



June 27, 2019

Dear Securityholder,

The Independent Review Committee (IRC) of the Mackenzie Funds is pleased to provide its annual report for the period ended March 31, 2019 as required by National Instrument 81 - 107 *Independent Review Committee for Investment Funds*.

Your IRC has a mandate to review conflict of interest matters identified and referred to the IRC by Mackenzie Financial Corporation (the Manager) in respect of the Mackenzie Funds (the Funds) and to give its approval or recommendation, depending on the nature of the conflict of interest matter. A “conflict-of-interest matter” is a situation where a reasonable person would consider the Manager or an entity related to the Manager to have an interest that may conflict with the Manager’s ability to act in good faith and in the best interests of the Funds. In each instance where a conflict-of-interest matter is identified and referred to the IRC, the focus of the IRC is to determine if the Manager’s proposed action achieves a fair and reasonable result for the Funds.

At least annually, the IRC also reviews and assesses the adequacy and effectiveness of the Manager’s policies in respect of the Funds and conducts a self-assessment of the IRC’s independence, compensation and effectiveness.

The IRC’s duties and functions are distinct from those of the Manager’s Board. The latter are described within the report.

The members of the IRC, whose identities are listed in the report, bring to their duties a wide range of business experience.

The IRC continues to be well satisfied with the open and cooperative attitude the Manager has brought to its interaction with IRC members. They look forward to maintaining that level of cooperation and to continue to consider whether conflict issues are resolved in a manner that achieves a fair and reasonable result for the Funds.

A handwritten signature in black ink, appearing to read "R. Hines".

Robert Hines  
Chair of the Independent Review Committee

# Report of the Independent Review Committee of Mackenzie Funds for the Year Ended March 31, 2019

## Structure of the Funds and Their Governance

Mackenzie Financial Corporation, the manager of the Funds (the Manager), is governed by a Board of Directors. Those Funds that are structured as classes of a fund corporation also have a Board of Directors. The Boards each have distinct functions though they have identical membership. A majority of the members of the Boards are independent of Mackenzie Financial Corporation. The Boards oversee matters relating to the Funds including monitoring investment performance, reviewing financial statements and management reports of fund performance, receiving reports on the operations of the Funds and reviewing proposed changes to the Funds including changes to investment objectives and strategies.

## Scope of Report

The Funds have a financial year that ends on March 31 and this report relates to the twelve month period ended March 31, 2019. The Funds are listed at the conclusion of this report.

## The IRC and its Membership

The IRC became operational on November 1, 2007. The names of the members of the IRC are listed below. Mr. Robert Hines, Mr. Martin Taylor and Mr. George Hucal were first appointed effective May 1, 2007, and Mr. Scott Edmonds was appointed effective February 24, 2012. Each member has been subsequently reappointed with the agreement of the Manager. Mr. Robert Hines was appointed Chair on February 1, 2013.

| Name                 | Residence                   |
|----------------------|-----------------------------|
| Robert Hines (Chair) | Toronto, Ontario            |
| Martin Taylor        | Toronto, Ontario            |
| George Hucal         | Montreal, Quebec            |
| Scott Edmonds        | Vancouver, British Columbia |

All IRC members are independent of the Manager and maintain transparency in relation to their personal holdings of Funds and securities of the Manager. As at March 31, 2019 the members of the IRC did not beneficially own, directly or indirectly, in the aggregate, more than 0.1% of any outstanding units of any series of the Funds. As at March 31, 2019, the members of the IRC did not beneficially own directly or indirectly, in the aggregate, more than 0.1% of any class or series of voting

or equity securities of the Manager or its indirect parent companies, IGM Financial Inc., Power Financial Corporation or Power Corporation of Canada. As at March 31, 2019, the members of the IRC did not beneficially own, in the aggregate, directly or indirectly, more than 0.1% of any class or series of voting or equity securities of any material service provider to the Funds or the Manager.

The members of the IRC also serve, in a separate capacity, as members of the IRC for mutual funds managed by Counsel Portfolio Services Inc., an affiliate of the Manager.

## Compensation and Indemnities

The members of the IRC are entitled to be compensated by the Funds and to be indemnified by the Funds in appropriate circumstances. The aggregate compensation paid by the Funds to the IRC for the period from April 1, 2018 to March 31, 2019 was \$241,000.

The members of the IRC were not paid any amounts under the indemnities provided to them by the Funds during the period.

The IRC reviews and determines its own compensation on an annual basis as required by National Instrument 81-107. In deciding the appropriate level of compensation, the IRC:

- considers the Manager's recommendations on reasonable compensation for the IRC
- considers the work-load of the IRC and the contribution made by each of its members
- considers the benefit accruing to the Funds as a result of the IRC activity
- considers the complexity and difficulty of the tasks undertaken by the IRC, and
- conducts a review of the compensation and expenses that other Canadian mutual fund governance agency members receive in comparable circumstances at the applicable time period, if that information is publicly available and accessible by the IRC.

## Summary of Conflict of Interest Matters

### *Approvals and Standing Instructions*

During the period, the Manager relied upon the approval and standing instruction of the IRC in order to enable the Funds to invest in related issuers of the Funds. Absent

IRC approval, the Funds could not have made these investments. For purposes of the above, a related issuer of a Fund is an issuer who is a substantial securityholder of the Manager (holding more than 20% of the voting securities of the Manager) or an issuer in which a substantial securityholder of the Manager has a significant interest (holding more than 10% of the voting securities of the issuer), or an issuer of which a director or officer of the portfolio manager or an affiliate of the portfolio manager is also a director or officer.

The standing instruction requires that the Manager act in accordance with the Investment in Securities of a Related Company Policy, make periodic reports of its adherence to the Policy accompanied by certificates of the applicable portfolio managers attesting thereto and provide timely notification of any material breaches of, or exceptions to, the Policy.

During the period the Manager relied on the approval and standing instructions of the IRC in order to engage in inter-fund trading (which is also referred to as cross-trading). Inter-fund trading occurs when a Fund purchases portfolio securities from or sells portfolio securities to another Fund. This standing instruction requires the Manager to act in accordance with the applicable policy, make periodic reports of its adherence to the policy and provide timely notification of any material breaches of, or exceptions to, the policy.

*Positive Recommendations*

During the period, the Manager relied upon the recommendation of the IRC to proceed with the following proposals:

- (a) to terminate the third party sub-advisor of Mackenzie Emerging Markets Class, Mackenzie Emerging Markets Opportunities Class and Mackenzie Emerging Markets Fund and have the Funds managed by a portfolio manager of the Manager
- (b) to merge Mackenzie Canadian All Cap Dividend Fund into Mackenzie Canadian Large Cap Dividend Fund
- (c) to merge Mackenzie Canadian All Cap Dividend Class into Mackenzie Canadian Large Cap Dividend Class
- (d) to merge Short Term Bond Fund (Portico) into Money Market Fund
- (e) to merge Real Return Bond Fund (Portico) into Core Bond Fund (Portico)

- (f) to merge Canadian Equity Class into Canadian Equity Class (Laketon)
- (g) to merge North American Specialty Class into Mackenzie U.S. Mid Cap Growth Class
- (h) to merge U.S. and International Equity Class into Global All Cap Equity Class (Setanta)
- (i) to merge U.S. and International Specialty Class into Global All Cap Equity Class (Setanta)
- (j) to merge U.S. Value Fund (London Capital) into U.S. Value Fund (Putnam)
- (k) to terminate third party sub-advisors of Symmetry Canadian Bond Fund and have the mandates managed by portfolio managers of the Manager
- (l) to eliminate the third party sub-advisor mandate in Mackenzie Corporate Bond Fund and invest the proceeds in a mandate managed by the Manager

*Positive Recommendations and Standing Instructions*

The IRC reviews existing standing instructions each year and the Manager’s proposals to continue or terminate those standing instructions. The IRC also reviews, from time to time, the Manager’s requests for new standing instructions. As a result of the IRC’s reviews during the year ended March 31, 2019, the Manager received positive recommendations and standing instructions in respect of the conflict of interest matters addressed by the following policies:

| <b>Policy</b>                       | <b>Description</b>  |
|-------------------------------------|---|
| Portfolio Positions Disclosure      | Governs the release of information about a fund’s investments                             |
| Code of Business Conduct and Ethics | Governs the activities of the Manager’s employees and directors                           |
| Gift and Entertainment              | Governs the acceptance of gifts and entertainment by the Manager’s employees              |
| Access Persons’ Personal Trading    | Governs the personal trading of individuals who have access to fund portfolio information |

| <b>Policy</b>                                     | <b>Description</b>  |
|---|---|
| Indirect Access Persons                           | Governs the activities of individuals who have incidental access to fund portfolio information  |
| Mackenzie Fund Insiders' Personal Trading         | Governs the personal trading of individuals who have access to inside information about a Fund  |
| Best Execution                                    | Governs the oversight of the execution of trades of portfolio securities by brokers, including the selection of brokers and commissions paid                  |
| Proxy Voting                                      | Governs voting of proxies held by the Funds   |
| Use of Client Brokerage Commissions               | Governs the acceptance of services by the Manager from brokers that execute portfolio transactions for the Funds  |
| Trade Allocation                                  | Governs the allocation of investment opportunities among the Funds and other accounts   |
| Short-Term Trade Monitoring                       | Governs the monitoring of potential harmful investor activity   |
| Gain/Loss Accounting                              | Governs the correction of errors in calculating the security price of a Fund, in managing investor transactions, and in trading a Fund's portfolio securities |
| Valuation   | Governs the determination of the value of a Fund's portfolio securities   |
| Sub advisor Conflict of Interest                  | Governs the oversight of Fund external portfolio managers   |
| Redemption & Disposition for Investments in Funds | Governs the process by which the Manager withdraws seed capital from the Funds  |

| <b>Policy</b>                     | <b>Description</b>  |
|-----------------------------------|---|
| Corporate Class Tax Management    | Governs the allocation of taxes and dividends by a mutual fund corporation to its investors and governs investment in securities that are likely to generate foreign source income in a mutual fund corporation |
| Investment Management Changes     | Governs investment management changes where the change results in an economic benefit to the Manager or a related entity  |
| Large Transaction in Mutual Funds | Governs the arrangements made by the Manager for investments in the Funds   |
| In Specie Transfers               | Governs the in specie transfers of securities between Funds and other accounts or pools managed by the Manager  |
| Investments in ETFs               | Governs investments by an investment fund managed by Mackenzie (including a conventional mutual fund or exchange traded fund) in an exchange traded fund managed by Mackenzie                                   |
| Sales Practices                   | Governs Mackenzie's sales practices in relation to advisors that sell the Funds   |

### **Additional Information**

Securityholders who would like additional details regarding the activities of the IRC may contact the Manager at [service@mackenzieinvestments.com](mailto:service@mackenzieinvestments.com). Questions for members of the IRC will be appropriately directed to our attention.

## MACKENZIE MUTUAL FUNDS:

|   |  |
|---|--|
| Advanced Folio Fund   | London Life Pathways Money Market Fund             |
| Aggressive Folio Fund                                       | London Life Pathways U.S. Concentrated Equity Fund |
| Balanced Folio Fund   | London Life Pathways U.S. Equity Fund              |
| Canadian Dividend Class (Laketon)                           | Long Term Bond Fund (Portico)                      |
| Canadian Equity Fund (Laketon)                              | Mackenzie All China Equity Fund                    |
| Canadian Equity Class (Laketon)                             | Mackenzie Alternative Strategies Fund              |
| Canadian Growth Class (GWLIM)                               | Mackenzie Balanced ETF Portfolio                   |
| Canadian Growth Fund (GWLIM)                                | Mackenzie Canadian Aggregate Bond Index ETF        |
| Canadian Low Volatility Class                               | Mackenzie Canadian All Cap Value Class             |
| Canadian Value Class (FGP)                                  | Mackenzie Canadian All Cap Value Fund              |
| Cash Management Class                                       | Mackenzie Canadian All Corporate Bond Index ETF    |
| Conservative Folio Fund                                     | Mackenzie Canadian Balanced Fund                   |
| Core Bond Fund (Portico)                                    | Mackenzie Canadian Bond Fund                       |
| Core Plus Bond Fund (Portico)                               | Mackenzie Canadian Equity Index ETF                |
| Corporate Bond Fund (Portico)                               | Mackenzie Canadian Growth Balanced Class           |
| Diversified Fixed Income Folio Fund                         | Mackenzie Canadian Growth Balanced Fund            |
| Dividend Class (GWLIM)                                      | Mackenzie Canadian Growth Class                    |
| Dividend Fund (GWLIM)                                       | Mackenzie Canadian Growth Fund                     |
| Focused Canadian Equity Class (CGOV)                        | Mackenzie Canadian Large Cap Equity Index ETF      |
| Global All Cap Equity Class (Setanta)                       | Mackenzie Canadian Large Cap Dividend Class        |
| Global All Cap Equity Fund (Setanta)                        | Mackenzie Canadian Large Cap Dividend Fund         |
| Global Dividend Equity Class (Setanta)                      | Mackenzie Canadian Money Market Fund               |
| Global Dividend Equity Fund (Setanta)                       | Mackenzie Canadian Resource Fund                   |
| Global Infrastructure Equity Fund (London Capital)          | Mackenzie Canadian Short-Term Bond Index ETF       |
| Global Low Volatility Fund (ILIM)                           | Mackenzie Canadian Small Cap Class                 |
| Global Monthly Income Fund (London Capital)                 | Mackenzie Canadian Small Cap Fund                  |
| Global Real Estate Fund (London Capital)                    | Mackenzie Canadian Short Term Fixed Income ETF     |
| Growth and Income Class (GWLIM)                             | Mackenzie Canadian Short Term Income Fund          |
| Growth and Income Fund (GWLIM)                              | Mackenzie China A-Shares CSI 300 Index ETF         |
| Income Fund (Portico)                                       | Mackenzie Conservative ETF Portfolio               |
| International Bond Fund (CLI)                               | Mackenzie Conservative Income ETF Portfolio        |
| International Core Equity Class (Putnam)                    | Mackenzie Core Plus Canadian Fixed Income ETF      |
| International Core Equity Fund (Putnam)                     | Mackenzie Core Plus Global Fixed Income ETF        |
| London Life Pathways Canadian Concentrated Equity Fund      | Mackenzie Corporate Bond Fund                      |
| London Life Pathways Canadian Equity Fund                   | Mackenzie Credit Absolute Return Fund              |
| London Life Pathways Core Bond Fund                         | Mackenzie Cundill Canadian Balanced Fund           |
| London Life Pathways Core Plus Bond Fund                    | Mackenzie Cundill Canadian Security Class          |
| London Life Pathways Emerging Markets Equity Fund           | Mackenzie Cundill Canadian Security Fund           |
| London Life Pathways Emerging Markets Large Cap Equity Fund | Mackenzie Cundill International Fund               |
| London Life Pathways Global Core Plus Bond Fund             | Mackenzie Cundill US Class                         |
| London Life Pathways Global Multi Sector Bond Fund          | Mackenzie Cundill Value Class                      |
| London Life Pathways Global Tactical Fund                   | Mackenzie Cundill Value Fund                       |
| London Life Pathways International Concentrated Equity Fund | Mackenzie Diversified Alternatives Fund            |
| London Life Pathways International Equity Fund              | Mackenzie Emerging Markets Class                   |
|   | Mackenzie Emerging Markets Fund                    |
|   | Mackenzie Emerging Markets Large Cap Fund          |
|   | Mackenzie Emerging Markets Opportunities Fund      |

Mackenzie Emerging Markets Small Cap Fund  
 Mackenzie Floating Rate Income Fund  
 Mackenzie Floating Rate Income ETF  
 Mackenzie Global Credit Opportunities Fund  
 Mackenzie Global Dividend Fund  
 Mackenzie Global Environmental Equity Fund  
 Mackenzie Global Equity Fund  
 Mackenzie Global Equity Income Fund  
 Mackenzie Global Growth Balanced Fund  
 Mackenzie Global Growth Class  
 Mackenzie Global High Yield Fixed Income ETF  
 Mackenzie Global Inflation-Linked Fund  
 Mackenzie Global Leadership Impact ETF  
 Mackenzie Global Leadership Impact Fund  
 Mackenzie Global Long/Short Equity Alpha Fund  
 Mackenzie Global Macro Fund  
 Mackenzie Global Resource Class  
 Mackenzie Global Small Cap Class  
 Mackenzie Global Small Cap Fund  
 Mackenzie Global Strategic Income Fund  
 Mackenzie Global Sustainability and Impact Balanced Fund  
 Mackenzie Global Tactical Bond Fund  
 Mackenzie Global Tactical Investment Grade Bond Fund  
 Mackenzie Gold Bullion Class  
 Mackenzie Growth ETF Portfolio  
 Mackenzie Growth Fund  
 Mackenzie High Diversification Canadian Equity Class  
 Mackenzie High Diversification Emerging Markets Equity Fund  
 Mackenzie High Diversification European Equity Fund  
 Mackenzie High Diversification Global Equity Fund  
 Mackenzie High Diversification International Equity Fund  
 Mackenzie High Diversification US Equity Fund  
 Mackenzie Income Fund  
 Mackenzie International Equity Index ETF  
 Mackenzie International Equity Index ETF (CAD-Hedged)  
 Mackenzie International Dividend Fund  
 Mackenzie Investment Grade Floating Rate Fund  
 Mackenzie Ivy Canadian Balanced Class  
 Mackenzie Ivy Canadian Balanced Fund  
 Mackenzie Ivy Canadian Fund  
 Mackenzie Ivy European Class  
 Mackenzie Ivy Foreign Equity Class  
 Mackenzie Ivy Foreign Equity Currency Neutral Class  
 Mackenzie Ivy Foreign Equity Fund  
 Mackenzie Ivy Global Balanced Class

Mackenzie Ivy Global Balanced Fund  
 Mackenzie Ivy Global Equity ETF  
 Mackenzie Ivy International Class  
 Mackenzie Ivy International Fund  
 Mackenzie Maximum Diversification All World Developed ex North America Index ETF  
 Mackenzie Maximum Diversification All World Developed Index ETF  
 Mackenzie Maximum Diversification Canada Index ETF  
 Mackenzie Maximum Diversification Developed Europe Index ETF  
 Mackenzie Maximum Diversification Emerging Markets Index ETF  
 Mackenzie Maximum Diversification US Index ETF  
 Mackenzie Moderate Growth ETF Portfolio  
 Mackenzie Monthly Income Balanced Portfolio  
 Mackenzie Monthly Income Conservative Portfolio  
 Mackenzie Multi-Strategy Absolute Return Fund  
 Mackenzie North American Corporate Bond Fund  
 Mackenzie Portfolio Completion ETF  
 Mackenzie Precious Metals Class  
 Mackenzie Private Canadian Focused Equity Pool  
 Mackenzie Private Canadian Focused Equity Pool Class  
 Mackenzie Private Global Conservative Income Balanced Pool  
 Mackenzie Private Global Equity Pool  
 Mackenzie Private Global Equity Pool Class  
 Mackenzie Private Global Fixed Income Pool  
 Mackenzie Private Global Income Balanced Pool  
 Mackenzie Private Income Balanced Pool  
 Mackenzie Private Income Balanced Pool Class  
 Mackenzie Private US Equity Pool  
 Mackenzie Private US Equity Pool Class  
 Mackenzie Sovereign Bond Fund  
 Mackenzie Strategic Income Class  
 Mackenzie Strategic Income Fund  
 Mackenzie Strategic Bond Fund  
 Mackenzie Unconstrained Bond ETF  
 Mackenzie Unconstrained Fixed Income Fund  
 Mackenzie US All Cap Growth Fund  
 Mackenzie US Dividend Fund  
 Mackenzie US Dividend Registered Fund  
 Mackenzie USD Global Strategic Income Fund  
 Mackenzie USD Global Tactical Bond Fund  
 Mackenzie USD Ultra Short Duration Income Fund  
 Mackenzie US Growth Class  
 Mackenzie US High Yield Bond Index ETF (CAD-Hedged)

Mackenzie US Investment Grade Corporate Bond Index  
ETF (CAD-Hedged)  
Mackenzie US Large Cap Equity Index ETF  
Mackenzie US Large Cap Equity Index ETF (CAD-  
Hedged)  
Mackenzie US Mid Cap Growth Class  
Mackenzie US Mid Cap Growth Currency Neutral Class  
Mackenzie US Small Cap Fund  
Mackenzie US Strategic Income Fund  
Mackenzie US TIPS Index ETF (CAD-Hedged)  
Mid Cap Canada Fund (GWLIM)  
Moderate Folio Fund  
Money Market Fund  
Monthly Income Fund (London Capital)  
North American High Yield Bond Fund (Putnam)  
North American Specialty Class  
Short Term Bond Fund (Portico)  
Symmetry Balanced Portfolio  
Symmetry Balanced Portfolio Class  
Symmetry Canadian Bond Fund  
Symmetry Canadian Equity Fund

Symmetry Comprehensive Equity Fund  
Symmetry Conservative Income Portfolio  
Symmetry Conservative Income Portfolio Class  
Symmetry Conservative Portfolio  
Symmetry Conservative Portfolio Class  
Symmetry EAFE Equity Fund  
Symmetry Equity Portfolio Class  
Symmetry Fixed Income Portfolio  
Symmetry Global Bond Fund  
Symmetry Growth Portfolio  
Symmetry Growth Portfolio Class  
Symmetry Low Volatility Fund  
Symmetry Moderate Growth Portfolio  
Symmetry Moderate Growth Portfolio Class  
Symmetry US Equity Fund  
U.S. Dividend Class (GWLIM)  
U.S. Dividend Fund (GWLIM)  
U.S. Low Volatility Fund (Putnam)  
U.S. Value Fund (Putnam)  
U.S. Value Class (Putnam)