective Clients and Investors only by Mackenzie and/or its affiliates. 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's activities with respect to non-U.S. Clients may differ from those described generally herein and Mackenzie may provide additional or different services to non-U.S. Clients. Mackenzie does not generally hold itself out to non-U.S. Clients as an SEC-registered adviser nor does it provide this Brochure to non-U.S. Clients. Since Mackenzie 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 and the availability of the Private Fund and certain other accounts, including other types of Investment Funds, may be limited. Investors and other recipients should be aware that while this Brochure may include information about Mackenzie's activities with respect to such investment vehicles or 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 offered or advised by Mackenzie. Rather, all discussion of the Canadian Mutual Funds and such accounts contained herein is intended solely to provide recipients a complete understanding of Mackenzie'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.

“Account” means an account held by a Client.

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

“Brochure” means this Form ADV Part 2A.

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

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

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

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

“Covered Person” means persons covered by the Code.

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

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

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

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

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

“Registration Statement”, for Canadian Mutual Funds, means a prospectus and annual information form.

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

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

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

General and Ownership

Mackenzie Financial Corporation was founded in 1967 and is a leading investment management firm providing investment advisory and related services. Mackenzie collaborates with its affiliates, Mackenzie Investments Corporation, Mackenzie Investments Europe Limited and Mackenzie Investments Asia Limited in providing such services. Mackenzie is a subsidiary of IGM Financial Inc. (TSX: IGM). IGM Financial is one of Canada's premier financial services companies. As of 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 and indirectly of Power Corporation of Canada.

Types of Advisory Services We Offer

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

- Canadian mutual funds, including exchange-traded funds ("**Canadian Mutual Funds**"), each of which is distributed under a prospectus in each of the provinces and territories of Canada, or is exempt from distribution under a prospectus under Canadian securities legislation;
- Separately Managed Accounts (*i.e.*, private client or institutional accounts, including U.S. state and local and other pension plans) ("**Separately Managed Accounts**"); and
- One closed-end fund listed on the Toronto Stock Exchange ("**Closed-End Fund**").

Non-Advisory Services

We currently provide administrative services which do not constitute discretionary investment advisory services, to one privately placed pooled investment vehicle ("**Private Fund**"), Mackenzie Institutional Series, LP, a limited partnership organized in Delaware. **The Private Fund is advised and sub-advised by affiliates of Mackenzie.**

Tailoring Advisory Services to the Individual Needs of Clients

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

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

Information about funds can be found in their relevant registration, governing and/or offering documents. For Canadian Mutual Funds, a Canadian prospectus can be found on the SEDAR website. For the Private Fund, relevant information is available in the 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 \$56,838,335,853 in client assets on a discretionary basis. We did not manage any client assets on a non-discretionary basis as of that date.

How We are Compensated for our Advisory Services

Mackenzie's fees for investment advisory services include:

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

Our Fee Schedule

The chart below provides a general description of the fees we charge to Canadian Mutual Funds, including exchange-traded funds and the Private Fund. For all other Accounts, the advisory fees vary by the size of the Account and its investment mandate. The fees are described in more detail in each Client's advisory agreement or other applicable account documents. For Canadian Mutual Funds and the Private Fund, advisory and other fees paid by Investors are described in the applicable Registration Statement, Private Placement Memorandum and/or governing documents.

Our fees may change over time and, as discussed below, different fee schedules may 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. To the extent that special fee arrangements are negotiated, the maximum annual fee to be charged by Mackenzie in respect of investment advisory services, exclusive of any incentive component, will be 1.5% of assets under management.

In appropriate circumstances, we can waive or reduce all or a portion of the fees we charge to a particular Client or Investor in our sole and absolute discretion. Specifically, we could waive or reduce fees for Accounts held by or on behalf of Mackenzie and its employees, principals, shareholders or affiliates. There can also be differences in fees paid by certain Clients or Investors based on the inception dates of their advisory relationship with Mackenzie. Thus, some Clients and Investors might pay more or less than others for the same or similar services depending, for example, on account inception dates, fee negotiations or waivers, number of accounts or value of related accounts, the nature of the mandate, total assets under management by Mackenzie or the manner in which Mackenzie's services are provided.

Also, Mackenzie or an affiliate could, in its sole discretion, agree to bear certain operating expenses of the Private Fund that exceed a cap agreed with the Private Fund Investors.

Account Type	Fee
Canadian Mutual Funds	Currently, the fees paid to Mackenzie may be up to 2.36% of assets under management, <i>per annum</i> .
Private Fund	The management fee payable in respect of the non-investment related administrative services that Mackenzie provides to the Private Fund is calculated as a percentage of the value of a limited partner's capital account (up to 0.15%) This management fee, or expenses paid in respect of the Private Fund, could be reduced by Mackenzie, particularly with respect to certain large or strategic Investors and for such other Investors as it considers appropriate from time to time.
Separately Managed Accounts	Fees for Separately Managed Account clients are negotiable.

Fees for Certain Accounts may be Negotiable

Except for certain Canadian Mutual Funds, we may negotiate fees for services with each Client 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 Clients other than Canadian Mutual Funds are accrued monthly and invoiced either monthly or quarterly in arrears.
- advisory fees for the Canadian Mutual Funds, excluding exchange-traded funds, are accrued and paid daily and advisory fees for exchange-traded funds are accrued daily and paid monthly, in arrears.
- advisory fees for Separately Managed Accounts will be negotiated and invoiced in accordance with such Account's investment management agreement.

Invoices for advisory fees are payable upon receipt. In certain circumstances, with the Client's consent, Mackenzie can subtract a Client's fees from the assets held in their Account. Mackenzie groups multiple Accounts of certain Clients (or group of related Clients) together for fee invoicing purposes. Fees are ordinarily based on the level of total assets under management within the relevant Account(s), including allocations to cash, on the appropriate valuation day.

Additional Fees and Expenses

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

- custodial charges,
- brokerage fees or commissions and related costs and expenses (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.

As described in more detail in Item 10: Other Financial Industry Activities and Affiliations, below, Mackenzie provides certain marketing support for I.G. International Management Limited ("IGIM"). IGIM compensates Mackenzie for such services, and Clients do not. The fees paid by a Client of IGIM are not impacted by such services.

To the extent Mackenzie hires sub-advisers, Mackenzie pays sub-advisory fees (out of the management fee it receives) to affiliated or unaffiliated sub-advisers. Such fees are borne by Mackenzie, and not by a Client. In such circumstances, Mackenzie would have an incentive to select sub-advisers that charge lower fees.

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

As mentioned in Item 5, Mackenzie manages various Accounts having different fee arrangements, including circumstances where some Accounts pay only management fees while other Accounts are subject to both management fees and incentive or performance-based fees.

For U.S. –based Accounts, any incentive or performance-based compensation will be charged in compliance with Rule 205-3 under the Advisers Act unless that rule is inapplicable by reason of Section 205(b) of the Advisers Act or related rules or interpretations of the SEC and its staff. Each incentive compensation arrangement is individually negotiated with the relevant Client. In certain instances, incentive compensation is charged only when gains in an Account exceed a particular rate or agreed upon benchmark (*i.e.*, a hurdle provision) and losses may be carried forward so that no incentive compensation is charged unless the losses have been recouped, subject to certain adjustments (*i.e.*, a high-water mark provision).

The ability to earn incentive compensation creates an incentive for Mackenzie to make riskier or more speculative investments for Accounts paying such fees than would be the case if Mackenzie was only compensated based on a flat percentage of capital, because these investments would allow Mackenzie to collect larger performance-based compensation.

Additionally, because Mackenzie manages various Accounts that charge performance-based fees and other types of fees, Mackenzie has an incentive to favor certain Accounts over others where both types of fees are charged and:

- the Accounts have the same or similar investment styles or otherwise compete for investment opportunities,
- the Accounts have differing abilities to engage in short sales or similar investment strategies, and/or
- Mackenzie or its personnel or affiliates have differing personal or proprietary interests.

In particular, Mackenzie has an incentive to favor Accounts that charge performance-based fees over Accounts that charge other types of fees or favor those Accounts that charge a higher performance-based fee over those with a lower performance-based fee.

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

Other Conflicts of Interest

Mackenzie is compensated, and the general partner can receive incentive allocations, based on the market value and/or performance of Accounts. As a result, to the extent that Mackenzie and/or a general partner values a security higher than its current market value (or where such market values are unreliable), Mackenzie and/or the general partner would benefit by receiving a management fee or incentive allocation that is increased by the impact, if any, of such valuation discrepancy.

Additionally, where an Investor purchases or redeems interests in an Investment Fund at a net asset value that is impacted by a discrepancy in valuation, the Investor could receive a greater or lesser interest in (or increased or decreased redemption proceeds from) such Investment Fund than would have been the case absent the discrepancy.

Similarly, existing and continuing Investors could be subject to dilution or accretion. A portion of the assets in which Accounts managed by Mackenzie invest could, at any time or from time to time, be illiquid, thinly traded or otherwise difficult to value.

As a result, we have valuation policies and procedures reasonably designed to mitigate the conflicts and potential for material pricing discrepancies in respect of Account assets and to assure that assets are valued in good faith and as accurately as is reasonably practicable. For listed securities, valuation generally will be based on market prices or reported “bid” and “ask” prices. For other investments, Mackenzie could be required to manually price or “fair value” assets held by, or on behalf of, an Account. Fair valuation is often necessary where pricing or valuation information with respect to a security or other asset is unavailable or does not accurately reflect the value of the security or other asset due to, among other reasons, political, economic and social instability and/or other market dislocations; loss of pricing coverage or market-making activities by broker-dealers; extreme market volatility in certain asset classes; uncertainty surrounding potential or actual government intervention in the markets for certain asset classes; and other factors that Mackenzie determines could diminish the timeliness, accuracy or reliability of pricing information. For example, Mackenzie could determine that a market quotation is not readily available or is unreliable if, among other reasons, an asset does not have a price source due to the limited demand for the asset (*i.e.*, lack of liquidity); the price quoted varies significantly from a recent trade; the security or asset is thinly traded (as can be the case with non-U.S. securities, especially emerging market securities); or there is a significant material event subsequent to the most recent market quotation or pricing information. Mackenzie’s good faith judgment as to whether an event would constitute a “significant material event” or whether a valuation is not readily available or otherwise unreliable might, in hindsight, prove to be incorrect.

Mackenzie can use a variety of fair value techniques or methodologies and can rely on third-party service providers in seeking to determine, in good faith, the price that an Account might reasonably expect to receive from the current sale of that asset in an arm’s-length transaction, considering such factors as:

- the nature and type of asset,
- the marketplace in which the asset trades,
- the pricing and trading history, if any, of the asset and of similar assets and issuers, and
- the use of valuations based on net assets or discounted cash flows.

Mackenzie’s fair value determinations can also use analytical values determined by Mackenzie or a service provider using quantitative models. These models, as well as any information and/or underlying assumptions utilized, will not always allow Mackenzie to correctly capture the fair value of an asset. Thus, the fair value assigned to an asset might not match the next available and reliable market price or, in retrospect, have been the price at which that asset could have been sold during the period in which the particular fair values were being used in determining an Account’s value for performance, fee calculation or net asset value purposes.

Types of Clients

We generally provide investment advice to:

- Individuals;
- High net worth individuals;
- Canadian mutual funds;
- Pension and profit sharing plans;
- Charitable organizations;
- Insurance companies;
- Corporations or business entities other than those listed above;
- Religious organizations, unions, trusts, medical associations, and family investment vehicles; and
- The Closed-End Fund which is organized under Ontario law.

We can also provide investment advice to sovereign wealth funds and government sponsored asset pools. We currently provide administrative services, which do not include discretionary investment advisory services, to the Private Fund.

Minimum Initial Investments

Separately Managed Accounts may require a minimum initial market value of \$10 million USD, depending upon the investment mandate.

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

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

Mackenzie or its affiliates reserve the right to waive or reduce the investment minimums in Accounts or with respect to a specific Investor in the Private Fund in its sole discretion.

Other Eligibility Requirements

Private Fund

We expect the Private Fund, to which we provide administrative services, 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 the Private Fund may also be subject to additional qualification requirements imposed by the Private Fund or applicable law, as set forth in Private Fund’s governing documents.

Consistent with these requirements, Private Fund Investors may 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 the Private Fund’s investment objective; and
- Mackenzie and its affiliates, as well as personnel of Mackenzie and its affiliates (including but not limited to portfolio management personnel responsible for the management of Accounts) who are “knowledgeable employees” (as defined by 1940 Act Rule 3c-5) or otherwise meet the Private Fund’s eligibility requirements.

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

Closed-End Fund

In addition to the Private Fund, we provide advisory services to the Closed-End Fund which is organized under Ontario law.

U.S. Persons cannot invest in the Closed-End Fund or other similar vehicles that are advised by Mackenzie.

Mackenzie could have other requirements for opening or maintaining an account, which would be listed in the offering document or account agreement.

Our Investment Strategies

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

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

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

The investment strategy	Its principal material risks
<u>Canadian Bond</u> This strategy seeks to provide a steady flow of income by investing primarily in Canadian government and corporate fixed income securities and adding value through security selection, and longer-term positioning of the term-to-maturity and yield curve.	<i>Company risk</i> <i>Credit risk</i> <i>Derivatives risk</i> <i>Foreign currency risk</i> <i>Foreign markets risk</i> <i>Interest rate risk</i> <i>Market risk</i> <i>Prepayment risk</i>
<u>Canadian Resources</u> This strategy seeks above average capital growth by investing primarily in equity securities of Canadian energy and natural resource companies. Generally, investments will be made in both small and large-capitalization companies.	<i>Commodity risk</i> <i>Company risk</i> <i>Concentration risk</i> <i>Foreign currency risk</i> <i>Foreign markets risk</i> <i>Market risk</i> <i>Precious metals risk</i>
<u>Canadian Small Cap Value</u> This strategy seeks to provide superior long-term capital appreciation by investing in a portfolio of undervalued small capitalization Canadian equities.	<i>Company risk</i> <i>Derivatives risk</i> <i>Foreign currency risk</i> <i>Foreign markets risk</i> <i>Small company risk</i>
<u>Canadian All Cap Value</u> This strategy seeks to provide superior long-term capital appreciation by investing in a portfolio of undervalued Canadian equities across all market capitalizations.	<i>Company risk</i> <i>Derivatives risk</i> <i>Foreign currency risk</i> <i>Foreign markets risk</i> <i>Small company risk</i> <i>Commodity risk</i>
<u>Global Large Cap Quality Growth</u> This strategy seeks long-term capital growth, while trying to protect capital, by investing in equity securities of companies located anywhere in the world. Investments generally do not include investments in emerging markets and securities of U.S. companies will usually form the largest percentage of assets from any geographic area.	<i>Company risk</i> <i>Concentration risk</i> <i>Foreign currency risk</i> <i>Foreign markets risk</i> <i>Market risk</i>

<p><u>International Large Cap Quality Growth</u></p> <p>This strategy seeks long-term capital growth consistent with the protection of capital by investing primarily in equity securities of companies located in the following three principal market regions: (1) the United Kingdom and Europe; (2) Asia and the Far East; and (3) Australia and New Zealand. To a lesser extent, investments may also include securities of issuers located in other global markets.</p>	<p><i>Company risk</i> <i>Concentration risk</i> <i>Foreign currency risk</i> <i>Foreign markets risk</i> <i>Market risk</i></p>
<p><u>International All Cap Deep Value</u></p> <p>This strategy seeks long-term capital growth by investing primarily in equity securities of companies anywhere in the world, outside of Canada and the U.S. The investment approach is based on a fundamental value philosophy, and seeks to invest in securities trading below their estimated intrinsic value.</p>	<p><i>Company risk</i> <i>Concentration risk</i> <i>Foreign currency risk</i> <i>Foreign markets risk</i> <i>Illiquidity risk</i> <i>Market risk</i></p>
<p><u>European Large Cap Quality Growth</u></p> <p>This strategy seeks long-term capital growth, while trying to protect capital, by investing primarily in equity securities of European countries and follows a blended growth and value investment style by seeking companies having the greatest prospects for long-term growth.</p>	<p><i>Company risk</i> <i>Foreign currency risk</i> <i>Foreign markets risk</i> <i>Market risk</i></p>
<p><u>Global Small Cap Growth</u></p> <p>This strategy seeks long-term capital growth by investing primarily in equity securities of small and mid-capitalization companies anywhere in the world.</p>	<p><i>Company risk</i> <i>Foreign currency risk</i> <i>Foreign markets risk</i> <i>Market risk</i> <i>Small company risk</i></p>
<p><u>Global Multi Sector Fixed Income</u></p> <p>This strategy seeks a positive total return, regardless of market conditions over a market cycle, by investing primarily in global fixed-income and derivative instruments.</p>	<p><i>Company risk</i> <i>Credit risk</i> <i>Derivatives risk</i> <i>ETFs risk</i> <i>Foreign markets risk</i> <i>Illiquidity risk</i> <i>Interest rate risk</i> <i>Market risk</i> <i>Prepayment risk</i></p>
<p><u>US Mid Cap Growth</u></p> <p>This strategy seeks long-term growth of capital and a reasonable rate of return by investing primarily in equity securities of small to mid-capitalization U.S. companies and, from time to time, in equity securities of companies based outside of North America and in fixed-income securities of U.S. and Canadian corporations and government bodies.</p>	<p><i>Company risk</i> <i>Foreign currency risk</i> <i>Foreign markets risk</i> <i>Market risk</i> <i>Small company risk</i></p>
<p><u>Floating Rate Income</u></p> <p>This strategy seeks to generate current income by investing in floating rate debt obligations and other floating rate debt instruments of issuers located anywhere in the world.</p>	<p><i>Company risk</i> <i>Credit risk</i> <i>Foreign currency risk</i> <i>Foreign markets risk</i> <i>Illiquidity risk</i> <i>Market risk</i> <i>Prepayment risk</i></p>
<p><u>Global Core Equity</u></p> <p>This strategy seeks to provide long-term capital growth and current income by investing primarily in equity securities of companies anywhere in the world that pay, or may be expected to pay, dividends, or in other types of securities that distribute, or may be expected to distribute, income.</p>	<p><i>Company risk</i> <i>Foreign currency risk</i> <i>Foreign markets risk</i> <i>Market risk</i></p>

<p><u>Global Energy</u></p> <p>This strategy seeks to provide long-term capital appreciation through leveraged long and short positions primarily in the securities of companies operating in the global energy sector.</p>	<p><i>Commodity risk</i> <i>Company risk</i> <i>Concentration risk</i> <i>Energy Sector risk</i> <i>Foreign currency risk</i> <i>Foreign markets risk</i> <i>Illiquidity risk</i> <i>Interest rate risk</i> <i>Market risk</i></p>
<p><u>Global Resource</u></p> <p>This strategy seeks to provide long-term capital growth by investing in energy and natural resource companies operating anywhere in the world and across a broad spectrum of industries. It will generally invest in both small and large capitalization companies.</p>	<p><i>Commodity risk</i> <i>Company risk</i> <i>Concentration risk</i> <i>Foreign currency risk</i> <i>Foreign markets risk</i> <i>Market risk</i> <i>Precious metals risk</i></p>
<p><u>Global All Cap Deep Value</u></p> <p>This strategy seeks to provide long-term capital growth by investing in companies from anywhere in the world whose market value is trading at deep discounts to their perceived intrinsic, liquidation or break-up value. (Hedged to Canadian dollar or Unhedged).</p>	<p><i>Company risk</i> <i>Concentration risk</i> <i>Foreign currency risk</i> <i>Foreign markets risk</i> <i>Illiquidity risk</i> <i>Market risk</i></p>
<p><u>Global Large Cap Quality Growth Constrained</u></p> <p>This strategy seeks to provide long-term capital growth by investing in high quality, larger capitalization companies from anywhere in the world with a focus on maximizing risk-adjusted returns.</p>	<p><i>Company risk</i> <i>Derivatives risk</i> <i>Foreign currency risk</i> <i>Foreign markets risk</i> <i>Market risk</i></p>

The principal material risks (as set forth in the table above), as well as the other material risks are described in more detail below.

Commodity Risk: Accounts can invest in commodities or in companies engaged in commodity-focused industries and/or obtain exposure to commodities using derivatives or by investing in exchange traded funds (“ETFs”), the underlying interests of which are commodities. Commodity prices can fluctuate significantly in short time periods, which will have a direct or indirect impact on the value of such an Account.

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. An Account’s value is based on the value of its portfolio securities, an overall decline in the value of portfolio securities that it holds will reduce the value of the Account.

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

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

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.

Credit Risk: An issuer of a bond or other fixed income investment, including asset backed securities, could be unable to pay interest or to repay the principal at maturity. The risk of such a failure to pay is known as credit risk. Some issuers have more credit risk than others. Issuers with higher credit risk typically pay higher interest rates than interest rates paid by issuers with lower credit risk because higher credit risk companies expose investors to a greater risk of loss. Credit risk can increase or decline during the term of the fixed income investment.

Companies, governments and other entities, including special purpose vehicles that borrow money, and the debt securities they issue, are assigned credit ratings by specialized rating agencies such as DBRS. The ratings are a measure of credit risk and take into account many factors, including the value of any collateral underlying a fixed income investment. Issuers with low or no ratings typically pay higher yields, but can subject holders to substantial losses. Credit ratings are one factor used by the portfolio managers of Accounts in making investment decisions. A credit rating could prove to be wrong, which can lead to unanticipated losses on fixed income investments. If the market perceives that a credit risk rating is too high, then the value of the investments can decrease substantially. A downgrade in an issuer's credit rating or other adverse news regarding an issuer can reduce a security's market value.

The difference in interest rates between an issuer's bond and a government-issued bond that is identical in all respects except for the credit rating is known as the credit spread. Credit spreads widen if the market determines that a higher return is necessary to compensate for the increased risk of owning a particular fixed income investment. An increase in credit spread after the purchase of a fixed income investment decreases the value of that investment.

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

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

The use of derivatives carries several risks:

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

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 Mackenzie's 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 firm's investments. In addition, many portfolio companies could be similarly subject to the same economic conditions, which could adversely impact investment returns.

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

Energy Sector Risk: The energy markets and their industry participants are susceptible to significant short-term price volatility as a result of a variety of factors, many of which are inherently unpredictable; such factors can include, but are not limited to, the following: unpredictable short-term (e.g., hurricanes) and long-term (e.g., global warming) changes in weather and weather patterns; changes in regulatory restrictions, standards and prohibitions; changes in supply and demand; the functioning and capacity of facilities necessary to produce, transport, store and deliver physical energy; interest rates; rate and tariff regulation; government ownership or operation of certain trading counterparties; consumer and environmental protection advocacy; governmental intervention and policy

changes; international political events; acts of war; terrorist attacks; force majeure or other unforeseen events. Furthermore, certain energy markets – in particular, those related to petroleum — are particularly subject to the risk of sudden and dramatic price changes as a result of international political events, acts of war and terrorism and the anticipation of such events. These events are, by their nature, unpredictable, and can cause extreme and sudden price reversals and market disruptions. In addition, it is important to note that the geo-political climate could exacerbate.

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

Foreign Currency Risk: Most foreign investments are purchased in currencies other than the Canadian (or U.S.) dollar. As a result, the value of those investments will be affected by the value of the Canadian (or U.S.) dollar relative to the value of the foreign currency. If the Canadian (or U.S.) dollar rises in value relative to the other currency but the value of the investment otherwise remains constant, the value of the investment in Canadian dollars (or U.S.) will have fallen. Similarly, if the value of the Canadian (or U.S.) dollar has fallen relative to the foreign currency, the value of the Account's investment will have increased. Some Accounts use derivatives such as options, futures, forward contracts, swaps and customized types of derivatives to hedge against losses caused by changes in exchange rates.

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

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

Some high yield debt securities, which include but are not limited to security types commonly known as high yield bonds, floating rate debt instruments and floating rate loans, as well as some fixed income securities issued by corporations and governments in emerging market economies, can be more illiquid in times of market stress or sharp declines. In addition, the liquidity of individual securities can vary widely over time. Illiquidity in these instruments could take the form of wider bid/ask spreads (*i.e.*, significant differences in the prices at which sellers are willing to sell and buyers are willing to buy that same security). Illiquidity can take the form of extended periods for trade settlement and delivery of securities. In some circumstances of illiquidity, it might be more difficult to establish a fair market value for particular securities, which could result in losses to an Account that has invested in these securities.

Interest Rate Risk: Interest rates impact the cost of borrowing for governments, companies and individuals, which in turn impacts overall economic activity. Interest rates could rise during the term of a fixed income investment. If

interest rates rise, then the value of that fixed income investment generally will fall. Conversely, if interest rates fall, the value of the investment generally will increase.

Longer-term bonds and strip bonds are generally more sensitive to changes in interest rates than other kinds of securities. The cash flow from debt instruments with variable rates will change as interest rates fluctuate.

Changing interest rates can also indirectly impact the share prices of equity securities. When interest rates are high, it could cost a company more to fund its operations or pay down existing debt. This can impair a company's profitability and earnings growth potential, which can negatively impact its share price. Conversely, lower interest rates can make financing for a company cheaper, which could increase its earnings growth potential. Interest rates can also impact the demand for goods and services that a company provides by impacting overall economic activity as described above.

Large Transaction Risk: A large purchase of an Account's securities will create a relatively large cash position in that Account's portfolio. The presence of this cash position could adversely impact the performance of the Account, and the investment of this cash position could result in significant incremental trading costs, which are borne by all of the investors in the Account.

Conversely, a large redemption of an Account's securities could require the Account to sell portfolio investments so that it can pay the redemption proceeds. This sale could impact the market value of those portfolio investments and result in significant incremental trading costs, which are borne by all of the investors in the Account and it could accelerate or increase the payment of capital gains distributions or capital gains dividends to these investors.

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

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. Finally, there are risks associated with being invested in the equity and fixed income markets generally. The market value of an Account will rise and fall based on specific company developments and broader equity or fixed income market conditions. Market value will also vary with changes in the general economic and financial conditions in the countries where the investments are based.

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 defaults (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 an Account to suffer a loss of any or all of its investments or, in the case of fixed income securities, interest thereon.

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

Precious Metal Risk: Precious metal prices are affected by supply and demand and global economic conditions. If a company had exposure to the precious metal market, the value of the company's securities could decline regardless of the company's own financial results.

Prepayment Risk: Certain fixed income securities, including mortgage-backed or other asset-backed securities, can be prepaid before maturity. If a prepayment is unexpected or if it occurs faster than predicted, the fixed income security would pay less income and its value would decrease.

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 would 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.

Short-Selling Risk: Certain Accounts are permitted to engage in a limited amount of short-selling. A short-sale is a transaction in which an Account sells, on the open markets, securities that it has borrowed from a lender for this purpose. At a later date, the Account purchases identical securities on the open market and returns them to the lender. In the interim, the Account must pay compensation to the lender for the loan of the securities and provide collateral to the lender for the loan.

Short-selling involves certain risks:

- There is no assurance that the borrowed securities will decline in value during the period of the short-sale by more than the compensation paid to the lender, and securities sold-short could instead increase in value.
- An Account could experience difficulties in purchasing and returning borrowed securities if a liquid market for the securities does not exist at that time.
- A lender could require an Account to return borrowed securities at any time. This might require an Account to purchase such securities on the open market at an inopportune time.

- The lender from whom an Account has borrowed securities, or the prime broker who is used to facilitate the short-selling, could become insolvent and the Account could lose the collateral it has deposited with the lender and/or the prime broker.

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

Our methods of analysis

We advise Accounts using different methods of analysis depending on the Account's mandate, including:

- **Fundamental analysis**, which includes the analysis of financial statements, the general financial health of companies and/or the analysis of management or competitive advantages.
- **Quantitative analysis**, in which proprietary models are used to manage portfolios.
- **Technical analysis**, which includes the analysis of past market data.
- **Cyclical investing**, which includes the analysis of business cycles to find favorable conditions for buying and/or selling a security.
- **Charting**, which includes the use of patterns in performance charts.

Other techniques we can use include:

- **Temporary investment in short-term market instruments:** In certain Accounts, although the composition of the portfolios managed by the investment managers will not be governed by consideration of income, there could be times when, in the investment managers' judgment, security price levels or adverse business prospects indicate that preservation of capital can best be achieved by temporary investments in short-term market instruments.
- **Short sale transactions:** Certain Accounts can engage in "short sale" transactions and use margin in connection with such transactions.

Short sales, which anticipate the decline in the value of a security, would normally be made when it is believed that intrinsic values of the specific security are significantly exceeded by current market prices or as a hedge against an investment position.

A short sale is effected by selling a security which the Account does not own, or, if it does own the security, is not to be delivered upon consummation of the sale. Short sales can be made "against the box" (*i.e.*, selling short a stock owned by the Account for hedging purposes) or can be "naked," that is, sales of securities which the Account does not own.

Selling securities short, while utilized to hedge investments, runs the risk of having to repurchase the security at a higher price than the sale price and thus losing an amount greater than the initial investment in a relatively short period of time.

- **Borrowed money:** Certain Accounts also might borrow in order to enhance investment leverage, and there could be few if any restrictions on borrowing capacity other than limitations imposed by lenders and any applicable credit regulations. Loans generally can be obtained from securities brokers and dealers or

from other financial institutions; and such loans would be secured by securities or other assets of the Account pledged to such institutions.

While the use of borrowed funds to purchase securities can substantially improve the return on invested capital if the securities purchased increase in value, their use can also increase the impact to which the investment portfolio might be subject if the securities purchased decrease in value.

- **Investing in mutual funds and/or ETFs:** In certain cases, an Account can purchase the securities of mutual funds and/or ETFs as a means of following the techniques and strategies followed and instruments used in their portfolios.

Item 9 Disciplinary Information

Not applicable.

Item 10 Other Financial Industry Activities and Affiliations

Other Registrations

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

Other Financial Industry Activities and Affiliations

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

Other Investment Advisers

Mackenzie employs affiliated sub-advisers to provide investment sub-advisory services to certain Canadian Mutual Funds and/or other Accounts. Currently: (i) GLC Asset Management Group Ltd., a Mackenzie-affiliate that is registered with the appropriate Canadian regulatory authority; and (ii) Canada Life Asset Management Limited, Irish Life Investment Managers Limited, Setanta Asset Management Limited, The Putnam Advisory Company LLC, Putnam Investments Limited, Mackenzie Investments Corporation, Mackenzie Investments Europe Limited and Mackenzie Investments Asia Limited, provide such services and are each a Mackenzie-affiliate that is exempt from being registered with the Canadian regulatory authority. Mackenzie provides sub-advisory services to IGIM and Counsel Portfolio Services Inc., each a Mackenzie-affiliate that is registered with the appropriate Canadian regulatory authority. Quadrus Investment Services Ltd., a Mackenzie-affiliate that is registered with the Canadian regulatory authority, provides distribution services on certain Canadian Mutual Funds.

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

Mackenzie provides certain marketing support for IGIM services, an affiliated investment adviser registered with the SEC, including data base population, responding to requests for proposals, all client prospecting activities and client servicing. Mackenzie will not provide such services on behalf of, and therefore will not refer clients to, other, unaffiliated investment advisers.

Mackenzie Investments Corporation, an affiliated investment adviser registered with the SEC, currently provides certain marketing and client intake services to Mackenzie. Mackenzie, and not any Client, compensates Mackenzie Investments Corporation for its services and the fees paid by Clients are not impacted by the Accounts that have been brought to us by Mackenzie Investments Corporation.

Insurance Company or Agency

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

Material Conflicts of Interest between Mackenzie and Related Parties

Mackenzie has adopted policies and procedures reasonably designed to manage and, to the extent possible, 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 these policies.

Interest in Client Transactions

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

Mackenzie (or a related person) may:

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

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

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

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

The Code

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

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

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

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

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

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

Insider Trading Policies

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

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

Other Conflicts of Interest

Inconsistent Investment Positions and Timing of Competing Transactions

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

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

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

On the other hand, conflicts could also arise because portfolio decisions made for one Account could result in a benefit to other Accounts. For example, the sale of a long position or establishment of a short position for an Account could decrease the price of the same security sold short by (and therefore benefit) another Account, and the purchase of a security or covering of a short position in a security for one Account could increase the price of the same security held by (and therefore benefit) other Accounts. These effects can be particularly pronounced in less liquid strategies.

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

Mackenzie can pursue or enforce rights of certain Accounts with respect to an issuer in which other Accounts have invested, and those activities could have an adverse effect on those other Accounts. For example, one Account could hold the debt securities of an issuer which has become financially impaired, while another holds the equity securities of the same issuer. As a result, prices, availability, liquidity, and terms of the second Account's investment could be negatively impacted by the activities of the first Account, and vice versa, and transactions for such Accounts could be effected at less favorable prices or terms or otherwise impaired.

To avoid such conflicts, Mackenzie 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.

Side-by-Side Management and Differential Interests

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

Mackenzie faces conflicts of interest when:

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

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

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

How We Select Broker-Dealers for Client Transactions

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

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

On a periodic basis, Mackenzie 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'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's policies with respect to its exercise of investment and brokerage discretion on behalf of its Accounts.

Selection Criteria for Trade Execution

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

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

- Mackenzie's knowledge of negotiated commission rates and spreads currently available and the competitiveness and reasonableness of rates offered;
- the nature of the security being traded;
- the size and type of transaction;
- the nature and character of the markets for the security to be purchased or sold;
- the desired timing of the trade and the broker-dealer's ability to meet Mackenzie's required or requested speed of execution;
- the activity existing and expected in the market for the particular security;
- the broker-dealer's access to primary markets and quotation sources;
- the broker-dealer's ability to execute orders with minimal market impact;
- the ability of the broker-dealer to locate sources of liquidity and to effect transactions when a large block of securities is involved or where liquidity is limited;
- confidentiality;

- the execution, clearance and settlement capabilities and history as well as the reputation and perceived soundness of considered broker-dealers;
- Mackenzie's knowledge of actual or apparent operational problems of any broker-dealer;
- the broker-dealer's execution services rendered on a continuing basis and in other transactions;
- the broker-dealer's reliability in executing trades, keeping records and accounting for and correcting trade errors and failed trades or settlements to Mackenzie's satisfaction;
- the broker-dealer's ability to accommodate Mackenzie's needs with respect to one or more trades – including its ability and willingness to maintain quality execution in unusual or volatile market conditions;
- the broker-dealer's block trading and arbitrage capabilities; and
- the broker-dealer's access to other markets.

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

Mackenzie can execute over-the-counter trades on an agency basis rather than directly through a market maker. In these situations, the broker used by Mackenzie then acquires or disposes of a security through a market maker. The transaction could thus be subject to a mark-up or mark-down in addition to any commission or commission-equivalent paid to the broker. Mackenzie uses a broker in these instances only when consistent with its duty to seek best execution for Client transactions. The use of a broker in this manner 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 can also use an electronic communication network (“ECN”) or alternative trading system (“ATS”) to effect over-the-counter trades when, in Mackenzie's judgment, the use of an ECN or ATS could result in equally or more favorable overall execution quality for the transaction. Mackenzie can trade in this manner when it believes that any commissions paid to the ECN or ATS, when added to the price and considering all relevant circumstances, still results in equal or better qualitative execution than might have otherwise been obtained trading “net” with a market maker.

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

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

Certain exchanges and markets in or through which Mackenzie invests are highly regulated. Accounts investing through such markets can be adversely affected by regulations relating to the acquisition and sale of shares, which could limit Mackenzie's effective level of discretion or influence the manner, price or cost of transactions. Legal or regulatory restrictions or reporting requirements related to certain types of investments or investment thresholds can limit Mackenzie's freedom of action or could have an adverse effect on the price or liquidity of a holding. For example, when regulations limit or require reporting of transactions or holdings when certain thresholds (which could apply in the aggregate across all Accounts managed by Mackenzie or its affiliates) are met, the ability of any Account to purchase or sell an investment, exercise rights (including voting rights) or engage in other related transactions could be restricted or impaired or might require that Mackenzie disclose such Accounts' interests in the relevant investment or issuer, which could adversely affect price or liquidity. In such cases, Mackenzie can, in its discretion, limit additional purchases, dispose of existing holdings or refrain from exercising certain rights, as it deems appropriate.

Commission Rates or Equivalents Policy

Mackenzie endeavors to remain aware of current charges of eligible broker-dealers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of its Clients. As noted above, Mackenzie periodically reviews the quality of executions received from its brokers and considers the services of other brokers (or other execution venues) that 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 may be selected to execute Account transactions. Where Mackenzie believes that, over time, a particular broker-dealer has consistently and materially engaged in activity that is not in the best interest of Mackenzie's Clients, Mackenzie's chief investment officer can determine to restrict or prohibit future execution of transactions through that broker-dealer.

Mackenzie can set ranges for commission rates and negotiate with broker-dealers, when appropriate. However, Mackenzie will not select broker-dealers solely on the basis of "posted" commission schedules nor always seek in advance competitive bidding for the most favorable rate applicable to a particular transaction. Although Mackenzie generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Mackenzie believes that paying fair and reasonable commissions to broker-dealers in return for quality 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 utilizes several different broker dealers and favors those whose research services, execution abilities or other legitimate and appropriate services are particularly helpful to Mackenzie in seeking favorable investment results for Clients. As part of this determination, Mackenzie recognizes that some brokerage firms are better at executing some types of orders than others. Thus, it may be in the best interest of Clients to utilize a broker whose commission rates are not the lowest but whose abilities are expected to result in lower overall transaction costs or more favorable results. The overriding consideration in routing orders for execution is to seek to maximize Client profits (or minimize losses) through a combination of controlling transaction and securities costs and seeking the most effective uses of brokers' research and execution capabilities.

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

Mackenzie Considers “Soft Dollar” Benefits in Allocating Brokerage

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

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

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

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

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

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

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

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

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

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

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

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

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

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

How Soft Dollar Benefits Are Distributed Among Client Accounts

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

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

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

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

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

Client Directed Brokerage Transactions

While Mackenzie generally selects broker-dealers to execute transactions for Client Accounts, Mackenzie will accept, in limited instances, direction from Clients as to which broker-dealer is to be used. If a Client wishes to direct the use of a particular broker-dealer, Mackenzie asks that the Client also specify, in writing (i) general types of securities for which a designated firm should be used and (ii) whether the designated firm should be used for all transactions, even though Mackenzie might be able to obtain a more favorable net price and execution from another broker-dealer in particular transactions.

Clients who, in whole or in part, direct Mackenzie to use a particular broker-dealer to execute transactions for their Account should be aware that, in doing so, they are limiting Mackenzie’s ability to, among other things, obtain volume discounts on bunched orders or to obtain best execution by, for example, executing over-the-counter transactions through a market maker.

Directing brokerage could cost Clients more money and reduce performance. Transactions for a Client that directs brokerage are generally unable to be combined or “bunched” for execution purposes with orders for the same securities for other Accounts managed by Mackenzie. In these instances, a Client that has directed Mackenzie to use a particular broker-dealer to execute its trades will generally have its trades placed at the end of bunched trading activity for a particular security. Accordingly, directed transactions are often subject to price movements, particularly in volatile markets, that can result in the Client receiving a price that is less favorable than the price obtained by the bunched order. Clients who choose to direct brokerage to a particular broker or dealer to execute transactions should be aware that, in doing so, they could be subject to higher commissions, greater spreads or less favorable net prices or lower quality execution than might be the case if Mackenzie could negotiate commission rates or spreads freely, or select brokers or dealers based on quality of execution. Consequently, best price and execution might not be achieved.

Mackenzie’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’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’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 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 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'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.

Under the Policy, and to the extent consistent with each participating Client's investment advisory agreement, Mackenzie 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 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 will allocate the order in accordance with the Policy, as described below.

Mackenzie can allocate *pro rata* when a bunched order cannot be fully executed in a single day, with the portion of the order filled 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'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 believes that, as a result of the incomplete fill, the order is no longer appropriate for the relevant Account(s). Mackenzie 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 can 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 could 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 identifies investment opportunities that are more appropriate for certain Accounts than others. In these cases, Mackenzie could determine to allocate a partial fill to such Accounts. Factors which Mackenzie 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 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 generally will not aggregate trades for Clients who have limited Mackenzie's brokerage discretion with trades for other Accounts. Notwithstanding the foregoing, Mackenzie 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 generally includes Clients whose Accounts are managed by Mackenzie in bunched orders for other Mackenzie Clients. However, if an Account is managed by a Mackenzie 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 Clients.

Allocation of "New Issues"

Mackenzie 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 consistently with its general trade allocation policies, described above. 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; and portfolio managers; and certain family members thereof, are often ineligible to, or are restricted in their ability to, participate in new issues. Mackenzie 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.

The Private Fund and other Investment 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 can take certain actions to maintain the Investment Fund's compliance with FINRA Rule 5130. For example, Mackenzie could prohibit or limit investment in certain Investment Funds by Restricted Person Investors or, with respect to the Private Fund, exclude Restricted Persons from participating in any new issue investment.

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 a holder'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'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 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'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.

Review of Accounts

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

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

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

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

Many Clients also receive custodial statements from their Account's custodian and transaction reports from executing brokers. For Accounts with respect to which Mackenzie is subject to the U.S. Custody Rule as a result of fee billing arrangements or otherwise (other than the Private Fund), Clients will receive account statements directly from the Custodian, no less frequently than quarterly, in addition to any statements provided by Mackenzie. If the Client receives an account statement from the Custodian, the Client should carefully review such account statement and contact Mackenzie in the event of any discrepancies. Please see Item 15: Custody for more information on our compliance with the U.S. Custody Rule.

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

Item 14 Client Referrals and Other Compensation

Referral Arrangements

From time to time, Mackenzie could enter into arrangements whereby Mackenzie will engage a solicitor, including an affiliated solicitor, to refer Clients or Investors to Mackenzie. To the extent that Mackenzie 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 by an unaffiliated solicitor are provided with this Brochure and the solicitor's disclosure statement at the time of solicitation and must provide Mackenzie, 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. 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, the nature of any relationship or affiliation between Mackenzie and the solicitor and whether the Client or Investor bears any costs with respect to the solicitation or whether the fees paid by such a Client or Investor would differ from fees paid by similarly situated persons who are not so introduced, as a result of the solicitation. Currently, fees charged to those who were introduced by a solicitor are not, as a consequence of the solicitation, higher than those charged to similar persons who were not introduced by a solicitor. However, as discussed above, fees are negotiable, so some Clients not introduced by a solicitor could, as a result of negotiation, pay fees that are lower than similar Clients who were introduced by a solicitor.

As discussed above, Mackenzie Investments Corporation, a Mackenzie affiliate, currently provides certain marketing and client intake services to Mackenzie. Mackenzie compensates Mackenzie Investments Corporation for its services and certain personnel of Mackenzie Investments Corporation could be compensated for successful referrals.

Also as discussed above, Mackenzie provides certain marketing support for IGIM. IGIM compensates Mackenzie for its services and certain personnel of Mackenzie could be compensated for successful referrals.

Item 15 Custody

Custody of Accounts

Mackenzie is deemed to have “custody” of Accounts within the meaning of the **U.S. Custody Rule** if Mackenzie has access to or authority over Client funds and securities for purposes other than issuing trading instructions, although the rule does not apply to Mackenzie’s non-U.S. clients. If Mackenzie is deemed to have custody over a 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 should 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, if Mackenzie separately provides reports or account statements, Clients should compare these carefully to the custodian’s statements. Clients should contact Mackenzie immediately if there appears to be any discrepancy between the custodian’s statements and Mackenzie’s.

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

Item 16 Investment Discretion

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

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

Mackenzie can, however, accept Accounts with limited discretion, where investments are client-directed pursuant to the management agreement or where Mackenzie agrees to execute certain or all Account transactions through specified broker-dealers selected by the Client.

Moreover, Mackenzie could serve as primary adviser to an Account and engage sub-advisers to exercise day-to-day discretionary authority on behalf of the Account. In those circumstances Mackenzie could have little or no practical discretion as to the matters described above. In certain cases, however, third-party sub-advisers to Mackenzie enter into written agreements pursuant to which trades for Mackenzie Accounts sub-advised by the third-party are executed through Mackenzie's trading desk. In those circumstances, Mackenzie's policies and procedures with respect to trading apply.

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's Voting Policies and Procedures

Except to the extent that a Client, by contract or otherwise, explicitly reserves the power to vote proxies to itself or another party (or prohibits Mackenzie from voting), Mackenzie will vote proxies with respect to each Account for which it has discretionary authority.

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

Mackenzie'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 could vote proxies for one or more Accounts differently than other Accounts. Mackenzie 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.

Moreover, where a sub-adviser exercises discretion over an Account, that sub-adviser, rather than Mackenzie, generally is vested with proxy voting authority for the Account and will vote such proxies in accordance with its own proxy voting policies and procedures, which could differ from Mackenzie's proxy voting policies and procedures.

In some circumstances, Mackenzie 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 from disposing of the security for a specified amount of time surrounding the shareholder meeting.

Conflicts of Interest

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

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

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

How to Learn More About Mackenzie's Voting of Proxies

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

requested, in writing, by the Client or required by law (*e.g.*, U.S. Mutual Funds). However, to the extent that Mackenzie serves as a sub-adviser to an Account, Mackenzie will be deemed to be authorized to provide relevant proxy voting records to the Account's adviser.

Item 18 Financial Information

Not applicable.