

# MACKENZIE FINANCIAL CORPORATION

## BROCHURE

March 31, 2021

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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](mailto: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](http://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

This item discusses only material changes since our last annual update, which was filed on March 30, 2020. Since that date, we have made the following material changes to our Brochure:

- Most items of the Brochure have been revised to focus on aspects of our business that are relevant to our current U.S. Client.

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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 can 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 subsequently in Mackenzie's discretion, annually or upon request. This Brochure is also available through the SEC's Investment Adviser Public Disclosure website.

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

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

***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, is limited. Investors and other recipients should be aware that while this Brochure includes certain information about Mackenzie's activities with respect to such investment vehicles or services provided outside of the U.S., as necessary or appropriate, it is not, nor is it intended to be, a complete discussion of the features, risks or conflicts associated with any investment product offered or advised by Mackenzie. Rather, all discussion of the Canadian Mutual Funds and such accounts contained herein is intended solely to help recipients understand Mackenzie's business, including any related conflicts of interest. It is not intended as an offer, or solicitation of an offer, with respect to any investment nor should it be relied upon in determining to invest. It is also not an offer of, or an agreement to provide advisory services directly to any recipient who is not already a Client.***

***Glossary:***

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

**“Account”** means an account held by a Client.

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

**“Brochure”** means this Form ADV Part 2A.

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

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

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

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

**“Covered Person”** means persons covered by the Code.

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

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

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

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

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

**“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 (“MIC”), Mackenzie Investments Europe Limited (“MIEL”) and Mackenzie Investments Asia Limited (“MIAL”) in providing such services. Mackenzie is a subsidiary of IGM Financial Inc. (TSX: IGM). IGM Financial is one of Canada’s premier financial services companies. As of January 8, 2021, Power Financial Corporation, a wholly-owned subsidiary of Power Corporation of Canada, beneficially owned, directly and indirectly, 65.940% of IGM Financial Inc. (excluding 0.012% held by The Canada Life Assurance Company in its segregated funds or for similar purposes). The Desmarais Family Residuary Trust, a trust for the benefit of the members of the family of the late Mr. Paul G. Desmarais, has voting control, directly and indirectly of Power Corporation of Canada.

**Types of Advisory Services We Offer**

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

- Canadian mutual funds, including exchange-traded funds (“**Canadian Mutual Funds**”), each of which is distributed under a prospectus in each of the provinces and territories of Canada, or is exempt from distribution under a prospectus under Canadian securities legislation;
- Separately Managed Accounts (*i.e.*, private client or institutional accounts, including pension plans) (“**Separately Managed Accounts**”); 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, 2020, we managed USD \$141,727,338,128 in client assets on a discretionary basis. We did not manage any client assets on a non-discretionary basis as of that date.

**How We are Compensated for our Advisory Services**

Mackenzie's fees for investment advisory services can include:

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

Canadian Mutual Funds, including exchange-traded funds, and the Private Fund charge asset based fees as described in the applicable Registration Statement, Private Placement Memorandum and/or governing documents. Fees for separate account management are negotiated individually with each client and set forth in the advisory agreement or account documentation for each respective Client.

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

In some cases we maintain a basic fee schedule based on the investment mandate, Client type or advisory arrangement. However, except with respect to certain Canadian Mutual Funds (and their Investors), we can negotiate fees for services with a Client (or, in some cases, Investor) on an individual basis, including alternative fee arrangements, rather than basing our fees on a general fee schedule. When we negotiate fees, we can take into consideration, among other things, the investment mandate, total market value, regulatory requirements, reporting requirements, customization of the investment or reporting process or other special considerations relevant to a particular Account. Similarly, in appropriate circumstances, we can waive or reduce all or a portion of the fees we charge to a particular Client or Investor in our sole and absolute discretion. For example, we can waive or reduce fees for Accounts held by or on behalf of Mackenzie and its employees, principals, shareholders or affiliates. Also, Mackenzie or an affiliate could, in its sole discretion, agree to bear certain operating expenses of the Private Fund that exceed a cap agreed with the Private Fund Investors generally or applicable to the Private Fund as a whole.

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

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

**Additional Fees and Expenses**

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

- custodial charges,
- brokerage fees or commissions and related costs and expenses,
- duties and other governmental charges,



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

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

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

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

Currently, none of Mackenzie's U.S. -based Accounts include any incentive or performance-based component to Mackenzie's compensation. Should Mackenzie determine to charge such fees to U.S.-based Accounts in the future, such fees will be charged in compliance with Rule 205-3 under the Advisers Act unless that rule is inapplicable by reason of Section 205(b) of the Advisers Act or related rules or interpretations of the SEC and its staff.

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

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

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

### **Other Conflicts of Interest**

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

**Types of Clients**

We generally provide investment advice to:

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

We can also provide investment advice to sovereign wealth funds and government sponsored asset pools. Mackenzie can establish requirements for opening or maintaining an account, which would be listed in the offering document or account agreement, but does not currently impose any minimum account size for U.S. Accounts.

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

**Our Investment Strategies**

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

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

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

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

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

**Company Risk:** Equity investments such as stocks and investments in trusts, and fixed income investments, such as bonds, carry several risks that are specific to the company that issues the investments. A number of factors could cause the price of these investments to fall. These factors include specific developments relating to the company, conditions in the market where these investments are traded, and general economic, financial and political conditions in the countries where the company operates. While these factors impact all securities issued by a company, the values of equity securities generally tend to change more frequently and vary more widely than fixed income securities. 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 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.

**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.

**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 can be less stringent than those of developed countries resulting in limited availability of information relating to an Account's investments. Further, emerging market securities are often less liquid and custody and settlement mechanisms in emerging market countries can be less developed resulting in delays and the incurring of additional costs to execute trades of securities.

**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.

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

**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.

**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.

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

**Uncertainty Risk:** Political, social and economic uncertainty creates and exacerbates risks and could impact our investment strategies, processes and methods of analysis. Social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest) will occur that create uncertainty and have significant impacts on issuers, industries, governments and other systems, including the financial markets, to which Client investments are exposed. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets, including in established markets such as the United States. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat.

For example, the COVID-19 outbreak has led and for an unknown period of time could continue to lead to disruptions in local, regional, national and global markets and economies affected thereby. COVID-19 has resulted in, and until fully resolved is likely to continue to result in, among other things: (i) government imposition of various forms of “stay at home” orders and the closing of “non-essential” businesses, resulting in significant disruption to businesses, including supply chains, demand and practical aspects of their operations, as well as in lay-offs of employees, and, while these effects are hoped to be temporary, some effects could be persistent or even permanent; (ii) volatility and disruption of these markets including greater volatility in pricing and spreads and difficulty in valuing loans during periods of increased volatility, and liquidity issues; and (iii) rapidly evolving proposals and/or actions by local, state and federal governments to address problems being experienced by the markets and by businesses and the economy in general, which will not necessarily adequately address the problems facing the markets and the economy in general. Variations of the SARS-CoV 2 virus have (i) increased the rate at which the virus spreads and, in some cases, the severity of infections and (ii) impacted the efficacy of vaccines that have been developed, prolonging and in some cases increasing economic disruption. As a result, it continues to be difficult to predict: the scope of this outbreak or any future outbreaks; how long any such outbreak, market disruption or uncertainties will last; the effect any governmental actions will have; or the full potential impact on us, the issuers in which we invest and our Clients.

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

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

#### **Our methods of analysis**



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

Other techniques we can use include:

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

Item 9 Disciplinary Information

Not applicable.

## Item 10 Other Financial Industry Activities and Affiliations

### **Other Registrations**

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

### **Other Financial Industry Activities and Affiliations**

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

### **Other Investment Advisers**

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

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

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

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

### **Insurance Company or Agency**

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

### **Material Conflicts of Interest between Mackenzie and Related Parties**

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

**Interest in Client Transactions**

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

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

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

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

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

**The Code**

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

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

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

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

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

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

### **Insider Trading Policies**

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

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

### **Other Conflicts of Interest**

#### ***Inconsistent Investment Positions and Timing of Competing Transactions***

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

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

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

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

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

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

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

#### ***Side-by-Side Management and Differential Interests***

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

Mackenzie faces conflicts of interest when:

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

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

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

**How We Select Broker-Dealers for Client Transactions**

For Mackenzie's current U.S. Account, transactions are directed to a specified broker-dealer for execution pursuant to a directed brokerage arrangement (as described below). However, for other Accounts, investment and brokerage decisions, 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.

***Directed Brokerage***

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

***Trade Allocation***

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

**Review of Accounts**

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

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

**Client Reports**

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

Investors in the Private Fund will receive reports as described in 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. If the Client receives an account statement from the Custodian, the Client should carefully review such account statement and contact Mackenzie in the event of any discrepancies.

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



#### Item 14 Client Referrals and Other Compensation

##### **Referral Arrangements**

Mackenzie currently employs MIC, a Mackenzie affiliate, to provide marketing and client intake services and compensates MIC and, where applicable, certain personnel of MIC could be compensated for successful referrals.

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

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

Item 15 Custody

**Custody of Accounts**

Not applicable.

## Item 16 Investment Discretion

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

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

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

Item 17 Voting Client Securities

**Mackenzie's Voting Policies and Procedures**

Mackenzie does not vote proxies with respect to its current U.S. Account.

Item 18 Financial Information

Not applicable.