

# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Mackenzie Financial Corporation, as Manager of Mackenzie Canadian Bond Fund (the "Fund"). The Manager is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with International Financial Reporting Standards. The Manager is also responsible for the development of internal controls over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors (the "Board") of Mackenzie Financial Corporation is responsible for reviewing and approving the financial statements and overseeing the Manager's performance of its financial reporting responsibilities. The Board is assisted in discharging this responsibility by an Audit Committee, which reviews the financial statements and recommends them for approval by the Board. The Audit Committee also meets regularly with the Manager, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

Deloitte LLP is the external auditor of the Fund. It is appointed by the Board. The external auditor has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the securityholders its opinion on the financial statements. Its report is set out below.

On behalf of Mackenzie Financial Corporation,  
Manager of the Fund



Barry McNerney  
President and Chief Executive Officer



Terry Rountes  
Chief Financial Officer, Funds

June 3, 2019

## INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Canadian Bond Fund (the "Fund")

### Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at March 31, 2019 and 2018, and the statements of comprehensive income, changes in financial position and cash flows for the periods then ended, as indicated in Note 1, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2019 and 2018, and its financial performance and its cash flows for the periods then ended, as indicated in Note 1, in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information which comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



**MACKENZIE**  
Investments

# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## INDEPENDENT AUDITOR'S REPORT (cont'd)

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants  
Licensed Public Accountants  
Toronto, Ontario  
June 3, 2019



MACKENZIE  
Investments

# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## STATEMENTS OF FINANCIAL POSITION

*In thousands (except per security figures)  
As at March 31*

	2019	2018		2019	2018
	\$	\$		\$	\$
<b>ASSETS</b>			<b>Advisor Series</b>	<b>47</b>	<b>46</b>
<b>Current assets</b>			<b>Series LB</b>	<b>2,990</b>	<b>8,737</b>
Investments at fair value	1,280,650	1,218,394	<b>Series LW</b>	<b>7,255</b>	<b>4,869</b>
Cash and cash equivalents	144,340	54,502	<b>Net assets attributable to securityholders</b>		
Accrued interest receivable	8,650	7,821	<b>per security (note 3)</b>		
Dividends receivable	–	4	<b>Series A</b>	<b>13.98</b>	<b>13.70</b>
Accounts receivable for investments sold	4,708	1,961	<b>Series AR</b>	<b>10.30</b>	<b>10.10</b>
Accounts receivable for securities issued	119	102	<b>Series B</b>	<b>10.16</b>	<b>9.96</b>
Due from manager	4	4	<b>Series C</b>	<b>10.15</b>	<b>9.95</b>
Margin on derivatives	4,564	4,511	<b>Series D</b>	<b>10.13</b>	<b>9.93</b>
Unrealized gains on derivative contracts	158	320	<b>Series F</b>	<b>11.90</b>	<b>11.66</b>
<b>Total assets</b>	<b>1,443,193</b>	<b>1,287,619</b>	<b>Series FB</b>	<b>10.20</b>	<b>10.00</b>
			<b>Series G</b>	<b>10.92</b>	<b>10.70</b>
<b>LIABILITIES</b>			<b>Series I</b>	<b>5.98</b>	<b>5.88</b>
<b>Current liabilities</b>			<b>Series IG</b>	<b>10.21</b>	<b>10.01</b>
Accounts payable for investments purchased	56,925	2,141	<b>Series J</b>	<b>11.06</b>	<b>10.84</b>
Accounts payable for securities redeemed	824	2,016	<b>Series M</b>	<b>11.43</b>	<b>11.21</b>
Due to manager	–	29	<b>Series O</b>	<b>11.82</b>	<b>11.59</b>
Unrealized losses on derivative contracts	2,604	3,312	<b>Series PW</b>	<b>10.57</b>	<b>10.35</b>
<b>Total liabilities</b>	<b>60,353</b>	<b>7,498</b>	<b>Series PWF</b>	<b>–</b>	<b>10.14</b>
<b>Net assets attributable to securityholders</b>	<b>1,382,840</b>	<b>1,280,121</b>	<b>Series PWFB</b>	<b>10.10</b>	<b>9.89</b>
<b>Net assets attributable to securityholders</b>			<b>Series PWT8</b>	<b>11.51</b>	<b>12.08</b>
<b>per series (note 3)</b>			<b>Series PWX</b>	<b>10.20</b>	<b>10.00</b>
Series A	44,947	67,887	<b>Series R</b>	<b>11.10</b>	<b>10.88</b>
Series AR	11,549	10,603	<b>Series S</b>	<b>10.75</b>	<b>10.54</b>
Series B	5,425	10,816	<b>Series SC</b>	<b>10.39</b>	<b>10.18</b>
Series C	347	397	<b>Series U</b>	<b>10.15</b>	<b>9.95</b>
Series D	195	83	<b>Investor Series</b>	<b>10.73</b>	<b>10.51</b>
Series F	33,066	15,165	<b>B-Series</b>	<b>10.61</b>	<b>10.40</b>
Series FB	735	1,734	<b>Advisor Series</b>	<b>10.70</b>	<b>10.48</b>
Series G	549	718	<b>Series LB</b>	<b>10.16</b>	<b>9.98</b>
Series I	5,061	4,990	<b>Series LW</b>	<b>10.17</b>	<b>9.96</b>
Series IG	354,304	226,500			
Series J	1,322	1,416			
Series M	938	1,078			
Series O	16,867	31,601			
Series PW	78,339	49,418			
Series PWF	–	7,255			
Series PWFB	7,077	1,362			
Series PWT8	283	280			
Series PWX	1,065	1,786			
Series R	365,740	316,542			
Series S	313,625	322,827			
Series SC	122,877	179,377			
Series U	6,203	10,867			
Investor Series	1,931	2,419			
B-Series	103	1,348			

The accompanying notes are an integral part of these financial statements.



**MACKENZIE**  
Investments

# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended March 31 (note 1)  
In thousands (except per security figures)

	2019	2018
	\$	\$
<b>Income</b>		
Dividends	655	15
Interest income	39,591	31,436
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	3,871	1,929
Net unrealized gain (loss)	26,348	(9,471)
Securities lending income	150	91
Fee rebate income	51	8
<b>Total Income (loss)</b>	<b>70,666</b>	<b>24,008</b>

### Expenses (note 6)

Management fees	3,955	4,950
Management fee rebates	(8)	(27)
Administration fees	696	834
Securityholder servicing fees	1	1
Interest charges	13	5
Commissions and other portfolio transaction costs	51	51
Independent Review Committee fees	5	4
Other	4	3
<b>Expenses before amounts absorbed by Manager</b>	<b>4,717</b>	<b>5,821</b>
Expenses absorbed by Manager	1	1
<b>Net Expenses</b>	<b>4,716</b>	<b>5,820</b>

<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>65,950</b>	<b>18,188</b>
Foreign withholding taxes	25	–
Foreign income taxes paid (recovered)	–	–
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>65,925</b>	<b>18,188</b>

<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>		
Series A	1,486	228
Series AR	383	40
Series B	175	70
Series C	13	3
Series D	7	–
Series E	–	1
Series F	1,485	206
Series FB	22	30
Series G	19	6
Series I	203	39
Series IG	19,232	1,795
Series J	49	10
Series M	36	11
Series O	935	679
Series PW	3,179	119
Series PWF	(7)	70
Series PWFB	299	17

	2019	2018
	\$	\$
Series PWT8	11	2
Series PWX	54	37
Series R	17,553	6,265
Series S	15,837	6,667
Series SC	4,266	1,655
Series U	212	104
Investor Series	74	24
B-Series	20	28
Advisor Series	1	–
Series LB	93	99
Series LW	288	(17)

### Increase (decrease) in net assets attributable to securityholders from operations per security

Series A	0.36	0.04
Series AR	0.36	0.04
Series B	0.23	0.05
Series C	0.36	0.08
Series D	0.60	0.08
Series E	–	0.15
Series F	0.66	0.15
Series FB	0.27	0.27
Series G	0.35	0.08
Series I	0.24	0.04
Series IG	0.55	0.20
Series J	0.40	0.06
Series M	0.43	0.11
Series O	0.45	0.24
Series PW	0.43	0.03
Series PWF	(0.01)	0.12
Series PWFB	0.71	0.29
Series PWT8	0.45	0.15
Series PWX	0.42	0.21
Series R	0.57	0.23
Series S	0.53	0.22
Series SC	0.32	0.09
Series U	0.27	0.07
Investor Series	0.37	0.09
B-Series	0.21	0.22
Advisor Series	0.37	0.02
Series LB	0.15	0.06
Series LW	0.53	(0.04)

The accompanying notes are an integral part of these financial statements.



**MACKENZIE**  
Investments

# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the periods ended March 31 (note 1)  
In thousands

	2019		2018		2019		2018		2019		2018	
	Series A		Series AR		Series B		Series C		Series D			
	\$		\$		\$		\$		\$			
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>												
<b>Beginning of period</b>	67,887	91,778	10,603	10,261	10,816	16,840	397	407	83	55		
Increase (decrease) in net assets from operations	1,486	228	383	40	175	70	13	3	7	-		
Distributions paid to securityholders:												
Investment income	(768)	(970)	(146)	(121)	(113)	(139)	(7)	(6)	(2)	(1)		
Capital gains	-	-	-	-	-	-	-	-	-	-		
Return of capital	-	-	-	-	-	-	-	-	-	-		
Management fee rebates	-	-	-	-	-	-	-	-	-	-		
Total distributions paid to securityholders	(768)	(970)	(146)	(121)	(113)	(139)	(7)	(6)	(2)	(1)		
Security transactions:												
Proceeds from securities issued	5,530	11,296	1,965	1,803	-	-	-	-	144	30		
Reinvested distributions	737	932	146	121	106	131	7	6	2	1		
Payments on redemption of securities	(29,925)	(35,377)	(1,402)	(1,501)	(5,559)	(6,086)	(63)	(13)	(39)	(2)		
Total security transactions	(23,658)	(23,149)	709	423	(5,453)	(5,955)	(56)	(7)	107	29		
<b>Total increase (decrease) in net assets</b>	<b>(22,940)</b>	<b>(23,891)</b>	<b>946</b>	<b>342</b>	<b>(5,391)</b>	<b>(6,024)</b>	<b>(50)</b>	<b>(10)</b>	<b>112</b>	<b>28</b>		
<b>End of period</b>	<b>44,947</b>	<b>67,887</b>	<b>11,549</b>	<b>10,603</b>	<b>5,425</b>	<b>10,816</b>	<b>347</b>	<b>397</b>	<b>195</b>	<b>83</b>		

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	4,954	6,644	1,050	1,008	1,086	1,681	40	41	8	6
Issued	406	822	196	178	-	-	-	-	15	2
Reinvested distributions	54	68	15	12	11	13	1	1	-	-
Redeemed	(2,200)	(2,580)	(140)	(148)	(563)	(608)	(7)	(2)	(4)	-
<b>Securities outstanding – end of period</b>	<b>3,214</b>	<b>4,954</b>	<b>1,121</b>	<b>1,050</b>	<b>534</b>	<b>1,086</b>	<b>34</b>	<b>40</b>	<b>19</b>	<b>8</b>

	Series E		Series F		Series FB		Series G		Series I	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	-	10	15,165	19,075	1,734	480	718	1,041	4,990	7,140
Increase (decrease) in net assets from operations	-	1	1,485	206	22	30	19	6	203	39
Distributions paid to securityholders:										
Investment income	-	-	(643)	(346)	(18)	(24)	(10)	(12)	(116)	(141)
Capital gains	-	-	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	-	-	-	-
Management fee rebates	-	-	-	-	-	-	-	-	-	(11)
Total distributions paid to securityholders	-	-	(643)	(346)	(18)	(24)	(10)	(12)	(116)	(152)
Security transactions:										
Proceeds from securities issued	-	-	26,398	6,506	3,467	1,855	8	11	427	341
Reinvested distributions	-	-	476	299	18	24	9	11	112	149
Payments on redemption of securities	-	(11)	(9,815)	(10,575)	(4,488)	(631)	(195)	(339)	(555)	(2,527)
Total security transactions	-	(11)	17,059	(3,770)	(1,003)	1,248	(178)	(317)	(16)	(2,037)
<b>Total increase (decrease) in net assets</b>	<b>-</b>	<b>(10)</b>	<b>17,901</b>	<b>(3,910)</b>	<b>(999)</b>	<b>1,254</b>	<b>(169)</b>	<b>(323)</b>	<b>71</b>	<b>(2,150)</b>
<b>End of period</b>	<b>-</b>	<b>-</b>	<b>33,066</b>	<b>15,165</b>	<b>735</b>	<b>1,734</b>	<b>549</b>	<b>718</b>	<b>5,061</b>	<b>4,990</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	-	1	1,301	1,623	173	48	67	97	849	1,198
Issued	-	-	2,289	557	350	186	-	-	73	61
Reinvested distributions	-	-	41	26	2	2	1	1	19	23
Redeemed	-	(1)	(851)	(905)	(453)	(63)	(18)	(31)	(95)	(433)
<b>Securities outstanding – end of period</b>	<b>-</b>	<b>-</b>	<b>2,780</b>	<b>1,301</b>	<b>72</b>	<b>173</b>	<b>50</b>	<b>67</b>	<b>846</b>	<b>849</b>

The accompanying notes are an integral part of these financial statements.

# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

For the periods ended March 31 (note 1)  
In thousands

	2019		2018		2019		2018		2019		2018	
	Series IG		Series J		Series M		Series O		Series PW			
	\$		\$		\$		\$		\$			
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>												
<b>Beginning of period</b>	226,500	–	1,416	2,303	1,078	1,173	31,601	32,552	49,418	13,043		
Increase (decrease) in net assets from operations	19,232	1,795	49	10	36	11	935	679	3,179	119		
Distributions paid to securityholders:												
Investment income	(11,060)	(607)	(24)	(28)	(19)	(20)	(746)	(916)	(1,461)	(753)		
Capital gains	–	–	–	–	–	–	–	–	–	–		
Return of capital	–	–	–	–	–	–	–	–	–	–		
Management fee rebates	–	–	–	–	–	–	–	–	(6)	(13)		
Total distributions paid to securityholders	(11,060)	(607)	(24)	(28)	(19)	(20)	(746)	(916)	(1,467)	(766)		
Security transactions:												
Proceeds from securities issued	156,021	225,128	–	–	–	–	1,582	7,578	61,061	50,291		
Reinvested distributions	11,060	607	24	28	19	20	739	910	1,430	745		
Payments on redemption of securities	(47,449)	(423)	(143)	(897)	(176)	(106)	(17,244)	(9,202)	(35,282)	(14,014)		
Total security transactions	119,632	225,312	(119)	(869)	(157)	(86)	(14,923)	(714)	27,209	37,022		
<b>Total increase (decrease) in net assets</b>	<b>127,804</b>	<b>226,500</b>	<b>(94)</b>	<b>(887)</b>	<b>(140)</b>	<b>(95)</b>	<b>(14,734)</b>	<b>(951)</b>	<b>28,921</b>	<b>36,375</b>		
<b>End of period</b>	<b>354,304</b>	<b>226,500</b>	<b>1,322</b>	<b>1,416</b>	<b>938</b>	<b>1,078</b>	<b>16,867</b>	<b>31,601</b>	<b>78,339</b>	<b>49,418</b>		

### Increase (decrease) in fund securities (note 7):

	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	22,626	–	131	211	96	104	2,726	2,787	4,773	1,249
Issued	15,751	22,607	–	–	–	–	138	652	5,942	4,805
Reinvested distributions	1,114	61	2	3	2	2	64	78	139	72
Redeemed	(4,790)	(42)	(13)	(83)	(16)	(10)	(1,501)	(791)	(3,440)	(1,353)
<b>Securities outstanding – end of period</b>	<b>34,701</b>	<b>22,626</b>	<b>120</b>	<b>131</b>	<b>82</b>	<b>96</b>	<b>1,427</b>	<b>2,726</b>	<b>7,414</b>	<b>4,773</b>

	Series PWF		Series PWFB		Series PWT8		Series PWX		Series R	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	7,255	3,860	1,362	–	280	132	1,786	1,381	316,542	260,939
Increase (decrease) in net assets from operations	(7)	70	299	17	11	2	54	37	17,553	6,265
Distributions paid to securityholders:										
Investment income	(22)	(133)	(108)	(13)	(5)	(3)	(40)	(52)	(10,533)	(8,581)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	(19)	(13)	–	–	–	–
Management fee rebates	(1)	(3)	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(23)	(136)	(108)	(13)	(24)	(16)	(40)	(52)	(10,533)	(8,581)
Security transactions:										
Proceeds from securities issued	323	5,988	6,207	1,364	–	154	39	810	92,309	80,913
Reinvested distributions	21	125	105	13	16	8	40	52	1,443	952
Payments on redemption of securities	(7,569)	(2,652)	(788)	(19)	–	–	(814)	(442)	(51,574)	(23,946)
Total security transactions	(7,225)	3,461	5,524	1,358	16	162	(735)	420	42,178	57,919
<b>Total increase (decrease) in net assets</b>	<b>(7,255)</b>	<b>3,395</b>	<b>5,715</b>	<b>1,362</b>	<b>3</b>	<b>148</b>	<b>(721)</b>	<b>405</b>	<b>49,198</b>	<b>55,603</b>
<b>End of period</b>	<b>–</b>	<b>7,255</b>	<b>7,077</b>	<b>1,362</b>	<b>283</b>	<b>280</b>	<b>1,065</b>	<b>1,786</b>	<b>365,740</b>	<b>316,542</b>

### Increase (decrease) in fund securities (note 7):

	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	715	378	138	–	23	10	179	137	29,090	23,795
Issued	33	586	632	139	–	12	3	81	8,518	7,417
Reinvested distributions	2	12	11	1	2	1	4	5	135	87
Redeemed	(750)	(261)	(80)	(2)	–	–	(82)	(44)	(4,789)	(2,209)
<b>Securities outstanding – end of period</b>	<b>–</b>	<b>715</b>	<b>701</b>	<b>138</b>	<b>25</b>	<b>23</b>	<b>104</b>	<b>179</b>	<b>32,954</b>	<b>29,090</b>

The accompanying notes are an integral part of these financial statements.



**MACKENZIE**  
Investments

# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

For the periods ended March 31 (note 1)  
In thousands

	2019		2018		2019		2018		2019		2018		2019		2018		
	Series S		Series SC		Series U		Investor Series		B-Series								
	\$		\$		\$		\$		\$								
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>																	
<b>Beginning of period</b>	<b>322,827</b>	<b>320,903</b>	<b>179,377</b>	<b>236,546</b>	<b>10,867</b>	<b>16,390</b>	<b>2,419</b>	<b>2,831</b>	<b>1,348</b>	<b>1,358</b>							
Increase (decrease) in net assets from operations	15,837	6,667	4,266	1,655	212	104	74	24	20	28							
Distributions paid to securityholders:																	
Investment income	(9,845)	(9,206)	(2,299)	(2,983)	(137)	(197)	(40)	(41)	(27)	(26)							
Capital gains	-	-	-	-	-	-	-	-	-	-							
Return of capital	-	-	-	-	-	-	-	-	-	-							
Management fee rebates	-	-	-	-	-	-	-	-	-	-							
Total distributions paid to securityholders	(9,845)	(9,206)	(2,299)	(2,983)	(137)	(197)	(40)	(41)	(27)	(26)							
Security transactions:																	
Proceeds from securities issued	13,215	16,043	25,649	38,195	-	89	76	70	-	32							
Reinvested distributions	9,845	9,206	2,220	2,889	137	196	40	40	27	26							
Payments on redemption of securities	(38,254)	(20,786)	(86,336)	(96,925)	(4,876)	(5,715)	(638)	(505)	(1,265)	(70)							
Total security transactions	(15,194)	4,463	(58,467)	(55,841)	(4,739)	(5,430)	(522)	(395)	(1,238)	(12)							
<b>Total increase (decrease) in net assets</b>	<b>(9,202)</b>	<b>1,924</b>	<b>(56,500)</b>	<b>(57,169)</b>	<b>(4,664)</b>	<b>(5,523)</b>	<b>(488)</b>	<b>(412)</b>	<b>(1,245)</b>	<b>(10)</b>							
<b>End of period</b>	<b>313,625</b>	<b>322,827</b>	<b>122,877</b>	<b>179,377</b>	<b>6,203</b>	<b>10,867</b>	<b>1,931</b>	<b>2,419</b>	<b>103</b>	<b>1,348</b>							

	Securities		Securities		Securities		Securities		Securities							
<b>Increase (decrease) in fund securities (note 7):</b>																
<b>Securities outstanding – beginning of period</b>	<b>30,624</b>	<b>30,199</b>	<b>17,617</b>	<b>23,046</b>	<b>1,092</b>	<b>1,636</b>	<b>230</b>	<b>268</b>	<b>130</b>	<b>131</b>						
Issued	1,260	1,524	2,535	3,748	-	9	7	6	-	3						
Reinvested distributions	942	872	220	283	14	20	4	4	3	3						
Redeemed	(3,656)	(1,971)	(8,546)	(9,460)	(495)	(573)	(61)	(48)	(123)	(7)						
<b>Securities outstanding – end of period</b>	<b>29,170</b>	<b>30,624</b>	<b>11,826</b>	<b>17,617</b>	<b>611</b>	<b>1,092</b>	<b>180</b>	<b>230</b>	<b>10</b>	<b>130</b>						

	Advisor Series		Series LB		Series LW		Total					
	\$		\$		\$		\$					
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>												
<b>Beginning of period</b>	<b>46</b>	<b>59</b>	<b>8,737</b>	<b>18,627</b>	<b>4,869</b>	<b>-</b>	<b>1,280,121</b>	<b>1,059,184</b>				
Increase (decrease) in net assets from operations	1	-	93	99	288	(17)	65,925	18,188				
Distributions paid to securityholders:												
Investment income	(1)	(1)	(106)	(222)	(94)	(26)	(38,390)	(25,568)				
Capital gains	-	-	-	-	-	-	-	-				
Return of capital	-	-	-	-	-	-	(19)	(13)				
Management fee rebates	-	-	-	-	(1)	-	(8)	(27)				
Total distributions paid to securityholders	(1)	(1)	(106)	(222)	(95)	(26)	(38,417)	(25,608)				
Security transactions:												
Proceeds from securities issued	-	-	159	2,620	3,496	5,597	398,076	456,714				
Reinvested distributions	1	1	105	217	92	25	28,977	17,734				
Payments on redemption of securities	-	(13)	(5,998)	(12,604)	(1,395)	(710)	(351,842)	(246,091)				
Total security transactions	1	(12)	(5,734)	(9,767)	2,193	4,912	75,211	228,357				
<b>Total increase (decrease) in net assets</b>	<b>1</b>	<b>(13)</b>	<b>(5,747)</b>	<b>(9,890)</b>	<b>2,386</b>	<b>4,869</b>	<b>102,719</b>	<b>220,937</b>				
<b>End of period</b>	<b>47</b>	<b>46</b>	<b>2,990</b>	<b>8,737</b>	<b>7,255</b>	<b>4,869</b>	<b>1,382,840</b>	<b>1,280,121</b>				

	Securities		Securities		Securities					
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	<b>4</b>	<b>6</b>	<b>876</b>	<b>1,852</b>	<b>489</b>	<b>-</b>				
Issued	-	-	15	260	356	558				
Reinvested distributions	-	-	11	22	9	3				
Redeemed	-	(2)	(608)	(1,258)	(141)	(72)				
<b>Securities outstanding – end of period</b>	<b>4</b>	<b>4</b>	<b>294</b>	<b>876</b>	<b>713</b>	<b>489</b>				

The accompanying notes are an integral part of these financial statements.

# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## STATEMENTS OF CASH FLOWS

For the periods ended March 31 (note 1)  
In thousands

	2019	2018
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	65,925	18,188
Adjustments for:		
Net realized loss (gain) on investments	(9,108)	5,242
Change in net unrealized loss (gain) on investments	(26,394)	9,504
Purchase of investments	(1,066,386)	(1,280,583)
Proceeds from sale and maturity of investments	1,191,455	1,045,085
Change in accrued interest receivable	(829)	(1,509)
Change in dividends receivable	4	(4)
Change in due from manager	–	(4)
Change in due to manager	(29)	29
Change in margin on derivatives	(53)	(2,240)
<b>Net cash from operating activities</b>	<b>154,585</b>	<b>(206,292)</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	220,023	388,495
Payments on redemption of securities	(275,301)	(176,249)
Distributions paid net of reinvestments	(9,440)	(7,874)
<b>Net cash from financing activities</b>	<b>(64,718)</b>	<b>204,372</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>89,867</b>	<b>(1,920)</b>
Cash and cash equivalents at beginning of period	54,502	56,388
Effect of exchange rate fluctuations on cash and cash equivalents	(29)	34
<b>Cash and cash equivalents at end of period</b>	<b>144,340</b>	<b>54,502</b>
Cash	54,691	706
Cash equivalents	89,649	53,796
<b>Cash and cash equivalents at end of period</b>	<b>144,340</b>	<b>54,502</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	659	11
Foreign taxes paid	25	–
Interest received	38,762	29,927
Interest paid	13	5

The accompanying notes are an integral part of these financial statements.



**MACKENZIE**  
Investments



# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## SCHEDULE OF INVESTMENTS

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS</b>					
407 International Inc. 3.14% 03-06-2030 Callable 2029	Canada	Corporate - Non Convertible	420,000	420	433
407 International Inc. 3.43% 06-01-2033 MTN	Canada	Corporate - Non Convertible	5,330,000	5,385	5,565
407 International Inc. 3.65% 09-08-2044 Callable MTN	Canada	Corporate - Non Convertible	830,000	835	868
407 International Inc. 3.60% 05-21-2047 Callable	Canada	Corporate - Non Convertible	1,960,000	1,962	2,040
407 International Inc. 3.72% 05-11-2048 Callable 2047	Canada	Corporate - Non Convertible	3,310,000	3,310	3,517
407 International Inc. 3.67% 03-08-2049 Callable 2048	Canada	Corporate - Non Convertible	1,000,000	999	1,053
Access Justice Durham 5.02% 08-31-2039	Canada	Asset Backed	2,925,293	3,007	3,398
AerCap Ireland Capital Designated Activity Co. 3.30% 01-23-2023 Callable 2022	Ireland	Corporate - Non Convertible	USD 1,740,000	2,164	2,289
AerCap Ireland Capital Designated Activity Co. 4.45% 10-01-2025 Callable 2025	Netherlands	Corporate - Non Convertible	USD 1,020,000	1,332	1,379
AIMCo Realty Investors LP 2.27% 06-26-2024 Callable 2024	Canada	Corporate - Non Convertible	1,990,000	1,995	1,969
AIMCo Realty Investors LP 3.04% 06-01-2028 Callable 2028	Canada	Corporate - Non Convertible	1,180,000	1,180	1,206
Algonquin Power & Utilities Corp. 4.65% 02-15-2022	Canada	Corporate - Non Convertible	3,790,000	3,939	3,987
Algonquin Power & Utilities Corp. 4.09% 02-17-2027 Callable	Canada	Corporate - Non Convertible	2,610,000	2,611	2,706
AltaLink LP 3.72% 12-03-2046 Callable MTN	Canada	Corporate - Non Convertible	2,029,000	2,022	2,168
Anheuser-Busch InBev Finance Inc. 2.60% 05-15-2024 Callable 2024	Belgium	Corporate - Non Convertible	2,770,000	2,650	2,736
Anheuser-Busch InBev Worldwide Inc. 4.75% 01-23-2029 Callable 2028	Belgium	Corporate - Non Convertible	USD 360,000	475	514
Aroundtown SA 4.63% 09-18-2025 Callable 2025	Germany	Corporate - Non Convertible	2,040,000	2,032	2,107
Artis Real Estate Investment Trust 3.68% 02-22-2021	Canada	Corporate - Non Convertible	1,010,000	1,010	1,019
AT&T Inc. 2.85% 05-25-2024	United States	Corporate - Non Convertible	1,440,000	1,430	1,421
AT&T Inc. 4.00% 11-25-2025 Callable 2025	United States	Corporate - Non Convertible	5,720,000	5,739	5,913
AT&T Inc. 4.35% 03-01-2029 Callable 2028	United States	Corporate - Non Convertible	USD 840,000	1,108	1,147
Bank of America Corp. 3.23% 06-22-2022 Series MPLE	United States	Corporate - Non Convertible	3,230,000	3,262	3,305
Bank of America Corp. 3.30% 04-24-2024 Callable 2023	United States	Corporate - Non Convertible	2,100,000	2,100	2,144
Bank of America Corp. F/R 09-20-2025 Callable 2024	United States	Corporate - Non Convertible	3,380,000	3,390	3,463
Bank of Montreal 2.27% 07-11-2022	Canada	Corporate - Non Convertible	4,940,000	4,916	4,942
Bank of Montreal 2.89% 06-20-2023	Canada	Corporate - Non Convertible	3,030,000	3,029	3,098
Bank of Montreal 2.85% 03-06-2024	Canada	Corporate - Non Convertible	1,700,000	1,700	1,719
Bank of Montreal 2.70% 09-11-2024 DPNT	Canada	Corporate - Non Convertible	8,680,000	8,615	8,820
Bank of Montreal 3.32% 06-01-2026	Canada	Corporate - Non Convertible	4,920,000	4,972	4,999
Bank of Montreal 3.19% 03-01-2028	Canada	Corporate - Non Convertible	2,710,000	2,688	2,839
The Bank of Nova Scotia 1.90% 12-02-2021 DPNT	Canada	Corporate - Non Convertible	6,900,000	6,855	6,843
The Bank of Nova Scotia 2.36% 11-08-2022	Canada	Corporate - Non Convertible	3,410,000	3,410	3,415
The Bank of Nova Scotia 2.98% 04-17-2023	Canada	Corporate - Non Convertible	3,840,000	3,844	3,933
The Bank of Nova Scotia 2.29% 06-28-2024	Canada	Corporate - Non Convertible	7,670,000	7,557	7,625
The Bank of Nova Scotia 6.45% 01-01-2025	Canada	Mortgage Backed	2,558,870	2,688	3,008
bclMC Realty Corp. 3.00% 03-31-2027 Callable 2026	Canada	Corporate - Non Convertible	2,570,000	2,610	2,637
Bell Canada 2.70% 02-27-2024 Callable	Canada	Corporate - Non Convertible	3,250,000	3,282	3,245
Bell Canada 3.80% 08-21-2028 Callable 2028	Canada	Corporate - Non Convertible	4,170,000	4,144	4,353
Bell Canada 4.45% 02-27-2047 Callable	Canada	Corporate - Non Convertible	4,340,000	4,336	4,535
BP Capital Markets PLC 3.47% 05-15-2025	United Kingdom	Corporate - Non Convertible	3,880,000	3,910	4,041
Brookfield Infrastructure Finance ULC 4.20% 09-11-2028 Callable 2028	Canada	Corporate - Non Convertible	3,790,000	3,760	3,907
Brookfield Renewable Energy Partners ULC 3.75% 06-02-2025 Callable 2025	Canada	Corporate - Non Convertible	3,680,000	3,695	3,784



**MACKENZIE**  
Investments

# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate - Non Convertible	4,210,000	4,144	4,246
Brookfield Renewable Partners ULC 4.25% 01-15-2029 Callable 2028	Canada	Corporate - Non Convertible	2,320,000	2,319	2,406
Bruce Power LP 2.84% 06-23-2021	Canada	Corporate - Non Convertible	4,800,000	4,869	4,831
Bruce Power LP 3.00% 06-21-2024 Callable 2024	Canada	Corporate - Non Convertible	4,610,000	4,653	4,615
Bruce Power LP 3.97% 06-23-2026	Canada	Corporate - Non Convertible	3,110,000	3,188	3,247
Canada Housing Trust No. 1 F/R 09-15-2023	Canada	Federal Government	9,700,000	9,688	9,690
Canada Housing Trust No. 1 F/R 03-15-2024	Canada	Federal Government	9,500,000	9,496	9,475
Canada Housing Trust No. 1 2.35% 06-15-2023	Canada	Federal Government	37,600,000	37,571	38,375
Canadian Credit Card Trust II 1.83% 03-24-2020	Canada	Corporate - Non Convertible	5,490,000	5,473	5,474
Canadian Imperial Bank of Commerce 2.47% 12-05-2022	Canada	Corporate - Non Convertible	4,370,000	4,348	4,396
Canadian Imperial Bank of Commerce 2.97% 07-11-2023	Canada	Corporate - Non Convertible	10,290,000	10,288	10,545
Canadian Imperial Bank of Commerce 3.29% 01-15-2024	Canada	Corporate - Non Convertible	1,460,000	1,460	1,504
Canadian Imperial Bank of Commerce 3.30% 05-26-2025	Canada	Corporate - Non Convertible	7,570,000	7,577	7,930
Canadian Imperial Bank of Commerce 3.42% 01-26-2026 Callable 2021	Canada	Corporate - Non Convertible	8,760,000	8,943	8,906
Canadian National Railway Co. 3.00% 02-08-2029 Callable 2028	Canada	Corporate - Non Convertible	1,940,000	1,940	1,987
Canadian National Railway Co. 3.60% 07-31-2048 Callable 2048	Canada	Corporate - Non Convertible	3,070,000	3,024	3,190
Canadian Natural Resources Ltd. 3.55% 06-03-2024	Canada	Corporate - Non Convertible	2,200,000	2,214	2,264
Canadian Pacific Railway Ltd. 3.15% 03-13-2029 Callable 2028	Canada	Corporate - Non Convertible	1,490,000	1,487	1,510
Canadian Western Bank 2.92% 12-15-2022	Canada	Corporate - Non Convertible	1,920,000	1,920	1,934
Capital Power Corp. 4.28% 09-18-2024 Callable 2024	Canada	Corporate - Non Convertible	3,740,000	3,760	3,819
Capital Power Corp. 4.99% 01-23-2026 Callable 2025	Canada	Corporate - Non Convertible	1,280,000	1,280	1,330
Cards II Trust 2.16% 10-15-2020	Canada	Corporate - Non Convertible	4,610,000	4,610	4,610
CBS Corp. 4.20% 06-01-2029 Callable 2029	United States	Corporate - Non Convertible	USD 2,520,000	3,287	3,411
CCL Industries Inc. 3.86% 04-13-2028 Callable 2028	Canada	Corporate - Non Convertible	1,520,000	1,520	1,587
Central 1 Credit Union F/R 02-05-2021	Canada	Corporate - Non Convertible	830,000	830	827
Charter Communications Operating LLC 4.50% 02-01-2024 Callable 2024	United States	Corporate - Non Convertible	USD 1,830,000	2,424	2,545
Charter Communications Operating LLC 5.05% 03-30-2029 Callable 2028	United States	Corporate - Non Convertible	USD 2,300,000	3,051	3,241
Chartwell Retirement Residences 3.79% 12-11-2023 Callable 2023	Canada	Corporate - Non Convertible	2,780,000	2,770	2,856
Chartwell Retirement Residences 4.21% 04-28-2025 Callable 2025	Canada	Corporate - Non Convertible	1,010,000	1,010	1,055
Choice Properties Real Estate Investment Trust 3.55% 01-10-2025 Callable 2024	Canada	Corporate - Non Convertible	1,030,000	1,030	1,051
Choice Properties Real Estate Investment Trust 4.06% 11-24-2025 Callable	Canada	Corporate - Non Convertible	2,580,000	2,775	2,697
Choice Properties Real Estate Investment Trust 4.18% 03-08-2028 Callable 2027	Canada	Corporate - Non Convertible	2,950,000	2,950	3,079
Citigroup Inc. 4.09% 06-09-2025	United States	Corporate - Non Convertible	2,640,000	2,663	2,753
Cordelio Amalco GP I 4.09% 06-30-2034	Canada	Corporate - Non Convertible	1,470,000	1,470	1,540
Cordelio Amalco GP I 4.09% 09-30-2034	Canada	Corporate - Non Convertible	1,480,000	1,480	1,552
Crombie Real Estate Investment Trust 4.80% 01-31-2025 Callable 2024	Canada	Corporate - Non Convertible	890,000	890	933
Crosslinx Transit Solutions General Partnership 4.65% 09-30-2046	Canada	Corporate - Non Convertible	2,610,000	2,603	2,784
CU Inc. 3.96% 07-27-2045 Callable	Canada	Corporate - Non Convertible	1,480,000	1,565	1,619
CU Inc. 3.76% 11-19-2046 Callable 2046	Canada	Corporate - Non Convertible	1,400,000	1,400	1,485
CU Inc. 3.95% 11-23-2048 Callable 2048	Canada	Corporate - Non Convertible	2,190,000	2,190	2,405



**MACKENZIE**  
Investments

# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Eagle Credit Card Trust 2.15% 09-17-2020	Canada	Corporate - Non Convertible	4,230,000	4,204	4,227
Eagle Credit Card Trust 2.63% 10-17-2022	Canada	Corporate - Non Convertible	800,000	800	807
Eagle Credit Card Trust 3.04% 07-17-2023	Canada	Corporate - Non Convertible	1,050,000	1,051	1,076
Emera Inc. 2.90% 06-16-2023	Canada	Corporate - Non Convertible	2,440,000	2,367	2,443
Enbridge Gas Distribution Inc. 3.51% 11-29-2047 Callable 2047	Canada	Corporate - Non Convertible	2,220,000	2,220	2,260
Enbridge Inc. 3.20% 06-08-2027 Callable 2027	Canada	Corporate - Non Convertible	1,480,000	1,479	1,481
Enbridge Inc. 4.57% 03-11-2044	Canada	Corporate - Non Convertible	9,070,000	9,126	9,534
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	11,460,000	11,326	11,233
Enbridge Inc. F/R 04-12-2078 Callable 2028	Canada	Corporate - Non Convertible	3,850,000	3,865	4,089
EnerCare Solutions Inc. 3.38% 02-21-2022 Callable 2022	Canada	Corporate - Non Convertible	3,510,000	3,512	3,542
EnerCare Solutions Inc. 3.99% 02-21-2024 Callable 2023	Canada	Corporate - Non Convertible	1,740,000	1,740	1,779
EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047	Canada	Corporate - Non Convertible	1,840,000	1,821	1,896
EPR Properties 4.95% 04-15-2028 Callable 2028	United States	Corporate - Non Convertible	USD 1,360,000	1,706	1,892
Fairfax Financial Holdings Ltd. 5.84% 10-14-2022	Canada	Corporate - Non Convertible	1,920,000	1,946	2,102
Fairfax Financial Holdings Ltd. 4.50% 03-22-2023	Canada	Corporate - Non Convertible	4,490,000	4,596	4,719
Fairfax Financial Holdings Ltd. 8.30% 04-15-2026	Canada	Corporate - Non Convertible	USD 2,180,000	3,294	3,487
Fairfax Financial Holdings Ltd. 4.25% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	130,000	130	132
Federation des Caisses Desjardins du Quebec 2.09% 01-17-2022	Canada	Corporate - Non Convertible	4,390,000	4,396	4,375
The Fédération des Caisses Desjardins du Québec 2.39% 08-25-2022	Canada	Corporate - Non Convertible	6,440,000	6,397	6,464
Federation des Caisses Desjardins du Quebec 3.06% 09-11-2023	Canada	Corporate - Non Convertible	5,820,000	5,814	5,993
Fortified Trust 1.67% 07-23-2021	Canada	Corporate - Non Convertible	5,970,000	5,881	5,896
Fortified Trust 2.56% 03-23-2024	Canada	Corporate - Non Convertible	2,160,000	2,160	2,176
FortisAlberta Inc. 3.67% 09-09-2047 Callable 2047	Canada	Corporate - Non Convertible	480,000	470	504
FortisAlberta Inc. 3.74% 09-18-2048 Callable 2048	Canada	Corporate - Non Convertible	550,000	549	581
Gaz Metro Inc. 1.52% 05-25-2020	Canada	Corporate - Non Convertible	1,010,000	1,010	1,003
Genesis Trust II 2.43% 05-15-2019	Canada	Corporate - Non Convertible	151,000	151	151
Genesis Trust II 1.70% 04-15-2020	Canada	Corporate - Non Convertible	6,380,000	6,330	6,351
Glacier Credit Card Trust 2.05% 09-20-2022	Canada	Corporate - Non Convertible	4,460,000	4,423	4,414
Glacier Credit Card Trust 3.14% 09-20-2023	Canada	Corporate - Non Convertible	1,720,000	1,720	1,771
The Goldman Sachs Group Inc. 2.43% 04-26-2023 Callable	United States	Corporate - Non Convertible	4,040,000	4,040	3,992
Government of Canada 3.50% 06-01-2020	Canada	Federal Government	14,140,000	14,416	14,447
Government of Canada 0.75% 09-01-2020	Canada	Federal Government	2,570,000	2,521	2,541
Government of Canada 3.25% 06-01-2021	Canada	Federal Government	4,630,000	4,792	4,797
Government of Canada 0.75% 09-01-2021	Canada	Federal Government	8,610,000	8,371	8,449
Government of Canada 2.75% 06-01-2022	Canada	Federal Government	4,780,000	4,930	4,958
Government of Canada 1.00% 09-01-2022	Canada	Federal Government	3,290,000	3,210	3,231
Government of Canada 1.75% 03-01-2023	Canada	Federal Government	1,450,000	1,455	1,462
Government of Canada 1.50% 06-01-2023	Canada	Federal Government	19,010,000	18,552	18,991
Government of Canada 2.00% 09-01-2023	Canada	Federal Government	11,000,000	11,167	11,224
Government of Canada 2.50% 06-01-2024	Canada	Federal Government	17,570,000	17,906	18,418
Government of Canada 2.25% 06-01-2025	Canada	Federal Government	13,760,000	14,028	14,326
Government of Canada 1.50% 06-01-2026	Canada	Federal Government	880,000	880	875
Government of Canada 1.00% 06-01-2027	Canada	Federal Government	1,860,000	1,771	1,774
Government of Canada 2.25% 06-01-2029	Canada	Federal Government	16,800,000	17,351	17,753
Government of Canada 2.00% 12-01-2041 Real Return	Canada	Federal Government	1,450,000	2,408	2,318
Government of Canada 1.25% 12-01-2047 Real Return	Canada	Federal Government	32,420,000	40,909	42,709
Government of Canada 2.75% 12-01-2048	Canada	Federal Government	67,640,000	79,887	80,632
H&R Real Estate Investment Trust 2.92% 05-06-2022	Canada	Corporate - Non Convertible	1,520,000	1,521	1,519



**MACKENZIE**  
Investments

# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
H&R Real Estate Investment Trust 3.42% 01-23-2023 Callable 2022	Canada	Corporate - Non Convertible	1,950,000	1,950	1,972
H&R Real Estate Investment Trust 3.37% 01-30-2024 Callable 2023	Canada	Corporate - Non Convertible	4,300,000	4,268	4,316
Health Montreal Collective LP 6.72% 09-30-2049	Canada	Corporate - Non Convertible	1,490,000	1,509	1,951
Heathrow Funding Ltd. 3.25% 05-21-2025	United Kingdom	Corporate - Non Convertible	4,050,000	4,109	4,131
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	2,600,000	2,596	2,630
Heathrow Funding Ltd. 3.79% 09-04-2030 Callable 2030	United Kingdom	Corporate - Non Convertible	2,270,000	2,270	2,329
Hollis Receivables Term Trust II 1.79% 02-26-2020	Canada	Corporate - Non Convertible	7,270,000	7,249	7,248
HSBC Bank Canada 2.17% 06-29-2022	Canada	Corporate - Non Convertible	7,320,000	7,270	7,266
HSBC Bank Canada 2.54% 01-31-2023	Canada	Corporate - Non Convertible	6,420,000	6,359	6,441
HSBC Bank Canada 3.25% 09-15-2023	Canada	Corporate - Non Convertible	2,470,000	2,470	2,548
HSBC Holdings PLC 3.20% 12-05-2023	United Kingdom	Corporate - Non Convertible	3,460,000	3,460	3,513
Hydro One Inc. 2.97% 06-26-2025 Callable 2025	Canada	Corporate - Non Convertible	1,040,000	1,040	1,062
Hydro One Inc. 3.72% 11-18-2047	Canada	Corporate - Non Convertible	5,550,000	5,591	5,741
Hydro One Inc. 3.63% 06-25-2049 Callable 2048	Canada	Corporate - Non Convertible	1,260,000	1,260	1,284
Hydro-Quebec Interest Strip 0% 02-15-2025	Canada	Provincial Governments	2,880,000	2,454	2,531
Inter Pipeline Ltd. 2.73% 04-18-2024 Callable 2024	Canada	Corporate - Non Convertible	4,680,000	4,726	4,632
Inter Pipeline Ltd. 3.17% 03-24-2025 Callable 2024 MTN	Canada	Corporate - Non Convertible	3,590,000	3,630	3,596
Inter Pipeline Ltd. 3.48% 12-16-2026 Callable 2026	Canada	Corporate - Non Convertible	2,610,000	2,646	2,643
The International Bank for Reconstruction and Development 3.50% 01-22-2021	Supra - National	n/a	NZD 9,200,000	8,509	8,619
International Finance Corp. 3.63% 05-20-2020	Supra - National	n/a	NZD 2,960,000	2,733	2,749
Ivanhoe Cambridge II Inc. 2.91% 06-27-2023 Callable 2023	Canada	Corporate - Non Convertible	1,230,000	1,231	1,257
JPMorgan Chase & Co. 3.19% 03-05-2021	United States	Corporate - Non Convertible	4,080,000	4,162	4,154
Laurentian Bank of Canada 3.00% 09-12-2022	Canada	Corporate - Non Convertible	1,860,000	1,810	1,864
The Manufacturers Life Insurance Co. 2.39% 01-05-2026 Callable 2021	Canada	Corporate - Non Convertible	3,200,000	3,206	3,200
Manulife Bank of Canada 1.92% 09-01-2021	Canada	Corporate - Non Convertible	4,170,000	4,126	4,135
Manulife Bank of Canada 2.08% 05-26-2022	Canada	Corporate - Non Convertible	2,800,000	2,800	2,778
Manulife Bank of Canada 2.84% 01-12-2023	Canada	Corporate - Non Convertible	5,840,000	5,840	5,930
Manulife Financial Corp. F/R 05-09-2028 Callable 2023	Canada	Corporate - Non Convertible	1,260,000	1,260	1,285
Manulife Financial Corp. F/R 08-20-2029 Callable 2024	Canada	Corporate - Non Convertible	3,310,000	3,310	3,337
McDonald's Corp. 3.13% 03-04-2025 Callable 2025	United States	Corporate - Non Convertible	4,890,000	4,884	4,984
Morgan Stanley 3.00% 02-07-2024	United States	Corporate - Non Convertible	5,620,000	5,603	5,662
National Bank of Canada 1.96% 06-30-2022	Canada	Corporate - Non Convertible	15,240,000	14,968	15,096
National Bank of Canada 2.98% 03-04-2024	Canada	Corporate - Non Convertible	1,480,000	1,480	1,504
NAV Canada 3.29% 03-30-2048 Callable 2047	Canada	Corporate - Non Convertible	1,520,000	1,522	1,585
NAV Canada 3.21% 09-29-2050 Callable 2050	Canada	Corporate - Non Convertible	170,000	170	175
Newell Brands Inc. 4.20% 04-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 850,000	1,079	1,085
North Battleford Power LP 4.96% 12-31-2032	Canada	Corporate - Non Convertible	1,655,868	1,656	1,858
North West Redwater Partnership 2.80% 06-01-2027 Callable 2027	Canada	Corporate - Non Convertible	2,760,000	2,665	2,733
North West Redwater Partnership 3.65% 06-01-2035 Callable 2034	Canada	Corporate - Non Convertible	1,480,000	1,479	1,526
Nouvelle Autoroute 30 Financement Inc. 4.11% 03-31-2042	Canada	Corporate - Non Convertible	1,739,604	1,740	1,883
Nova Scotia Power Inc. 3.57% 04-05-2049 Callable 2048	Canada	Corporate - Non Convertible	1,080,000	1,082	1,076
OMERS Realty Corp. 3.24% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	10,350,000	10,340	10,783
OMERS Realty Corp. 3.63% 06-05-2030 Callable 2030	Canada	Corporate - Non Convertible	3,020,000	3,020	3,237
Ontario Electricity Financial Corp. 0% 11-27-2020	Canada	Provincial Governments	4,910,000	4,791	4,745
Ontario Hydro 0% 05-26-2025	Canada	Provincial Governments	2,580,000	2,174	2,236
Ontario Power Generation Inc. 3.32% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	2,800,000	2,800	2,876



**MACKENZIE**  
Investments

# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Ontario Power Generation Inc. 3.84% 06-22-2048 Callable 2047	Canada	Corporate - Non Convertible	1,650,000	1,650	1,694
Ontario Power Generation Inc. 4.25% 01-18-2049 Callable 2048	Canada	Corporate - Non Convertible	1,085,000	1,103	1,190
OPB Finance Trust 2.98% 01-25-2027	Canada	Provincial Governments	6,190,000	6,198	6,400
Pembina Pipeline Corp. 3.54% 02-03-2025 Callable	Canada	Corporate - Non Convertible	1,440,000	1,436	1,483
Pembina Pipeline Corp. 4.02% 03-27-2028 Callable 2027	Canada	Corporate - Non Convertible	2,020,000	2,022	2,117
Province of Newfoundland 3.00% 06-02-2026	Canada	Provincial Governments	7,900,000	7,932	8,213
Province of Newfoundland 3.70% 10-17-2048	Canada	Provincial Governments	10,300,000	11,239	11,536
Province of Ontario Generic Coupon Strip 0% 12-02-2023	Canada	Provincial Governments	7,050,000	6,044	6,394
Province of Ontario 0% 07-13-2022	Canada	Provincial Governments	5,870,000	5,289	5,501
Province of Ontario 2.60% 09-08-2023	Canada	Provincial Governments	12,210,000	12,202	12,524
Province of Ontario 0% 06-02-2024	Canada	Provincial Governments	14,560,000	12,857	13,043
Province of Ontario 3.50% 06-02-2024	Canada	Provincial Governments	4,420,000	4,593	4,730
Province of Ontario 2.65% 02-05-2025	Canada	Provincial Governments	4,130,000	4,185	4,254
Province of Ontario 0% 06-02-2026	Canada	Provincial Governments	3,170,000	2,670	2,685
Province of Ontario 2.90% 06-02-2028	Canada	Provincial Governments	51,120,000	51,308	53,338
Province of Ontario 2.70% 06-02-2029	Canada	Provincial Governments	27,260,000	27,378	27,949
Province of Ontario 4.60% 06-02-2039	Canada	Provincial Governments	4,000,000	4,912	5,139
Province of Ontario 2.90% 06-02-2049	Canada	Provincial Governments	50,340,000	47,772	51,851
Province of Quebec 0% 04-01-2026 Generic Strip	Canada	Provincial Governments	3,380,000	2,840	2,870
Province Of Quebec 2.75% 09-01-2028	Canada	Provincial Governments	11,970,000	11,859	12,401
Province of Quebec 3.50% 12-01-2048	Canada	Provincial Governments	31,550,000	34,475	36,568
Province of Saskatchewan 3.30% 06-02-2048	Canada	Provincial Governments	3,320,000	3,475	3,641
Royal Bank of Canada 2.36% 12-05-2022	Canada	Corporate - Non Convertible	1,590,000	1,590	1,595
Royal Bank of Canada 2.95% 05-01-2023	Canada	Corporate - Non Convertible	20,300,000	20,304	20,808
Royal Bank of Canada 3.30% 09-26-2023	Canada	Corporate - Non Convertible	2,750,000	2,750	2,838
Sea to Sky Highway Investment LP 2.63% 08-31-2030	Canada	Corporate - Non Convertible	2,368,465	2,368	2,347
Shaw Communications Inc. 4.40% 11-02-2028 Callable 2028	Canada	Corporate - Non Convertible	3,850,000	3,890	4,117
Spirit AeroSystems Inc. 3.95% 06-15-2023 Callable 2023	United States	Corporate - Non Convertible	USD 1,130,000	1,448	1,541
Sprint Spectrum Co. LLC 4.74% 03-20-2025 144A	United States	Corporate - Non Convertible	USD 1,140,000	1,476	1,542
Spy Hill Power LP 4.14% 03-31-2036	Canada	Corporate - Non Convertible	1,638,820	1,633	1,744
Sun Life Financial Inc. F/R 02-19-2026 Callable 2021	Canada	Corporate - Non Convertible	3,310,000	3,350	3,354
Sun Life Financial Inc. F/R 11-23-2027 Callable 2022	Canada	Corporate - Non Convertible	1,450,000	1,449	1,461
Sun Life Financial Inc. F/R 09-19-2028 Callable 2023	Canada	Corporate - Non Convertible	7,980,000	7,970	8,118
Sydney Airport Finance Co. Pty. Ltd. 3.63% 04-28-2026 Callable 2026 144A	Australia	Corporate - Non Convertible	USD 2,950,000	3,752	3,930
Sysco Canada Inc. 3.65% 04-25-2025 Callable 2025	United States	Corporate - Non Convertible	2,380,000	2,382	2,470
TELUS Corp. 3.35% 04-01-2024 Callable	Canada	Corporate - Non Convertible	340,000	350	349
TELUS Corp. 3.30% 05-02-2029 Callable 2029	Canada	Corporate - Non Convertible	1,030,000	1,022	1,028
TELUS Corp. 4.70% 03-06-2048 Callable 2047	Canada	Corporate - Non Convertible	1,190,000	1,183	1,270
TMX Group Ltd. 4.46% 10-03-2023 Callable 2023	Canada	Corporate - Non Convertible	4,595,000	5,109	4,938
TMX Group Ltd. 2.30% 12-11-2024 Callable 2024	Canada	Corporate - Non Convertible	820,000	822	831
TMX Group Ltd. 3.78% 06-05-2028 Callable 2028	Canada	Corporate - Non Convertible	1,040,000	1,044	1,094
The Toronto-Dominion Bank 2.05% 12-01-2022	Canada	Mortgage Backed	3,089,759	3,023	3,086
The Toronto-Dominion Bank 3.01% 05-30-2023	Canada	Corporate - Non Convertible	2,020,000	2,021	2,078
The Toronto-Dominion Bank 1.91% 07-18-2023 DPNT	Canada	Corporate - Non Convertible	16,020,000	15,655	15,768
The Toronto-Dominion Bank 2.85% 03-08-2024	Canada	Corporate - Non Convertible	3,070,000	3,087	3,111
The Toronto-Dominion Bank 5.50% 04-01-2024	Canada	Mortgage Backed	883,983	838	994
The Toronto-Dominion Bank 6.13% 12-01-2024	Canada	Mortgage Backed	4,572,035	4,965	5,311



**MACKENZIE**  
Investments

# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
The Toronto-Dominion Bank 5.38% 07-01-2028	Canada	Mortgage Backed	5,968,360	6,341	6,843
TransCanada PipeLines Ltd. 3.69% 07-19-2023	Canada	Corporate - Non Convertible	660,000	674	688
TransCanada Pipelines Ltd. 3.39% 03-15-2028 Callable 2027	Canada	Corporate - Non Convertible	2,710,000	2,665	2,775
TransCanada PipeLines Ltd. 4.18% 07-03-2048 Callable 2048	Canada	Corporate - Non Convertible	300,000	300	305
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	4,090,000	3,995	3,869
Transurban Finance Co. Pty. Ltd. 4.56% 11-14-2028 Callable 2028	Australia	Corporate - Non Convertible	3,900,000	3,901	4,213
Trillium Windpower LP 5.80% 02-15-2033	United States	Corporate - Non Convertible	1,570,144	1,570	1,825
Union Gas Ltd. 3.59% 11-22-2047 Callable 2047	Canada	Corporate - Non Convertible	1,650,000	1,647	1,700
United States Treasury 2.88% 09-30-2023	United States	Foreign Governments	USD 2,030,000	2,641	2,788
United States Treasury 2.88% 10-31-2023	United States	Foreign Governments	USD 470,000	625	646
United States Treasury 2.75% 02-15-2028	United States	Foreign Governments	USD 2,820,000	3,580	3,883
United States Treasury 2.88% 08-15-2028	United States	Foreign Governments	USD 1,640,000	2,089	2,282
United States Treasury 3.13% 11-15-2028	United States	Foreign Governments	USD 3,930,000	5,226	5,583
United States Treasury 2.63% 02-15-2029	United States	Foreign Governments	USD 1,450,000	1,938	1,978
Vancouver Airport Authority 3.66% 11-23-2048 Callable 2048	Canada	Corporate - Non Convertible	2,050,000	2,050	2,267
Ventas Canada Finance Ltd. 2.55% 03-15-2023 Callable 2023	United States	Corporate - Non Convertible	4,260,000	4,214	4,229
Ventas Realty LP 4.00% 03-01-2028 Callable 2027	United States	Corporate - Non Convertible	USD 1,110,000	1,377	1,502
Vodafone Group PLC 3.75% 01-16-2024	United Kingdom	Corporate - Non Convertible	USD 910,000	1,158	1,232
Wells Fargo & Co. 3.19% 02-08-2024 Callable 2024	United States	Corporate - Non Convertible	5,850,000	5,866	5,952
Wells Fargo & Co. 2.98% 05-19-2026	United States	Corporate - Non Convertible	2,263,000	2,263	2,249
Welltower Inc. 4.25% 04-15-2028 Callable 2028	United States	Corporate - Non Convertible	USD 1,640,000	2,105	2,263
Welltower Inc. 4.13% 03-15-2029 Callable 2028	United States	Corporate - Non Convertible	USD 1,470,000	1,942	2,003
Westcoast Energy Inc. 4.79% 10-28-2041	Canada	Corporate - Non Convertible	2,290,000	2,422	2,584
<b>Total bonds</b>				<b>1,227,933</b>	<b>1,261,677</b>
<b>OPTIONS</b>					
Options purchased (see schedule of options purchased)				257	177
<b>Total options</b>				<b>257</b>	<b>177</b>
<b>EXCHANGE-TRADED FUNDS/NOTES</b>					
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged) Canada		Exchange-Traded Funds/Notes	190,898	18,990	18,796
<b>Total exchange-traded funds/notes</b>				<b>18,990</b>	<b>18,796</b>
Transaction costs				(22)	—
<b>Total investments</b>				<b>1,247,158</b>	<b>1,280,650</b>
Derivative instruments (see schedule of derivative instruments)					(2,446)
Cash and cash equivalents					144,340
Other assets less liabilities					(39,704)
<b>Total net assets</b>					<b>1,382,840</b>



**MACKENZIE**  
Investments

# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2019	
Portfolio Allocation	% of NAV
Bonds	91.1
<i>Bonds</i>	91.2
<i>Purchased options</i>	0.0
<i>Short futures</i>	(0.1)
Cash and short-term investments	10.4
Exchange-traded funds/notes	1.4
Other assets (liabilities)	(2.9)

Regional Allocation	
	% of NAV
Canada	82.1
Cash and short-term investments	10.4
United States	7.2
United Kingdom	1.3
New Zealand	0.6
Australia	0.6
Belgium	0.2
Ireland	0.2
Germany	0.2
Netherlands	0.1
Other assets (liabilities)	(2.9)

Sector Allocation	
	% of NAV
Corporate bonds	45.3
Federal bonds	22.2
Provincial bonds	20.1
Cash and short-term investments	10.4
Mortgage backed	1.4
Exchange-traded funds/notes	1.4
Foreign government bonds	1.2
Supra-national bonds	0.8
Asset backed	0.2
Other	(0.1)
Other assets (liabilities)	(2.9)

March 31, 2018	
Portfolio Allocation	% of NAV
Bonds	93.5
<i>Bonds</i>	93.7
<i>Short futures</i>	(0.2)
Cash and short-term investments	4.3
Exchange-traded funds/notes	1.4
Other assets (liabilities)	0.8

Regional Allocation	
	% of NAV
Canada	82.8
United States	8.2
Cash and short-term investments	4.3
Australia	1.1
United Kingdom	0.9
Other assets (liabilities)	0.8
Belgium	0.7
New Zealand	0.7
Denmark	0.3
Netherlands	0.1
Germany	0.1

Sector Allocation	
	% of NAV
Corporate bonds	47.7
Federal bonds	22.9
Provincial bonds	18.3
Cash and short-term investments	4.3
Foreign government bonds	1.7
Mortgage backed	1.5
Exchange-traded funds/notes	1.4
Supra-national bonds	0.9
Other assets (liabilities)	0.8
Asset backed	0.5



**MACKENZIE**  
Investments

# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## SCHEDULE OF OPTIONS PURCHASED

*As at March 31, 2019*

<b>Underlying Interest</b>	<b>Number of Contracts</b>	<b>Option Type</b>	<b>Expiration Date</b>	<b>Strike Price \$</b>	<b>Premium Paid (\$ 000s)</b>	<b>Fair Value (\$ 000s)</b>
iShares iBoxx \$ High Yield Corporate Bond ETF	1,830	Put	May 17, 2019	USD 84.00	105	70
iShares iBoxx \$ High Yield Corporate Bond ETF	1,830	Put	Jul. 19, 2019	USD 82.00	152	107
<b>Total options</b>					<b>257</b>	<b>177</b>



**MACKENZIE**  
Investments



# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2019

### Schedule of Futures Contracts

Number of Contracts	Type of Contract	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000s)	Unrealized (Losses) (\$ 000s)
(676)	10 Year Canadian Government Bond Futures June 2019	Jun. 19, 2019	136.31 CAD	(93,991)	(1,845)
(218)	10 Year United States Treasury Note Futures June 2019	Jun. 19, 2019	124.18 USD	(36,182)	(18)
Unrealized (Losses)				(130,173)	(1,863)
<b>Total futures contracts</b>				<b>(130,173)</b>	<b>(1,863)</b>

\*Notional value represents the exposure to the underlying instruments as at March 31, 2019

### Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)	Sold (\$ 000s)	Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
AA	8,125 Canadian dollar	(6,075) U.S. dollar	Apr. 5, 2019	(8,125)	(8,115)	10
AA	7,902 Canadian dollar	(5,893) U.S. dollar	Jun. 7, 2019	(7,902)	(7,861)	41
AA	7,486 Canadian dollar	(5,583) U.S. dollar	Jun. 7, 2019	(7,486)	(7,448)	38
AA	7,456 Canadian dollar	(5,570) U.S. dollar	Jun. 14, 2019	(7,456)	(7,429)	27
A	15,674 Canadian dollar	(11,720) U.S. dollar	Jun. 14, 2019	(15,674)	(15,632)	42
Unrealized Gains						158
AA	2,874 Canadian dollar	(2,175) U.S. dollar	Apr. 5, 2019	(2,874)	(2,906)	(32)
AA	43,770 U.S. dollar	(58,476) Canadian dollar	Apr. 5, 2019	58,476	58,474	(2)
AA	9,407 Canadian dollar	(7,093) U.S. dollar	Apr. 12, 2019	(9,407)	(9,474)	(67)
AA	11,351 Canadian dollar	(12,500) New Zealand dollar	May 8, 2019	(11,351)	(11,375)	(24)
AA	4,509 Canadian dollar	(3,440) U.S. dollar	May 17, 2019	(4,509)	(4,591)	(82)
AA	13,670 Canadian dollar	(10,425) U.S. dollar	May 17, 2019	(13,670)	(13,915)	(245)
AA	17,119 Canadian dollar	(13,018) U.S. dollar	Jun. 14, 2019	(17,119)	(17,362)	(243)
AA	15,313 Canadian dollar	(11,515) U.S. dollar	Jun. 14, 2019	(15,313)	(15,359)	(46)
Unrealized (Losses)						(741)
<b>Total forward currency contracts</b>						<b>(583)</b>
<b>Total derivative instruments at fair value</b>						<b>(2,446)</b>



**MACKENZIE**  
Investments

## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the periods ended or as at March 31, 2019 and 2018, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Refer to Note 9 for the formation date of the Fund and the inception date of each series.

The Fund is organized as an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust as amended and restated from time to time. The address of the Fund's registered office is 180 Queen Street West, Toronto, Ontario, Canada. The Fund is authorized to issue an unlimited number of units (referred to as "security" or "securities") of multiple series. Series of the Fund are available for sale under Simplified Prospectus or exempt distribution options.

Mackenzie Financial Corporation ("Mackenzie") is the manager of the Fund and is wholly owned by IGM Financial Inc., a subsidiary of Power Financial Corporation, which itself is a subsidiary of Power Corporation of Canada. The Great-West Life Assurance Company, London Life Insurance Company and The Canada Life Assurance Company (collectively, the "Related Insurance Companies") are wholly owned by Great-West Lifeco Inc., which is also a subsidiary of Power Financial Corporation. Investments in companies within the Power Group of companies held by the Fund are identified in the Schedule of Investments.

### 2. Basis of Preparation and Presentation

These audited annual financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). A summary of the Fund's significant accounting policies under IFRS is presented in Note 3.

These financial statements are presented in Canadian dollars, which is the Fund's functional and presentation currency, and rounded to the nearest thousand unless otherwise indicated. These financial statements are prepared on a going concern basis using the historical cost basis, except for financial assets and liabilities that have been measured at fair value.

These financial statements were authorized for issue by the Board of Directors of Mackenzie Financial Corporation on June 3, 2019.

### 3. Significant Accounting Policies

#### (a) Financial instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives. The Fund classifies and measures financial instruments in accordance with IFRS 9, *Financial Instruments* ("IFRS 9"). Upon initial recognition, financial instruments are classified as fair value through profit or loss ("FVTPL"). All financial instruments are recognized in the Statement of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial assets are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation is discharged, cancelled and expires. As such, investment purchase and sale transactions are recorded as of the trade date.

Financial instruments are subsequently measured at FVTPL with changes in fair value recognized in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

The Fund's redeemable securities contain multiple dissimilar contractual obligations and therefore meet the criteria for classification as financial liabilities under IAS 32, *Financial Instruments: Presentation*. The Fund's obligation for net assets attributable to securityholders is presented at the redemption amount.

IAS 7, *Statement of Cash Flows*, requires disclosures related to changes in liabilities and assets, such as the securities of the Fund, arising from financing activities. Changes in securities of the Fund, including both changes from cash flows and non-cash changes, are included in the Statement of Changes in Financial Position. Any changes in the securities not settled in cash as at the end of the period are presented as either Accounts receivable for securities issued or Accounts payable for securities redeemed in the Statement of Financial Position. These accounts receivable and accounts payable amounts typically settle shortly after year-end.

Realized and unrealized gains and losses on investments are calculated based on the weighted average cost of investments and exclude commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income – Commissions and other portfolio transaction costs.



## NOTES TO FINANCIAL STATEMENTS

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

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

Gains and losses arising from changes in the fair value of the investments are included in the Statement of Comprehensive Income for the period in which they arise.

The Fund accounts for its holdings in unlisted open-ended investment funds and exchange-traded funds, if any, at FVTPL. Mackenzie has concluded that any unlisted open-ended investment fund and exchange-traded funds in which the Fund invests, do not meet either the definition of a structured entity or the definition of an associate.

#### (b) Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments listed on a public securities exchange or traded on an over-the-counter market are valued on the basis of the last traded market price or close price recorded by the security exchange on which the security is principally traded, where this price falls within the quoted bid-ask spread for the investment. In circumstances where this price is not within the bid-ask spread, Mackenzie determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Mutual fund securities of an underlying fund are valued on a business day at the price calculated by the manager of such underlying fund in accordance with the constating documents of such underlying fund. 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 using appropriate and accepted industry valuation techniques including valuation models. The fair value determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the fair value may be determined using valuation techniques that are not supported by observable market data.

The cost of investments is determined on a weighted average cost basis.

Cash and cash equivalents which includes cash on deposit with financial institutions and short-term investments that are readily convertible to cash, are subject to an insignificant risk of changes in value, and are used by the Fund in the management of short-term commitments. Cash and cash equivalents are reported at fair value which closely approximates their amortized cost due to their nature of being highly liquid and having short terms to maturity. Bank overdraft positions are presented under current liabilities as bank indebtedness in the Statement of Financial Position.

The Fund may use derivatives (such as written options, futures, forward contracts, swaps or customized derivatives) to hedge against losses caused by changes in securities prices, interest rates or exchange rates. The Fund may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, to gain exposure to other currencies, to seek to generate additional income, and/or for any other purpose considered appropriate by the Fund's portfolio manager(s), provided that the use of the derivative is consistent with the Fund's investment objectives. Any use of derivatives will comply with Canadian mutual fund laws, subject to the regulatory exemptions granted to the Fund, as applicable. Refer to "Exemptions from National Instrument 81-102" in the Annual Information Form of the Fund for further details, including the complete conditions of these exemptions, as applicable.

Valuations of derivative instruments are carried out daily, using normal exchange reporting sources for exchange-traded derivatives and specific broker enquiry for over-the-counter derivatives.

The value of forward contracts is the gain or loss that would be realized if, on the valuation date, the positions were to be closed out. The change in value of forward contracts is included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

The value of futures contracts or swaps fluctuates daily, and cash settlements made daily, where applicable, by the Fund are equal to the unrealized gains or losses on a "mark to market" basis. These unrealized gains or losses are recorded and reported as such until the Fund closes out the contract or the contract expires. Margin paid or deposited in respect of futures contracts or swaps is reflected as a receivable in the Statement of Financial Position – Margin on derivatives. Any change in the variation margin requirement is settled daily.

Premiums received from writing options are included in the Statement of Financial Position as a liability and subsequently adjusted daily to fair value. If a written option expires unexercised, the premium received is recognized as a realized gain. If a written call option is exercised, the difference between the proceeds of the sale plus the value of the premium, and the cost of the security is recognized as a realized gain or loss. If a written put option is exercised, the cost of the security acquired is the exercise price of the option less the premium received.

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at March 31, 2019.

## NOTES TO FINANCIAL STATEMENTS

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

#### (c) Income recognition

Interest income from interest bearing investments is recognized using the effective interest method. Dividends are accrued as of the ex-dividend date. Realized gains or losses on the sale of investments, including foreign exchange gains or losses on such investments, are calculated on an average cost basis. Distributions received from an underlying fund are included in interest income, dividend income, realized gains (losses) on sale of investments or fee rebate income, as appropriate.

Income, realized gains (losses) and unrealized gains (losses) are allocated daily among the series on a pro-rata basis.

#### (d) Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are costs incurred to acquire, issue or dispose of financial assets or liabilities. They include fees and commissions paid to agents, advisers, brokers and dealers. Commissions may be paid to brokerage firms which provide (or pay for) certain services, other than order execution, which may include investment research, analysis and reports, and databases or software in support of these services. Where applicable and ascertainable, the value of third-party services that were paid for by brokers during the periods is disclosed in Note 9. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

#### (e) Securities lending, repurchase and reverse repurchase transactions

The Fund is permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the Fund's Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date.

Securities lending transactions are administered by Canadian Imperial Bank of Commerce (the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statement of Comprehensive Income – Securities lending income and recognized when earned.

Note 9 summarizes the details of securities loaned and collateral received, as well as a reconciliation of securities lending income, if applicable.

#### (f) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. Note 9 summarizes the details of such offsetting, if applicable.

Income and expenses are not offset in the Statement of Comprehensive Income unless required or permitted to by an accounting standard, as specifically disclosed in the IFRS policies of the Fund.

#### (g) Foreign currency

The functional and presentation currency of the Fund is Canadian dollars. 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 Comprehensive Income – Other changes in fair value of investments and other net assets – Net 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.

#### (h) Net assets attributable to securityholders per security

Net assets attributable to securityholders per security is computed by dividing the net assets attributable to securityholders of a series of securities on a business day by the total number of securities of the series outstanding on that day.

#### (i) Net asset value per security

The daily Net Asset Value ("NAV") of an investment fund may be calculated without reference to IFRS as per the Canadian Securities Administrators' ("CSA") regulations. The difference between NAV and Net assets attributable to securityholders (as reported in the financial statements), if any, is mainly due to differences in fair value of investments and other financial assets and liabilities. Refer to Note 9 for the Fund's NAV per security.

## NOTES TO FINANCIAL STATEMENTS

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

(j) Increase (decrease) in net assets attributable to securityholders from operations per security

Increase (decrease) in net assets attributable to securityholders from operations per security in the Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to securityholders from operations for the period, divided by the weighted average number of securities outstanding during the period.

(k) Mergers

The Fund applies the acquisition method of accounting for Fund mergers. Under this method, one of the Funds in each merger is identified as the acquiring Fund, and is referred to as the Continuing Fund, and the other Fund involved in the merger is referred to as the Terminated Fund. This identification is based on the comparison of the relative net asset values of the Funds as well as consideration of the continuation of such aspects of the Continuing Fund as: investment advisors; investment objectives and practices; type of portfolio securities; and management fees and expenses.

### 4. Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make estimates and assumptions that primarily affect the valuation of investments. Estimates and assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

#### Use of Estimates

##### *Fair value of securities not quoted in an active market*

The Fund may hold financial instruments that are not quoted in active markets and are valued using valuation techniques that make use of observable data, to the extent practicable. Various valuation techniques are utilized, depending on a number of factors, including comparison with similar instruments for which observable market prices exist and recent arm's length market transactions. Key inputs and assumptions used are company specific and may include estimated discount rates and expected price volatilities. Changes in key inputs, could affect the reported fair value of these financial instruments held by the Fund.

#### Use of Judgments

##### *Classification and measurement of investments and application of the fair value option*

In classifying and measuring financial instruments held by the Fund, Mackenzie is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. Mackenzie has assessed the Fund's business model, the manner in which all financial instruments are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Fund's financial instruments.

##### *Functional currency*

The Fund's functional and presentation currency is the Canadian dollar, which is the currency considered to best represent the economic effects of the Fund's underlying transactions, events and conditions taking into consideration the manner in which securities are issued and redeemed and how returns and performance by the Fund are measured.

##### *Structured entities and associates*

In determining whether an unlisted open-ended investment fund or an exchange-traded fund in which the Fund invests, but that it does not consolidate, meets the definitions of either a structured entity or of an associate, Mackenzie is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity or of an associate. Mackenzie has assessed the characteristics of these underlying funds and has concluded that they do not meet the definition of either a structured entity or of an associate because the Fund does not have contracts or financing arrangements with these underlying funds and the Fund does not have an ability to influence the activities of these underlying funds or the returns it receives from investing in these underlying funds.

### 5. Income Taxes

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. It is the intention of the Fund to distribute all of its net income and sufficient net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable.

Losses of the Fund cannot be allocated to investors and are retained in the Fund for use in future years. Non-capital losses may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 9 for the Fund's loss carryforwards.

## NOTES TO FINANCIAL STATEMENTS

### 6. Management Fees and Operating Expenses

Mackenzie is paid a management fee for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements relating to the purchase and sale of the investment portfolio and making arrangements with registered dealers for the purchase and sale of securities of the Fund by investors. The management fee is calculated on each series of securities of the Fund as a fixed annual percentage of the daily net asset value of the series.

Each series of the Fund, except B-Series, is charged a fixed rate annual administration fee ("Administration Fee") and in return, Mackenzie bears all of the operating expenses of the Fund, other than certain specified fund costs. The Administration Fee is calculated on each series of securities of the Fund as a fixed annual percentage of the daily net asset value of the series.

Other fund costs include taxes (including, but not limited to GST/HST and income tax), interest and borrowing costs, all fees and expenses of the Mackenzie Funds' Independent Review Committee (IRC), costs of complying with the regulatory requirement to produce Fund Facts, fees paid to external service providers associated with tax reclaims, refunds or the preparation of foreign tax reports on behalf of the Funds, new fees related to external services that were not commonly charged in the Canadian mutual fund industry and introduced after the date of the most recently filed simplified prospectus, and the costs of complying with any new regulatory requirements, including, without limitation, any new fees introduced after the date of the most recently filed simplified prospectus.

All expenses relating to the operation of the Fund attributable to B-Series securities will be charged to that particular series. Operating expenses include legal, audit, transfer agent, custodian, administration and trustee services, cost of financial reporting and Simplified Prospectus printing, regulatory filing fees and other miscellaneous expenses specifically attributable to the B-Series securities and any applicable taxes.

Mackenzie may waive or absorb management fees and/or Administration Fees at its discretion and stop waiving or absorbing such fees at any time without notice. Refer to Note 9 for the management fee and Administration Fee rates charged to each series of securities.

### 7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at March 31, 2019 and 2018 and securities issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the Fund in accordance with the investment objectives as discussed in Note 9.

### 8. Financial Instruments Risk

#### i. Risk exposure and management

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at March 31, 2019, grouped by asset type, with geographic and sector information.

Mackenzie seeks to minimize potential adverse effects of financial risks on the Fund's performance by employing professional, experienced portfolio advisors, by monitoring the Fund's positions and market events daily, by diversifying the investment portfolio within the constraints of the Fund's investment objectives, and where applicable, by using derivatives to hedge certain risk exposures. To assist in managing risks, Mackenzie also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines, and securities regulations.

#### ii. Liquidity risk

Liquidity risk arises when the Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. In accordance with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e., investments that can be readily sold). In addition, the Fund retains sufficient cash and short-term investment positions to maintain adequate liquidity. The Fund also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

#### iii. Currency risk

Currency risk arises when the fair value of financial instruments that are denominated in a currency other than the Canadian dollar, which is the Fund's reporting currency, fluctuates due to changes in exchange rates. Note 9 summarizes the Fund's exposure, if applicable and significant, to currency risk.

## NOTES TO FINANCIAL STATEMENTS

### 8. Financial Instruments Risk (cont'd)

#### iv. Interest rate risk

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. Cash and cash equivalents do not expose the Fund to significant amounts of interest rate risk. Note 9 summarizes the Fund's exposure, if applicable and significant, to interest rate risk.

#### v. Other price risk

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. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies. Except for certain derivative contracts, the maximum risk resulting from financial instruments is equivalent to their fair value. The maximum risk of loss on certain derivative contracts such as forwards, swaps, and futures contracts is equal to their notional values. In the case of written call (put) options and short futures contracts, the loss to the Fund continues to increase, without limit, as the fair value of the underlying interest increases (decreases). However, these instruments are generally used within the overall investment management process to manage the risk from the underlying investments and do not typically increase the overall risk of loss to the Fund. This risk is mitigated by ensuring that the Fund holds a combination of the underlying interest, cash cover and/or margin that is equal to or greater than the value of the derivative contract. Note 9 summarizes the Fund's exposure, if applicable and significant, to other price risk.

#### vi. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Note 9 summarizes the Fund's exposure, if applicable and significant, to credit risk.

All transactions in listed securities are executed with approved brokers. To minimize the possibility of settlement default, securities are exchanged for payment simultaneously, where market practices permit, through the facilities of a central depository and/or clearing agency where customary.

The carrying amount of investments and other assets represents the maximum credit risk exposure as at the date of the Statement of Financial Position.

The Fund may enter into securities lending transactions with counterparties and it may also be exposed to credit risk from the counterparties to the derivative instruments it may use. Credit risk associated with these transactions is considered minimal as all counterparties have a rating equivalent to a designated rating organization's credit rating of not less than A-1 (low) on their short-term debt and of A on their long-term debt, as applicable.

#### vii. Underlying funds

The Fund may invest in underlying funds and may be indirectly exposed to currency risk, interest rate risk, other price risk and credit risk from fluctuations in the value of financial instruments held by the underlying funds. Note 9 summarizes the Fund's exposure, if applicable and significant, to these risks from underlying funds.

## NOTES TO FINANCIAL STATEMENTS

### 9. Fund Specific Information (in '000s, except for (a))

#### (a) Fund Formation and Series Information

Date of Formation January 12, 1989

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 the Statements of Changes in Financial Position.

**Series Offered by Mackenzie Financial Corporation** (180 Queen Street West, Toronto, Ontario, M5V 3K1; 1-800-387-0614; [www.mackenzieinvestments.com](http://www.mackenzieinvestments.com))

Series A securities are offered to retail investors investing a minimum of \$500 under the redemption charge and low-load purchase options.

Series AR securities are offered to retail investors in a Registered Disability Savings Plan offered by Mackenzie.

Series D securities are offered to retail investors investing a minimum of \$500 through a discount brokerage or other account approved by Mackenzie.

Series F 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 and who invest at least \$500; they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie.

Series FB securities are offered to retail investors investing a minimum of \$500. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor.

Series I securities are offered to retail investors investing a minimum of \$500 in a qualified group plan with a minimum of \$20,000,000 in assets.

Series IG securities are offered exclusively to mutual funds managed by I.G. Investment Management, Ltd.

Series O securities are offered only to investors investing a minimum of \$500,000 who are enrolled in Mackenzie Portfolio Architecture Service or Open Architecture Service; certain institutional investors; and certain qualifying employees of Mackenzie and its subsidiaries.

Series PW securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000.

Series PWFB securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor.

Series PWR securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000 in a Registered Disability Savings Plan offered by Mackenzie.

Series PWX securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor.

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

Series S securities are offered to the Related Insurance Companies and certain other mutual funds, but may be sold to other investors as determined by Mackenzie.

Series SC securities are offered to retail investors investing a minimum of \$500 under the sales charge purchase option.

Series B, Series C and Advisor Series securities were created specifically for the purpose of implementing mergers affecting the Fund and are not available for sale.

Series E, Series J, Series M, Series PWT8, Series U and B-Series securities are no longer available for sale.

Series G and Investor Series securities are no longer available for sale, except for additional purchases by investors who have held these securities since December 11, 2017.

Series PWF securities are no longer available for sale. Effective June 1, 2018, Series PWF securities were consolidated into Series F securities.

**Series Distributed by LBC Financial Services Inc.** (1360 René-Lévesque Blvd. West, 13th Floor, Montréal, Québec H3G 0A9; 1-800-522-1846; [www.laurentianbank.ca/mackenzie](http://www.laurentianbank.ca/mackenzie))

Series LB and Series LW securities are no longer available for sale, except for additional purchases by investors who have held these securities since December 11, 2017.

An investor in the Fund may choose among different purchase options that are available under each series. These purchase options are a sales charge purchase option, a redemption charge purchase option, various low-load purchase options and a no-load purchase option. The charges under the sales charge purchase option are negotiated by investors with their dealers. 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 periods. Not all purchase options are available under each series of the Fund, and the charges for each purchase option may vary among the different series. For further details on these purchase options, please refer to the Fund's Simplified Prospectus and Fund Facts.



# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## NOTES TO FINANCIAL STATEMENTS

### 9. Fund Specific Information (in '000s, except for (a)) (cont'd)

#### (a) Fund Formation and Series Information (cont'd)

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Mar. 31, 2019	Mar. 31, 2018
Series A	February 10, 1989	1.35%	0.17%	13.98	13.70
Series AR	November 15, 2011	1.35%	0.20%	10.30	10.10
Series B	November 25, 2016	1.25%	0.17%	10.16	9.96
Series C	November 25, 2016	1.00%	0.17%	10.15	9.95
Series D	March 17, 2014	0.80%	0.15%	10.13	9.93
Series E	None issued <sup>(5)</sup>	0.50%	0.15%	—	—
Series F	February 2, 2001	0.45% <sup>(3)</sup>	0.15%	11.90	11.65
Series FB	October 26, 2015	0.55%	0.17%	10.20	10.00
Series G	April 6, 2005	1.10%	0.17%	10.92	10.70
Series I	October 25, 1999	0.80%	0.17%	5.98	5.88
Series IG	January 2, 2018	— *	— *	10.21	10.01
Series J	December 22, 2008	1.00%	0.15%	11.06	10.83
Series M	August 9, 2002	Up to 0.85%	0.17%	11.43	11.20
Series O	January 26, 2001	— <sup>(1)</sup>	— *	11.82	11.59
Series PW	October 10, 2013	0.95% <sup>(4)</sup>	0.15%	10.57	10.35
Series PWF	None issued <sup>(6)</sup>	0.55%	0.15%	—	10.14
Series PWFB	April 3, 2017	0.45% <sup>(3)</sup>	0.15%	10.10	9.89
Series PWR	None issued	1.00%	0.15%	—	—
Series PWT8	June 8, 2015	0.95% <sup>(4)</sup>	0.15%	11.51	12.08
Series PWX	February 20, 2014	— <sup>(2)</sup>	— <sup>(2)</sup>	10.20	10.00
Series R	July 3, 2007	— *	— *	11.10	10.88
Series S	October 6, 2009	— <sup>(1)</sup>	0.02%	10.75	10.54
Series SC	November 10, 2010	1.05%	0.17%	10.39	10.18
Series U	November 25, 2016	1.00%	0.17%	10.15	9.95
Investor Series	September 25, 2009	0.89%	0.17%	10.73	10.51
B-Series	September 25, 2009	— <sup>(1)</sup>	— *	10.61	10.40
Advisor Series	September 25, 2009	1.35%	0.17%	10.70	10.48
Series LB	January 20, 2012	1.05%	0.17%	10.16	9.98
Series LW	December 1, 2017	0.95% <sup>(7)</sup>	0.15%	10.17	9.96

\* Not applicable.

(1) This fee is negotiable and payable directly to Mackenzie by investors in this series.

(2) This fee is payable directly to Mackenzie by investors in this series through redemptions of their securities.

(3) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.55%. From June 1 through September 27, 2018, the management fee for this series was charged to the Fund at a rate of 0.50%.

(4) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 1.05%. From June 1 through September 27, 2018, the management fee for this series was charged to the Fund at a rate of 1.00%.

(5) The series' original start date was March 30, 2011. All securities in the series were redeemed on December 8, 2017.

(6) The series' original start date was March 21, 2014. All securities in the series were consolidated into Series F on June 1, 2018.

(7) Prior to September 28, 2018, the management fee for Series LW was charged to the Fund at a rate of 1.05%.



**MACKENZIE**  
Investments

# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## NOTES TO FINANCIAL STATEMENTS

### 9. Fund Specific Information (in '000s, except for (a)) (cont'd)

#### (b) Investments by Mackenzie and Affiliates

As at March 31, 2019, Mackenzie, other funds managed by Mackenzie, Related Insurance Companies and funds managed by I.G. Investment Management, Ltd. had an investment of \$5, \$365,740, \$313,625 and \$354,304 (2018 – \$5, \$316,542, \$322,827 and \$226,500), respectively, in the Fund.

#### (c) Loss Carryforwards

As at the last taxation year-end, the Fund has capital losses of \$11,587 which may be carried forward indefinitely to reduce future realized capital gains. There were no non-capital losses available to carry forward for tax purposes.

#### (d) Securities Lending

The value of securities loaned and collateral received from securities lending at March 31, 2019 and 2018, were as follows:

	March 31, 2019	March 31, 2018
	(\$)	(\$)
Value of securities loaned	230,484	241,141
Value of collateral received	242,395	254,146

Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments and financial institutions.

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended March 31, 2019 and 2018 is as follows:

	2019		2018	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	201	100.0	121	100.0
Tax withheld	(1)	(0.5)	–	–
	200	99.5	121	100.0
Payments to Securities Lending Agent	(50)	(24.9)	(30)	(24.8)
Securities lending income	150	74.6	91	75.2

#### (e) Offsetting of Financial Assets and Liabilities

The table below presents financial assets and financial liabilities that are subject to master netting arrangements or other similar agreements and the net impact on the Fund's Statements of Financial Position if all set-off rights were exercised as part of future events such as bankruptcy or termination of contracts. No amounts were offset in the financial statements.

	March 31, 2019			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	41	–	–	41
Unrealized losses on derivative contracts	(1,976)	–	4,564	2,588
Liability for options written	–	–	–	–
Total	(1,935)	–	4,564	2,629



**MACKENZIE**  
Investments

# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## NOTES TO FINANCIAL STATEMENTS

### 9. Fund Specific Information (in '000s, except for (a)) (cont'd)

#### (e) Offsetting of Financial Assets and Liabilities (cont'd)

	March 31, 2018			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	98	(14)	–	84
Unrealized losses on derivative contracts	(2,916)	14	4,511	1,609
Liability for options written	–	–	–	–
<b>Total</b>	<b>(2,818)</b>	<b>–</b>	<b>4,511</b>	<b>1,693</b>

#### (f) Risks Associated with Financial Instruments

##### *i. Risk exposure and management*

The Fund seeks income and capital growth by investing mainly in Canadian government fixed income securities and high-quality, or investment grade, corporate fixed income securities and asset-backed securities. The Fund may hold up to 30% of its assets in foreign investments.

##### *ii. Currency risk*

As at March 31, 2019 and 2018, the Fund did not have a significant exposure to currency risk.

##### *iii. Interest rate risk*

The table below summarizes the Fund's exposure to interest rate risks from its investments in bonds and derivative instruments by term to maturity.

Term to Maturity	March 31, 2019 (\$)		March 31, 2018 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	12,873	(130,173)	16,919	(146,643)
1-5 years	444,398	–	288,490	–
5-10 years	401,604	–	486,520	–
Greater than 10 years	402,802	–	407,702	–
<b>Total</b>	<b>1,261,677</b>	<b>(130,173)</b>	<b>1,199,631</b>	<b>(146,643)</b>

As at March 31, 2019, had prevailing interest rates increased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased by approximately \$98,344 or 7.1% (2018 – \$88,325 or 6.9%) of total net assets. Similarly, had prevailing interest rates decreased by 1%, with all other variables held constant, net assets would have increased by approximately \$98,720 or 7.1% (2018 – \$88,325 or 6.9%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

##### *iv. Other price risk*

As at March 31, 2019 and 2018, the Fund did not have a significant exposure to price risk.



**MACKENZIE**  
Investments

# MACKENZIE CANADIAN BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

FIXED INCOME FUND

## NOTES TO FINANCIAL STATEMENTS

### 9. Fund Specific Information (in '000s, except for (a)) (cont'd)

#### (f) Risks Associated with Financial Instruments (cont'd)

##### *v. Credit risk*

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2019, was 22.2% of the net assets of the Fund (2018 – 22.9%).

As at March 31, 2019 and 2018, debt securities by credit rating are as follows:

Bond Rating*	March 31, 2019	March 31, 2018
	% of Net Assets	% of Net Assets
AAA	27.6	30.1
AA	17.3	29.8
A	27.3	15.7
BBB	18.9	17.9
Less than BBB	–	0.1
Unrated	0.1	0.1
Total	91.2	93.7

\* Credit ratings and rating categories are based on ratings issued by a designated rating organization

#### (g) Fair Value Classification

The table below summarizes the fair value of the Fund's financial instruments using the following fair value hierarchy:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The inputs are considered observable if they are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumption that market participants would use when pricing the asset or liability.

	March 31, 2019				March 31, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	1,261,677	–	1,261,677	–	1,199,631	–	1,199,631
Options	–	177	–	177	–	–	–	–
Exchange-traded funds/notes	18,796	–	–	18,796	18,763	–	–	18,763
Derivative assets	–	158	–	158	–	320	–	320
Derivative liabilities	(1,863)	(741)	–	(2,604)	(2,880)	(432)	–	(3,312)
Short-term investments	–	89,649	–	89,649	–	53,796	–	53,796
Total	16,933	1,350,920	–	1,367,853	15,883	1,253,315	–	1,269,198

The Fund's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

During the period, there were no significant transfers between Level 1 and Level 2.

Financial instruments classified as Level 2 investments are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices. Short-term investments classified as Level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.

#### (h) Comparative Amounts

Certain prior period comparative amounts have been reclassified to conform to the current period's presentation.