



MACKENZIE
Investments

Dealer Relations newsletter

This has been an unprecedented year for all of us.

We'd like to take this opportunity to thank you for your patience and understanding throughout 2020, as we evolved our ways of working and adapted to changing business realities.

During these challenging times, we've continued to enhance our product shelf, launching three new mutual funds and 10 new exchange traded funds (ETFs). We've also focused on automated solutions that can help you and your clients operate in a virtual environment. We'll continue to look for fresh opportunities as we go forward.

Although we've faced many challenges this year, these have also helped to remind us of what's most important in our lives, like family and friends. We would like to wish you and your teams a happy holiday season and continued success in 2021.

We believe that working together with dealers, advisors and investors benefits us all and creates better results for everyone. We'll continue to partner with you and advocate for the things that matter most to your business.

We are better together!

Winter 2020

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Mackenzie goes green with statement delivery

Starting in 2021, Mackenzie client name statements for certain account types (TFSA, RRSP and non-registered) will no longer be mailed to investors or advisors. Statements will still be available to view, download and print via our online Advisor and Investor Access systems, which also provide access to account details and documents at any time. Clients who haven't registered for online access can contact our Client Relations team at 1-800-387-0614 to set up their profile.

Automated solutions to streamline processing and reduce NIGOs

The pandemic created some challenges in submitting documentation for advisors and dealers. Mackenzie responded by launching some new services this fall. Dealers who have set up Transport Layer Security (TLS) can now opt in to send processing documents and receive not in good order (NIGO) notifications via email.

With the TLS service, all emails between Mackenzie and your dealership are secured and encrypted. Please contact your Account Manager for further details or assistance in setting up this service.

Mackenzie calculators and digital tools

We've launched a new [Retirement Income Illustrator](#) tool on the Mackenzie Investments website and will continue to modernize our digital tools and resources throughout 2021.

As part of our efforts, we will decommission some of our advisor and investor calculators. Investor calculators and InfoMack will be decommissioned as of November 30 and some advisor tools and calculators, such as Mackenzie Tax and Estate Planner, will be retired as of December 31.

RRSP contributions – Changes to the Income Tax Act

With recent changes to the Income Tax Act (ITA), only clients who are annuitants/owners can contribute to a personal RRSP. If a spouse contributes into the account, the Canada Revenue Agency (CRA) will then consider the account a spousal RRSP.

Immediate family can only contribute to a personal or spousal RRSP as long as the source of the contribution is joint with the annuitant for personal RRSPs, and joint with the spouse contributor for spousal RRSPs.

An immediate family member is defined under ITA as a spouse/common-law partner, parent/grandparent or child/grandchild to the annuitant.

For further details on these rules, please visit the [Government of Canada website](#).

FATCA/CRS reminder for 2021

On July 10, 2020, the CRA released new versions of the [Foreign Account Tax Compliance Act \(FATCA\) Guidance](#) and [Common Reporting Standard \(CRS\) Guidance](#) with significant changes that take effect January 1, 2021.

The changes in the guidance affect how fund managers and dealers handle client name non-registered accounts. Self-certifications must be obtained by dealers at the time of account opening, and US or foreign taxpayer identification numbers (TINs) must be obtained and provided for all reportable accounts. The CRA has indicated that they may begin to assess penalties for failure to obtain self-certifications and missing US and foreign TINs on reportable accounts.

What you need to know:

- Under the guidance for client name non-registered accounts, the default allocation of responsibilities for FATCA and CRS compliance is as follows:
 - dealers are responsible for collecting self-certifications and conducting due diligence to obtain a client's FATCA/CRS status and communicating that status to fund manager
 - fund managers are responsible for filing the information returns on reportable accounts to the CRA
- The CRA has indicated it is planning to enforce penalties for non-compliance. This includes a penalty of up to \$5,000 (\$2,500 for FATCA and \$2,500 for CRS) per account for not obtaining a valid self-certification and other penalties associated with failure to provide US or foreign TINs on reportable accounts.

We strongly encourage you to review the updated guidance and ensure you have appropriate policies and procedures in place prior to January 1, 2021. We also recommend that you review your reportable client name non-registered accounts to ensure that the information is complete, including US and foreign TINs as applicable, and ensure any missing information and updates are communicated to us by March 1, 2021.

Important year-end reminders

Year-end RESP eligibility guidelines for beneficiaries

Please remember that grants are based on calendar year contributions with the deadline being December 31, 2020.

Basic Canadian Education Savings Grant (CESG)

The government offers a grant of 20% on the first \$2,500 contributed for a beneficiary each calendar year totaling \$500. Basic CESG of \$500 is paid on the first \$2,500 contribution annually. A maximum of \$1,000 is paid on a \$5,000 contribution if the beneficiary has adequate grant carry forward available.

Non-resident address confirmation for NR4

Lists of non-resident clients were sent to advisors in November to review for taxation purposes. Advisors should submit a non-financial update (NFU) message via Fundserv for any of these clients who are in fact Canadian residents; otherwise, these clients will receive a NR4 receipt. To ensure that all corrections are processed in a timely manner, we ask that adjustment requests be submitted on or before December 18, 2020. No adjustments or cancellations can be made to NR4 receipts after they are issued.

Registered accounts transferring to income plans

Clients holding RRSP, LIRA, LRSP, RLSP, DPSP and DCPP accounts will have their plan(s) mature by the end of the year in which they turn 71. If clients do not close their account, we must convert their plan to a RRIF, LRIF, LIF, PRIF or RLIF plan. We will automatically transfer their account(s) on or around December 24, 2020 and follow up for the required documentation.

We recommend completing the following by 4 p.m. ET on December 29, 2020:

- Wire order or online redemptions or switches of 10% free amounts available for 2020
- Adjustments for 2020 transactions
- TFSA/RESP contributions intended for 2020
- RRSP redemptions intended for 2020
- Registered transfers to a RRIF/LIF/LRIF/PRIF/RLIF account intended for the 2020 tax year. This will ensure that these amounts are included in the calculation of the minimum and, where applicable, the maximum payments that the clients will receive for 2021
- Updates to missing or outdated non-financial information regarding your investors and advisors to ensure year-end mailings and tax slips are delivered successfully

Mackenzie's Strategic Charitable Giving Foundation (SCGF)

To be eligible for a 2020 tax receipt, donations must be received by the Strategic Charitable Giving Foundation, in good order by 4 p.m., December 31, 2020.

Below are recommended timelines to assist you in meeting this deadline:

Publicly listed securities + third party mutual funds
November 30

Industry timelines to complete transfer requests range from 5-15 business days and are dependent on the relinquishing institution, the account type and the investment mix within the account.

Assets must be received in the Foundation's brokerage account by December 31 in order to be eligible for a tax receipt for the 2020 taxation year.

Mackenzie mutual funds
December 11/18

Nominee accounts – December 11
Client name accounts – December 18

Allows time for nominee account opening process and for your dealership to process the transfer.

Cheques
December 18

Allows time for delivery of physical cheques to the Foundation by deadline.

ETF
December 29

Allows time for internal communication and transfer of funds to the Foundation by deadline.

Systematic plans and year-end

For year-end 2020, Mackenzie administered systematic plans that have a run date falling on a weekend/holiday, or toward year-end, are set to run as follows:

Systematic plan type	Target run date	Actual run date
<p>Pre-Authorized Chequing Plans (PACs)</p> <p>Processed the business day following the weekend or holiday.</p>	December 25, 26, 27, 28	December 29
	January 1, 2021	January 4, 2021
<p>Systematic Withdrawal Program (SWPs)</p> <p>Processed the business day preceding the weekend or holiday except when it pushes the date into the preceding month.</p>	December 25, 26, 27, 28	December 24
	January 1, 2021	January 3, 2021
<p>RIF/LIF/LRIF/PRIF payments</p> <p>Processed the business day preceding the weekend or holiday except the last three business days for the year, where payments are processed on the third last business day of the year.</p>	December 29, 30, 31	December 29
	January 1, 2021	January 4, 2021

Year-end distribution dates

Mackenzie's year-end fund distributions will take place on or about December 24 and 31 for trust funds having year-ends for tax purposes of December 15 and December 31 respectively. The "distribution record date" will be one business day prior to the distribution payment date.

Distribution type/date

December 24

Annual distributions of income and/or capital gains for Mackenzie trust funds that qualify as mutual fund trusts.

December 31

Annual distributions of income and/or capital gains for money market funds and Mackenzie trust funds that do not qualify as mutual fund trusts (unit trusts, pooled funds and segregated fun

First 60-day RRSP contribution deadline

The CRA deadline for receipt of first 60-day orders is midnight, March 1, 2021.

To better manage last minute volumes, manual processing and receipt of orders will be handled after normal trading hours on March 1, 2021.

The processing deadline for orders requesting a first 60-day contribution will be 4 p.m. on March 3, 2021.

As in previous years, Mackenzie will follow the mutual fund industry's best practices as outlined by IFIC:

- Contribution receipts will be mailed daily starting January 4, 2021 (excluding PACs and employee/employer GRRSP contributions). GRRSP and PAC contributions processed up to and including March 1, 2021 will be consolidated and issued on the same day. Duplicate receipts can be retrieved online.
- From March 1 to 4 p.m. (ET) on March 3, all contributions made into a Mackenzie RRSP will trigger a first 60-day contribution receipt, provided the supporting documentation was received in the dealer's office on, or prior to, the deadline.
- From March 1 to 4 p.m. (ET) on March 5, contributions made into a Mackenzie GRRSP will trigger a first 60-day contribution receipt, provided the proper supporting documentation is received. This will allow for situations where the employees' contribution payments have been made prior to the deadline through their regular payroll deduction but the funds were not released in time by the employer or sponsors payroll programs.
- From March 1 to 4 p.m. (ET) on March 3, dealers may designate electronic purchases as "first 60-day" via Fundserv by indicating "contribution period = P" on the trade. Fundserv will reject all electronic orders placed as first 60-days (Contribution period = P) after 4 p.m. on March 3, 2021.

Guidelines for the issuance of contribution receipts under exceptional circumstances after the March 3, 2021 deadline are provided by IFIC on their website at www.ific.ca.

These procedures are not considered an extension to the CRA deadline for contributions. Rather, they are intended to allow contributions received by the dealer before the deadline to be directed to Mackenzie for investment accordingly.

Holiday hours of operation

Regular hours (Eastern Standard Time)	
Dealer Relations	8:30 a.m. to 5 p.m.
Client Relations	8:30 a.m. to 8 p.m.
Adjustment Department, Group Plan Support and Mackenzie Charitable Giving Program	8:30 a.m. to 5 p.m.
<ul style="list-style-type: none"> Fundserv trading closes at 4 p.m. Wire orders must be placed by 4 p.m. to receive a same day trade date (includes telephone wire orders). Requests by mail or courier must be received by 4 p.m. to receive same day trade date. 	

Holiday hours of operation

Holiday hours (Eastern Standard Time)	
December 24	
Dealer Relations	8:30 a.m. to 2 p.m.
Client Relations	8:30 a.m. to 5 p.m.
Adjustment Department, Group Plan Support and Mackenzie Charitable Giving Program	8:30 a.m. to 5 p.m.
<ul style="list-style-type: none"> Fundserv trading closes at 1 p.m. 	
December 25 and 28	Closed
December 29, 30, 31	Regular business hours
January 1, 2021	Closed
January 4, 2021	Regular business hours

Dealer relations team

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