MACKENZIE Investments | CONFIDENCE IN A CHANGING WORLD

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May 27, 2021

We are sending you this information package because you hold units of Mackenzie Global Small-Mid Cap Equity Fund, which will be merged into Mackenzie Global Small-Mid Cap Fund no later than September 30, 2021.

On the effective date of the merger, if you are an investor of record in Mackenzie Global Small-Mid Cap Equity Fund, you will automatically become an investor in Mackenzie Global Small-Mid Cap Fund. You will pay no incremental fees or charges in connection with this event.

We encourage you to read the enclosed notice, which provides details of this change. If you have any questions, we encourage you to speak to your financial advisor or with our Client Relations Team at 1-800-387-0614, or to visit www.mackenzieinvestments.com.

**No action is required on your part**. On the effective date of the merger, if you are an investor of record in Mackenzie Global Small-Mid Cap Equity Fund, you will automatically become an investor in Mackenzie Global Small-Mid Cap Fund. You will pay no fees or charges in connection with this event. The merger will occur on a tax deferred basis, and the fees you pay will be the same as the current fund you hold.

We encourage you to read the enclosed notice, which provides details of these changes. If you have any questions, we encourage you to speak to Mackenzie's Client Relations Team at 1-800-387-0614, or to visit the Mackenzie Funds' website at www.mackenzieinvestments.com or the Laurentian Bank Group of Funds website at www.laurentianbank.ca/mackenzie.

You may switch or redeem your units of Mackenzie Global Small-Mid Cap Equity Fund at any time before the close of business on the effective date of the merger. If you do this, you may be subject to fees or redemption charges as described in the most recent simplified prospectus for Mackenzie Global Small-Mid Cap Equity Fund or, if applicable, in your agreement with Mackenzie, and the tax consequences for you will be as described in that simplified prospectus.

Thank you for continuing to make Mackenzie funds a part of your long-term investment plan.

Sincerely,

**MACKENZIE FINANCIAL CORPORATION**

Jeff Ray
Vice-President, Product Development

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# Investor Notice

## The Merger

Mackenzie Financial Corporation ("**Mackenzie**"), the manager of Mackenzie Global Small-Mid Cap Equity Fund (the "**Terminating Fund**"), is writing to notify you of a merger (the "**Merger**") affecting the Terminating Fund. LBC Financial Services Inc. ("**Laurentian**") is the principal distributor of certain series of the Terminating Fund.

The proposed Merger reflects Mackenzie's desire to structure its funds as effectively as possible, in order to maximize potential returns for investors and avoid duplicative funds. The investment objectives of Mackenzie Global Small-Mid Cap Fund (the "**Continuing Fund**") are substantially similar to those of the Terminating Fund and have the same lead portfolio manager. The proposed Merger will also make Mackenzie's product offering smaller and simpler, and therefore easier for investors to navigate.

No later than September 30, 2021 (the "**Merger Date**"), the Terminating Fund will be merged into the "Continuing Fund". The Continuing Fund together with the Terminating Fund, are referred to herein as the "**Funds**". As a result, when the Merger is completed, you will no longer hold units of the Terminating Fund (the "**Terminating Fund Units**"). Instead, you will hold units of the Continuing Fund (the "**Continuing Fund Units**").

The investment objectives, valuation procedures and fee structure of the Continuing Fund are substantially similar to those of the Terminating Fund.

Mackenzie believes that the Merger is in the best interests of investors of the Terminating Fund.

## The Independent Review Committee

The Merger has been reviewed and approved by the Independent Review Committee of the Mackenzie mutual funds (the "**IRC**") on behalf of the Terminating Fund. The IRC has determined that:

– in proposing the Merger, Mackenzie is acting free from any influence by an entity related to it and without taking into account any consideration relevant to an entity related to it;

– the Merger represents the business judgment of Mackenzie uninfluenced by considerations other than the best interests of the Terminating Fund;

– the Merger complies with Mackenzie's written policies and procedures; and

– the Merger achieves a fair and reasonable result for the Terminating Fund.

## Procedures for the Merger

The procedures for the Merger are described below.

If you participate in a pre-authorized chequing ("**PAC**") plan, dollar-cost-averaging service, systematic withdrawal plan, or other systematic plan (all as described in the applicable simplified prospectus) in connection with the Terminating Fund, this plan will be continued with the Continuing Fund following the Merger Date, unless otherwise noted in this notice.

***Fees and Expenses***

Generally, the Terminating Fund pays management fees, administration fees and fund costs. The management fees and any administration fees are paid to Mackenzie as manager of the Terminating Fund. A portion of the management fees paid in respect of certain series of units of the Terminating Fund are paid by Mackenzie to Laurentian as the principal distributor of those series of units.

The annual management fees and administration fees for the Funds vary by series. The fees for Series O and Series PWX units of the Funds are negotiable by the investor and payable directly to Mackenzie.

Other fund costs to which a Fund may be subject include interest and borrowing costs, brokerage commissions and related transaction fees, taxes (including, but not limited to G.S.T./H.S.T. and income tax), all fees and expenses of the 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 each Fund, new fees related to external services that were not commonly charged in the Canadian mutual fund industry and introduced after September 25, 2020, and the costs of complying with any new regulatory requirements, including, without limitation, any new fees introduced after September 25, 2020. Interest and borrowing costs and taxes will be charged to each series directly based on usage. Costs of complying with new regulatory requirements will be assessed based on the extent and nature of these requirements. The remaining fund costs will be allocated to each series of each Fund based on their net assets relative to the net assets of all series of the Funds. Mackenzie may allocate fund costs among each series of a Fund based on such other method of allocation as we consider fair and reasonable to each Fund.

The fees and expenses applicable to the Funds are described in the simplified prospectus for the Funds or, in the case of Series O and Series PWX units of the Funds, in your agreement with Mackenzie.

**Mackenzie will bear all of the expenses incurred to effect the Merger. No charges will be payable by you in connection with the Merger.**

Each Fund qualifies as a mutual fund trust under the *Income Tax Act* (Canada) (the "**Tax Act**"). Prior to the Merger Date, you may receive a distribution of net income and/or net realized capital gains from the Terminating Fund, but only to the extent required to ensure that the Terminating Fund will not have to pay any income tax. Any such distribution will be automatically reinvested in Terminating Fund Units.

After the close of business on the Merger Date:

– The Terminating Fund will transfer all of its net assets to the Continuing Fund in exchange for Continuing Fund Units. The value of the Continuing Fund Units received by the Terminating Fund will equal the value of the net assets that the Terminating Fund transferred to the Continuing Fund.

– The Terminating Fund will then redeem your Terminating Fund Units. You will receive your *pro rata* share of the Continuing Fund Units that were held by the Terminating Fund.

– The Terminating Fund and Continuing Fund will take all necessary steps, including the making of a joint election, so that the Merger will occur on a tax-deferred basis under section 132.2 of the Tax Act.

– As soon as reasonably possible following the Merger, and in any case within 60 days following the Merger Date, the Terminating Fund will be wound up.

## Canadian Federal Income Tax Considerations

This is a general summary of certain Canadian federal income tax considerations applicable to you as a holder of Terminating Fund Units. It is based on the current provisions of the Tax Act. This summary assumes that you are an individual resident in Canada and that you hold your Terminating Fund Units as capital property. **This summary is not intended to be legal advice or tax advice and it is not exhaustive of all possible tax consequences. Accordingly, you should consult your own tax advisor having regard to your own particular circumstances.**

The tax consequences of the Merger are described below and depend on whether you hold Terminating Fund Units inside or outside an account that is one of the following (each a "**Registered Plan**"):

– a registered retirement savings plan;

– a registered retirement income fund;

– a registered education savings plan;

– a deferred profit-sharing plan;

– a life income fund;

– a locked-in retirement account;

– a locked-in retirement income fund;

– a locked-in retirement savings plan;

– a prescribed retirement income fund;

– a restricted life income fund;

– a restricted locked-in savings plan;

– a registered disability savings plan; or

– a tax-free savings account.

### If you hold Terminating Fund Units inside a Registered Plan

Generally, you will not pay tax on distributions paid by the Terminating Fund and you will not be subject to tax on capital gains from redeeming Terminating Fund Units. Generally, any withdrawals from Registered Plans are subject to tax. However, withdrawals from a TFSA are not subject to tax, and RESPs and RDSPs are subject to special rules.

### If you hold Terminating Fund Units outside a Registered Plan

The tax consequences of any distribution of net income and/or net realized capital gains that you receive from the Terminating Fund will be the same as the tax consequences of the regular year-end distributions made by the Terminating Fund. These consequences are described in the simplified prospectus for the Terminating Fund.

On the Merger Date, the exchange of your Terminating Fund Units for Continuing Fund Units will occur on a tax-deferred basis:

- You will be deemed to dispose of your Terminating Fund Units for an amount equal to their adjusted cost base ("**ACB**"), so that you will not realize a capital gain or a capital loss on the disposition.

- The cost of the Continuing Fund Units that you receive as a result of the Merger will equal the ACB of your Terminating Fund Units that were exchanged for these Continuing Fund Units.

### Tax Consequences of Investing in the Continuing Fund

Please refer to the Continuing Fund's simplified prospectus for a description of the income tax consequences of acquiring, holding and disposing of Continuing Fund Units.

Continuing Fund Units received on the Merger Date are expected to be, at all material times, qualified investments under the Tax Act for Registered Plans. Annuitants of RRSPs and RRIFs, holders of TFSAs and RDSPs and subscribers of RESPs should consult with their own tax advisors so to whether Continuing Fund Units would be a "prohibited investment" under the Tax Act if held in their particular RRSP, RRIF, TFSA, RDSP or RESP.

## If you do not wish to participate in the Merger

If you do not wish to participate in the Merger, you may instead redeem your units or switch to any other mutual fund offered under the applicable simplified prospectus at any time up to the close of business on the Merger Date. In this case, you may be subject to redemption charges as outlined in the applicable simplified prospectus.* The tax consequences of any such redemption or switch will be as described in the applicable simplified prospectus.

## For more information

More information about the Mackenzie funds, including the Funds, is contained in the applicable simplified prospectus, annual information form, most recently filed fund facts, most recent annual and interim financial statements and most recent management reports of fund performance. You can obtain copies of these documents in any of the following ways:

- by accessing Mackenzie's website at www.mackenzieinvestments.com and the Laurentian Bank Group of Funds website at www.laurentianbank.ca/mackenzie;

- by accessing the SEDAR website at www.sedar.com;

- by emailing Mackenzie at service@mackenzieinvestments.com;

- by calling Mackenzie, toll free, during normal business hours at 1-800-387-0614 (outside of Greater Toronto), 416-922-3217 (inside Greater Toronto), 1-800-387-0615

* If the Terminating Fund Units are Series O or Series PWX units purchased under an agreement with Mackenzie, information regarding switches or redemptions of such units is set out in your agreement with Mackenzie.

(Bilingual toll free) or 1-888-465-1668 (Asian investor services);

– by faxing a request to Mackenzie at 416-922-5660 or toll free at 1-866-766-6623;

– by mailing a request to Mackenzie at 180 Queen Street West, Toronto, Ontario M5V 3K1.

**Terminating Fund** Mackenzie Global Small-Mid Cap Equity Fund

**Continuing Fund** Mackenzie Global Small-Mid Cap Fund

**Merger Date** No later than September 30, 2021

**Reasons for Merger** The investment objectives of the Continuing Fund are substantially similar to those of the Terminating Fund. Both Funds seek long-term capital growth by investing in global equity securities of small and mid-capitalization companies. Also, both Funds fall within the Global Small/Mid Cap Equity Fund category of the Canadian Investment Funds Standards Committee and are managed by the same lead portfolio manager. The Merger is being proposed to deploy its portfolio managers as effectively as possible and to reduce duplication of funds.

**Consequences of Merger** The series of Continuing Fund Units that you will receive as a result of this Merger depends on the series of Terminating Fund Units that you hold, as shown in the table below:

| Terminating Fund Units that you hold | Continuing Fund Units that you will receive |
|---|---|
| Series A | Series A |
| Series D | Series D |
| Series F | Series F |
| Series FB | Series FB |
| Series G | Series G |
| Series J | Series J |
| Series M | Series M |
| Series O | Series O |
| Series PW | Series PW |
| Series PWFB | Series PWFB |
| Series PWX | Series PWX |
| Series LB | Series LB |
| Series LF | Series LF |
| Series LW | Series LW |
| Series R | Series R |
| Series S | Series S |
| Series CL | Series CL |

You will pay the same fees on Continuing Fund Units that you receive in the Merger as you currently pay on the Terminating Fund Units that you hold.