



JEFFREY R. CARNEY

President and Chief Executive Officer
Mackenzie Financial Corporation

Mackenzie Investments provides investment management and related services through diversified investment solutions using proprietary investment research and experienced investment professionals to deliver our various product offerings. We distribute our investment services through industry channels to both retail and institutional investors.

HIGHLIGHTS

- Mutual fund assets under management were \$48.4 billion at December 31, 2015, compared to \$48.8 billion at December 31, 2014.
- Mutual fund gross sales were \$7.0 billion, down 1.5% from the prior year's level of \$7.1 billion.
- Mutual fund net redemptions were \$1.3 billion, compared to \$209 million in 2014.
- Total assets under management were \$61.7 billion at December 31, 2015, down 13.0% from 2014.



MACKENZIE
Investments

CONFIDENCE
IN A CHANGING WORLD



REPORT ON OPERATIONS

In 2015, Mackenzie Investments continued to invest in a number of key initiatives to execute on our vision to deliver financial success to investors through their eyes. We have focused on ensuring our products meet the evolving needs of advisors and their clients and our investment boutiques strive to deliver competitive risk-adjusted returns. Our distribution channel continues to provide insights about the markets and our products to help advisors and investors through various market cycles. In addition, ensuring our brand strongly resonates in the market and our culture effectively engages our employees. The implementation and activation of our strategies has garnered positive feedback and results from our key constituents and we are seeing the impact of our market momentum through qualitative and quantitative measures.

In October 2015, Mackenzie Investments launched a new brand identity and tagline “Confidence in a Changing World,” to inspire both advisors and investors. The new identity and messaging reflects the strong heritage of thought leadership and innovation while reflecting a modernized yet sound, established company. The branding and tagline reinforce that Mackenzie is focused on confidently helping our clients navigate the changing world and achieve their financial goals.

INVESTMENT MANAGEMENT

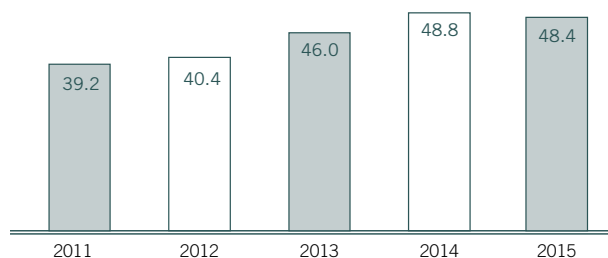
The quality, depth and talent of our 10 investment boutiques and sub-advisors provide a broad range of investment solutions that covers a variety of market conditions. At December 31, 2015, 59.9% of our mutual funds were rated three stars or better by Morningstar[†] and 50.7% were in the first or second quartile relative to their peers over the most recent 10-year period.

At the 2015 Lipper[®] Fund Awards, Mackenzie Investments was recognized for outstanding fund performance. Honouring the top funds in each category that have delivered stronger and more consistent performance than their peers, the Mackenzie Canadian Growth Balanced Series A won for best three-year performance in the Canadian Neutral Balanced classification.

The investment management team continued to grow in depth and breadth with the formation of the Mackenzie Systematic Strategies boutique. This new team will combine all of Mackenzie’s research insights with a disciplined portfolio construction process in the mandates it oversees.

Mutual Fund Assets under Management

As at December 31 (\$ billions)



PRODUCT FOCUS

In 2015, through a number of fund enhancements and launches, Mackenzie Investments continued to revitalize our product lineup to meet the evolving needs of investors and their advisors.

In May, we added four new U.S. dollar funds to create a comprehensive suite of U.S. dollar solutions to meet the longevity and income needs of our clients – Mackenzie USD Ultra Short Duration Income Fund, Mackenzie USD Global Tactical Bond Fund, Mackenzie USD Global Strategic Income Fund and Mackenzie USD Convertible Securities Fund.

We also launched the Mackenzie Global Tactical Investment Grade Bond Fund to help investors diversify their fixed income. The fund maintains an overall average credit quality of A- or higher and employs a qualitative and

quantitative approach to selection across the global fixed income universe.

Launched in the third quarter and managed by the Mackenzie Systematic Strategies Team, the Mackenzie Diversified Alternatives Fund offers a one-stop, broadly diversified portfolio of alternative asset classes such as real estate, infrastructure, emerging market debt, micro cap equities, high yield, foreign currencies, preferred shares and commodities. And in December, we also launched eight Private Wealth Pools, to provide alternative investment solutions for high net worth investors.

DISTRIBUTION

Mackenzie Investments distributes its retail investment products through third party financial advisors and their firms across Canada. We have specialty teams focused on strategic alliances with third party investment programs offered by banks, insurance companies and other investment companies and institutional investment management services for pension plans, foundations and other institutions. Through these long-standing relationships, we have one of the broadest retail distribution platforms in Canada and are positioned to serve the needs of a wide range of clients.

MARKETING

In the fourth quarter of 2014, we launched a leading-edge website that provides advisors with a more personalized

digital experience and more robust content that is easily shared with clients. Its mobile-friendly interface works seamlessly across any device and redefines the online experience at a time when advisors and investors are increasingly moving online to satisfy their demands for financial information. In 2015, it was ranked #1 by kasina, a DST company providing data-driven insights and distribution solutions to financial companies around the world, for the best overall quality, best features and top content.

To complement our existing efforts to support advisors around the new CRM2 disclosure rules, we launched a CRM2 blog to generate a dialogue with financial advisors and share insights from our CRM2 experts.

CORPORATE RESPONSIBILITY

Throughout 2015, Mackenzie Investments continued its commitment to corporate responsibility with a focus on economic development while improving quality of life for our employees and communities.

As part of IGM Financial, we believe that considering the environmental, social and governance impacts of our business contributes to long-term profitability and value creation. We continue to address these impacts through the advancement of the IGM Financial corporate responsibility strategy.

As a Principles for Responsible Investment (PRI) signatory, Mackenzie Investments continued its commitment to incorporate the principles into investment analysis and decision making processes. The PRI is a collaborative

effort of global investors with a goal to develop a more sustainable financial system.

In 2015, Mackenzie Investments announced a new environmental initiative to power our Simcoe Street office in Toronto with renewable natural gas. This program increases our use of renewable energy and reduces our carbon footprint.

We continued to support charities across the country through the Mackenzie Investments Charitable Foundation, our corporate giving and employee volunteer programs. The focus of the foundation grants are primarily on social service organizations with a focus on children and youth, especially those at risk.

Mackenzie Investments' Snow Sports Canada and Mackenzie Tour – PGA TOUR Canada sponsorships are an extension of our long-standing commitment to helping others succeed and complement our tradition of giving back to the community. With Mackenzie Investments' support, snow athletes receive much-needed coaching, facilities and equipment. A variety of charities across the country benefit from our partnership with PGA TOUR Canada, with the Mackenzie Tour raising over \$500,000 for charitable causes nationally in 2015.

Mackenzie Investments remains dedicated to our investor focused vision of providing high-quality investment solutions designed to help investors achieve financial success on their terms. We are proud of our track record, our people and our business and look forward to continuing to serve the evolving needs of advisors and investors with confidence.