

## **MACKENZIE CUNDILL AMERICAN CLASS**

### ***Annual Management Report of Fund Performance***

*For the Nine-Month Period Ended March 31, 2009*

#### ***The Portfolio Management Team***

##### **Lawrence Chin, BA, CFA**

*(Mackenzie Cundill Investment Management Ltd.)*

Vice-President, Investment Management and Portfolio Manager

Joined Cundill in 1999

Over nine years of investment industry experience

##### **George Morgan**

*(Mackenzie Cundill Investment Management Ltd.)*

Senior Vice-President and Portfolio Manager

Over 23 years of investment industry experience

*This Annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You may obtain a copy of the annual financial statements, at no cost, by calling the toll-free number 1-800-387-0614, by writing to us at Mackenzie Financial Corporation, 180 Queen Street West, Toronto, Ontario M5V 3K1, by visiting our website at [www.mackenziefinancial.com](http://www.mackenziefinancial.com) or by visiting the SEDAR website at [www.sedar.com](http://www.sedar.com).*

*Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting disclosure record or quarterly portfolio disclosure. For current net asset values per security for the Fund, please visit our website.*

*Every effort has been made to ensure that the information contained in this report is accurate as of the dates indicated in the report; however, the Fund cannot guarantee the accuracy or the completeness of this material. For more information, please refer to the Fund's Simplified Prospectus and Annual Information Form, which may also be obtained, at no cost, using any of the methods outlined above.*

#### **A NOTE ON FORWARD-LOOKING STATEMENTS**

*This report may contain forward-looking statements that reflect our current expectations or forecasts of future events. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "preliminary", "typical" and other similar expressions. In addition, these statements may relate to future corporate actions, future financial performance of a fund or a security and their future investment strategies and prospects. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in government regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events and the ability of Mackenzie to attract or retain key employees. The foregoing list of important risks, uncertainties and assumptions is not exhaustive. Please consider these and other factors carefully and do not place undue reliance on forward-looking statements.*

*The forward-looking information contained in this report is current only as of the date of this report. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.*

## MACKENZIE CUNDILL AMERICAN CLASS

### Management Discussion of Fund Performance

May 8, 2009

This Management Discussion of Fund Performance presents management's view of the significant factors and developments as at and during the nine-month period ended March 31, 2009, that have affected the Fund's performance and outlook. Effective March 31, 2009, the fiscal year-end of the Fund changed to March 31 from June 30. For information on the Fund's longer-term performance, please refer to the *Past Performance* section of the report. In this report, "Mackenzie" refers to Mackenzie Financial Corporation, the manager of the Fund. In addition, net asset value ("NAV") refers to the value of the Fund as calculated for transaction purposes, on which the discussion of fund performance is based.

#### Investment Objective and Strategies

Mackenzie Cundill American Class pursues long-term capital growth primarily from investments in U.S. stocks. The Fund is managed based on Mackenzie Cundill Investment Management Ltd.'s ("Cundill") fundamental value style of investing: investing in companies only when they trade at prices substantially below what Cundill estimates their value to be.

As a matter of strategy, the portfolio managers hedge foreign currency exposure where it is economical and reasonable to do so to reduce the impact of currency fluctuations.

#### Risk

The risks of investing in the Fund remain as discussed in the Prospectus.

The Fund is suitable for investors seeking long-term capital growth who have a moderate tolerance for risk.

#### Results of Operations

The Fund's NAV declined by 42.2% to \$27.3 million at March 31, 2009, from \$47.2 million at June 30, 2008. A net loss of \$17.7 million (after including \$0.6 million of dividend and interest income) from investment performance, after deducting fees and expenses, and net redemptions of \$2.2 million accounted for this change. The performance of the Fund's Series A is discussed below. The performance of all other series offered by the Fund is shown in the *Past Performance* section of the report. Where series returns differ, it is primarily because different levels of fees and expenses were charged to each series, or because securities of a series were not issued and outstanding for the entire reporting period. Please refer to the *Fund Formation and Series Information* section of this report for the varying management and administration fees payable by each series.

#### Investment Performance

During the nine-month period, the Fund's Series A securities returned -38.1% (after deducting fees and expenses paid by the series). This compares with the S&P 500 Index return of -21.3%. All index and series returns are calculated on a total return basis in Canadian dollar terms. Investors cannot invest in the index without incurring fees, expenses and commissions, which are not reflected in the index returns.

As a result of its hedging strategy, the Fund does not benefit when foreign currencies are appreciating relative to the Canadian dollar; the Fund also

does not suffer when foreign currencies are depreciating. Unlike the index, the Fund did not fully benefit from the 23.6% appreciation of the U.S. dollar relative to the Canadian dollar over the nine-month period because a significant portion of its foreign currency exposure was hedged.

Market conditions have been extremely difficult for equities over the past nine months, with only a small number of stocks managing to avoid indiscriminate sell-offs. As a result, many of the stocks in the portfolio, regardless of quality or balance sheet attributes, were negatively affected by the situation in the broad markets. Within the index, the worst-performing sectors were financials, materials, energy and industrials. The Fund was underweight energy, industrials and materials during the period; however, it was overweight financials, though it had no exposure to U.S. banks. The sector exposure of the Fund is purely a by-product of stock selection. Absolute performance was negatively affected by investments in consumer discretionary and information technology companies that had large negative returns during the period.

The ongoing decline in the equity markets continued to present many investment opportunities. As a result, the portfolio managers added to existing holdings, such as Microsoft Corp. and Viacom Inc., and initiated new positions, including FedEx Corp., Helmerich & Payne Inc., Intel Corp. and News Corp.

During the period, the portfolio managers sold the Fund's positions in Brunswick Corp., IDT Corp., Louisiana-Pacific Corp., Meredith Corp., MI Developments Inc., Industrie Natuzzi SPA, Office Depot Inc., Sega Sammy Holdings Inc. and Sprint Nextel Corp. Each of these stocks experienced significant price declines with the exception of Sega Sammy, which fell just slightly and vastly outperformed the Japanese stock market. The positions were sold because the portfolio managers believed there were better investment opportunities available.

The best-performing holding in the Fund was Connors Brothers Income Fund, which was taken private. Although the takeover price was not 100% of the portfolio managers' estimate of intrinsic value, it represented a significant premium to the trading price in mid September 2008.

Stocks that remain in the portfolio but suffered price declines include Celestica Inc., Pfizer Inc. and Dell Inc. Price declines for these stocks were largely a result of the weak economic outlook in the United States. Celestica's shares are very inexpensive considering the company has a strong balance sheet, with almost 50% of its market capitalization in cash. The company has remained profitable during the downturn, and the portfolio managers believe it has the ability to further reduce costs and improve margins.

While Pfizer's stock price fell over the nine-month period, it outperformed the S&P 500 by a significant margin. The decline was a disappointment because pharmaceutical companies tend to be less economically sensitive than other sectors and the stock is cheap. Pfizer's announced acquisition of Wyeth was the main reason for the decline in the share price. Though the Wyeth acquisition should boost earnings and re-establish modest long-term earnings growth, the portfolio managers believe that Pfizer could have achieved a similar outcome through a lower-risk strategy of repurchasing undervalued shares. Nonetheless, the portfolio managers continue to favour

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the Pfizer investment because the shares trade significantly below their estimated intrinsic value. Also, because of the company's strong balance sheet, it has no need to go to capital markets to raise funds in the near future, and as such it has no significant financial risk.

Dell's stock price declined mainly due to a slowdown in demand for PCs from corporations, which have become very cautious about spending on technology. The portfolio managers continue to like Dell's prospects because they believe PC sales are simply being deferred, not cancelled. Additionally, Dell's exposure to emerging markets should help future sales growth. Margins are expected to improve as a result of cost reductions of approximately US\$4 billion that should increase Dell's efficiency by 2011. Even during these challenging times, Dell remains profitable, is a top competitor in an industry that has massively consolidated and has a strong balance sheet, with approximately 35% of its market capitalization in cash.

### **Fees and Expenses**

The annualized management expense ratio ("MER") for Series A of 2.47% during the nine-month period ended March 31, 2009, was unchanged from the year ended June 30, 2008. The MERs (before and after waivers or absorptions) for other series offered and issued are presented in the *Financial Highlights* section of this report and may have decreased due to a decrease in other fund costs. The MER of Series O decreased as a result of the elimination of management fees charged directly to the series during fiscal 2008.

The MER for each series consists of the management fee, administration fee and other fund costs, as applicable to that series. Other fund costs include taxes (including but not limited to GST, income tax and capital tax), interest and borrowing costs, fees and expenses of the Mackenzie Funds' Independent Review Committee, any fees related to external services that were not commonly charged in the Canadian mutual fund industry as at June 15, 2007, and the costs of complying with any new regulatory requirements after June 15, 2007.

### **Recent Developments**

The strong year-end recovery rally in U.S. equities petered out early in the New Year and the market then steadily declined to a low in early March. The honeymoon accorded President Obama's inauguration was short-lived, as fear and gloom once again gripped investors.

Much has been written comparing recent events to the very worst periods in the markets in the past. It has become common for market prognosticators, and even some politicians, to express ultra-bearish views. The portfolio managers' analysis suggests that equity markets are pricing in unremitting bad news, but experience suggests that at some point the markets will turn. In the meantime, investors can prosper with strong stock picking.

In this environment, the Cundill team is finding better bargains in both the equity and debt markets than most of its members have ever seen. Even a weak economic recovery should benefit many securities that are trading significantly below their estimated intrinsic values.

In sharp contrast to conditions not long ago, when it was generally easier to find value outside of the United States, the portfolio managers are finding

especially good value in U.S. cyclical and communications stocks and in the energy sector. They are looking to diversify the Fund, potentially modestly increasing the number of holdings. Overall, while there is little positive to be said about the market declines, in the portfolio managers' opinion, the negatives have allowed them to upgrade the estimated intrinsic value of the Fund at extraordinarily low prices, putting the Fund in an even better position to benefit from any recovery.

### **New Accounting Policy**

In the preparation of its financial statements, the Fund has adopted Section 3862, Financial Instruments – Disclosures and Section 3863, Financial Instruments – Presentation of the Canadian Institute of Chartered Accountants ("CICA") Handbook – Accounting. These new sections replace Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing disclosure and presentation requirements. The adoption of these standards does not impact the daily valuation of the Fund's investments or NAV, the Fund's performance or the risk profile of the Fund.

### **Future Accounting Standards**

The Canadian Accounting Standards Board has confirmed its plan to adopt all International Financial Reporting Standards ("IFRS"), as published by the International Accounting Standards Board, on or by January 1, 2011. Accordingly, the Fund will adopt IFRS for its fiscal period beginning April 1, 2011.

Mackenzie has commenced planning for the changeover to IFRS. Elements of that plan include identifying key differences between Canadian GAAP and IFRS and evaluating the likely impacts on business activities.

Based on Mackenzie's current evaluation of the differences between Canadian GAAP and IFRS, the adoption of IFRS is not expected to have a significant impact on the calculation of NAV per security. IFRS is expected to affect the overall presentation of financial statements and result in additional disclosure in the accompanying notes. However, Mackenzie's current assessment may change if new standards are issued or if interpretations of existing standards are revised.

### **Related Party Transactions**

The following arrangements result in fees paid by the Fund to Mackenzie or to companies affiliated with the Fund.

### **Management and Administration Services**

For each applicable series, the Fund paid management fees and administration fees, including any implementation period adjustments, to Mackenzie at the annual rates specified under *Fund Formation and Series Information* in this report and as more fully described in the Prospectus. In return for the administration fees, Mackenzie pays all costs and expenses (other than certain specified fund costs) required to operate the Fund that are not otherwise included in management fees. See also *Management Fees*.

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### Other Related Party Transactions

For its funds, Mackenzie has created an Independent Review Committee ("IRC"). The IRC reviews and provides impartial judgment on potential conflict of interest matters referred to it by Mackenzie and makes recommendations on whether a course of action achieves a fair and reasonable result for the funds. In addition, the IRC regularly reviews Mackenzie's policies and procedures relating to conflicts of interest.

The IRC will prepare, at least annually, a report of its activities for investors, which will be available at [www.mackenziefinancial.com](http://www.mackenziefinancial.com).

The IRC has issued positive recommendations and standing instructions that permit the Fund to (a) purchase (and rebalance where desirable) securities of a fund managed by Mackenzie and (b) purchase, hold or sell shares of related parties to the Fund (excluding IGM Financial Inc.) provided that any investment activity proposed by Mackenzie relating to securities of related parties:

- is free from any influence by a related party and without taking into account any consideration relevant to a related party;
- represents the business judgment of the manager uninfluenced by considerations other than the best interests of the Fund;
- complies with Mackenzie's written policies and procedures; and
- achieves a fair and reasonable result for the Fund.

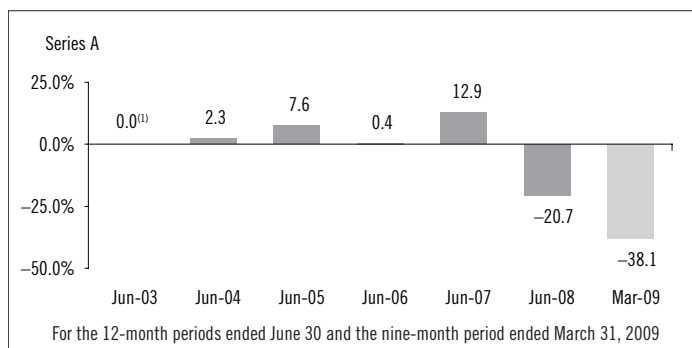
### Past Performance

The Fund's past performance information is presented in the following charts and tables and it assumes all distributions made by the Fund in the periods presented are reinvested in additional securities of the relevant series of the Fund. They do not take into account sales, redemption, distribution or optional charges, or income taxes payable by any investor that would have reduced returns. The past performance of the Fund is not necessarily an indication of how it will perform in the future.

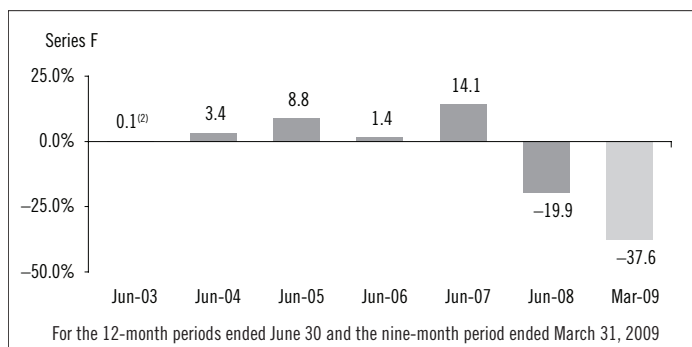
If you hold this Fund outside of a registered plan, income and capital gains distributions paid to you increase your income for tax purposes whether paid to you in cash or reinvested in additional securities of the Fund. The amount of reinvested taxable distributions is added to the adjusted cost base of the securities that you own. This would decrease your capital gain or increase your capital loss when you later redeem from the Fund, thereby ensuring that you are not taxed on this amount again. Please consult your tax advisor regarding your personal tax situation.

### Year-by-Year Returns

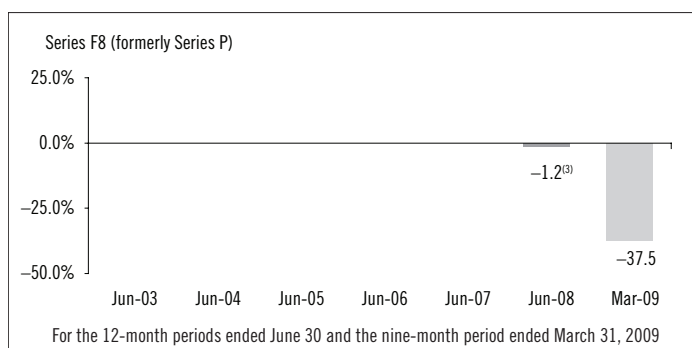
The following bar charts present the performance of each series of the Fund for the nine-month period ended March 31, 2009, and for each of the previous 12-month periods ended June 30. The charts show, in percentage terms, how much an investment made on the first day of each fiscal period would have increased or decreased by the last day of the fiscal period presented.



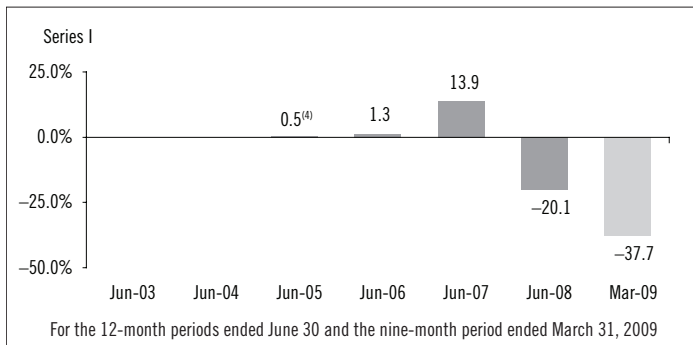
(1) Return from May 26, 2003, to June 30, 2003



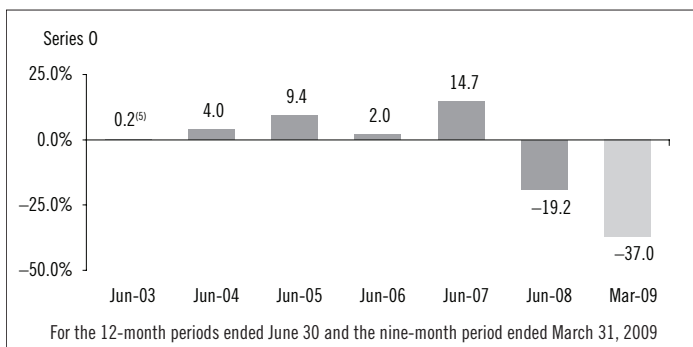
(2) Return from May 26, 2003, to June 30, 2003



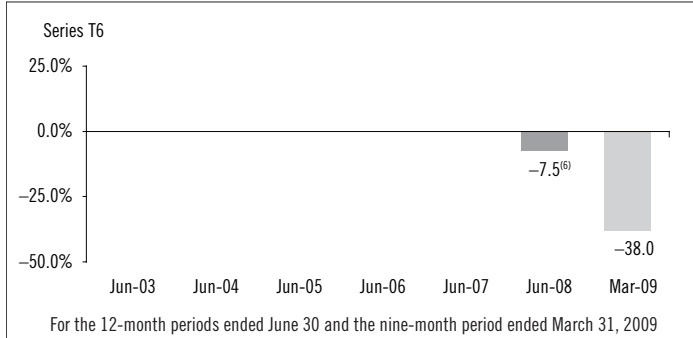
(3) Return from June 26, 2008, to June 30, 2008

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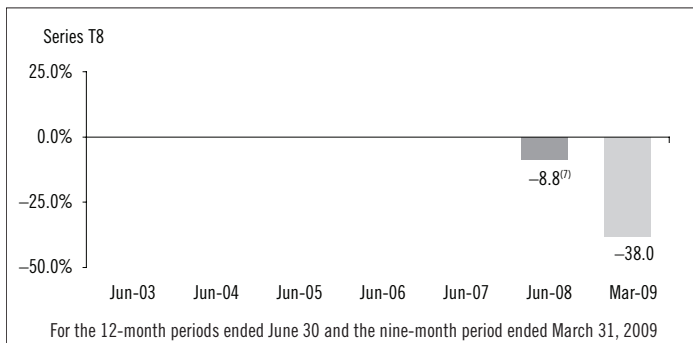
(4) Return from March 14, 2005, to June 30, 2005



(5) Return from May 28, 2003, to June 30, 2003



(6) Return from February 19, 2008, to June 30, 2008



(7) Return from February 11, 2008, to June 30, 2008

**Annual Compound Returns**

The following table compares the historical annual compound total returns for each series of the Fund with the index or indices shown below for each of the periods ended March 31, 2009. Investors cannot invest in the index without incurring fees, expenses, and commissions, which are not reflected in these performance figures.

Unless otherwise noted below, all index returns are calculated in Canadian dollars on a total return basis, meaning that all distributions are reinvested.

Percentage Return: <sup>1</sup>	9 Mo	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception <sup>2</sup>
Series A	-38.1	-40.3	-17.7	-10.0	n/a	-8.0
Series F	-37.6	-39.7	-16.8	-9.0	n/a	-7.1
Series F8 <sup>4</sup>	-37.5	n/a	n/a	n/a	n/a	-38.3
Series I	-37.7	-39.8	-17.0	n/a	n/a	-12.7
Series O	-37.0	-38.9	-16.1	-8.4	n/a	-6.4
Series T6	-38.0	-40.2	n/a	n/a	n/a	-39.4
Series T8	-38.0	-40.2	n/a	n/a	n/a	-39.5
S&P 500 Index	-21.3	-24.0	-10.8	-5.5	n/a	Note 3

*The S&P 500 Index is a market capitalization weighted index of 500 widely held securities, designed to measure broad U.S. equity performance.*

- (1) The percentage return differs for each series because the management fee rate and expenses differ for each series.
- (2) The return since inception for each series will differ when the inception date differs and is only provided when a series has been active for a period of less than 10 years.
- (3) The returns of the S&P 500 Index since inception for each applicable series are Series A -2.5%, Series F -2.5%, Series F8 -21.0%, Series I -6.9%, Series O -2.7%, Series T6 -22.4%, Series T8 -20.4%.
- (4) Formerly Series P.

**MACKENZIE CUNDILL AMERICAN CLASS****Summary of Investment Portfolio** at March 31, 2009

<b>Portfolio Allocation</b>	<b>% of NAV</b>
Equities.....	91.1%
Cash and equivalents.....	12.2%
Fixed income.....	1.4%
Other assets (liabilities).....	(4.7%)

<b>Regional Allocation</b>	<b>% of NAV</b>
United States.....	82.6%
Cash and equivalents.....	12.2%
Canada.....	9.9%
Other assets (liabilities).....	(4.7%)

<b>Sector Allocation</b>	<b>% of NAV</b>
Information technology.....	26.9%
Consumer discretionary.....	24.5%
Financials.....	23.0%
Cash and equivalents.....	12.2%
Health care.....	8.9%
Industrials.....	4.5%
Energy.....	3.3%
Corporate bonds.....	1.4%
Other assets (liabilities).....	(4.7%)

<b>Currency Allocation</b>	<b>% of NAV</b>
Canadian dollar.....	89.5%
U.S. dollar.....	10.5%

**Top 25 Holdings**

<b>Issuer</b>	<b>% of NAV</b>
Cash and equivalents	12.2%
Montpelier Re Holdings Ltd.	9.5%
Pfizer Inc.	8.9%
Celestica Inc.	8.6%
Microsoft Corp.	8.4%
Viacom Inc.	7.2%
Dell Inc.	7.2%
PHH Corp.	6.9%
Old Republic International Corp.	6.5%
Foot Locker Inc.	5.6%
FedEx Corp.	4.5%
News Corp.	4.0%
Liberty Media Corp.	3.9%
The DIRECTV Group Inc.	3.8%
Helmerich & Payne Inc.	3.3%
Intel Corp.	2.8%
Nortel Networks Ltd. 10.75% 07-15-2016 Callable 2011	1.4%

**Top long positions as a percentage  
of total net asset value****104.7%**

*The Fund held no short positions at the end of the period.*

*The investments and percentages may have changed due to the ongoing portfolio transactions of the Fund. Quarterly updates of holdings are available within 60 days of the end of each quarter except for March 31, the Fund's fiscal year-end, when they are available within 90 days.*

**MACKENZIE CUNDILL AMERICAN CLASS****Financial Highlights**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for each of the fiscal periods presented below. The period ended March 31 is a nine-month fiscal period and the periods ended June 30 are 12-month fiscal periods. However, if during the period a fund or series is established or reinstated, "period" represents the period from inception or reinstatement to the end of that fiscal period. The inception dates for each series of the Fund can be found under *Fund Formation and Series Information*.

**THE FUND'S NET ASSETS PER SECURITY (\$)¹**

Series A	March 31 2009	June 30 2008	June 30 2007	June 30 2006	June 30 2005
<b>Net assets, beginning of period²</b>	<b>9.89</b>	<b>12.48</b>	<b>11.06</b>	<b>11.02</b>	<b>10.24</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.12	0.46	0.40	0.41	0.17
Total expenses	(0.14)	(0.28)	(0.30)	(0.28)	(0.28)
Realized gains (losses) for the period	(5.21)	0.63	0.06	0.26	0.27
Unrealized gains (losses) for the period	1.45	(3.37)	1.14	(0.32)	0.60
<b>Total increase (decrease) from operations³</b>	<b>(3.78)</b>	<b>(2.56)</b>	<b>1.30</b>	<b>0.07</b>	<b>0.76</b>
<b>Distributions:</b>					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total annual distributions⁴</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net assets, end of period</b>	<b>6.12</b>	<b>9.89</b>	<b>12.49</b>	<b>11.06</b>	<b>11.02</b>
Series F	March 31 2009	June 30 2008	June 30 2007	June 30 2006	June 30 2005
<b>Net assets, beginning of period²</b>	<b>10.44</b>	<b>13.03</b>	<b>11.43</b>	<b>11.27</b>	<b>10.36</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.13	0.49	0.41	0.42	0.15
Total expenses	(0.09)	(0.17)	(0.18)	(0.17)	(0.17)
Realized gains (losses) for the period	(5.66)	0.62	0.04	0.22	0.25
Unrealized gains (losses) for the period	1.53	(3.53)	1.17	(0.33)	0.55
<b>Total increase (decrease) from operations³</b>	<b>(4.09)</b>	<b>(2.59)</b>	<b>1.44</b>	<b>0.14</b>	<b>0.78</b>
<b>Distributions:</b>					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total annual distributions⁴</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net assets, end of period</b>	<b>6.51</b>	<b>10.44</b>	<b>13.04</b>	<b>11.43</b>	<b>11.27</b>

Series F8⁵	March 31 2009	June 30 2008	June 30 2007	June 30 2006	June 30 2005
<b>Net assets, beginning of period²</b>	<b>14.80</b>	<b>15.00</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.18	0.01	n/a	n/a	n/a
Total expenses	(0.11)	–	n/a	n/a	n/a
Realized gains (losses) for the period	(7.52)	0.03	n/a	n/a	n/a
Unrealized gains (losses) for the period	2.10	(0.04)	n/a	n/a	n/a
<b>Total increase (decrease) from operations³</b>	<b>(5.35)</b>	<b>–</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Distributions:</b>					
From income (excluding dividends)	–	–	n/a	n/a	n/a
From dividends	–	–	n/a	n/a	n/a
From capital gains	–	–	n/a	n/a	n/a
Return of capital	(0.79)	–	n/a	n/a	n/a
<b>Total annual distributions⁴</b>	<b>(0.79)</b>	<b>–</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Net assets, end of period</b>	<b>8.56</b>	<b>14.80</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Series I	March 31 2009	June 30 2008	June 30 2007	June 30 2006	June 30 2005
<b>Net assets, beginning of period²</b>	<b>9.25</b>	<b>11.59</b>	<b>10.18</b>	<b>10.05</b>	<b>10.00</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.11	0.43	0.37	0.37	0.03
Total expenses	(0.09)	(0.18)	(0.18)	(0.16)	(0.05)
Realized gains (losses) for the period	(4.80)	0.35	(0.02)	0.35	0.05
Unrealized gains (losses) for the period	1.36	(3.13)	1.04	(0.29)	0.11
<b>Total increase (decrease) from operations³</b>	<b>(3.42)</b>	<b>(2.53)</b>	<b>1.21</b>	<b>0.27</b>	<b>0.14</b>
<b>Distributions:</b>					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total annual distributions⁴</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net assets, end of period</b>	<b>5.76</b>	<b>9.25</b>	<b>11.60</b>	<b>10.18</b>	<b>10.05</b>

- (1) This information is derived from the Fund's audited annual financial statements. The net assets per security presented in the financial statements may differ from the net asset value per security calculated for fund pricing purposes. An explanation of these differences can be found in the *Notes to Financial Statements*.
- (2) The Fund adopted CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement on July 1, 2007. The difference, if any, between the beginning of period net assets per security on July 1, 2007, and the end of period net assets per security at June 30, 2007, in the above table represents the impact of the initial adoption of this new accounting policy.
- (3) Net assets and distributions are based on the actual number of securities outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of securities outstanding over the fiscal period.
- (4) Distributions were paid in cash/reinvested in additional securities of the Fund, or both.
- (5) Formerly Series P.

**MACKENZIE CUNDILL AMERICAN CLASS****THE FUND'S NET ASSETS PER SECURITY (\$)¹ (cont'd)**

Series 0	March 31 2009	June 30 2008	June 30 2007	June 30 2006	June 30 2005
<b>Net assets, beginning of period²</b>	<b>10.76</b>	<b>13.32</b>	<b>11.63</b>	<b>11.40</b>	<b>10.42</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.13	0.50	0.38	0.43	0.18
Total expenses	(0.01)	(0.08)	(0.12)	(0.11)	(0.10)
Realized gains (losses) for the period	(5.88)	0.68	(0.07)	0.25	0.02
Unrealized gains (losses) for the period	1.59	(3.63)	1.07	(0.33)	0.65
<b>Total increase (decrease) from operations³</b>	<b>(4.17)</b>	<b>(2.53)</b>	<b>1.26</b>	<b>0.24</b>	<b>0.75</b>
<b>Distributions:</b>					
From income (excluding dividends)	—	—	—	—	—
From dividends	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
<b>Total annual distributions⁴</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net assets, end of period</b>	<b>6.78</b>	<b>10.76</b>	<b>13.33</b>	<b>11.63</b>	<b>11.40</b>

Series T6	March 31 2009	June 30 2008	June 30 2007	June 30 2006	June 30 2005
<b>Net assets, beginning of period²</b>	<b>13.50</b>	<b>15.00</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.16	0.25	n/a	n/a	n/a
Total expenses	(0.18)	(0.14)	n/a	n/a	n/a
Realized gains (losses) for the period	(6.18)	0.13	n/a	n/a	n/a
Unrealized gains (losses) for the period	1.94	(1.85)	n/a	n/a	n/a
<b>Total increase (decrease) from operations³</b>	<b>(4.26)</b>	<b>(1.61)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Distributions:</b>					
From income (excluding dividends)	—	—	n/a	n/a	n/a
From dividends	—	—	n/a	n/a	n/a
From capital gains	—	—	n/a	n/a	n/a
Return of capital	(0.58)	(0.38)	n/a	n/a	n/a
<b>Total annual distributions⁴</b>	<b>(0.58)</b>	<b>(0.38)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Net assets, end of period</b>	<b>7.87</b>	<b>13.50</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Series T8	March 31 2009	June 30 2008	June 30 2007	June 30 2006	June 30 2005
<b>Net assets, beginning of period²</b>	<b>13.20</b>	<b>15.00</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.15	0.24	n/a	n/a	n/a
Total expenses	(0.15)	(0.14)	n/a	n/a	n/a
Realized gains (losses) for the period	(5.19)	(0.69)	n/a	n/a	n/a
Unrealized gains (losses) for the period	1.85	(1.76)	n/a	n/a	n/a
<b>Total increase (decrease) from operations³</b>	<b>(3.34)</b>	<b>(2.35)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Distributions:</b>					
From income (excluding dividends)	—	—	n/a	n/a	n/a
From dividends	—	—	n/a	n/a	n/a
From capital gains	—	—	n/a	n/a	n/a
Return of capital	(0.77)	(0.50)	n/a	n/a	n/a
<b>Total annual distributions⁴</b>	<b>(0.77)</b>	<b>(0.50)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Net assets, end of period</b>	<b>7.52</b>	<b>13.20</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

**MACKENZIE CUNDILL AMERICAN CLASS****RATIOS AND SUPPLEMENTAL DATA**

Series A	March 31 2009	June 30 2008	June 30 2007	June 30 2006	June 30 2005
Total net asset value (\$000) <sup>1, 2</sup>	23,710	40,470	48,322	27,351	20,375
Securities outstanding (000) <sup>1</sup>	3,866	4,087	3,869	2,473	1,850
Management expense ratio (%) <sup>3</sup>	2.47	2.47	2.48	2.56	2.63
Management expense ratio before waivers or absorptions (%) <sup>3</sup>	2.47	2.47	2.48	2.56	2.84
Trading expense ratio (%) <sup>4</sup>	0.25	0.08	0.10	0.08	0.16
Portfolio turnover rate (%) <sup>5</sup>	41.49	46.27	52.48	158.00	191.35
Net asset value per security (\$) <sup>2</sup>	6.13	9.90	n/a	n/a	n/a

Series F	March 31 2009	June 30 2008	June 30 2007	June 30 2006	June 30 2005
Total net asset value (\$000) <sup>1, 2</sup>	1,036	2,578	1,503	742	948
Securities outstanding (000) <sup>1</sup>	159	247	115	65	84
Management expense ratio (%) <sup>3</sup>	1.42	1.42	1.42	1.50	1.53
Management expense ratio before waivers or absorptions (%) <sup>3</sup>	1.42	1.42	1.45	1.53	1.84
Trading expense ratio (%) <sup>4</sup>	0.25	0.08	0.10	0.08	0.16
Portfolio turnover rate (%) <sup>5</sup>	41.49	46.27	52.48	158.00	191.35
Net asset value per security (\$) <sup>2</sup>	6.52	10.45	n/a	n/a	n/a

(1) This information is provided as at March 31 or June 30 of the period shown, as applicable.

(2) The net asset value figures presented in this table are used for fund pricing and calculating returns by series. The net asset values may differ from the figures in the financial statements as a result of the requirements under CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement. Net asset value per security in this table may differ from the end of period figure in The Fund's Net Assets per Security table in this section. Figures for prior periods are not presented because they are not affected by the new reporting requirements and are consistent with the financial statements and The Fund's Net Assets per Security table above.

(3) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. If in the period a series is established or reinstated, the management expense ratio is annualized from the date of inception or reinstatement. Mackenzie may waive or absorb operating expenses at its discretion and stop waiving or absorbing such expenses at any time without notice.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

(5) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is not provided when the Fund is less than one year old. The value of any trades to realign the Fund's portfolio after a fund merger, if any, is excluded from the portfolio turnover rate.

(6) Formerly Series P.

Series F8 <sup>6</sup>	March 31 2009	June 30 2008	June 30 2007	June 30 2006	June 30 2005
Total net asset value (\$000) <sup>1, 2</sup>	1	1	n/a	n/a	n/a
Securities outstanding (000) <sup>1</sup>	0.07	0.07	n/a	n/a	n/a
Management expense ratio (%) <sup>3</sup>	1.34	1.47	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%) <sup>3</sup>	1.34	1.47	n/a	n/a	n/a
Trading expense ratio (%) <sup>4</sup>	0.25	0.08	n/a	n/a	n/a
Portfolio turnover rate (%) <sup>5</sup>	41.49	46.27	n/a	n/a	n/a
Net asset value per security (\$) <sup>2</sup>	8.57	14.82	n/a	n/a	n/a

Series I	March 31 2009	June 30 2008	June 30 2007	June 30 2006	June 30 2005
Total net asset value (\$000) <sup>1, 2</sup>	568	668	672	278	87
Securities outstanding (000) <sup>1</sup>	98	72	58	27	9
Management expense ratio (%) <sup>3</sup>	1.73	1.74	1.60	1.65	1.69
Management expense ratio before waivers or absorptions (%) <sup>3</sup>	1.73	1.74	1.68	1.89	2.33
Trading expense ratio (%) <sup>4</sup>	0.25	0.08	0.10	0.08	0.16
Portfolio turnover rate (%) <sup>5</sup>	41.49	46.27	52.48	158.00	191.35
Net asset value per security (\$) <sup>2</sup>	5.77	9.26	n/a	n/a	n/a

Series O	March 31 2009	June 30 2008	June 30 2007	June 30 2006	June 30 2005
Total net asset value (\$000) <sup>1, 2</sup>	1,670	3,400	4,071	48	46
Securities outstanding (000) <sup>1</sup>	246	316	305	4	4
Management expense ratio (%) <sup>3</sup>	0.18	0.61	0.95	0.96	0.96
Management expense ratio before waivers or absorptions (%) <sup>3</sup>	0.18	0.62	0.95	1.77	1.98
Trading expense ratio (%) <sup>4</sup>	0.25	0.08	0.10	0.08	0.16
Portfolio turnover rate (%) <sup>5</sup>	41.49	46.27	52.48	158.00	191.35
Net asset value per security (\$) <sup>2</sup>	6.79	10.78	n/a	n/a	n/a

Series T6	March 31 2009	June 30 2008	June 30 2007	June 30 2006	June 30 2005
Total net asset value (\$000) <sup>1, 2</sup>	36	19	n/a	n/a	n/a
Securities outstanding (000) <sup>1</sup>	5	1	n/a	n/a	n/a
Management expense ratio (%) <sup>3</sup>	2.42	2.45	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%) <sup>3</sup>	2.42	2.45	n/a	n/a	n/a
Trading expense ratio (%) <sup>4</sup>	0.25	0.08	n/a	n/a	n/a
Portfolio turnover rate (%) <sup>5</sup>	41.49	46.27	n/a	n/a	n/a
Net asset value per security (\$) <sup>2</sup>	7.88	13.52	n/a	n/a	n/a

**MACKENZIE CUNDILL AMERICAN CLASS****RATIOS AND SUPPLEMENTAL DATA (cont'd)**

Series T8	March 31 2009	June 30 2008	June 30 2007	June 30 2006	June 30 2005
Total net asset value (\$000) <sup>1, 2</sup>	242	17	n/a	n/a	n/a
Securities outstanding (000) <sup>1</sup>	32	1	n/a	n/a	n/a
Management expense ratio (%) <sup>3</sup>	2.41	2.44	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%) <sup>3</sup>	2.41	2.44	n/a	n/a	n/a
Trading expense ratio (%) <sup>4</sup>	0.25	0.08	n/a	n/a	n/a
Portfolio turnover rate (%) <sup>5</sup>	41.49	46.27	n/a	n/a	n/a
Net asset value per security (\$) <sup>2</sup>	7.53	13.22	n/a	n/a	n/a

**Management Fees**

The management fee for each applicable series is calculated daily as a percentage of its NAV. The Fund's management fees were used by Mackenzie to pay for costs of managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements for the purchase and sale of the investment portfolio, and providing other services. Mackenzie also used the management fees to fund sales commissions, trailing commissions and any other compensation (collectively "distribution-related payments") to registered dealers and brokers for securities of the Fund bought and held by investors.

The following dealers who are affiliated with Mackenzie may be entitled to distribution-related payments from Mackenzie on the same basis as unrelated registered brokers and dealers: IPC Securities Corporation, Investors Group Securities Inc., M.R.S. Securities Services Inc., IPC Investment Corporation, Investors Group Financial Services Inc., M.R.S. Inc. and M.R.S. Correspondent Corporation.

Mackenzie used approximately 39% of the total management fee revenues received from all Mackenzie funds during the period to fund distribution-related payments to registered dealers and brokers. In comparison, such distribution-related payments for the Fund represented on average 50% of the management fees paid by the applicable series of the Fund during the period. The actual percentage for each series may be higher or lower than the average depending on the level of trailing commissions and sales commissions paid for that series. The higher proportion of distribution-related payments is primarily attributable to sales commissions related to gross sales of redemption charge securities of the Fund.

## ***MACKENZIE CUNDILL AMERICAN CLASS***

### **Fund Formation and Series Information**

The Fund may have undergone a number of changes, such as a reorganization or a change in manager, mandate or name. A history of the major changes affecting the Fund in the last 10 years can be found in the Fund's Annual Information Form.

Date of Formation May 26, 2003

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 *Financial Highlights*.

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

Series F securities are offered to investors who are enrolled in a dealer-sponsored fee-for-service or wrap program and who are subject to an asset-based fee rather than commissions on each transaction, and employees of Mackenzie and its subsidiaries and directors of Mackenzie.

Series F8 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, who invest at least \$5,000 in Mackenzie Funds (excluding the Mackenzie Segregated Funds), and who want to receive a regular monthly cash flow of 8% per annum. Prior to November 19, 2008, Series F8 securities were known as Series P.

Series I securities are offered to investors investing a minimum of \$500,000 in Mackenzie Funds (excluding the Mackenzie Segregated Funds).

Series O securities are offered to investors investing a minimum of \$5,000,000 in Mackenzie Funds (excluding the Mackenzie Segregated Funds) and who have entered into a Series O account agreement with Mackenzie, and also available for employees of Mackenzie and its subsidiaries without the minimum investment requirement. Mackenzie may waive the minimum investment level for institutional accounts which are expected to exceed \$5,000,000 within a period of time acceptable to Mackenzie.

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

Series T6 securities are offered to retail investors investing a minimum of \$5,000 in Mackenzie Funds (excluding the Mackenzie Segregated Funds) who want to receive a regular monthly cash flow of 6% per annum.

Series T8 securities are offered to retail investors investing a minimum of \$5,000 in Mackenzie Funds (excluding the Mackenzie Segregated Funds) who want to receive a regular monthly cash flow of 8% per annum.

An investor in the Fund may choose among different purchase options that are available under each series. These purchase options include a sales charge purchase option, a redemption charge purchase option and a low-load purchase option. The charges under the sales charge purchase option are negotiated by an investor with their dealer. 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 time periods. Not all series of the Fund are available under each purchase option and the charges under each purchase option may vary amongst the different series. For further details on these purchase options please refer to the Fund's Simplified Prospectus.

***MACKENZIE CUNDILL AMERICAN CLASS*****Fund Formation and Series Information** (cont'd)

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees*	Net Asset Value per Security (\$)	
				March 31, 2009	June 30, 2008
Series A	May 26, 2003	2.00%	0.28% <sup>(3)</sup>	6.13	9.90
Series F	May 26, 2003	1.00%	0.28% <sup>(3)</sup>	6.52	10.45
Series F8	June 26, 2008	1.00%	0.28% <sup>(6)</sup>	8.57	14.82
Series I	March 14, 2005	1.35%	0.28% <sup>(4)</sup>	5.77	9.26
Series O	May 28, 2003	— <sup>(1)</sup>	0.15% <sup>(5)</sup>	6.79	10.78
Series R	None issued	— <sup>(2)</sup>	— <sup>(2)</sup>	—	—
Series T6	February 19, 2008	2.00%	0.28% <sup>(6)</sup>	7.88	13.52
Series T8	February 11, 2008	2.00%	0.28% <sup>(6)</sup>	7.53	13.22

\* Does not include any implementation period adjustments, as applicable.

- (1) The management fee for Series O securities is negotiable by the investor and is payable directly to Mackenzie by Series O investors, not by the Fund. The rate will not exceed the Series I management fee rate, if any. Prior to January 1, 2008, the management fee charged for Series O was charged to the Fund at a rate of 0.75%.
- (2) No management fees or administration fees are charged to the investor or the Fund in respect of the Series R securities.
- (3) Effective August 1, 2007.
- (4) Effective November 14, 2007.
- (5) Effective July 1, 2007.
- (6) Effective December 21, 2007.