

# STRATEGIC CHARITABLE GIVING FOUNDATION

## *Interim Unaudited Financial Statements*

For the Six-Month Period Ended June 30, 2022

*Strategic*  
CHARITABLE GIVING  
*Foundation*

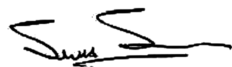
# STRATEGIC CHARITABLE GIVING FOUNDATION

## STATEMENT OF FINANCIAL POSITION (Unaudited)

As at

	June 30, 2022	December 31, 2021 (Audited)
<b>Assets</b>	\$	\$
Current assets		
Cash	1,955,925	4,032,150
Due from brokers	1,350,746	5,643,155
	<u>3,306,671</u>	<u>9,675,305</u>
Investments (Note 3)	350,543,647	404,367,136
Investment in life insurance	<u>6,700,256</u>	<u>6,700,256</u>
<b>Total assets</b>	<u><b>360,550,574</b></u>	<u><b>420,742,697</b></u>
<b>Liabilities, Deferred Contributions and Fund Balances</b>		
Current liabilities		
Accounts payable and accrued liabilities	126,049	474,530
Administration fees payable (Note 4a and 5)	760,400	780,587
Grants payable	11,064,222	2,067,992
Total liabilities	<u>11,950,671</u>	<u>3,323,109</u>
Deferred contributions	<u>6,700,256</u>	<u>6,700,256</u>
Fund balances		
Endowment funds	443,374,744	432,181,805
Unrestricted fund	(101,475,097)	(21,462,473)
Total fund balances	<u>341,899,647</u>	<u>410,719,332</u>
<b>Total liabilities, deferred contributions and fund balances</b>	<u><b>360,550,574</b></u>	<u><b>420,742,697</b></u>

On behalf of the Board:



Subhas Sen – Chairman of the Board



Herman Facchinelli – Treasurer

See accompanying notes to the financial statements.

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# STRATEGIC CHARITABLE GIVING FOUNDATION

## STATEMENT OF OPERATIONS (Unaudited)

For the periods ended June 30

	2022	2021
	\$	\$
<b>Revenue</b>		
Dividend and interest income from eligible mutual funds	1,577,323	1,583,451
Realized gain (loss)	(516,059)	1,842,516
Other investment income	9,336	4,162
Total revenue	<u>1,070,600</u>	<u>3,430,129</u>
<b>Expenses</b>		
Charitable administration fees (Note 4a)	754,101	561,619
Commission on disposition of securities	8,052	7,842
Operating expenses (Note 4b)	88,837	155,820
Interest and bank charges	3,244	4,467
Total expenses	<u>854,234</u>	<u>729,748</u>
<b>Excess of revenue over expenses before the following:</b>	<u>216,366</u>	<u>2,700,381</u>
Disbursements to charities	(25,053,827)	(20,439,554)
Change in unrealized gain (loss)	<u>(55,175,163)</u>	<u>17,215,937</u>
<b>Excess/(Shortfall) of revenue over expenses</b>	<u>(80,012,624)</u>	<u>(523,236)</u>

## STATEMENT OF CHANGES IN FUND BALANCES (Unaudited)

For the periods ended June 30

	Endowment Funds	Unrestricted Fund	Total
	\$	\$	\$
<b>Fund balances, January 1, 2022</b>	432,181,805	(21,462,473)	410,719,332
Shortfall of revenue over expenses	–	(80,012,624)	(80,012,624)
Endowment contributions	11,192,939	–	11,192,939
<b>Fund balances, June 30, 2022</b>	<u>443,374,744</u>	<u>(101,475,097)</u>	<u>341,899,647</u>
<b>Fund balances, January 1, 2021</b>	369,342,751	(32,562,222)	336,780,529
Shortfall of revenue over expenses	–	(523,236)	(523,236)
Endowment contributions	22,928,701	–	22,928,701
<b>Fund balances, June 30, 2021</b>	<u>392,271,452</u>	<u>(33,085,458)</u>	<u>359,185,994</u>

See accompanying notes to the financial statements.

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# STRATEGIC CHARITABLE GIVING FOUNDATION

## STATEMENT OF CASH FLOWS (Unaudited)

For the periods ended June 30

	2022	2021
	\$	\$
<b>Cash provided by/(used in)</b>		
<b>Operating Activities</b>		
Shortfall of revenue over expenses	(80,012,624)	(523,236)
Net change in non-cash items:		
Net realized loss (gain) on investments	516,059	(1,842,516)
Change in unrealized loss (gain)	55,175,163	(17,215,937)
Change in non-cash working capital	12,919,971	23,537,385
<b>Net cash used in operating activities</b>	<u>(11,401,431)</u>	<u>3,955,696</u>
<b>Financing Activities</b>		
Endowment contributions	11,192,939	22,928,701
Deferred contributions	-	1,635,432
<b>Net cash provided in financing activities</b>	<u>11,192,939</u>	<u>24,564,133</u>
<b>Investing Activities</b>		
Purchase of investments	(39,702,168)	(66,617,092)
Proceeds from sale of investments	37,834,435	41,426,185
<b>Net cash used in investing activities</b>	<u>(1,867,733)</u>	<u>(25,190,907)</u>
<b>Net (decrease) increase in cash during the period</b>	<u>(2,076,225)</u>	<u>3,328,922</u>
Cash – beginning of period	4,032,150	3,577,576
<b>Cash – end of period</b>	<u>1,955,925</u>	<u>6,906,498</u>

See accompanying notes to the financial statements.

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# STRATEGIC CHARITABLE GIVING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS (Unaudited)

### 1. Organization and Objective of the Strategic Charitable Giving Foundation

The Strategic Charitable Giving Foundation (the "Foundation") was formed on March 17, 2006, with operations commencing on July 4, 2006, as a non-profit charitable organization. It is registered as a public foundation with the Canada Revenue Agency and with the Quebec Ministry of Revenue. It is exempt from income taxes provided certain requirements under the Income Tax Act (Canada) ("Tax Act") are met. As such, it can issue charitable donation receipts. The Foundation was previously incorporated under the Canada Corporations Act and was continued under the Canadian Not-For-Profit Corporations Act in April 2013.

The Foundation manages and administers the assets of the three charitable giving fund programs (individually the "Program" or collectively the "Programs") developed by each of Mackenzie Financial Corporation ("Mackenzie"), Quadrus Investment Services Ltd. ("Quadrus") and Investors Group Inc. ("Investors Group"). Mackenzie is the Foundation's charitable administration provider. The charitable giving funds, also known as donor-advised funds, are dedicated to helping donors increase and sustain their charitable giving. The objective of the Foundation is to receive and maintain charitable giving funds and to apply all or part of the principal and income from those funds to eligible charities.

A Board of Directors (the "Board") governs the Foundation. A majority of the Board is independent of Mackenzie, Quadrus, Investors Group, and their affiliates. The Board has sole discretion over each donor advised account (individually an "Account" and collectively the "Accounts") in the Programs and the activities relating to these Accounts. Although the Board has ultimate authority over each Account, it will generally act on the recommendations of the donor (or parties authorized by the donor) with respect to naming the Account, appointing a financial advisor for the Account, investing among the eligible Mackenzie, Quadrus and Investors Group funds, making grants to eligible charities and recommending how the Account will be managed after the donor's lifetime.

These financial statements reflect the combined assets of donor advised funds in the Programs developed within the Foundation.

### 2. Significant Accounting Policies

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of The Chartered Professional Accountants Canada Handbook.

#### (a) Use of judgment, estimates and assumptions

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

#### (b) Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in endowment net assets.

Donations of assigned insurance policies from living donors, including subsequent donated premiums, are treated as deferred contributions when received and recognized as an endowment contribution in the year the death benefit becomes payable to the Foundation.

#### (c) Financial instruments

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

# STRATEGIC CHARITABLE GIVING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS (Unaudited)

### 2. Significant Accounting Policies (cont'd)

#### (c) Financial instruments (cont'd)

The fair value of investments as at the financial reporting period end is determined as follows:

- (i) Donations of securities are recorded at their market value on the date received by the Foundation. The Foundation is subject to equity and other risks pending the sale of donated securities. Donations of assigned life insurance policies are recorded at their cash surrender value on the date the Foundation becomes the named beneficiary of the policy; the cash surrender value is updated annually. Donations of cash and net proceeds from the sale of donated securities are invested in eligible mutual funds.
- (ii) Mutual fund securities for the applicable series are valued on a business day at the price calculated by the manager of such mutual fund in accordance with the constating documents of such mutual fund.

Investments in securities listed on a public securities exchange or traded on an over-the-counter market are valued at the closing bid price. Where no closing bid price is available the last sale or close price is used. Unlisted or non-exchange traded investments, or investments where a last sale or close price is unavailable or investments for which market quotations are, in Mackenzie's opinion, inaccurate, unreliable or not reflective of all available material information, are valued at their fair value as determined by Mackenzie.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

#### (d) Investment transactions and income recognition

Investment transactions are accounted for on a trade date basis. Income from investments other than a mutual fund is recognized on an accrual basis. Interest income is accrued based on the number of days the investment is held during the year. Dividends are accrued as of the ex-dividend date. Gains or losses on the sale of investments, including any foreign exchange gains or losses on such investments, are calculated on an average cost basis. Distributions received from a mutual fund are included in interest income, dividend income or realized gains (losses) on sale of investments, as applicable.

#### (e) Foreign exchange

Foreign currency purchases and sales of investments and foreign currency dividend and interest income and expenses are translated to Canadian dollars at the rate of exchange prevailing at the time of the transactions.

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in the Statement of Operations – Realized gain (loss).

The fair value of investments and other assets and liabilities, denominated in foreign currencies, are translated to Canadian dollars at the rate of exchange prevailing on each business day.

# STRATEGIC CHARITABLE GIVING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS (Unaudited)

### 3. Investments

As at June 30, 2022

Number of units / shares	Name of Mutual Funds	Fair value	Average cost	Unrealized Gain/(Loss)
<b>Eligible Mutual Funds</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Mackenzie</b>				
234,509	Mackenzie Balanced ETF Portfolio	2,349,648	2,668,350	(318,702)
428,584	Mackenzie Canadian Growth Balanced	5,661,135	5,881,087	(219,952)
29,421	Mackenzie Conservative ETF Portfolio	282,144	320,386	(38,242)
1,734	Mackenzie Conservative Income ETF Portfolio	16,441	19,014	(2,573)
1,822,835	Mackenzie Global Strategic Income Fund	20,436,720	23,563,925	(3,127,205)
22,311	Mackenzie Global Sustainable Balanced Fund	222,487	235,052	(12,565)
775,254	Mackenzie Growth ETF Portfolio	8,342,644	9,097,681	(755,037)
1,766,571	Mackenzie Income Fund	7,863,267	9,719,461	(1,856,194)
21,220	Mackenzie Ivy Canadian Balanced Fund	247,573	248,981	(1,408)
564,042	Mackenzie Ivy Global Balanced Fund	6,903,758	7,581,786	(678,028)
462,301	Mackenzie Moderate Growth ETF Portfolio	4,732,913	5,327,628	(594,715)
16,318	Mackenzie Monthly Income Balanced Portfolio	153,924	166,968	(13,044)
2,037	Mackenzie Monthly Income Conservative Portfolio	17,689	20,319	(2,630)
469,808	Mackenzie Private Global Income Balanced Pool	5,607,180	6,201,681	(594,501)
598,171	Mackenzie Private Income Balanced Pool	7,179,991	8,074,196	(894,205)
612,738	Mackenzie Strategic Income Fund	6,717,517	7,852,618	(1,135,101)
5,977,528	Symmetry Balanced Portfolio	68,126,400	74,041,959	(5,915,559)
87,907	Symmetry Conservative Income Portfolio	843,465	977,292	(133,827)
255,339	Symmetry Conservative Portfolio	2,796,979	3,156,438	(359,459)
225,530	Symmetry Growth Portfolio	2,823,459	3,390,485	(567,026)
2,257,686	Symmetry Moderate Growth Portfolio	25,334,810	29,068,431	(3,733,621)
		<b>176,660,144</b>	<b>197,613,738</b>	<b>(20,953,594)</b>
<b>Canada Life</b>				
18,334	Canada Life Advanced Portfolio	312,649	332,306	(19,657)
565,326	Canada Life Balanced Portfolio	8,190,734	8,773,394	(582,660)
3,021	Canada Life Canadian Fixed Income Balanced Fund II	44,953	47,296	(2,343)
205,991	Canada Life Moderate Portfolio	2,455,504	2,698,994	(243,490)
117,845	Canada Life Monthly Income Fund	1,071,318	1,334,551	(263,233)
894,449	Canada Life Strategic Income Fund II	10,352,494	11,523,743	(1,171,249)
		<b>22,427,652</b>	<b>24,710,284</b>	<b>(2,282,632)</b>
<b>Investors Group</b>				
1,968,383	IG Core Portfolio - Income Focus	21,760,845	23,164,900	(1,404,055)
1,621,218	IG Core Portfolio - Income Balanced	18,247,662	18,868,584	(620,922)
643,034	IG Core Portfolio - Balanced	7,430,897	8,302,902	(872,005)
3,886,728	IG Mackenzie Dividend Fund	59,374,703	60,121,132	(746,429)
999,386	IG Managed Risk Portfolio - Balanced	11,074,350	12,018,952	(944,602)
3,131,362	IG Managed Risk Portfolio - Income Balanced	33,517,302	34,109,545	(592,243)
		<b>151,405,759</b>	<b>156,586,015</b>	<b>(5,180,256)</b>

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# STRATEGIC CHARITABLE GIVING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### 3. Investments (cont'd)

As at June 30, 2022

Number of units / shares	Name of Mutual Funds / Securities	Fair value	Average cost	Unrealized Gain/(Loss)
<b>Ineligible Mutual Funds</b>		\$	\$	\$
<b>Other Mutual Funds / Equities</b>				
4,716	Mackenzie Cundill Value Series F	50,000	50,000	—
14	Franklin Quotential Balanced Growth Portfolio Ser S NL	92	92	—
		<u>50,092</u>	<u>50,092</u>	<u>—</u>
<b>Total Investments</b>		<u>350,543,647</u>	<u>378,960,129</u>	<u>(28,416,482)</u>

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# STRATEGIC CHARITABLE GIVING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### 3. Investments (cont'd)

As at December 31, 2021 (Audited)

Number of units / shares	Name of Mutual Funds	Fair value	Average cost	Unrealized Gain/(Loss)
<b>Eligible Mutual Funds</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Mackenzie</b>				
173,072	Mackenzie Balanced ETF Portfolio	2,067,927	1,985,673	82,254
428,371	Mackenzie Canadian Growth Balanced	6,614,954	5,824,956	789,998
28,221	Mackenzie Conservative ETF Portfolio	317,343	310,429	6,914
1,840	Mackenzie Conservative Income ETF Portfolio	20,610	20,202	408
1,793,948	Mackenzie Global Strategic Income Fund	24,233,952	23,358,257	875,695
23,888	Mackenzie Global Sustainable Balanced Fund	287,135	251,585	35,550
673,706	Mackenzie Growth ETF Portfolio	8,777,191	7,829,473	947,718
1,814,895	Mackenzie Income Fund	9,176,958	9,818,655	(641,697)
20,450	Mackenzie Ivy Canadian Balanced Fund	259,751	239,118	20,633
594,220	Mackenzie Ivy Global Balanced Fund	8,588,350	8,020,148	568,202
423,787	Mackenzie Moderate Growth ETF Portfolio	5,195,380	4,888,548	306,832
16,247	Mackenzie Monthly Income Balanced Portfolio	173,352	166,312	7,040
1,999	Mackenzie Monthly Income Conservative Portfolio	19,669	19,973	(304)
469,441	Mackenzie Private Global Income Balanced Pool	6,719,244	6,256,289	462,955
533,886	Mackenzie Private Income Balanced Pool	7,554,945	7,403,091	151,854
639,373	Mackenzie Strategic Income Fund	7,964,588	8,126,281	(161,693)
5,976,829	Symmetry Balanced Portfolio	79,034,630	73,951,318	5,083,312
80,827	Symmetry Conservative Income Portfolio	896,466	905,403	(8,937)
246,177	Symmetry Conservative Portfolio	3,141,619	3,048,359	93,260
221,319	Symmetry Growth Portfolio	3,360,109	3,303,414	56,695
2,067,398	Symmetry Moderate Growth Portfolio	28,197,120	27,079,655	1,117,465
		<b>202,601,293</b>	<b>192,807,139</b>	<b>9,794,154</b>
<b>Quadrus</b>				
2,261	Canada Life Advanced Portfolio	45,652	46,493	(841)
569,722	Canada Life Balanced Portfolio	9,678,034	8,825,599	852,435
3,185	Canada Life Canadian Income Fund	52,850	49,881	2,969
234,477	Canada Life Moderate Portfolio	3,251,773	3,087,333	164,440
115,426	Canada Life Monthly Income Fund	1,213,205	1,312,668	(99,463)
928,847	Canada Life Strategic Income Fund	12,106,744	12,017,775	88,969
		<b>26,348,258</b>	<b>25,339,749</b>	<b>1,008,509</b>
<b>Investors Group</b>				
2,058,996	IG Core Portfolio – Income Focus	25,572,821	24,217,891	1,354,930
1,633,078	IG Core Portfolio – Income Balanced	21,046,809	19,010,549	2,036,260
590,388	IG Core Portfolio – Balanced	7,874,029	7,679,209	194,820
3,919,522	IG Mackenzie Dividend Fund	68,199,193	60,454,116	7,745,077
913,491	IG Managed Risk Portfolio – Balanced	11,546,343	10,969,970	576,373
3,151,683	IG Managed Risk Portfolio – Income Balanced	38,252,235	34,203,677	4,048,558
		<b>172,491,430</b>	<b>156,535,412</b>	<b>15,956,018</b>

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# STRATEGIC CHARITABLE GIVING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### 3. Investments (cont'd)

As at December 31, 2021 (Audited)

Number of units / shares	Name of Mutual Funds / Securities	Fair value	Average cost	Unrealized Gain/(Loss)
	<b>Ineligible Mutual Funds</b>	\$	\$	\$
	<b>Other Mutual Funds / Equities / Bonds</b>			
100	Advanced Micro Devices, Inc.	18,354	18,354	—
130	AGF U.S. Small Mid Cap Fund LL	10,859	10,859	—
250	Apple Inc.	55,903	55,903	—
205	Bank of America	11,634	11,634	—
180	Bank of Montreal	24,405	24,405	—
54,000	Birchcliff Energy Ltd	345,060	345,060	—
85	BMO Nasdaq 100 Equity HG CD ETF	10,040	10,040	—
494	Cambridge Canadian Equity Corporate Class FE	10,000	10,000	—
515	Canoe Energy Portfolio Class FE	3,853	3,853	—
70	Dynamic Global Dividend Fund Ser F NL	2,096	2,096	—
660	Dynamic Power Amaerican Growth Class Ser F NL	21,000	21,000	—
350	Dynamic Power Global Growth CLASS SER F NL	13,485	13,485	—
2,065	Dynamic Strategic Yield Fund Ser I NL	30,000	30,000	—
155	Eli Lilly & CO	54,177	54,177	—
1,231	Fidelity American Equity Class Ser F NL	35,000	35,000	—
350	Fidelity Global Innovators Class Ser B FE	10,387	10,387	—
3,294	Fidelity Insights Class SR F8 NL	120,000	120,000	—
491	Fidelity Insights Currency Neutral Class Ser F NL	11,902	11,902	—
49,435	Franklin Quotential Balanced Growth Portfolio – Series PF NL	614,411	614,411	—
125	Gartner Inc	53,016	53,016	—
9,085	IG Putnam US Growth Class U	420,128	420,128	—
400	IGM Financial	18,660	18,660	—
282	iProfile Active Allocation Private Pool II Ser I NL	3,000	3,000	—
87	iProfile Alternatives Private Pool Ser I NL	900	900	—
673	iProfile Canadian Equity Private Class Ser I NL	12,088	12,088	—
608	iProfile Canadian Equity Private Pool Ser I NL	17,206	17,206	—
19	iProfile Emerging Markets Private Class	350	350	—
23	iProfile Emerging Markets Private Pool Ser I NL	930	930	—
237	iProfile ETF Private Pool Ser I NL	2,700	2,700	—
2,418	iProfile Fixed Income Private Pool Ser I NL	32,940	32,940	—
868	iProfile Global Neutral Balanced Portfolio Ser I NL	10,000	10,000	—
336	iProfile International Equity Private Class	5,950	5,950	—
146	iProfile International Equity Private Pool Ser I NL	1,800	1,800	—
165	iProfile Low Volatility Private Pool Ser I NL	1,800	1,800	—
87	iProfile U.S. Equity Pool I	2,500	2,500	—
141	iProfile U.S. Equity Private Pool Ser I NL	3,900	3,900	—
868	iProfile US Equity Private Class	31,450	31,450	—
808	Manulife Dividend Inc. Class FE	24,000	24,000	—
2,000	Manulife Financial Corporation	47,840	47,840	—
157	Microsoft Corp.	67,203	67,203	—
25	National Bank of Canada	2,434	2,434	—
50	Nvidia Corp	18,612	18,612	—
700	Ocidental Pete Corp	25,844	25,844	—
1,579	Scotia Innova Balanced Income Portfolio Class NL	21,208	21,208	—
70	Sec Technology Spdr SBI	15,514	15,514	—
1,000	Select Income Corporate Class	15,106	15,106	—
15,862	Select Income Managed Corporate Class 100I FE	191,046	191,046	—
268	Sun Life Financial	18,870	18,870	—
250	TC Energy Corp	14,708	14,708	—
230	Tesla Motors Inc	314,503	314,503	—
166	Thomson Reuters Corp-New	25,112	25,112	—
1,062	Toronto Dominion Bank	102,271	102,271	—
		<b>2,926,155</b>	<b>2,926,155</b>	<b>—</b>
	<b>Total Investments</b>	<b>404,367,136</b>	<b>377,608,455</b>	<b>26,758,681</b>

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# STRATEGIC CHARITABLE GIVING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### 3. Investments (cont'd)

The Foundation holds investments in eligible mutual funds which are subject to currency risk, interest rate risk and other price risk. These risks will also impact future cash flow streams of the Foundation, including dividend and interest income, gains and losses and administration fees.

Currency risk arises when the fair value of financial instruments that are denominated in a currency other than the Canadian dollar, which is the Foundation's reporting currency, fluctuates due to changes in exchange rates.

Interest rate risk arises when the fair value of interest-bearing financial instruments fluctuates due to changes in the prevailing levels of market interest rates.

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.

The Foundation manages these risks by holding a diverse portfolio of eligible mutual funds. Each fund is actively managed by a team of professional, experienced portfolio advisors, who monitor the funds' positions and market events daily, and diversify the Funds' portfolios within the constraints of each Fund's investment objective.

The Foundation does not enter into any derivative instrument arrangements for hedging or speculative purposes.

There has been no change to the risk exposure from 2021.

### 4. Related Party Transactions

#### (a) Charitable administration fees

The charitable administration fee is payable to Mackenzie, a related party, and is chargeable to all Accounts under the Mackenzie and Quadrus Programs at a fixed rate of 0.55% of the Account Balance.

The charitable administration fee is chargeable to Accounts administered under the Investors Group program at a fixed rate of 0.55% of the Account Balance. Prior to October 1, 2019, the charitable administration fee was charged at a flat fee of \$500 per year for Accounts established between December 31, 2015 and September 30, 2019 and \$250 per year for Accounts established prior to January 1, 2016. For those Investor Group Accounts where this flat fee is less than the fixed rate fee, the flat fee will continue to be charged.

In addition to the charitable administration fees charged by the Foundation, the Foundation's investments in eligible mutual funds are also subject to management fees and operating expenses charged by those mutual funds.

#### (b) Operating expenses

Under the Charitable Administration Services Agreement (the "Agreement") between the Foundation and Mackenzie, Mackenzie arranges for the provision of other services for the Foundation and includes such items as: external auditor and legal fees, regulatory filing fees, insurance and printing of the annual report. These operating expenses are paid by Mackenzie from the charitable administration fees chargeable to the Accounts.

Also included in operating expenses are managements fees paid to Mackenzie for certain high net worth mutual fund series offered under the Mackenzie Program for qualifying donors of \$105,146 (2021 – \$86,422). Rather than collecting a management fee directly from the mutual fund, Mackenzie collects a management fee by redeeming securities from these mutual fund series. The proceeds from these redemptions are payable to Mackenzie by the Foundation.

### 5. Administration Fee Payable

Included in administration fees payable are government remittances payable of \$29,329 (December 31, 2021 – \$25,561) related to harmonized sales taxes payable.

# STRATEGIC CHARITABLE GIVING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### 6. Program Enhancements

#### (a) 2022 Program Enhancements

For the period ended June 30, 2022, no program enhancements were implemented.

#### (b) 2021 Program Enhancements

Effective January 1, 2021, the list of eligible funds under the Quadrus program was revised to only include the following funds:

- Canada Life Conservative Fund
- Canada Life Moderate Fund
- Canada Life Balanced Fund
- Canada Life Advanced Fund

All other mutual funds have been removed from the list of eligible mutual funds available under the Quadrus program, however investments in these other mutual funds made prior to January 1, 2021, may continue to be held.