

Interim Unaudited Financial Statements

For the Six-Month Period Ended September 30, 2018

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

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

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS

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

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



MACKENZIE GLOBAL RESOURCE CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

SECTOR FUND

STATEMENTS OF FINANCIAL POSITION

*In thousands (except per security figures)
As at*

	Sep. 30 2018	Mar. 31 2018 (Audited)
	\$	\$
ASSETS		
Current assets		
Investments at fair value	37,603	39,141
Cash and cash equivalents	1,691	–
Accrued interest receivable	–	7
Dividends receivable	75	38
Accounts receivable for investments sold	465	281
Accounts receivable for securities issued	–	1
Margin on futures contracts	13	13
Taxes recoverable (note 5)	9	3
Total assets	39,856	39,484
LIABILITIES		
Current liabilities		
Bank indebtedness	–	331
Accounts payable for investments purchased	892	1
Accounts payable for securities redeemed	19	108
Due to manager	6	5
Liability for options written	96	–
Total liabilities	1,013	445
Net assets attributable to securityholders	38,843	39,039
Net assets attributable to securityholders per series (note 3)		
Series A	19,615	25,892
Series D	198	185
Series F	3,117	1,354
Series FB	30	39
Series I	348	333
Series O	656	574
Series PW	12,230	6,776
Series PWF	–	1,557
Series PWFB	161	1
Series PWX	265	240
Series R	2,068	1,906
Series U	155	182

Net assets attributable to securityholders per security (note 3)

	Sep. 30 2018	Mar. 31 2018 (Audited)
	\$	\$
Series A	30.31	29.65
Series D	9.65	9.45
Series F	31.11	30.45
Series FB	12.17	11.93
Series I	33.26	32.56
Series O	39.72	38.99
Series PW	9.58	9.37
Series PWF	–	9.86
Series PWFB	9.35	9.18
Series PWX	9.21	9.04
Series R	16.26	15.96
Series U	12.65	12.38

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



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MACKENZIE GLOBAL RESOURCE CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

SECTOR FUND

STATEMENTS OF COMPREHENSIVE INCOME

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

	2018	2017		2018	2017
	\$	\$		\$	\$
Income			Increase (decrease) in net assets attributable to securityholders from operations per security		
Dividends	440	247	Series A	1.92	(2.25)
Interest income	8	–	Series D	0.33	(0.67)
Other changes in fair value of investments and other net assets			Series F	(0.39)	(1.94)
Net realized gain (loss)	2,041	2,364	Series FB	0.89	(0.78)
Net unrealized gain (loss)	(252)	(5,325)	Series I	1.39	(3.04)
Total income (loss)	2,237	(2,714)	Series J	–	(0.03)
			Series O	1.91	(2.59)
Expenses (note 6)			Series PW	(0.05)	(0.64)
Management fees	384	418	Series PWF	1.08	(0.61)
Administration fees	52	61	Series PWFB	(0.72)	(0.66)
Interest charges	1	2	Series PWX	0.40	(0.51)
Commissions and other portfolio transaction costs	71	30	Series R	0.82	(0.87)
Independent Review Committee fees	–	–	Series U	0.72	(0.87)
Other	1	1			
Expenses before amounts absorbed by Manager	509	512			
Expenses absorbed by Manager	–	–			
Net expenses	509	512			
Increase (decrease) in net assets attributable to securityholders from operations before tax	1,728	(3,226)			
Foreign withholding taxes	38	31			
Foreign income taxes paid (recovered)	–	–			
Increase (decrease) in net assets attributable to securityholders from operations	1,690	(3,257)			
Increase (decrease) in net assets attributable to securityholders from operations per series					
Series A	1,427	(2,412)			
Series D	6	(24)			
Series F	(31)	(100)			
Series FB	2	(3)			
Series I	15	(45)			
Series J	–	–			
Series O	33	(45)			
Series PW	(53)	(410)			
Series PWF	173	(89)			
Series PWFB	(4)	–			
Series PWX	11	(23)			
Series R	102	(93)			
Series U	9	(13)			

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



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SECTOR FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Series A		Series D		Series F		Series FB		Series I	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	25,892	39,505	185	341	1,354	2,508	39	40	333	543
Increase (decrease) in net assets from operations	1,427	(2,412)	6	(24)	(31)	(100)	2	(3)	15	(45)
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	(466)	(989)	(5)	(14)	(39)	(67)	(1)	(2)	(8)	(20)
Total dividends paid to securityholders	(466)	(989)	(5)	(14)	(39)	(67)	(1)	(2)	(8)	(20)
Security transactions:										
Proceeds from securities issued	1,595	1,065	60	40	2,075	211	–	–	–	–
Reinvested dividends	461	1,191	5	16	33	76	1	2	8	23
Payments on redemption of securities	(9,294)	(9,726)	(53)	(48)	(275)	(1,215)	(11)	–	–	(181)
Total security transactions	(7,238)	(7,470)	12	8	1,833	(928)	(10)	2	8	(158)
Total increase (decrease) in net assets	(6,277)	(10,871)	13	(30)	1,763	(1,095)	(9)	(3)	15	(223)
End of period	19,615	28,634	198	311	3,117	1,413	30	37	348	320
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	873	1,250	20	34	44	77	3	3	10	16
Issued	51	37	6	3	63	7	–	–	–	–
Reinvested dividends	14	40	–	2	1	2	–	–	–	1
Redeemed	(291)	(324)	(5)	(5)	(8)	(38)	(1)	–	–	(7)
Securities outstanding – end of period	647	1,003	21	34	100	48	2	3	10	10
	Series J		Series O		Series PW		Series PWF		Series PWFB	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	–	42	574	715	6,776	1,576	1,557	608	1	–
Increase (decrease) in net assets from operations	–	–	33	(45)	(53)	(410)	173	(89)	(4)	–
Dividends paid to securityholders:										
Ordinary	–	–	–	–	–	–	–	–	–	–
Capital gains	–	–	(24)	(41)	(148)	(211)	–	(65)	–	–
Total dividends paid to securityholders	–	–	(24)	(41)	(148)	(211)	–	(65)	–	–
Security transactions:										
Proceeds from securities issued	–	–	101	18	6,517	5,652	138	1,045	164	1
Reinvested dividends	–	–	24	47	144	215	–	61	–	–
Payments on redemption of securities	–	(42)	(52)	(94)	(1,006)	(368)	(1,868)	(50)	–	–
Total security transactions	–	(42)	73	(29)	5,655	5,499	(1,730)	1,056	164	1
Total increase (decrease) in net assets	–	(42)	82	(115)	5,454	4,878	(1,557)	902	160	1
End of period	–	–	656	600	12,230	6,454	–	1,510	161	1
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	–	5	15	17	723	158	158	58	–	–
Issued	–	–	2	–	641	576	13	101	17	–
Reinvested dividends	–	–	1	1	14	23	–	6	–	–
Redeemed	–	(5)	(1)	(2)	(102)	(41)	(171)	(5)	–	–
Securities outstanding – end of period	–	–	17	16	1,276	716	–	160	17	–

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

MACKENZIE GLOBAL RESOURCE CLASS

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

SECTOR FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2018	2017	2018	2017	2018	2017	2018	2017
	Series PWX		Series R		Series U		Total	
	\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS								
Beginning of period	240	313	1,906	1,664	182	215	39,039	48,070
Increase (decrease) in net assets from operations	11	(23)	102	(93)	9	(13)	1,690	(3,257)
Dividends paid to securityholders:								
Ordinary	–	–	–	–	–	–	–	–
Capital gains	(9)	(24)	(69)	(94)	(4)	(7)	(773)	(1,534)
Total dividends paid to securityholders	(9)	(24)	(69)	(94)	(4)	(7)	(773)	(1,534)
Security transactions:								
Proceeds from securities issued	22	130	147	191	–	–	10,819	8,353
Reinvested dividends	9	26	–	–	4	8	689	1,665
Payments on redemption of securities	(8)	(3)	(18)	(7)	(36)	(8)	(12,621)	(11,742)
Total security transactions	23	153	129	184	(32)	–	(1,113)	(1,724)
Total increase (decrease) in net assets	25	106	162	(3)	(27)	(20)	(196)	(6,515)
End of period	265	419	2,068	1,661	155	195	38,843	41,555
Increase (decrease) in fund securities (note 7):								
Securities outstanding – beginning of period	26	32	119	98	15	16		
Issued	3	14	9	11	–	–		
Reinvested dividends	1	3	–	–	–	1		
Redeemed	(1)	–	(1)	–	(3)	(1)		
Securities outstanding – end of period	29	49	127	109	12	16		

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



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INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

SECTOR FUND

STATEMENTS OF CASH FLOWS

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

	2018	2017
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	1,690	(3,257)
Adjustments for:		
Net realized loss (gain) on investments	(1,442)	(2,364)
Change in net unrealized loss (gain) on investments	252	5,325
Purchase of investments	(15,942)	(8,308)
Proceeds from sale and maturity of investments	19,474	12,233
Change in accrued interest receivable	7	33
Change in dividends receivable	(37)	17
Change in taxes recoverable	(6)	–
Change in due to manager	1	–
Change in margin on futures contracts	–	1
Net cash from operating activities	3,997	3,680
Cash flows from financing activities		
Proceeds from securities issued	4,046	1,449
Payments on redemption of securities	(5,936)	(4,930)
Dividends paid net of reinvestments	(84)	(126)
Net cash from financing activities	(1,974)	(3,607)
Net increase (decrease) in cash and cash equivalents	2,023	73
Cash and cash equivalents at beginning of period	(331)	471
Effect of exchange rate fluctuations on cash and cash equivalents	(1)	(5)
Cash and cash equivalents at end of period	1,691	539
Cash	521	539
Cash equivalents	1,170	–
Cash and cash equivalents at end of period	1,691	539
Supplementary disclosures on cash flow from operating activities:		
Dividends received	403	264
Foreign taxes paid	38	31
Interest received	15	33
Interest paid	1	2

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



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INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

SECTOR FUND

SCHEDULE OF INVESTMENTS

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES					
Advantage Oil & Gas Ltd.	Canada	Energy	150,000	720	540
Alcoa Corp.	United States	Materials	5,200	323	271
AngloGold Ashanti Ltd. ADR	South Africa	Materials	95,000	1,369	1,053
Bonavista Energy Corp.	Canada	Energy	325,000	1,029	484
BP PLC ADR	United Kingdom	Energy	13,000	742	774
Brazil Potash Corp. Private Placement	Canada	Materials	220,000	221	853
Buried Hill Energy (Cyprus) Public Co. Ltd. Private Placement	Canada	Energy	650,000	1,361	1,243
Cabot Oil & Gas Corp.	United States	Energy	15,000	439	437
California Resources Corp.	United States	Energy	9,000	152	564
Callon Petroleum Co.	United States	Energy	51,000	760	790
Carrizo Oil & Gas Inc.	United States	Energy	36,000	1,193	1,172
Celanese Corp. Series A	United States	Materials	1,000	151	147
China Metal Recycling (Holdings) Ltd.	Hong Kong	Materials	1,050,000	1,266	–
Clariant AG Reg.	Switzerland	Materials	12,000	382	404
Copper Mountain Mining Corp.	Canada	Materials	275,000	366	325
Crown Holdings Inc.	United States	Materials	13,000	755	806
Detour Gold Corp.	Canada	Materials	60,000	902	626
DowDuPont Inc.	United States	Materials	2,000	185	166
Eastman Chemical Co.	United States	Materials	4,000	464	495
EastSiberian PLC	Canada	Energy	24,250	591	–
Eni SPA ADR	Italy	Energy	25,500	1,028	1,241
First Quantum Minerals Ltd.	Zambia	Materials	80,000	1,092	1,177
Glencore PLC	Switzerland	Materials	75,000	211	419
Graphic Packaging Holding Co.	United States	Materials	15,000	296	272
Green Energy Services Inc.	Canada	Energy	60,000	150	150
Halliburton Co.	United States	Energy	8,000	438	419
HeidelbergCement AG	Germany	Materials	4,500	531	454
Hochschild Mining PLC	Peru	Materials	55,000	222	152
Imerys SA*	France	Materials	2,000	187	191
International Paper Co.	United States	Materials	4,500	309	286
LyondellBasell Industries NV Class A	United States	Materials	1,500	175	199
MMG Ltd.	China	Materials	500,000	276	334
MRC Global Inc.	United States	Industrials	48,500	1,049	1,176
Noble Energy Inc.	United States	Energy	35,000	1,542	1,411
Nutrien Ltd.	Canada	Materials	18,000	1,165	1,342
Owens-Illinois Inc.	United States	Materials	10,000	242	243
Pan American Silver Corp.	Canada	Materials	20,000	406	381
Patterson-UTI Energy Inc.	United States	Energy	15,000	406	332
PDC Energy Inc.	United States	Energy	6,000	385	380
Petroleo Brasileiro SA - Petrobras ADR	Brazil	Energy	25,000	366	390
Plains GP Holdings LP	United States	Energy	40,000	1,102	1,268
QEP Resources Inc.	United States	Energy	82,500	1,719	1,207
Range Energy Resources Inc.	Canada	Energy	1,400,000	265	7
Reliance Steel & Aluminum Co.	United States	Materials	9,000	745	992
Rio Tinto PLC ADR	United Kingdom	Materials	6,500	412	429
Royal Dutch Shell PLC A ADR	Netherlands	Energy	13,000	1,125	1,145
Secure Energy Services Inc.	Canada	Energy	75,000	627	635
SM Energy Co.	United States	Energy	15,000	437	611



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SECTOR FUND

SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
Solvay SA	Belgium	Materials	4,300	739	745
Steel Dynamics Inc.	United States	Materials	3,000	183	175
Ternium SA ADR	Luxembourg	Materials	13,500	530	528
TimkenSteel Corp.	United States	Materials	18,500	405	356
Tourmaline Oil Corp.	Canada	Energy	53,000	1,612	1,205
TransCanada Corp.	Canada	Energy	15,000	812	784
Turquoise Hill Resources Ltd.	Canada	Materials	59,856	277	165
Venuturion Oil Ltd. Private Placement	Canada	Energy	335,000	335	653
Voestalpine AG	Austria	Materials	11,000	763	650
West Fraser Timber Co. Ltd.	Canada	Materials	5,000	414	368
Western Energy Services Corp.	Canada	Energy	90,000	255	74
Western Forest Products Inc.	Canada	Materials	415,000	730	876
Westrock Co.	United States	Materials	13,500	1,007	932
The Williams Companies Inc.	United States	Energy	37,000	1,004	1,300
Total equities				39,345	37,204
OPTIONS					
Options purchased (see schedule of options purchased)				855	399
Total options				855	399
Transaction costs				(56)	—
Total investments				40,144	37,603
Liability for options written (see schedule of options written)					(96)
Cash and cash equivalents					1,691
Other assets less liabilities					(355)
Total net assets					38,843

* Related to Mackenzie. See Note 1.



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SECTOR FUND

SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2018	
Portfolio Allocation	% of NAV
Equities	96.5
<i>Equities</i>	95.7
<i>Purchased options</i>	1.0
<i>Written options</i>	(0.2)
Cash and short-term investments	4.4
Other assets (liabilities)	(0.9)

Regional Allocation	% of NAV
United States	42.7
Canada	27.9
Cash and short-term investments	4.4
Italy	3.2
United Kingdom	3.1
Zambia	3.0
Netherlands	2.9
South Africa	2.7
Switzerland	2.1
Belgium	1.9
Austria	1.7
Luxembourg	1.4
Germany	1.2
Brazil	1.0
China	0.9
Other	0.8
Other assets (liabilities)	(0.9)

Sector Allocation	% of NAV
Oil, gas and consumable fuels	45.3
Metals and mining	20.7
Chemicals	11.2
Containers and packaging	6.5
Cash and short-term investments	4.4
Energy equipment and services	4.1
Paper and forest products	3.2
Trading companies and distributors	3.0
Construction materials	1.7
Other	0.8
Other assets (liabilities)	(0.9)

March 31, 2018	
Portfolio Allocation	% of NAV
Equities	99.9
<i>Equities</i>	97.6
<i>Purchased options</i>	2.3
Other assets (liabilities)	0.5
Bonds	0.4
Cash and short-term investments	(0.8)

Regional Allocation	% of NAV
United States	43.6
Canada	31.2
Zambia	4.2
Italy	3.5
South Africa	3.4
Switzerland	3.4
Germany	2.1
Ireland	2.0
Belgium	1.6
Luxembourg	1.1
Netherlands	1.1
China	1.0
Austria	0.9
Other	0.7
Other assets (liabilities)	0.5
Peru	0.5
Cash and short-term investments	(0.8)

Sector Allocation	% of NAV
Oil, gas and consumable fuels	43.6
Metals and mining	22.7
Chemicals	14.2
Energy equipment and services	5.1
Containers and packaging	3.4
Paper and forest products	3.1
Trading companies and distributors	3.0
Construction materials	2.5
Other	2.3
Other assets (liabilities)	0.5
Corporate bonds	0.4
Cash and short-term investments	(0.8)



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SCHEDULE OF OPTIONS PURCHASED

As at September 30, 2018

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000s)	Fair Value (\$ 000s)
Gold 100 OZ Future	22	Call	Nov. 27, 2018	USD 1,100.00	633	275
iShares S&P/TSX Global Gold Index Fund	700	Call	Dec. 21, 2018	CAD 8.00	222	124
Total options					855	399

SCHEDULE OF OPTIONS WRITTEN

As at September 30, 2018

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Received (\$ 000s)	Fair Value (\$ 000s)
California Resources Corp.	(90)	Written Call	Oct. 19, 2018	USD 41.00	(40)	(96)
Total options					(40)	(96)



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NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2018 and 2017, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2018, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Refer to Note 9 for the formation date of the Fund and the inception date of each series.

The Fund is comprised of one or more classes of shares (referred to as "security" or "securities") of Mackenzie Financial Capital Corporation ("Capitalcorp"), a mutual fund corporation incorporated under the laws of the Province of Ontario, and is authorized to issue up to 1,000 classes of securities of multiple series. The address of the Fund's registered office is 180 Queen Street West, Toronto, Ontario, Canada. Reference is made to the Fund's Simplified Prospectus for additional information on the Fund's structure.

The foregoing financial statements and accompanying notes to the financial statements presented herein are for the Fund. Separate financial statements of each of the other funds of Capitalcorp have also been prepared.

Mackenzie Financial Corporation ("Mackenzie") is the manager of the Fund and is wholly owned by IGM Financial Inc., a subsidiary of Power Financial Corporation, which itself is a subsidiary of Power Corporation of Canada. The Great-West Life Assurance Company, London Life Insurance Company and The Canada Life Assurance Company (collectively, the "Related Insurance Companies") are wholly owned by Great-West Lifeco Inc., which is also a subsidiary of Power Financial Corporation. Investments in companies within the Power Group of companies held by the Fund are identified in the Schedule of Investments.

2. Basis of Preparation and Presentation

These unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including international Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2018. A summary of the Fund's significant accounting policies under IFRS is presented in Note 3.

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

These financial statements were authorized for issue by the Board of Directors of Mackenzie Financial Corporation on November 13, 2018. Standards issued but not yet effective for the current accounting year, as applicable, are described in Note 3.

3. Significant Accounting Policies

(a) Financial instruments

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

Realized and unrealized gains and losses on investments are calculated based on the weighted average cost of investments and exclude commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income – Commissions and other portfolio transaction costs.

Gains and losses arising from changes in the fair value of the investments are included in the Statement of Comprehensive Income for the period in which they arise.

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

(b) Fair value measurement

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

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

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

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

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

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

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

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

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

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at September 30, 2018.



NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(c) Income recognition

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

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

(d) Commissions and other portfolio transaction costs

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

(e) Securities lending, repurchase and reverse repurchase transactions

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

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

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

(f) Offsetting

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

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

(g) Foreign currency

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

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

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

(h) Net assets attributable to securityholders per security

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

(i) Net asset value per security

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

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

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



NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(k) Mergers

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

4. Critical Accounting Estimates and Judgments

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

Use of Estimates

Fair value of securities not quoted in an active market

The Fund may hold financial instruments that are not quoted in active markets and are valued using valuation techniques that make use of observable data, to the extent practicable. Various valuation techniques are utilized, depending on a number of factors, including comparison with similar instruments for which observable market prices exist and recent arm's length market transactions. Key inputs and assumptions used are company specific and may include estimated discount rates and expected price volatilities. Changes in key inputs could affect the reported fair value of these financial instruments held by the Fund.

Use of Judgments

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Fund, Mackenzie is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. Mackenzie has assessed the Fund's business model, the manner in which all financial instruments are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Fund's financial instruments.

Functional currency

The Fund's functional and presentation currency is the Canadian dollar, which is the currency considered to best represent the economic effects of the Fund's underlying transactions, events and conditions taking into consideration the manner in which securities are issued and redeemed and how returns and performance by the Fund are measured.

Structured entities and associates

In determining whether an unlisted open-ended investment fund or an exchange-traded fund in which the Fund invests, but that it does not consolidate, meets the definitions of either a structured entity or of an associate, Mackenzie is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity or of an associate. Mackenzie has assessed the characteristics of these underlying funds and has concluded that they do not meet the definition of either a structured entity or of an associate because the Fund does not have contracts or financing arrangements with these underlying funds and the Fund does not have an ability to influence the activities of these underlying funds or the returns it receives from investing in these underlying funds.

5. Income Taxes

Capitalcorp qualifies as a mutual fund corporation under the provisions of the Income Tax Act (Canada). The taxation year-end for Capitalcorp is March 31.

Capitalcorp is a single legal entity for tax purposes and is not taxed on a fund-by-fund basis. As such, non-capital and capital losses of Capitalcorp may be applied against the income and/or capital gains attributable to Capitalcorp as a whole irrespective of the Fund from which the income, gains and/or losses arose. Therefore, where a Fund has positive net taxable income, the current tax liability has been offset with the utilization of unused tax losses of Capitalcorp to the extent possible.

Taxable Canadian dividends received and capital gains realized by Capitalcorp are subject to tax in a similar manner as any other corporation. Any taxes paid in respect of Canadian dividends or capital gains are refundable upon the payment of Canadian dividends or capital gains dividends, respectively, to securityholders based on a formula which includes proceeds paid on securities of Capitalcorp redeemed by securityholders. As a result, no tax provision is made in respect of Canadian dividends or capital gains. Any refundable tax allocated to the Fund is included in the Statement of Financial Position – Taxes recoverable. Payment of Canadian dividends, if any, will be made by Capitalcorp's taxation year-end and capital gains dividends, if any, will be paid within 60 days of Capitalcorp's taxation year-end. Dividends are declared separately for each series of each Fund.

NOTES TO FINANCIAL STATEMENTS

5. Income Taxes (cont'd)

Income from other sources, such as interest and foreign income ("Ordinary Income"), is taxed at standard corporate rates. To the extent that Capitalcorp has positive Ordinary Income net of expenses ("Net Ordinary Income") Capitalcorp will be required to pay corporate income tax as a whole. The Fund is allocated a portion of this expense based on its series' contribution to Capitalcorp's overall tax liability. Any income tax expense allocated to the Fund is included in the Statement of Comprehensive Income – Income taxes. Due to deductible expenses and tax credits available to Capitalcorp, no taxes are currently payable in respect of Ordinary Income.

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

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

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

6. Management Fees and Operating Expenses

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

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

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

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

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

7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at September 30, 2018 and 2017 and securities issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the Fund in accordance with the investment objectives as discussed in Note 9.

8. Financial Instruments Risk

i. Risk exposure and management

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at September 30, 2018, grouped by asset type, with geographic and sector information.

NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

i. Risk exposure and management (cont'd)

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

ii. Liquidity risk

Liquidity risk arises when the Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. In accordance with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e., investments that can be readily sold). In addition, the Fund retains sufficient cash and short-term investment positions to maintain adequate liquidity. The Fund also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

iii. Currency risk

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

iv. Interest rate risk

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

v. Other price risk

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

vi. Credit risk

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

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

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

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

vii. Underlying funds

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

NOTES TO FINANCIAL STATEMENTS

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

(a) Fund Formation and Series Information

Date of Formation October 26, 2000

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

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

Series A securities are offered to retail investors investing a minimum of \$500.

Series D securities are offered to retail investors investing a minimum of \$500 through a discount brokerage or other account approved by Mackenzie.

Series F securities are offered to investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$500; they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie.

Series FB securities are offered to retail investors investing a minimum of \$500. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor.

Series O securities are offered only to investors investing a minimum of \$500,000 who are enrolled in Mackenzie Portfolio Architecture Service or Open Architecture Service; certain institutional investors; and certain qualifying employees of Mackenzie and its subsidiaries.

Series PW securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000.

Series PWFB securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor.

Series PWX securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor.

Series R securities are offered only to other affiliated funds and certain institutional investors in connection with fund-of-fund arrangements.

Series I, Series J and Series U securities are no longer available for sale.

Series PWF securities are no longer available for sale. Effective June 1, 2018, Series PWF securities were consolidated into Series F securities.

An investor in the Fund may choose among different purchase options that are available under each series. These purchase options are a sales charge purchase option, a redemption charge purchase option and various low-load purchase options. The charges under the sales charge purchase option are negotiated by investors with their dealers. The charges under the redemption charge and low-load purchase options are paid to Mackenzie if an investor redeems securities of the Fund during specific periods. Not all purchase options are available under each series of the Fund, and the charges for each purchase option may vary among the different series. For further details on these purchase options, please refer to the Fund's Simplified Prospectus and Fund Facts.

MACKENZIE GLOBAL RESOURCE CLASS

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SECTOR FUND

NOTES TO FINANCIAL STATEMENTS

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

(a) Fund Formation and Series Information (cont'd)

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Sep. 30, 2018	Mar. 31, 2018
Series A	October 26, 2000	2.00%	0.31%	30.31	29.65
Series D	January 2, 2014	1.25%	0.20%	9.65	9.45
Series F	October 23, 2001	0.80% ⁽⁴⁾	0.15% ⁽⁷⁾	31.11	30.46
Series FB	October 26, 2015	1.00%	0.31%	12.17	11.93
Series I	December 20, 2000	1.35%	0.31%	33.25	32.56
Series J	None issued ⁽³⁾	1.75%	0.30%	—	—
Series O	October 2, 2001	— ⁽¹⁾	— *	39.72	38.99
Series PW	December 30, 2013	1.80% ⁽⁵⁾	0.15%	9.58	9.37
Series PWF	None issued ⁽⁸⁾	0.90%	0.15%	—	9.86
Series PWFB	April 3, 2017	0.80% ⁽⁶⁾	0.15%	9.35	9.18
Series PWX	October 1, 2014	— ⁽²⁾	— ⁽²⁾	9.21	9.04
Series R	July 7, 2009	— *	— *	16.26	15.96
Series U	May 25, 2009	1.70%	0.31%	12.65	12.39

* Not applicable.

(1) This fee is negotiable and payable directly to Mackenzie by investors in this series.

(2) This fee is payable directly to Mackenzie by investors in this series through redemptions of their securities.

(3) The series' original start date was December 20, 2010. All securities in the series were redeemed on April 13, 2017.

(4) Prior to June 1, 2018, the management fee for Series F was charged to the Fund at a rate of 1.00%.

(5) Prior to June 1, 2018, the management fee for Series PW was charged to the Fund at a rate of 1.90%.

(6) Prior to June 1, 2018, the management fee for Series PWFB was charged to the Fund at a rate of 0.90%.

(7) Prior to June 1, 2018, the administration fee for Series F was charged to the Fund at a rate of 0.20%.

(8) The series' original start date was December 10, 2013. All securities in the series were consolidated into Series F on June 1, 2018.

(b) Investments by Mackenzie and Affiliates

As at September 30, 2018, Mackenzie and other funds managed by Mackenzie had an investment of \$128 and \$2,068 (March 31, 2018 – \$121 and \$1,906), respectively, in the Fund.

(c) Securities Lending

As at September 30, 2018 and March 31, 2018, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

(d) Commissions

The value of third-party services paid for by brokers during the period, is disclosed in the table below:

	(\$)
September 30, 2018	4
September 30, 2017	—

(e) Investments Pledged as Collateral

As at September 30, 2018, investments in listed equities with a fair value of \$564 (March 31, 2018 – \$Nil) have been pledged as collateral against written options.

MACKENZIE GLOBAL RESOURCE CLASS

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NOTES TO FINANCIAL STATEMENTS

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

(f) Offsetting of Financial Assets and Liabilities

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

	September 30, 2018			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	–	–	–	–
Unrealized losses on derivative contracts	–	–	–	–
Liability for options written	(96)	–	–	(96)
Total	(96)	–	–	(96)

As at March 31, 2018, there were no amounts subject to offsetting.

(g) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks long-term capital growth by investing primarily in equities of energy and natural resource companies located anywhere in the world. It generally invests in both small- and large-capitalization companies.

ii. Currency risk

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

Currency	September 30, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure*
U.S. dollar	24,338	20	(96)	24,262
Euro	2,040	–	–	2,040
British pound	571	–	–	571
Swiss franc	404	–	–	404
Hong Kong dollar	334	–	–	334
Total	27,687	20	(96)	27,611
% of Net Assets	71.3	0.1	(0.2)	71.2

Currency	March 31, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure*
U.S. dollar	22,837	(258)	–	22,579
Euro	2,560	–	–	2,560
British pound	1,208	(1)	–	1,207
Hong Kong dollar	399	–	–	399
Swiss franc	308	(7)	–	301
Norwegian krone	117	–	–	117
Total	27,429	(266)	–	27,163
% of Net Assets	70.3	(0.7)	–	69.6

* Includes both monetary and non-monetary financial instruments



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Investments

MACKENZIE GLOBAL RESOURCE CLASS

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NOTES TO FINANCIAL STATEMENTS

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

(g) Risks Associated with Financial Instruments (cont'd)

ii. Currency risk (cont'd)

As at September 30, 2018, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$1,381 or 3.6% of total net assets (March 31, 2018 – \$1,358 or 3.5%). In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

As at September 30, 2018 and March 31, 2018, the Fund did not have a significant exposure to interest rate risk.

iv. Other price risk

The Fund's most significant exposure to price risk arises from its investment in equity securities and options. As at September 30, 2018, had the prices on the respective stock exchanges for these securities increased by 10%, with all other variables held constant, net assets would have increased by approximately \$4,070 or 10.5% of total net assets (March 31, 2018 – \$4,263 or 10.9%). Similarly, had the prices on the respective stock exchanges for these securities decreased by 10%, with all other variables held constant, net assets would have decreased by approximately \$3,968 or 10.2% of total net assets (March 31, 2018 – \$4,263 or 10.9%). In practice, the actual trading results may differ and the difference could be material.

v. Credit risk

As at September 30, 2018 and March 31, 2018, the Fund did not have a significant exposure to credit risk.

(h) Fair Value Classification

The table below summarizes the fair value of the Fund's financial instruments using the following fair value hierarchy:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The inputs are considered observable if they are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumption that market participants would use when pricing the asset or liability.

	September 30, 2018				March 31, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	–	–	–	–	151	–	151
Equities	34,305	–	2,899	37,204	30,757	4,592	2,742	38,091
Options	399	–	–	399	899	–	–	899
Derivative liabilities	(96)	–	–	(96)	–	–	–	–
Short-term investments	–	1,170	–	1,170	–	–	–	–
Total	34,608	1,170	2,899	38,677	31,656	4,743	2,742	39,141

The Fund's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for non-North American equities when North American intraday stock market movements exceed predetermined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, during the period ended September 30, 2018, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices).

As at September 30, 2018, these securities were classified as Level 1. As at March 31, 2018, fair value adjustments were applied to the majority of securities in non-North American markets (Level 2) that were closed on the last business day. The remaining non-North American securities were classified as Level 1. Other than as described above, there were no significant transfers between Level 1 and Level 2.

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

(h) Fair Value Classification (cont'd)

Other financial instruments classified as Level 2 investments are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices. Short-term investments classified as Level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.

For the period ended September 30, 2018, equity positions with a fair value of \$Nil (March 31, 2017 – \$2,700) were transferred from Level 3 to Level 1 and were primarily due to the conversion of holdings into actively-traded securities (Level 1).

The table below presents a reconciliation of financial instruments measured at fair value using unobservable inputs (Level 3) for the periods ended September 30, 2018 and March 31, 2018:

	September 30, 2018	March 31, 2018
	Equities (\$)	Equities (\$)
Balance – beginning of period	2,742	4,699
Purchases	150	–
Sales	–	–
Transfers in	–	–
Transfers out	–	(2,700)
Gains (losses) during the period:		
Realized	–	–
Unrealized	7	743
Balance – end of period	2,899	2,742
Change in unrealized gains (losses) during the period attributable to securities held at end of period	7	207

Fair value of each Level 3 financial instrument is generally measured using unobservable market inputs with the best information available at the time. Various valuation techniques are utilized, depending on a number of factors including, key inputs and assumptions which are company specific and may include estimated discount rates and expected price volatilities.

The table below presents investments in the Fund whose fair values are determined based on valuation techniques that utilize unobservable market inputs. The effect of changing one or more of those inputs are indicated in the table below:

September 30, 2018				
Fair Value (\$)	Valuation Technique	Unobservable Input	Reasonable Possible Change in Input	Impact on Fair Value (\$)
853	Discount off financing	Financing discount	Zero discount	213

The remaining Level 3 investments of \$2,046 have been valued based on financing transactions and values of comparable indices that are observable. If the value of these investments were to increase or decrease by 10%, the value of the Fund would increase or decrease by \$205.

March 31, 2018				
Fair Value (\$)	Valuation Technique	Unobservable Input	Reasonable Possible Change in Input	Impact on Fair Value (\$)
850	Discount off financing	Financing discount	Zero discount	213

The remaining Level 3 investments of \$1,892 have been valued based on recent financing transactions or values of comparable indices that are observable. If the value of these investments were to increase or decrease by 10%, the value of the Fund would increase or decrease by \$189.



MACKENZIE
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