Fees and mutual fund investing: **the facts**

When you invest in a mutual fund, there is a built-in fee that covers a variety of costs and services, called the management expense ratio, or MER. An MER is expressed as a percentage of the fund's total assets. The returns you earn as an investor are reported after the fund's MER is deducted.

MER = MANAGEMENT FEE + FIXED RATE ANNUAL ADMINISTRATION FEE + OTHER FUND COSTS + TAXES

The **management fee** covers the cost of paying the mutual fund company and investment professionals that decide how and in which securities the fund will invest. This fee may also cover compensation to the investment dealer organization and financial advisor who sell the fund and provide ongoing financial advice and service to the investor.

The **fixed rate annual administration fees** cover operating expenses incurred by the fund manager and directly by the funds. Services provided by the fund manager include unitholder processing and client services, fund administration, legal, tax and financial reporting. Direct fund expenses include custodian safe keeping fees, audit, prospectus filing fees, mailing and expenses related to the funds' Independent Review Committee.

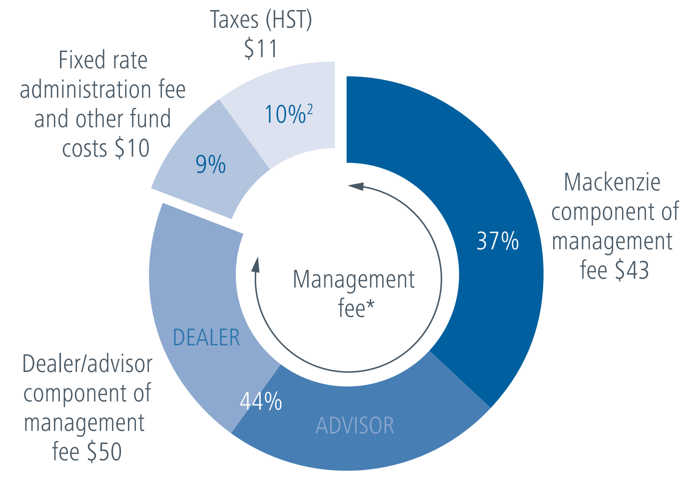
Other fund costs include applicable taxes (e.g., capital taxes), interest, borrowing costs and any other new governmental fees. These other fund costs are very small and, on average, represent less than 0.02% of the MER.

Taxes are paid on the management fee and certain operating costs and are therefore included in the MER.

EXAMPLE: FUND WITH A 2.28% MER

The following chart illustrates how the fees you pay are calculated, and put to work.

If you had invested $5,000 in a fund with a 2.28% MER[1], you would have paid $114 in management fees and expenses for the year.



FOR ILLUSTRATIVE PURPOSES ONLY

[1] Represents the MER of a typical Canadian balanced fund.

[2] The applicable tax rates are calculated by taking a weighted average of the tax rates applicable to the province of residence of the investors of the Fund. An assumed tax rate of 10.6%, reflecting the current blend of Mackenzie Investments investors in HST and non-HST provinces, was used for the purposes of calculating the MER. The actual tax rate may differ.

MACKENZIE Investments | CONFIDENCE IN A CHANGING WORLD

What you get from your advisor

- **Investment discipline** – keeping money and emotions separate
- **Experience** – steering clients through various life stages and business cycles
- **Investment suitability** – the right risk/reward balance
- **The value of time** – enabling busy people to focus on their careers and families
- **Tax efficiency** – through appropriate savings vehicles and tax-efficient products offered by fund companies
- **Referrals** – putting you in touch with other financial services providers, such as tax and estate specialists

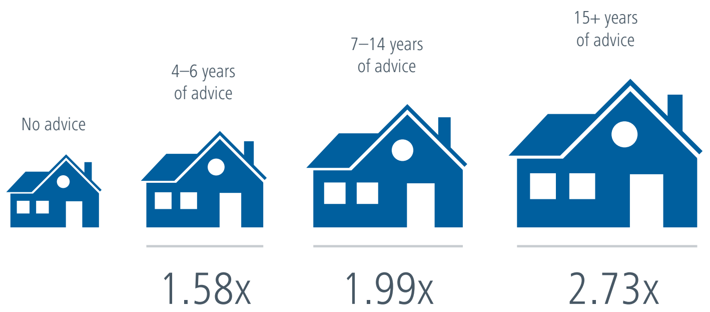
What you get from Mackenzie Investments

- **Investment management expertise** from strong professionals supported by a disciplined approach to investing
- **Cost efficiencies** that allow you to invest in a sophisticated range of domestic and foreign securities and markets easily and affordably
- **Flexibility** in offering relatively low initial or monthly purchase amounts
- **Liquidity** that allows you to readily redeem your shares at current prices (plus any fees and charges payable upon redemptions) at any time
- **Technology** to provide you with timely, accurate reporting on your investments
- **Investment and financial planning tools** for both you and your financial advisor at *mackenzieinvestments.com*

The value of advice increases over time

According to a groundbreaking research reference study[3], advised households have approximately twice the level of financial assets as their non-advised counterparts, and this advantage grows over time. Studies confirm that Canadians who rely on advice to guide their financial decisions are wealthier, more confident and better prepared for the financial implications of marriage, a new child, their children's education, retirement and other life events.

Difference in household financial assets attributable to financial advice



[3]Source: An econometric analysis of the value of advice in Canada, by Claude Montmarquette, CIRANO, 2012

Reference: The Investment Funds Institute of Canada Value of Advice Report 2012

MACKENZIE Investments | CONFIDENCE IN A CHANGING WORLD

11041 MF3978 11/16