

# MACKENZIE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Mackenzie Financial Corporation, as Manager of Mackenzie Income 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 Income 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.



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## 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 INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

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## STATEMENTS OF FINANCIAL POSITION

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

	2019	2018		2019	2018
	\$	\$		\$	\$
<b>ASSETS</b>			<b>Net assets attributable to securityholders</b>		
<b>Current assets</b>			<b>per security (note 3)</b>		
Investments at fair value	1,052,391	1,158,375	Series A	1.89	1.92
Cash and cash equivalents	74,885	11,897	Series AR	10.90	10.69
Accrued interest receivable	5,173	5,438	Series D	13.96	14.10
Dividends receivable	523	759	Series F	9.82	9.89
Accounts receivable for investments sold	14,356	3,104	Series F8	14.55	–
Accounts receivable for securities issued	894	284	Series FB	9.89	9.98
Due from manager	3	8	Series G	7.39	7.49
Margin on derivatives	2,976	3,012	Series I	2.94	2.97
Unrealized gains on derivative contracts	217	960	Series J	8.53	8.64
<b>Total assets</b>	<b>1,151,418</b>	<b>1,183,837</b>	Series O	10.15	10.14
			Series PW	13.61	13.77
			Series PWF	–	14.10
			Series PWF8	–	12.69
			Series PWF8	9.71	9.77
			Series PWT8	15.33	–
			Series PWX	14.08	14.06
			Series PWX8	15.39	–
			Series R	9.78	9.60
			Series S	9.14	9.13
			Series T8	15.30	–
			Series LB	8.06	8.20
			Series LW	14.15	14.49
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable for investments purchased	37,499	13,497			
Accounts payable for securities redeemed	1,135	2,077			
Distribution payable	1	2			
Due to manager	–	105			
Unrealized losses on derivative contracts	2,337	3,518			
<b>Total liabilities</b>	<b>40,972</b>	<b>19,199</b>			
<b>Net assets attributable to securityholders</b>	<b>1,110,446</b>	<b>1,164,638</b>			
<b>Net assets attributable to securityholders</b>					
<b>per series (note 3)</b>					
Series A	571,005	796,828			
Series AR	16,321	12,877			
Series D	1,163	889			
Series F	66,018	36,075			
Series F8	396	–			
Series FB	687	1,132			
Series G	1,147	1,996			
Series I	556	641			
Series J	1,268	1,337			
Series O	38,916	33,256			
Series PW	341,909	185,097			
Series PWF	–	23,560			
Series PWF8	–	503			
Series PWF8	1,896	676			
Series PWT8	1	–			
Series PWX	2,071	2,366			
Series PWX8	1	–			
Series R	12,117	13,514			
Series S	46,455	43,378			
Series T8	1	–			
Series LB	2,853	7,210			
Series LW	5,665	3,303			

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



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# MACKENZIE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

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## STATEMENTS OF COMPREHENSIVE INCOME

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

	2019	2018
	\$	\$
<b>Income</b>		
Dividends	12,257	11,179
Interest income	27,372	28,972
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	9,554	29,275
Net unrealized gain (loss)	19,562	(27,231)
Securities lending income	107	84
Fee rebate income	39	6
<b>Total income (loss)</b>	<b>68,891</b>	<b>42,285</b>

### Expenses (note 6)

Management fees	15,088	17,415
Management fee rebates	(14)	(33)
Administration fees	2,130	2,439
Administration fee rebates	(1)	(1)
Interest charges	5	5
Commissions and other portfolio transaction costs	297	355
Independent Review Committee fees	4	3
Other	5	4
<b>Expenses before amounts absorbed by Manager</b>	<b>17,514</b>	<b>20,187</b>
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	<b>17,514</b>	<b>20,187</b>

### Increase (decrease) in net assets attributable to securityholders from operations before tax

Foreign withholding taxes	567	614
Foreign income taxes paid (recovered)	–	67

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

	<b>50,810</b>	<b>21,417</b>
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### Increase (decrease) in net assets attributable to securityholders from operations per series

Series A	25,355	6,840
Series AR	660	158
Series B	(2)	6,800
Series C	–	632
Series D	45	11
Series F	3,157	826
Series F8	17	–
Series FB	38	19
Series G	57	43
Series I	28	15
Series J	59	24
Series O	2,277	1,136
Series PW	14,893	2,480
Series PWF	166	408
Series PWF8	4	8
Series PWFB	94	11

	2019	2018
	\$	\$
Series PWT8	–	–
Series PWX	126	77
Series PWX8	–	–
Series R	741	504
Series S	2,713	1,246
Series T8	–	–
Series LB	91	212
Series LW	291	(33)
<b>Increase (decrease) in net assets attributable to securityholders from operations per security</b>		
Series A	0.08	0.02
Series AR	0.50	0.15
Series B	(2.77)	0.10
Series C	–	0.06
Series D	0.71	0.19
Series F	0.53	0.24
Series F8	0.61	–
Series FB	0.55	0.23
Series G	0.31	0.16
Series I	0.15	0.07
Series J	0.39	0.18
Series O	0.64	0.36
Series PW	0.67	0.21
Series PWF	0.10	0.28
Series PWF8	0.09	0.37
Series PWFB	0.59	0.33
Series PWT8	0.97	–
Series PWX	0.78	0.47
Series PWX8	1.04	–
Series R	0.57	0.34
Series S	0.57	0.31
Series T8	0.92	–
Series LB	0.13	0.17
Series LW	1.08	(0.17)

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



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# MACKENZIE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

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## STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2019	2018	2019	2018	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>	<b>796,828</b>	<b>417,880</b>	<b>12,877</b>	<b>9,218</b>	<b>–</b>	<b>524,596</b>	<b>–</b>	<b>48,811</b>	<b>889</b>	<b>592</b>
Increase (decrease) in net assets from operations	25,355	6,840	660	158	(2)	6,800	–	632	45	11
Distributions paid to securityholders:										
Investment income	(10,287)	(8,815)	(230)	(166)	–	(3,866)	–	(353)	(19)	(17)
Capital gains	(3,885)	(4,842)	(99)	(68)	–	–	–	–	(6)	(6)
Return of capital	(22,252)	(21,179)	–	–	–	(9,313)	–	(871)	(26)	(25)
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Administration fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(36,424)	(34,836)	(329)	(234)	–	(13,179)	–	(1,224)	(51)	(48)
Security transactions:										
Proceeds from securities issued	96,501	600,542	3,638	4,316	2	41,709	–	4,124	573	643
Reinvested distributions	33,870	32,694	329	233	–	12,075	–	1,076	40	39
Payments on redemption of securities	(345,125)	(226,292)	(854)	(814)	–	(572,001)	–	(53,419)	(333)	(348)
Total security transactions	(214,754)	406,944	3,113	3,735	2	(518,217)	–	(48,219)	280	334
<b>Total increase (decrease) in net assets</b>	<b>(225,823)</b>	<b>378,948</b>	<b>3,444</b>	<b>3,659</b>	<b>–</b>	<b>(524,596)</b>	<b>–</b>	<b>(48,811)</b>	<b>274</b>	<b>297</b>
<b>End of period</b>	<b>571,005</b>	<b>796,828</b>	<b>16,321</b>	<b>12,877</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,163</b>	<b>889</b>

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	<b>414,677</b>	<b>208,350</b>	<b>1,205</b>	<b>858</b>	<b>–</b>	<b>75,449</b>	<b>–</b>	<b>12,248</b>	<b>63</b>	<b>41</b>
Issued	51,448	304,052	342	401	–	6,032	–	1,041	41	43
Reinvested distributions	18,147	16,656	31	22	–	1,755	–	273	3	3
Redeemed	(182,190)	(114,381)	(80)	(76)	–	(83,236)	–	(13,562)	(24)	(24)
<b>Securities outstanding – end of period</b>	<b>302,082</b>	<b>414,677</b>	<b>1,498</b>	<b>1,205</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>83</b>	<b>63</b>

	Series F		Series F8		Series FB		Series G		Series I	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	<b>36,075</b>	<b>35,143</b>	<b>–</b>	<b>–</b>	<b>1,132</b>	<b>333</b>	<b>1,996</b>	<b>2,690</b>	<b>641</b>	<b>692</b>
Increase (decrease) in net assets from operations	3,157	826	17	–	38	19	57	43	28	15
Distributions paid to securityholders:										
Investment income	(1,476)	(798)	(9)	–	(16)	(19)	(26)	(39)	(12)	(14)
Capital gains	(465)	(229)	(3)	–	(4)	(7)	(8)	(12)	(4)	(4)
Return of capital	(1,531)	(1,000)	(19)	–	(19)	(16)	(44)	(73)	(16)	(21)
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Administration fee rebates	–	–	–	–	–	–	–	–	(1)	(1)
Total distributions paid to securityholders	(3,472)	(2,027)	(31)	–	(39)	(42)	(78)	(124)	(33)	(40)
Security transactions:										
Proceeds from securities issued	42,975	23,386	487	–	567	1,554	4	38	–	–
Reinvested distributions	2,586	1,483	14	–	39	41	63	104	15	21
Payments on redemption of securities	(15,303)	(22,736)	(91)	–	(1,050)	(773)	(895)	(755)	(95)	(47)
Total security transactions	30,258	2,133	410	–	(444)	822	(828)	(613)	(80)	(26)
<b>Total increase (decrease) in net assets</b>	<b>29,943</b>	<b>932</b>	<b>396</b>	<b>–</b>	<b>(445)</b>	<b>799</b>	<b>(849)</b>	<b>(694)</b>	<b>(85)</b>	<b>(51)</b>
<b>End of period</b>	<b>66,018</b>	<b>36,075</b>	<b>396</b>	<b>–</b>	<b>687</b>	<b>1,132</b>	<b>1,147</b>	<b>1,996</b>	<b>556</b>	<b>641</b>

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	<b>3,647</b>	<b>3,432</b>	<b>–</b>	<b>–</b>	<b>114</b>	<b>33</b>	<b>266</b>	<b>345</b>	<b>216</b>	<b>224</b>
Issued	4,378	2,302	32	–	57	153	–	5	–	–
Reinvested distributions	269	147	1	–	4	4	9	13	5	7
Redeemed	(1,574)	(2,234)	(6)	–	(106)	(76)	(120)	(97)	(32)	(15)
<b>Securities outstanding – end of period</b>	<b>6,720</b>	<b>3,647</b>	<b>27</b>	<b>–</b>	<b>69</b>	<b>114</b>	<b>155</b>	<b>266</b>	<b>189</b>	<b>216</b>

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

# MACKENZIE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

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## 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	2019	2018
	Series J		Series O		Series PW		Series PWF		Series PWF8	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	1,337	1,341	33,256	31,498	185,097	44,249	23,560	11,061	503	111
Increase (decrease) in net assets from operations	59	24	2,277	1,136	14,893	2,480	166	408	4	8
Distributions paid to securityholders:										
Investment income	(26)	(26)	(1,231)	(1,076)	(6,279)	(3,276)	(93)	(517)	(2)	(8)
Capital gains	(9)	(8)	(296)	(242)	(2,305)	(1,110)	–	(138)	–	(3)
Return of capital	(40)	(44)	(628)	(652)	(9,610)	(5,944)	(107)	(613)	(5)	(22)
Management fee rebates	–	–	–	–	(11)	(27)	(2)	(6)	–	–
Administration fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(75)	(78)	(2,155)	(1,970)	(18,205)	(10,357)	(202)	(1,274)	(7)	(33)
Security transactions:										
Proceeds from securities issued	–	1	8,438	4,883	207,447	171,952	2,392	20,680	–	488
Reinvested distributions	75	78	2,120	1,945	16,878	9,511	145	945	2	13
Payments on redemption of securities	(128)	(29)	(5,020)	(4,236)	(64,201)	(32,738)	(26,061)	(8,260)	(502)	(84)
Total security transactions	(53)	50	5,538	2,592	160,124	148,725	(23,524)	13,365	(500)	417
<b>Total increase (decrease) in net assets</b>	<b>(69)</b>	<b>(4)</b>	<b>5,660</b>	<b>1,758</b>	<b>156,812</b>	<b>140,848</b>	<b>(23,560)</b>	<b>12,499</b>	<b>(503)</b>	<b>392</b>
<b>End of period</b>	<b>1,268</b>	<b>1,337</b>	<b>38,916</b>	<b>33,256</b>	<b>341,909</b>	<b>185,097</b>	<b>–</b>	<b>23,560</b>	<b>–</b>	<b>503</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	155	149	3,281	3,030	13,438	3,088	1,671	758	40	8
Issued	–	–	840	472	15,187	11,996	171	1,422	–	37
Reinvested distributions	9	9	214	189	1,262	675	10	66	–	1
Redeemed	(15)	(3)	(501)	(410)	(4,763)	(2,321)	(1,852)	(575)	(40)	(6)
<b>Securities outstanding – end of period</b>	<b>149</b>	<b>155</b>	<b>3,834</b>	<b>3,281</b>	<b>25,124</b>	<b>13,438</b>	<b>–</b>	<b>1,671</b>	<b>–</b>	<b>40</b>

	Series PWF8		Series PWT8		Series PWX		Series PWX8		Series R	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	676	–	–	–	2,366	2,435	–	–	13,514	15,070
Increase (decrease) in net assets from operations	94	11	–	–	126	77	–	–	741	504
Distributions paid to securityholders:										
Investment income	(40)	(8)	–	–	(78)	(75)	–	–	(426)	(318)
Capital gains	(13)	(3)	–	–	(18)	(17)	–	–	(96)	(100)
Return of capital	(41)	(9)	–	–	(39)	(47)	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Administration fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(94)	(20)	–	–	(135)	(139)	–	–	(522)	(418)
Security transactions:										
Proceeds from securities issued	1,544	723	1	–	156	497	1	–	729	1,261
Reinvested distributions	94	20	–	–	135	139	–	–	114	142
Payments on redemption of securities	(418)	(58)	–	–	(577)	(643)	–	–	(2,459)	(3,045)
Total security transactions	1,220	685	1	–	(286)	(7)	1	–	(1,616)	(1,642)
<b>Total increase (decrease) in net assets</b>	<b>1,220</b>	<b>676</b>	<b>1</b>	<b>–</b>	<b>(295)</b>	<b>(69)</b>	<b>1</b>	<b>–</b>	<b>(1,397)</b>	<b>(1,556)</b>
<b>End of period</b>	<b>1,896</b>	<b>676</b>	<b>1</b>	<b>–</b>	<b>2,071</b>	<b>2,366</b>	<b>1</b>	<b>–</b>	<b>12,117</b>	<b>13,514</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	69	–	–	–	168	169	–	–	1,408	1,578
Issued	160	73	–	–	11	34	–	–	77	130
Reinvested distributions	10	2	–	–	10	10	–	–	12	15
Redeemed	(44)	(6)	–	–	(42)	(45)	–	–	(258)	(315)
<b>Securities outstanding – end of period</b>	<b>195</b>	<b>69</b>	<b>–</b>	<b>–</b>	<b>147</b>	<b>168</b>	<b>–</b>	<b>–</b>	<b>1,239</b>	<b>1,408</b>

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



# MACKENZIE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED 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	2019	2018
	Series S		Series T8		Series LB		Series LW		Total	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	<b>43,378</b>	<b>28,677</b>	–	–	<b>7,210</b>	<b>10,899</b>	<b>3,303</b>	–	<b>1,164,638</b>	<b>1,185,296</b>
Increase (decrease) in net assets from operations	2,713	1,246	–	–	91	212	291	(33)	50,810	21,417
Distributions paid to securityholders:										
Investment income	(1,457)	(1,204)	–	–	(87)	(150)	(75)	(21)	(21,869)	(20,766)
Capital gains	(354)	(291)	–	–	(22)	(49)	(38)	(20)	(7,625)	(7,149)
Return of capital	(764)	(767)	–	–	(205)	(406)	(158)	(36)	(35,504)	(41,038)
Management fee rebates	–	–	–	–	–	–	(1)	–	(14)	(33)
Administration fee rebates	–	–	–	–	–	–	–	–	(1)	(1)
Total distributions paid to securityholders	(2,575)	(2,262)	–	–	(314)	(605)	(272)	(77)	(65,013)	(68,987)
Security transactions:										
Proceeds from securities issued	9,588	17,411	1	–	106	2,531	3,019	4,036	378,169	900,775
Reinvested distributions	2,575	2,262	–	–	310	596	266	75	59,670	63,492
Payments on redemption of securities	(9,224)	(3,956)	–	–	(4,550)	(6,423)	(942)	(698)	(477,828)	(937,355)
Total security transactions	2,939	15,717	1	–	(4,134)	(3,296)	2,343	3,413	(39,989)	26,912
<b>Total increase (decrease) in net assets</b>	<b>3,077</b>	<b>14,701</b>	<b>1</b>	<b>–</b>	<b>(4,357)</b>	<b>(3,689)</b>	<b>2,362</b>	<b>3,303</b>	<b>(54,192)</b>	<b>(20,658)</b>
<b>End of period</b>	<b>46,455</b>	<b>43,378</b>	<b>1</b>	<b>–</b>	<b>2,853</b>	<b>7,210</b>	<b>5,665</b>	<b>3,303</b>	<b>1,110,446</b>	<b>1,164,638</b>
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	<b>4,749</b>	<b>3,061</b>	–	–	<b>879</b>	<b>1,272</b>	<b>228</b>	–		
Issued	1,063	1,868	–	–	13	297	220	271		
Reinvested distributions	288	244	–	–	39	71	19	5		
Redeemed	(1,020)	(424)	–	–	(577)	(761)	(67)	(48)		
<b>Securities outstanding – end of period</b>	<b>5,080</b>	<b>4,749</b>	<b>–</b>	<b>–</b>	<b>354</b>	<b>879</b>	<b>400</b>	<b>228</b>		

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



**MACKENZIE**  
Investments

# MACKENZIE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED 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	50,810	21,417
Adjustments for:		
Net realized loss (gain) on investments	(16,694)	(19,510)
Change in net unrealized loss (gain) on investments	(19,620)	27,248
Distributions received in-kind from underlying funds	(210)	(1,809)
Purchase of investments	(693,424)	(978,509)
Proceeds from sale and maturity of investments	848,265	982,496
Change in accrued interest receivable	265	(135)
Change in dividends receivable	236	165
Change in due from manager	5	(8)
Change in due to manager	(105)	105
Change in margin on derivatives	36	(1,371)
<b>Net cash from operating activities</b>	<b>169,564</b>	<b>30,089</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	153,889	685,020
Payments on redemption of securities	(255,100)	(719,227)
Distributions paid net of reinvestments	(5,344)	(5,493)
<b>Net cash from financing activities</b>	<b>(106,555)</b>	<b>(39,700)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>63,009</b>	<b>(9,611)</b>
Cash and cash equivalents at beginning of period	11,897	21,484
Effect of exchange rate fluctuations on cash and cash equivalents	(21)	24
<b>Cash and cash equivalents at end of period</b>	<b>74,885</b>	<b>11,897</b>
Cash	22,523	1,119
Cash equivalents	52,362	10,778
<b>Cash and cash equivalents at end of period</b>	<b>74,885</b>	<b>11,897</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	12,493	11,303
Foreign taxes paid	567	681
Interest received	27,637	28,276
Interest paid	5	5

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



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# MACKENZIE INCOME FUND

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BALANCED 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	240,000	240	247
407 International Inc. 3.43% 06-01-2033 MTN	Canada	Corporate - Non Convertible	3,180,000	3,235	3,320
407 International Inc. 3.65% 09-08-2044 Callable MTN	Canada	Corporate - Non Convertible	470,000	473	492
407 International Inc. 3.60% 05-21-2047 Callable	Canada	Corporate - Non Convertible	1,590,000	1,592	1,655
407 International Inc. 3.72% 05-11-2048 Callable 2047	Canada	Corporate - Non Convertible	1,960,000	1,960	2,083
407 International Inc. 3.67% 03-08-2049 Callable 2048	Canada	Corporate - Non Convertible	560,000	559	590
Access Justice Durham 5.02% 08-31-2039	Canada	Asset Backed	3,408,642	3,424	3,959
Acproducts Inc. Term Loan 1st Lien F/R 02-14-2024	United States	Term Loans	USD 490,000	613	625
Aegis Toxicology Sciences Corp. Term Loan B 1st Lien F/R 05-09-2025	United States	Term Loans	USD 159,200	202	207
AerCap Ireland Capital Designated Activity Co. 3.30% 01-23-2023 Callable 2022	Ireland	Corporate - Non Convertible	USD 1,050,000	1,303	1,381
AerCap Ireland Capital Designated Activity Co. 4.88% 01-16-2024 Callable 2023	Ireland	Corporate - Non Convertible	USD 180,000	243	250
AerCap Ireland Capital Designated Activity Co. 4.45% 10-01-2025 Callable 2025	Netherlands	Corporate - Non Convertible	USD 570,000	744	771
Al Ladder Luxembourg Term Loan B 1st Lien F/R 05-04-2025	United States	Term Loans	USD 307,175	382	404
AIMCo Realty Investors LP 2.27% 06-26-2024 Callable 2024	Canada	Corporate - Non Convertible	1,570,000	1,574	1,554
AIMCo Realty Investors LP 3.04% 06-01-2028 Callable 2028	Canada	Corporate - Non Convertible	910,000	910	930
AL Midcoast Holdings LLC Term Loan B 1st Lien F/R 06-28-2025	United States	Term Loans	USD 407,950	536	544
Alcami Carolinas Corp. Term Loan 1st Lien F/R 07-06-2025	United States	Term Loans	USD 338,300	443	450
Alchemy US Holdco LLC Term Loan B 1st Lien F/R 10-01-2025	United States	Term Loans	USD 308,062	388	412
Algonquin Power & Utilities Corp. 4.65% 02-15-2022	Canada	Corporate - Non Convertible	280,000	306	295
Algonquin Power & Utilities Corp. 4.09% 02-17-2027 Callable	Canada	Corporate - Non Convertible	1,810,000	1,809	1,877
Allegiant Travel Co. Term Loan B 1st Lien F/R 01-29-2024	United States	Term Loans	USD 420,000	547	560
AltaLink LP 3.72% 12-03-2046 Callable MTN	Canada	Corporate - Non Convertible	1,665,000	1,658	1,779
Anheuser-Busch InBev Finance Inc. 2.60% 05-15-2024 Callable 2024	Belgium	Corporate - Non Convertible	1,400,000	1,340	1,383
Anheuser-Busch InBev Worldwide Inc. 4.75% 01-23-2029 Callable 2028	Belgium	Corporate - Non Convertible	USD 200,000	264	286
Aroundtown SA 4.63% 09-18-2025 Callable 2025	Germany	Corporate - Non Convertible	1,140,000	1,135	1,177
Artis Real Estate Investment Trust 3.68% 02-22-2021	Canada	Corporate - Non Convertible	570,000	570	575
AT&T Inc. 2.85% 05-25-2024	United States	Corporate - Non Convertible	810,000	804	799
AT&T Inc. 4.00% 11-25-2025 Callable 2025	United States	Corporate - Non Convertible	2,590,000	2,600	2,677
AT&T Inc. 4.35% 03-01-2029 Callable 2028	United States	Corporate - Non Convertible	USD 470,000	620	642
Avolon Holdings Funding Ltd. 5.25% 05-15-2024 Callable 2024 144A	Ireland	Corporate - Non Convertible	USD 100,000	133	138
Ball Metalpack Finco LLC Term Loan B 1st Lien F/R 07-26-2025	United States	Term Loans	USD 267,975	349	358
Bank of America Corp. 3.23% 06-22-2022 Series MPLE	United States	Corporate - Non Convertible	1,190,000	1,205	1,217
Bank of America Corp. 3.30% 04-24-2024 Callable 2023	United States	Corporate - Non Convertible	1,340,000	1,340	1,368
Bank of America Corp. 3.95% 04-21-2025	United States	Corporate - Non Convertible	USD 390,000	474	531
Bank of America Corp. F/R 09-20-2025 Callable 2024	United States	Corporate - Non Convertible	1,550,000	1,550	1,588
Bank of Montreal 2.27% 07-11-2022	Canada	Corporate - Non Convertible	3,370,000	3,355	3,371
Bank of Montreal 2.89% 06-20-2023	Canada	Corporate - Non Convertible	1,590,000	1,590	1,625
Bank of Montreal 2.85% 03-06-2024	Canada	Corporate - Non Convertible	960,000	960	971
Bank of Montreal 2.70% 09-11-2024 DPNT	Canada	Corporate - Non Convertible	3,530,000	3,525	3,587
Bank of Montreal 3.32% 06-01-2026	Canada	Corporate - Non Convertible	960,000	974	975
Bank of Montreal 3.19% 03-01-2028	Canada	Corporate - Non Convertible	1,520,000	1,508	1,593
The Bank of Nova Scotia 2.36% 11-08-2022	Canada	Corporate - Non Convertible	2,620,000	2,620	2,624



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## 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 Bank of Nova Scotia 2.29% 06-28-2024	Canada	Corporate - Non Convertible	4,000,000	3,975	3,977
The Bank of Nova Scotia 6.45% 01-01-2025	Canada	Mortgage Backed	5,746,136	5,529	6,754
Bausch Health Cos Inc. Term Loan B 1st Lien F/R 05-24-2025	United States	Term Loans	USD 212,750	273	283
bclMC Realty Corp. 3.00% 03-31-2027 Callable 2026	Canada	Corporate - Non Convertible	2,040,000	2,073	2,093
Beacon Escrow Corp. 4.88% 11-01-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 140,000	164	177
Bell Canada 2.70% 02-27-2024 Callable	Canada	Corporate - Non Convertible	2,890,000	2,922	2,885
Bell Canada 3.80% 08-21-2028 Callable 2028	Canada	Corporate - Non Convertible	2,340,000	2,325	2,443
Bell Canada 4.45% 02-27-2047 Callable	Canada	Corporate - Non Convertible	2,460,000	2,449	2,570
Boardriders Inc. Term Loan B 1st Lien F/R 03-21-2024	United States	Term Loans	USD 208,275	262	277
BP Capital Markets PLC 3.47% 05-15-2025	United Kingdom	Corporate - Non Convertible	2,130,000	2,146	2,218
Brookfield Infrastructure Finance ULC 4.20% 09-11-2028 Callable 2028	Canada	Corporate - Non Convertible	1,820,000	1,810	1,876
Brookfield Renewable Energy Partners ULC 3.75% 06-02-2025 Callable 2025	Canada	Corporate - Non Convertible	750,000	750	771
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate - Non Convertible	1,360,000	1,359	1,372
Brookfield Renewable Partners ULC 4.25% 01-15-2029 Callable 2028	Canada	Corporate - Non Convertible	1,300,000	1,299	1,348
Bruce Power LP 3.00% 06-21-2024 Callable 2024	Canada	Corporate - Non Convertible	3,790,000	3,827	3,794
Bruce Power LP 3.97% 06-23-2026	Canada	Corporate - Non Convertible	910,000	936	950
Bulldog Purchaser Inc. Delayed Draw Term Loan 1st Lien F/R 08-31-2025	United States	Term Loans	USD 12,571	16	17
Bulldog Purchaser Inc. Term Loan B 1st Lien F/R 08-31-2025	United States	Term Loans	USD 249,635	327	330
C&D Technologies Inc. Term Loan B 1st Lien F/R 12-13-2025	United States	Term Loans	USD 319,200	375	397
Calceus Acquisition Inc. Term Loan B1 1st Lien F/R 02-08-2025	United States	Term Loans	USD 440,000	577	586
Can Am Construction Inc./Canada Term Loan B 1st Lien F/R 07-01-2024	Canada	Term Loans	USD 328,807	421	432
Canada Goose Inc. Term Loan 1st Lien F/R 12-22-2021	Canada	Term Loans	USD 950,000	1,190	1,263
Canadian Imperial Bank of Commerce 2.47% 12-05-2022	Canada	Corporate - Non Convertible	1,040,000	1,041	1,046
Canadian Imperial Bank of Commerce 2.97% 07-11-2023	Canada	Corporate - Non Convertible	3,360,000	3,360	3,443
Canadian Imperial Bank of Commerce 3.29% 01-15-2024	Canada	Corporate - Non Convertible	810,000	810	834
Canadian Imperial Bank of Commerce 3.30% 05-26-2025	Canada	Corporate - Non Convertible	1,720,000	1,722	1,802
Canadian Imperial Bank of Commerce 3.42% 01-26-2026 Callable 2021	Canada	Corporate - Non Convertible	2,200,000	2,256	2,237
Canadian National Railway Co. 3.00% 02-08-2029 Callable 2028	Canada	Corporate - Non Convertible	1,200,000	1,202	1,229
Canadian National Railway Co. 3.60% 07-31-2048 Callable 2048	Canada	Corporate - Non Convertible	2,010,000	1,980	2,089
Canadian Natural Resources Ltd. 3.55% 06-03-2024	Canada	Corporate - Non Convertible	1,260,000	1,268	1,297
Canadian Pacific Railway Ltd. 3.15% 03-13-2029 Callable 2028	Canada	Corporate - Non Convertible	830,000	828	841
Canadian Western Bank 2.92% 12-15-2022	Canada	Corporate - Non Convertible	1,490,000	1,490	1,501
Capital Power Corp. 4.28% 09-18-2024 Callable 2024	Canada	Corporate - Non Convertible	1,870,000	1,874	1,909
Capital Power Corp. 4.99% 01-23-2026 Callable 2025	Canada	Corporate - Non Convertible	710,000	710	738
CareCentrix Inc. Term Loan 1st Lien F/R 03-22-2025	United States	Term Loans	USD 897,000	1,154	1,188
Casablanca US Holdings Inc. Term Loan 1st Lien F/R 03-31-2024	United States	Term Loans	USD 772,200	992	1,000
CBS Corp. 4.20% 06-01-2029 Callable 2029	United States	Corporate - Non Convertible	USD 1,420,000	1,852	1,922
CCL Industries Inc. 3.86% 04-13-2028 Callable 2028	Canada	Corporate - Non Convertible	970,000	970	1,013
CCS-CMGC Holdings Inc. Term Loan 1st Lien F/R 09-25-2025	United States	Term Loans	USD 229,425	294	294
Central 1 Credit Union F/R 02-05-2021	Canada	Corporate - Non Convertible	630,000	630	628
CEVA Logistics Finance BV Term Loan B 1st Lien F/R 08-03-2025	United States	Term Loans	USD 360,000	459	466
Charter Communications Operating LLC 4.50% 02-01-2024 Callable 2024	United States	Corporate - Non Convertible	USD 1,020,000	1,351	1,419



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## 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>					
Charter Communications Operating LLC 5.05% 03-30-2029 Callable 2028	United States	Corporate - Non Convertible	USD 1,290,000	1,711	1,818
Chartwell Retirement Residences 3.79% 12-11-2023 Callable 2023	Canada	Corporate - Non Convertible	1,440,000	1,438	1,479
Chartwell Retirement Residences 4.21% 04-28-2025 Callable 2025	Canada	Corporate - Non Convertible	610,000	610	637
Choice Properties Real Estate Investment Trust 4.06% 11-24-2025 Callable	Canada	Corporate - Non Convertible	2,280,000	2,452	2,383
Choice Properties Real Estate Investment Trust 4.18% 03-08-2028 Callable 2027	Canada	Corporate - Non Convertible	1,910,000	1,910	1,994
Citadel LLC Term Loan B 1st Lien F/R 02-22-2026	United States	Term Loans	USD 1,040,000	1,360	1,391
Citigroup Inc. 4.09% 06-09-2025	United States	Corporate - Non Convertible	700,000	702	730
Comber Wind Financial Corp. 5.13% 11-15-2030	Canada	Corporate - Non Convertible	3,179,665	3,179	3,496
Commonwealth of Bahamas 5.75% 01-16-2024	Bahamas	Foreign Governments	USD 56,000	68	78
Commonwealth of Bahamas 6.00% 11-21-2028 Callable 2028	Bahamas	Foreign Governments	USD 113,000	144	159
Commonwealth of Bahamas 6.95% 11-20-2029	Bahamas	Foreign Governments	USD 64,000	96	94
CommScope Inc. Term Loan B2 1st Lien F/R 02-07-2026	United States	Term Loans	USD 300,000	395	401
CommScope Technologies Finance LLC 8.25% 03-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 130,000	173	181
CommScope Technologies LLC 5.00% 03-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 120,000	138	143
Communications Sales & Leasing Inc. Term Loan B 1st Lien F/R 10-24-2022	United States	Term Loans	USD 2,249	3	3
Concrete Pumping Merger Sub Inc. Term Loan 1st Lien F/R 11-14-2025	United States	Term Loans	USD 350,000	449	455
Cordelio Amalco GP I 4.09% 06-30-2034	Canada	Corporate - Non Convertible	820,000	820	859
Cordelio Amalco GP I 4.09% 09-30-2034	Canada	Corporate - Non Convertible	830,000	830	870
Crombie Real Estate Investment Trust 4.80% 01-31-2025 Callable 2024	Canada	Corporate - Non Convertible	490,000	490	513
Crosslinx Transit Solutions General Partnership 4.65% 09-30-2046	Canada	Corporate - Non Convertible	2,230,000	2,224	2,379
Crown Subsea Communications Holing Inc. Term Loan 1st Lien F/R 11-02-2025	United States	Term Loans	USD 474,000	609	627
CU Inc. 3.96% 07-27-2045 Callable	Canada	Corporate - Non Convertible	490,000	527	536
CU Inc. 3.76% 11-19-2046 Callable 2046	Canada	Corporate - Non Convertible	1,130,000	1,130	1,198
CU Inc. 3.95% 11-23-2048 Callable 2048	Canada	Corporate - Non Convertible	1,220,000	1,220	1,340
Dawn Acquisition LLC Term Loan 1st Lien F/R 10-25-2025	United States	Term Loans	USD 399,000	518	506
Diamond 1 Finance Corp. 4.42% 06-15-2021 Callable 2021 144A	United States	Corporate - Non Convertible	USD 220,000	284	302
Diamond 1 Finance Corp. 5.45% 06-15-2023 Callable 2023 144A	United States	Corporate - Non Convertible	USD 440,000	568	627
Diamond 1 Finance Corp. 6.02% 06-15-2026 Callable 2026 144A	United States	Corporate - Non Convertible	USD 440,000	568	634
Eagle Credit Card Trust 2.63% 10-17-2022	Canada	Corporate - Non Convertible	620,000	620	625
Eagle Credit Card Trust 3.04% 07-17-2023	Canada	Corporate - Non Convertible	580,000	580	594
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	USD 648,675	808	858
Eastern Power LLC Term Loan B 1st Lien F/R 10-02-2023	United States	Term Loans	USD 184,106	241	245
Electrical Components International Inc. Term Loan 1st Lien F/R 06-22-2025	United States	Term Loans	USD 416,850	548	542
Enbridge Gas Distribution Inc. 3.51% 11-29-2047 Callable 2047	Canada	Corporate - Non Convertible	1,720,000	1,720	1,751
Enbridge Inc. 3.20% 06-08-2027 Callable 2027	Canada	Corporate - Non Convertible	1,160,000	1,160	1,161
Enbridge Inc. 4.57% 03-11-2044	Canada	Corporate - Non Convertible	5,920,000	6,025	6,223
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	6,510,000	6,520	6,381
Enbridge Inc. F/R 04-12-2078 Callable 2028	Canada	Corporate - Non Convertible	2,520,000	2,530	2,676



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## 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>					
ENC Holding Corp. Term Loan 1st Lien F/R 05-30-2025	United States	Term Loans	USD 158,869	204	210
EnerCare Solutions Inc. 3.38% 02-21-2022 Callable 2022	Canada	Corporate - Non Convertible	1,820,000	1,820	1,837
EnerCare Solutions Inc. 3.99% 02-21-2024 Callable 2023	Canada	Corporate - Non Convertible	1,370,000	1,370	1,401
Ensono LP Term Loan 1st Lien F/R 04-30-2025	United States	Term Loans	USD 337,450	429	448
Enterprise Merger Sub Inc. Term Loan 1st Lien F/R 09-28-2025	United States	Term Loans	USD 239,400	309	300
EnTrans International LLC Term Loan 1st Lien F/R 10-29-2025	United States	Term Loans	USD 343,438	446	454
EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047	Canada	Corporate - Non Convertible	1,290,000	1,283	1,330
EPR Properties 4.95% 04-15-2028 Callable 2028	United States	Corporate - Non Convertible	USD 870,000	1,091	1,211
Exela Intermediate LLC 10.00% 07-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 146,000	190	199
Fairfax Financial Holdings Ltd. 4.50% 03-22-2023	Canada	Corporate - Non Convertible	1,140,000	1,134	1,198
Fairfax Financial Holdings Ltd. 8.30% 04-15-2026	Canada	Corporate - Non Convertible	USD 1,900,000	2,871	3,039
Fairfax Financial Holdings Ltd. 4.25% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	520,000	520	526
Federation des Caisses Desjardins du Quebec 2.09% 01-17-2022	Canada	Corporate - Non Convertible	2,060,000	2,060	2,053
Federation des Caisses Desjardins du Quebec 3.06% 09-11-2023	Canada	Corporate - Non Convertible	3,100,000	3,097	3,192
Financial & Risk US Holdings Inc. 8.25% 11-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 170,000	221	224
Forming Machining Industries Holdings LLC Term Loan 1st Lien F/R 10-03-2025	United States	Term Loans	USD 247,830	319	320
Fortified Trust 2.56% 03-23-2024	Canada	Corporate - Non Convertible	1,200,000	1,200	1,209
FortisAlberta Inc. 3.67% 09-09-2047 Callable 2047	Canada	Corporate - Non Convertible	380,000	372	399
FortisAlberta Inc. 3.74% 09-18-2048 Callable 2048	Canada	Corporate - Non Convertible	340,000	339	359
Fortress Transportation and Infrastructure Investors LLC 6.50% 10-01-2025 Callable 2021 144A	United States	Corporate - Non Convertible	USD 300,000	385	396
Foundation Building Materials LLC Term Loan B 1st Lien F/R 05-11-2025	United States	Term Loans	USD 199,500	254	262
Frontera Generation Holdings LLC Term Loan B 1st Lien F/R 04-25-2025	United States	Term Loans	USD 347,375	444	460
Fusion Connect Inc. Term Loan B 1st Lien F/R 05-03-2023	United States	Term Loans	USD 86,625	107	106
GFL Environmental Inc. Term Loan B 1st Lien F/R 05-31-2025	Canada	Term Loans	USD 536,993	697	695
GFL Environmental Inc. 5.38% 03-01-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 55,000	67	70
GFL Environmental Inc. 7.00% 06-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 80,000	100	101
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS	Canada	Corporate - Non Convertible	98,000	98	100
Glacier Credit Card Trust 2.05% 09-20-2022	Canada	Corporate - Non Convertible	2,710,000	2,710	2,682
Glacier Credit Card Trust 3.14% 09-20-2023	Canada	Corporate - Non Convertible	960,000	960	988
The Goldman Sachs Group Inc. 2.43% 04-26-2023 Callable	United States	Corporate - Non Convertible	3,170,000	3,170	3,133
Government of Bermuda 4.13% 01-03-2023	Bermuda	Foreign Governments	USD 980,000	1,289	1,345
Government of Bermuda 4.85% 02-06-2024	Bermuda	Foreign Governments	USD 760,000	1,016	1,079
Government of Bermuda 3.72% 01-25-2027 Callable 2026	Bermuda	Foreign Governments	USD 3,905,000	4,795	5,191
Government of Canada 2.75% 06-01-2022	Canada	Federal Government	2,060,000	2,124	2,137
Government of Canada 1.00% 09-01-2022	Canada	Federal Government	100,000	97	98
Government of Canada 1.75% 03-01-2023	Canada	Federal Government	420,000	421	424
Government of Canada 1.50% 06-01-2023	Canada	Federal Government	4,120,000	4,038	4,116
Government of Canada 2.00% 09-01-2023	Canada	Federal Government	6,000,000	6,091	6,121
Government of Canada 2.50% 06-01-2024	Canada	Federal Government	9,800,000	10,018	10,273
Government of Canada 2.25% 06-01-2025	Canada	Federal Government	5,700,000	5,804	5,934
Government of Canada 1.50% 06-01-2026	Canada	Federal Government	260,000	260	259
Government of Canada 1.00% 06-01-2027	Canada	Federal Government	860,000	819	820
Government of Canada 2.25% 06-01-2029	Canada	Federal Government	29,590,000	30,742	31,267
Government of Canada 1.25% 12-01-2047 Real Return	Canada	Federal Government	16,400,000	20,438	21,604



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<b>BONDS (cont'd)</b>					
Government of Canada 2.75% 12-01-2048	Canada	Federal Government	30,880,000	36,352	36,811
H&R Real Estate Investment Trust 2.92% 05-06-2022	Canada	Corporate - Non Convertible	1,070,000	1,071	1,070
H&R Real Estate Investment Trust 3.42% 01-23-2023 Callable 2022	Canada	Corporate - Non Convertible	740,000	740	748
H&R Real Estate Investment Trust 3.37% 01-30-2024 Callable 2023	Canada	Corporate - Non Convertible	2,510,000	2,503	2,519
Hadrian Merger Sub Inc. 8.50% 05-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 201,000	258	248
Halo Buyer Inc. Delayed Draw Term Loan 1st Lien F/R 06-28-2025	United States	Term Loans	USD 52,943	70	70
Halo Buyer Inc. Term Loan 1st Lien F/R 06-28-2025	United States	Term Loans	USD 125,717	164	165
Heartland Dental LLC Delay Draw Term Loan 1st Lien F/R 04-17-2025	United States	Term Loans	USD 5,337	7	7
Heartland Dental LLC Term Loan 1st Lien F/R 04-17-2025	United States	Term Loans	USD 238,478	302	310
Heathrow Funding Ltd. 3.25% 05-21-2025	United Kingdom	Corporate - Non Convertible	2,190,000	2,242	2,234
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	1,740,000	1,738	1,760
Heathrow Funding Ltd. 3.79% 09-04-2030 Callable 2030	United Kingdom	Corporate - Non Convertible	1,280,000	1,280	1,313
Hillman Group Inc. Term Loan B 1st Lien F/R 05-21-2025	United States	Term Loans	USD 324	-	-
Hornblower Sub LLC Term Loan 1st Lien F/R 04-27-2025	United States	Term Loans	USD 440,000	587	588
Hornblower Sub LLC Term Loan 1st Lien F/R 04-28-2025	United States	Term Loans	USD 603,900	776	805
HSBC Bank Canada 2.17% 06-29-2022	Canada	Corporate - Non Convertible	1,380,000	1,364	1,370
HSBC Bank Canada 3.25% 09-15-2023	Canada	Corporate - Non Convertible	1,410,000	1,410	1,454
HSBC Holdings PLC 3.20% 12-05-2023	United Kingdom	Corporate - Non Convertible	2,680,000	2,680	2,721
Hub International Ltd. Term Loan B 1st Lien F/R 04-25-2025	United States	Term Loans	USD 138,352	175	179
Hydro One Inc. 2.97% 06-26-2025 Callable 2025	Canada	Corporate - Non Convertible	590,000	590	603
Hydro One Inc. 3.72% 11-18-2047	Canada	Corporate - Non Convertible	3,730,000	3,770	3,859
Hydro One Inc. 3.63% 06-25-2049 Callable 2048	Canada	Corporate - Non Convertible	710,000	710	723
Hydro-Quebec Interest Strip 0% 02-15-2025	Canada	Provincial Governments	2,300,000	1,960	2,020
IEA Energy Services LLC Term Loan 1st Lien F/R 11-02-2024	United States	Term Loans	USD 507,000	644	645
Innovative Water Care Global Corp. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 430,000	537	550
Institutional Shareholder Services Inc. Term Loan 1st Lien F/R 02-26-2026	United States	Term Loans	USD 360,000	474	479
Inter Pipeline Ltd. 2.73% 04-18-2024 Callable 2024	Canada	Corporate - Non Convertible	3,870,000	3,908	3,831
Inter Pipeline Ltd. 3.17% 03-24-2025 Callable 2024 MTN	Canada	Corporate - Non Convertible	2,860,000	2,892	2,865
Inter Pipeline Ltd. 3.48% 12-16-2026 Callable 2026	Canada	Corporate - Non Convertible	2,090,000	2,119	2,117
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	480,000	480	489
Intermedia Holdings Inc. Term Loan B 1st Lien F/R 07-13-2025	United States	Term Loans	USD 339,150	442	454
The International Bank for Reconstruction and Development 3.50% 01-22-2021	Supra - National	n/a	NZD 6,460,000	5,975	6,052
International Finance Corp. 3.63% 05-20-2020	Supra - National	n/a	NZD 2,100,000	1,939	1,950
iQor US Inc. Term Loan B 1st Lien F/R 04-01-2021	United States	Term Loans	USD 925,319	1,019	1,165
Isagenix International LLC Term Loan 1st Lien F/R 04-26-2025	United States	Term Loans	USD 577,500	736	693
Itron Inc. 5.00% 01-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 18,000	23	24
Ivanhoe Cambridge II Inc. 2.91% 06-27-2023 Callable 2023	Canada	Corporate - Non Convertible	700,000	701	715
Janus International Group LLC Term Loan 1st Lien F/R 02-15-2025	United States	Term Loans	USD 240,000	309	321
JP Intermediate B LLC Term Loan 1st Lien F/R 10-19-2025	United States	Term Loans	USD 197,500	256	250
JPMorgan Chase & Co. 3.19% 03-05-2021	United States	Corporate - Non Convertible	2,050,000	2,097	2,087
Keane Group Holdings LLC Term Loan B 1st Lien F/R 05-18-2025	United States	Term Loans	USD 307,675	394	397
Kestrel Acquisition LLC Term Loan B 1st Lien F/R 05-02-2025	United States	Term Loans	USD 148,875	191	199
The KeyW Holding Corp. Term Loan 1st Lien F/R 05-04-2024	United States	Term Loans	USD 297,674	381	399
Kindred Healthcare Inc. Term Loan B 1st Lien F/R 06-21-2025	United States	Term Loans	USD 278,600	367	366
Kruger Products LP 6.00% 04-24-2025 Callable 2021	Canada	Corporate - Non Convertible	35,000	35	34



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<b>BONDS (cont'd)</b>					
L&W Inc. Term Loan 1st Lien F/R 05-17-2025	United States	Term Loans	USD 54,401	70	72
Laurentian Bank of Canada 3.00% 09-12-2022	Canada	Corporate - Non Convertible	320,000	311	321
LBM Borrower LLC Term Loan 1st Lien F/R 08-20-2022	United States	Term Loans	USD 1,544,005	1,983	1,987
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 183,474	235	247
LifeScan Global Corp. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	USD 923,550	1,173	1,189
The Manufacturers Life Insurance Co. 2.39% 01-05-2026 Callable 2021	Canada	Corporate - Non Convertible	2,700,000	2,705	2,699
Manulife Bank of Canada 2.08% 05-26-2022	Canada	Corporate - Non Convertible	2,220,000	2,220	2,203
Manulife Bank of Canada 2.84% 01-12-2023	Canada	Corporate - Non Convertible	1,310,000	1,307	1,330
Manulife Financial Corp. F/R 05-09-2028 Callable 2023	Canada	Corporate - Non Convertible	740,000	740	755
Manulife Financial Corp. F/R 08-20-2029 Callable 2024	Canada	Corporate - Non Convertible	2,590,000	2,590	2,611
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020	Canada	Corporate - Non Convertible	22,000	22	22
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 110,000	137	145
Matterhorn Merger Sub LLC 8.50% 06-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 42,000	54	49
McDermott Technology Americas Inc. Term Loan B 1st Lien F/R 04-05-2025	United States	Term Loans	USD 98,402	123	126
McDonald's Corp. 3.13% 03-04-2025 Callable 2025	United States	Corporate - Non Convertible	2,560,000	2,554	2,608
MEG Energy Corp. 6.38% 01-30-2023 Callable 144A	Canada	Corporate - Non Convertible	USD 270,000	325	334
MEG Energy Corp. 7.00% 03-31-2024 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 350,000	458	436
Minotaur Acquisition Inc. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 470,000	606	621
Morgan Stanley 3.00% 02-07-2024	United States	Corporate - Non Convertible	3,000,000	2,999	3,021
National Bank of Canada 1.96% 06-30-2022	Canada	Corporate - Non Convertible	8,810,000	8,710	8,726
National Bank of Canada 2.98% 03-04-2024	Canada	Corporate - Non Convertible	790,000	790	803
NAV Canada 3.29% 03-30-2048 Callable 2047	Canada	Corporate - Non Convertible	980,000	981	1,022
NAV Canada 3.21% 09-29-2050 Callable 2050	Canada	Corporate - Non Convertible	100,000	100	103
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	USD 101,572	129	134
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 14,500	18	19
Newell Brands Inc. 4.20% 04-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 640,000	812	817
NMN Holdings III Corp. Term Loan Delayed Draw 1st Lien F/R 10-26-2025	United States	Term Loans	USD 11,750	15	16
NMN Holdings III Corp. Term Loan 1st Lien F/R 10-26-2025	United States	Term Loans	USD 56,850	74	75
North Battleford Power LP 4.96% 12-31-2032	Canada	Corporate - Non Convertible	1,399,580	1,400	1,571
North West Redwater Partnership 2.80% 06-01-2027 Callable 2027	Canada	Corporate - Non Convertible	2,320,000	2,238	2,297
North West Redwater Partnership 3.65% 06-01-2035 Callable 2034	Canada	Corporate - Non Convertible	1,170,000	1,169	1,206
Nouvelle Autoroute 30 Financement Inc. 4.11% 03-31-2042	Canada	Corporate - Non Convertible	989,775	990	1,071
Nova Scotia Power Inc. 3.57% 04-05-2049 Callable 2048	Canada	Corporate - Non Convertible	600,000	601	598
OCI Beaumont LLC Term Loan B 1st Lien F/R 02-16-2025	United States	Term Loans	USD 237,600	298	317
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	USD 120,676	149	165
Omega Healthcare Investors Inc. 4.50% 01-15-2025 Callable 2024	United States	Corporate - Non Convertible	USD 750,000	809	1,018
OMERS Realty Corp. 3.24% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	4,120,000	4,116	4,292
OMERS Realty Corp. 3.63% 06-05-2030 Callable 2030	Canada	Corporate - Non Convertible	1,730,000	1,730	1,854
Ontario Hydro 0% 05-26-2025	Canada	Provincial Governments	2,060,000	1,719	1,785
Ontario Power Generation Inc. 3.32% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	1,520,000	1,520	1,561
Ontario Power Generation Inc. 3.84% 06-22-2048 Callable 2047	Canada	Corporate - Non Convertible	930,000	930	955
Ontario Power Generation Inc. 4.25% 01-18-2049 Callable 2048	Canada	Corporate - Non Convertible	550,000	555	603
OPB Finance Trust 2.98% 01-25-2027	Canada	Provincial Governments	1,710,000	1,714	1,768
Osteon Merger Sub Inc. Term Loan B 1st Lien F/R 02-06-2025	United States	Term Loans	USD 177,200	221	236



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<b>BONDS (cont'd)</b>					
Owens & Minor Inc. Term Loan B 1st Lien F/R 05-01-2025	United States	Term Loans	USD 199,000	251	203
Panther BF Aggregator 2 LP Term B 1st Lien F/R 03-18-2026	United States	Term Loans	USD 370,000	489	489
Park Aerospace Holdings Ltd. 5.25% 08-15-2022 144A	Ireland	Corporate - Non Convertible	USD 70,000	94	96
Parkland Fuel Corp. 6.00% 04-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 45,000	59	61
Pembina Pipeline Corp. 3.54% 02-03-2025 Callable	Canada	Corporate - Non Convertible	830,000	828	855
Pembina Pipeline Corp. 4.02% 03-27-2028 Callable 2027	Canada	Corporate - Non Convertible	1,300,000	1,301	1,362
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 760,000	243	237
Pisces Midco Inc. Term Loan B 1st Lien F/R 03-29-2025	United States	Term Loans	USD 373,717	484	480
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 110,000	140	133
PLH Group Inc. Term Loan 1st Lien F/R 08-06-2023	United States	Term Loans	USD 216,189	272	286
Prairie ECI Acquiror LP Term Loan 1st Lien F/R 03-07-2026	United States	Term Loans	USD 240,000	321	322
Project Leopard Holdings Inc. Term Loan 1st Lien F/R 07-07-2023	United States	Term Loans	USD 448,875	578	594
Prospect Medical Holdings Inc. Term Loan B 1st Lien F/R 02-15-2024	United States	Term Loans	USD 872,452	1,073	1,066
Province of Newfoundland 3.00% 06-02-2026	Canada	Provincial Governments	1,280,000	1,272	1,331
Province of Newfoundland 3.70% 10-17-2048	Canada	Provincial Governments	6,130,000	6,765	6,866
Province of Ontario 3.50% 06-02-2024	Canada	Provincial Governments	530,000	551	567
Province of Ontario 2.65% 02-05-2025	Canada	Provincial Governments	2,330,000	2,361	2,400
Province of Ontario 2.90% 06-02-2028	Canada	Provincial Governments	23,380,000	23,436	24,395
Province of Ontario 2.70% 06-02-2029	Canada	Provincial Governments	9,860,000	9,923	10,109
Province of Ontario 4.60% 06-02-2039	Canada	Provincial Governments	2,930,000	3,598	3,764
Province of Ontario 2.90% 06-02-2049	Canada	Provincial Governments	38,760,000	36,762	39,924
Province of Quebec 0% 04-01-2026 Generic Strip	Canada	Provincial Governments	2,720,000	2,281	2,310
Province Of Quebec 2.75% 09-01-2028	Canada	Provincial Governments	4,720,000	4,670	4,890
Province of Quebec 3.50% 12-01-2048	Canada	Provincial Governments	18,050,000	19,722	20,921
Province of Saskatchewan 3.30% 06-02-2048	Canada	Provincial Governments	1,830,000	1,915	2,007
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	USD 218,900	281	292
PSC Industrial Outsourcing LP Term Loan B 1st Lien F/R 10-05-2024	United States	Term Loans	USD 632,000	787	837
Quad/Graphics Inc. Term Loan B 1st Lien F/R 06-30-2026	United States	Term Loans	USD 490,000	641	656
R.R. Donnelley & Sons Co. Term Loan B 1st Lien F/R 01-04-2024	United States	Term Loans	USD 170,573	219	228
R1 RCM Inc. Term Loan B 1st Lien F/R 05-02-2025	United States	Term Loans	USD 337,450	422	449
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 740,000	935	891
Reliance Intermediate Holdings LP 6.50% 04-01-2023 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 30,000	40	41
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	United States	Term Loans	USD 156,048	191	208
Royal Bank of Canada 2.95% 05-01-2023	Canada	Corporate - Non Convertible	7,450,000	7,451	7,637
Royal Bank of Canada 3.30% 09-26-2023	Canada	Corporate - Non Convertible	1,480,000	1,480	1,527
Savage Enterprises LLC Term Loan B 1st Lien F/R 07-02-2025	United States	Term Loans	USD 366,828	473	492
Sea to Sky Highway Investment LP 2.63% 08-31-2030	Canada	Corporate - Non Convertible	1,921,744	1,922	1,904
Shaw Communications Inc. 4.40% 11-02-2028 Callable 2028	Canada	Corporate - Non Convertible	2,130,000	2,153	2,278
Sigma Bidco BV Term Loan B 1st Lien F/R 03-07-2025	Netherlands	Term Loans	EUR 140,000	222	208
Sigma US Corp. Term Loan B 1st Lien F/R 03-06-2025	Netherlands	Term Loans	USD 68,950	88	90
SIRVA Worldwide Inc. Term Loan 1st Lien F/R 07-31-2025	United States	Term Loans	USD 355,763	456	465
SIWF Holdings Inc. Term Loan 1st Lien F/R 05-25-2025	United States	Term Loans	USD 238,200	306	315
Spirit AeroSystems Inc. 3.95% 06-15-2023 Callable 2023	United States	Corporate - Non Convertible	USD 650,000	833	886
Sprint Spectrum Co. LLC 4.74% 03-20-2025 144A	United States	Corporate - Non Convertible	USD 750,000	971	1,015
Spy Hill Power LP 4.14% 03-31-2036	Canada	Corporate - Non Convertible	1,131,141	1,128	1,203
SRS Distribution Inc. Term Loan B 1st Lien F/R 05-17-2025	United States	Term Loans	USD 87,455	112	112



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<b>BONDS (cont'd)</b>					
SS&C Technologies Inc. Term Loan B5 1st Lien F/R 04-16-2025	United States	Term Loans	USD 228,831	299	304
St. Joseph Energy Center LLC Term Loan 1st Lien F/R 04-06-2025	United States	Term Loans	USD 193,039	246	258
Staples Inc. Term Loan 1st Lien F/R 08-15-2024	United States	Term Loans	USD 819,011	1,051	1,087
Starfruit US Holdco LLC 8.00% 10-01-2026 Callable 2021 144A	Netherlands	Corporate - Non Convertible	USD 140,000	178	188
Stars Group Holdings BV Term Loan B 1st Lien F/R 07-10-2025	Canada	Term Loans	USD 70,000	93	94
Stars Group Holdings BV 7.00% 07-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 85,000	113	119
Sun Life Financial Inc. F/R 02-19-2026 Callable 2021	Canada	Corporate - Non Convertible	2,410,000	2,439	2,442
Sun Life Financial Inc. F/R 11-23-2027 Callable 2022	Canada	Corporate - Non Convertible	1,120,000	1,120	1,129
Sun Life Financial Inc. F/R 09-19-2028 Callable 2023	Canada	Corporate - Non Convertible	3,210,000	3,221	3,265
Superior Plus LP 7.00% 07-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 370,000	491	503
Sydney Airport Finance Co. Pty. Ltd. 3.63% 04-28-2026 Callable 2026 144A	Australia	Corporate - Non Convertible	USD 2,400,000	3,053	3,197
Syniverse Holdings Inc. Term Loan 1st Lien F/R 02-09-2023	United States	Term Loans	USD 247,500	308	305
Sysco Canada Inc. 3.65% 04-25-2025 Callable 2025	United States	Corporate - Non Convertible	1,190,000	1,191	1,235
Talen Energy Supply LLC 9.50% 07-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 70,000	98	101
TELUS Corp. 3.35% 04-01-2024 Callable	Canada	Corporate - Non Convertible	270,000	278	277
TELUS Corp. 3.30% 05-02-2029 Callable 2029	Canada	Corporate - Non Convertible	580,000	575	579
TELUS Corp. 4.70% 03-06-2048 Callable 2047	Canada	Corporate - Non Convertible	930,000	924	993
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027 144A	United States	Corporate - Non Convertible	USD 44,000	56	57
Teva Pharmaceutical Industries Ltd. 2.20% 07-21-2021	Israel	Corporate - Non Convertible	USD 226,000	282	288
Thor Industries Inc. Term Loan B 1st Lien F/R 11-01-2025	United States	Term Loans	USD 622,294	802	795
TMX Group Ltd. 4.46% 10-03-2023 Callable 2023	Canada	Corporate - Non Convertible	2,050,000	2,321	2,203
TMX Group Ltd. 2.30% 12-11-2024 Callable 2024	Canada	Corporate - Non Convertible	640,000	642	649
TMX Group Ltd. 3.78% 06-05-2028 Callable 2028	Canada	Corporate - Non Convertible	640,000	643	673
The Toronto-Dominion Bank 2.05% 12-01-2022	Canada	Mortgage Backed	1,064,539	1,032	1,063
The Toronto-Dominion Bank 3.01% 05-30-2023	Canada	Corporate - Non Convertible	1,170,000	1,171	1,204
The Toronto-Dominion Bank 2.85% 03-08-2024	Canada	Corporate - Non Convertible	1,730,000	1,739	1,753
The Toronto-Dominion Bank 6.13% 12-01-2024	Canada	Mortgage Backed	2,991,578	3,385	3,475
The Toronto-Dominion Bank 5.38% 07-01-2028	Canada	Mortgage Backed	1,628,197	1,722	1,867
TransCanada PipeLines Ltd. 3.69% 07-19-2023	Canada	Corporate - Non Convertible	270,000	276	282
TransCanada Pipelines Ltd. 3.39% 03-15-2028 Callable 2027	Canada	Corporate - Non Convertible	1,140,000	1,132	1,167
TransCanada PipeLines Ltd. 4.18% 07-03-2048 Callable 2048	Canada	Corporate - Non Convertible	170,000	170	173
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	2,270,000	2,221	2,147
Transurban Finance Co. Pty. Ltd. 4.56% 11-14-2028 Callable 2028	Australia	Corporate - Non Convertible	2,170,000	2,171	2,344
Travelport Finance Luxembourg Sarl Term Loan 1st Lien F/R 03-18-2026	Luxembourg	Term Loans	USD 730,000	955	950
Trico Group LLC. Term Loan 1st Lien F/R 02-02-2024	United States	Term Loans	USD 136,516	164	173
Trillium Windpower LP 5.80% 02-15-2033	United States	Corporate - Non Convertible	1,110,794	1,111	1,291
Uber Technologies Inc. Term Loan B 1st Lien F/R 07-13-2023	United States	Term Loans	USD 1,187,616	1,568	1,579
Uber Technologies Inc. 8.00% 11-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 510,000	664	724
Ultra Clean Holdings Inc. Term Loan B 1st Lien F/R 08-27-2025	United States	Term Loans	USD 612,250	786	789
Unimin Corp. Term Loan 1st Lien F/R 05-21-2025	United States	Term Loans	USD 456,550	588	523
Union Gas Ltd. 3.59% 11-22-2047 Callable 2047	Canada	Corporate - Non Convertible	1,280,000	1,278	1,319
United States Treasury 2.88% 09-30-2023	United States	Foreign Governments	USD 1,690,000	2,199	2,321
United States Treasury 2.88% 10-31-2023	United States	Foreign Governments	USD 270,000	359	371
United States Treasury 2.25% 11-15-2027	United States	Foreign Governments	USD 310,000	391	410
United States Treasury 2.75% 02-15-2028	United States	Foreign Governments	USD 2,230,000	2,831	3,071
United States Treasury 2.88% 08-15-2028	United States	Foreign Governments	USD 1,320,000	1,681	1,837



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
United States Treasury 3.13% 11-15-2028	United States	Foreign Governments	USD 2,460,000	3,271	3,495
United States Treasury 2.63% 02-15-2029	United States	Foreign Governments	USD 1,120,000	1,497	1,528
Vancouver Airport Authority 3.66% 11-23-2048 Callable 2048	Canada	Corporate - Non Convertible	1,140,000	1,140	1,261
Ventas Canada Finance Ltd. 2.55% 03-15-2023 Callable 2023	United States	Corporate - Non Convertible	2,160,000	2,161	2,144
Ventas Realty LP 4.00% 03-01-2028 Callable 2027	United States	Corporate - Non Convertible	USD 850,000	1,054	1,151
VeriFone Systems Inc. Term Loan 1st Lien F/R 08-09-2025	United States	Term Loans	USD 259,350	336	342
VeriSign Inc. 4.75% 07-15-2027 Callable 2022	United States	Corporate - Non Convertible	USD 1,530,000	1,979	2,040
Vertex Aerospace Services Corp. Term Loan B 1st Lien F/R 06-14-2025	United States	Term Loans	USD 228,153	297	306
Vistage Worldwide Inc. Term Loan 1st Lien F/R 02-01-2025	United States	Term Loans	USD 445,500	556	591
Vodafone Group PLC 3.75% 01-16-2024	United Kingdom	Corporate - Non Convertible	USD 520,000	662	704
VVC Holding Corp. Term Loan B 1st Lien F/R 02-07-2026	United States	Term Loans	USD 670,000	873	885
Vyair Medical Inc. Term Loan B 1st Lien F/R 04-06-2025	United States	Term Loans	USD 436,700	527	515
W/S Packaging Holdings Inc. 9.00% 04-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 310,000	401	438
Wells Fargo & Co. 3.19% 02-08-2024 Callable 2024	United States	Corporate - Non Convertible	3,210,000	3,218	3,266
Wells Fargo & Co. 2.98% 05-19-2026	United States	Corporate - Non Convertible	1,823,000	1,823	1,812
Welltower Inc. 4.25% 04-15-2028 Callable 2028	United States	Corporate - Non Convertible	USD 660,000	845	911
Welltower Inc. 4.13% 03-15-2029 Callable 2028	United States	Corporate - Non Convertible	USD 830,000	1,096	1,131
Westcoast Energy Inc. 4.79% 10-28-2041	Canada	Corporate - Non Convertible	1,850,000	1,957	2,088
Williams Scotsman International Inc. 7.88% 12-15-2022 Callable 2019 144A	United States	Corporate - Non Convertible	USD 62,000	80	86
Yak Access LLC Term Loan B 1st Lien F/R 06-26-2025	United States	Term Loans	USD 671,500	857	767
YRC Worldwide Inc. Term Loan 1st Lien F/R 07-21-2022	United States	Term Loans	USD 176,027	218	233
Zotec Partners LLC Term Loan 1st Lien F/R 02-09-2024	United States	Term Loans	USD 643,500	802	850
<b>Total bonds</b>				<b>628,128</b>	<b>649,005</b>
<b>EQUITIES</b>					
Aena SA	Spain	Industrials	11,100	2,786	2,671
AIA Group Ltd.	Hong Kong	Financials	113,200	1,124	1,506
Air Canada	Canada	Industrials	6,337	199	204
Air Liquide SA	France	Materials	16,099	2,095	2,736
Algonquin Power & Utilities Corp.	Canada	Utilities	25,600	365	385
Alimentation Couche-Tard Inc. Class B Sub. voting	Canada	Consumer Staples	25,275	1,017	1,990
Allergan PLC	United States	Health Care	15,100	3,791	2,954
Allied Properties Real Estate Investment Trust	Canada	Real Estate	41,714	1,361	2,057
AltaGas Ltd. Pfd. Series K	Canada	Energy	29,198	730	580
Altria Group Inc.	United States	Consumer Staples	24,529	1,307	1,882
Apple Inc.	United States	Information Technology	8,200	749	2,081
ARC Resources Ltd.	Canada	Energy	113,267	1,980	1,033
Atlas Copco AB A	Sweden	Industrials	34,500	1,024	1,239
B3 SA- Brasil Bolsa Balcao	Brazil	Financials	110,039	902	1,206
Baker Hughes a GE Co.	United States	Energy	34,100	977	1,263
Bank of Montreal	Canada	Financials	54,522	3,717	5,452
The Bank of Nova Scotia	Canada	Financials	221,117	12,919	15,730
Bayer AG	Germany	Health Care	19,752	2,651	1,706
Becton, Dickinson and Co.	United States	Health Care	12,855	1,653	4,289
Brenntag AG	Germany	Industrials	26,400	1,755	1,817
British American Tobacco PLC	United Kingdom	Consumer Staples	32,600	1,988	1,811



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Broadcom Inc.	United States	Information Technology	5,600	1,721	2,250
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Real Estate	18,613	466	475
Brookfield Asset Management Inc. Pfd. Series 48	Canada	Real Estate	19,015	475	456
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Utilities	53,799	1,345	1,160
Cabot Oil & Gas Corp.	United States	Energy	22,300	694	778
Canadian National Railway Co.	Canada	Industrials	48,614	4,982	5,816
Canadian Natural Resources Ltd.	Canada	Energy	138,174	5,186	5,070
Canadian Pacific Railway Ltd.	Canada	Industrials	17,368	3,344	4,782
Canadian Tire Corp. Ltd. Class A non-voting	Canada	Consumer Discretionary	5,500	786	792
CCL Industries Inc. Class B non-voting	Canada	Materials	17,641	973	954
Cisco Systems Inc.	United States	Information Technology	22,600	1,186	1,630
CME Group Inc.	United States	Financials	11,200	1,145	2,463
Compagnie Financiere Richemont SA	Switzerland	Consumer Discretionary	14,200	1,460	1,383
Constellation Brands Inc. Class A	United States	Consumer Staples	8,500	2,111	1,991
Dentsply Sirona Inc.	United States	Health Care	44,000	2,720	2,915
Deutsche Boerse AG	Germany	Financials	20,700	1,886	3,547
Diageo PLC	United Kingdom	Consumer Staples	28,900	880	1,578
Dollarama Inc.	Canada	Consumer Discretionary	13,502	472	481
Emera Inc.	Canada	Utilities	75,704	3,474	3,783
Enbridge Inc.	Canada	Energy	134,653	6,497	6,517
EnCana Corp.	Canada	Energy	186,800	2,799	1,808
Entertainment One Ltd.	Canada	Communication Services	73,200	465	569
Equifax Inc.	United States	Industrials	15,400	1,902	2,438
Eurofins Scientific	Luxembourg	Health Care	2,600	1,281	1,438
First Capital Realty Inc. Instalment Receipts	Canada	Real Estate	46,100	475	508
Fortis Inc.	Canada	Utilities	57,983	2,090	2,864
George Weston Ltd.	Canada	Consumer Staples	40,789	3,701	3,919
Harley-Davidson Inc.	United States	Consumer Discretionary	16,400	1,045	781
Heineken Holding NV A	Netherlands	Consumer Staples	18,700	1,955	2,504
Honeywell International Inc.	United States	Industrials	10,800	1,227	2,293
HSBC Holdings PLC	United Kingdom	Financials	168,600	1,872	1,828
Intact Financial Corp.	Canada	Financials	11,821	975	1,337
Japan Exchange Group Inc.	Japan	Financials	95,200	1,865	2,265
Johnson & Johnson	United States	Health Care	15,500	1,617	2,895
JPMorgan Chase & Co.	United States	Financials	21,600	1,956	2,922
Kao Corp.	Japan	Consumer Staples	17,800	1,356	1,871
Keyence Corp.	Japan	Information Technology	1,700	1,113	1,414
Kinder Morgan Inc.	United States	Energy	115,400	2,942	3,085
Koninklijke Philips NV	Netherlands	Health Care	53,794	2,209	2,929
Kweichow Moutai Co. Ltd. Class A	China	Consumer Staples	11,969	401	2,035
Linde PLC	Ireland	Materials	5,500	1,150	1,293
Loblaw Companies Ltd.	Canada	Consumer Staples	35,558	1,610	2,344
Lockheed Martin Corp.	United States	Industrials	5,500	876	2,206
London Stock Exchange Group PLC	United Kingdom	Financials	19,800	1,499	1,637
Magna International Inc.	Canada	Consumer Discretionary	24,906	1,294	1,621
Manulife Financial Corp.	Canada	Financials	335,662	7,177	7,586
McDonald's Corp.	United States	Consumer Discretionary	6,260	622	1,588
Methanex Corp.	Canada	Materials	13,332	1,011	1,012
Micro Focus International PLC	United Kingdom	Information Technology	89,906	2,811	3,123



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Microsoft Corp.	United States	Information Technology	26,000	1,223	4,097
Moody's Corp.	United States	Financials	9,600	1,184	2,323
Mowi ASA	Norway	Consumer Staples	41,400	963	1,235
Murata Manufacturing Co. Ltd.	Japan	Information Technology	13,800	959	917
Nestlé SA Reg.	Switzerland	Consumer Staples	33,800	2,808	4,305
New Oriental Education & Technology Group Inc. ADR	China	Consumer Discretionary	10,200	1,041	1,228
Nike Inc. Class B	United States	Consumer Discretionary	9,404	642	1,058
Nokia OYJ	Finland	Information Technology	203,200	1,632	1,546
Northern Trust Corp.	United States	Financials	11,500	1,620	1,389
Novo Nordisk AS B	Denmark	Health Care	38,800	1,812	2,714
Nutrien Ltd.	Canada	Materials	51,883	2,891	3,657
Oaktree Capital Group LLC	United States	Financials	40,791	2,513	2,706
Occidental Petroleum Corp.	United States	Energy	24,300	2,189	2,149
Open Text Corp.	Canada	Information Technology	54,800	2,349	2,812
Oracle Corp.	United States	Information Technology	25,700	1,095	1,844
Otsuka Corp.	Japan	Information Technology	18,000	729	898
Parkland Fuel Corp.	Canada	Energy	39,822	1,502	1,626
Pembina Pipeline Corp.	Canada	Energy	47,423	1,630	2,328
Pernod Ricard SA*	France	Consumer Staples	5,700	730	1,367
Philip Morris International Inc.	United States	Consumer Staples	28,500	2,806	3,366
Power Corp. of Canada Sub. Voting*	Canada	Financials	31,300	764	975
Power Financial Corp.*	Canada	Financials	30,000	797	937
PrairieSky Royalty Ltd.	Canada	Energy	42,500	788	765
Pure Multi-Family REIT LP	Canada	Real Estate	132,647	1,140	1,202
Restaurant Brands International Inc.	Canada	Consumer Discretionary	2,700	235	235
RioCan Real Estate Investment Trust	Canada	Real Estate	64,458	1,298	1,706
Roche Holding AG Genussscheine	Switzerland	Health Care	8,000	2,517	2,946
Rogers Communications Inc. Class B non-voting	Canada	Communication Services	5,685	203	409
Royal Bank of Canada	Canada	Financials	126,118	8,383	12,714
Sabre Corp.	United States	Information Technology	42,991	1,176	1,229
Safran SA	France	Industrials	20,500	1,783	3,757
Sands China Ltd.	Hong Kong	Consumer Discretionary	276,200	1,953	1,855
SAP AG	Germany	Information Technology	15,600	1,367	2,409
Shaw Communications Inc. Class B non-voting	Canada	Communication Services	301,215	7,725	8,377
The Sherwin-Williams Co.	United States	Materials	5,000	1,896	2,877
Sika AG	Switzerland	Materials	13,100	2,282	2,446
SNC-Lavalin Group Inc.	Canada	Industrials	27,845	1,354	944
Sony Corp.	Japan	Consumer Discretionary	25,100	1,625	1,406
Starbucks Corp.	United States	Consumer Discretionary	27,100	1,907	2,692
Stella-Jones Inc.	Canada	Materials	11,700	486	528
Sun Life Financial Inc.	Canada	Financials	81,800	3,840	4,200
Suncor Energy Inc.	Canada	Energy	152,724	6,061	6,613
Suzuki Motor Corp.	Japan	Consumer Discretionary	9,000	551	532
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	Information Technology	134,700	1,229	1,432
TELUS Corp.	Canada	Communication Services	172,419	8,028	8,528
Tencent Holdings Ltd.	China	Communication Services	33,000	1,273	2,028
Texas Instruments Inc.	United States	Information Technology	10,700	1,335	1,516
The Toronto-Dominion Bank	Canada	Financials	213,708	9,192	15,497
TransAlta Corp. Pfd. Series A	Canada	Utilities	68,897	913	878



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As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
TransCanada Corp. Pfd. Series 15	Canada	Energy	45,709	1,145	1,169
TransCanada Corp.	Canada	Energy	130,949	7,096	7,860
Unilever NV CVA	United Kingdom	Consumer Staples	27,500	1,209	2,135
United Technologies Corp.	United States	Industrials	17,400	2,822	2,997
Visa Inc. Class A	United States	Information Technology	11,900	905	2,483
Walgreens Boots Alliance Inc.	United States	Consumer Staples	19,900	1,704	1,682
Wells Fargo & Co.	United States	Financials	27,400	1,487	1,769
<b>Total equities</b>				<b>258,976</b>	<b>322,819</b>
<b>OPTIONS</b>					
Options purchased (see schedule of options purchased)				1,099	650
<b>Total options</b>				<b>1,099</b>	<b>650</b>
<b>EXCHANGE-TRADED FUNDS/NOTES</b>					
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged) Canada		Exchange-Traded Funds/Notes	143,739	14,299	14,153
<b>Total exchange-traded funds/notes</b>				<b>14,299</b>	<b>14,153</b>
<b>MUTUAL FUNDS</b>					
Mackenzie Global Credit Opportunities Fund Series R	Canada	Mutual Funds	5,287,798	52,811	49,529
Mackenzie Global Tactical Bond Fund Series R	Canada	Mutual Funds	816,435	8,145	7,596
Mackenzie International Dividend Fund Series R	Canada	Mutual Funds	181,836	1,824	2,175
Mackenzie Unconstrained Fixed Income Fund Series R	Canada	Mutual Funds	653,180	6,463	6,464
<b>Total mutual funds</b>				<b>69,243</b>	<b>65,764</b>
Transaction costs				(319)	—
<b>Total investments</b>				<b>971,426</b>	<b>1,052,391</b>
Derivative instruments (see schedule of derivative instruments)					(2,120)
Cash and cash equivalents					74,885
Other assets less liabilities					(14,710)
<b>Total net assets</b>					<b>1,110,446</b>

\* Related to Mackenzie. See Note 1.



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## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2019		March 31, 2018	
<b>Effective Portfolio Allocation</b>	<b>% of NAV</b>	<b>Effective Portfolio Allocation</b>	<b>% of NAV</b>
Bonds	63.5	Bonds	67.8
<i>Bonds</i>	63.5	<i>Bonds</i>	68.0
<i>Purchased options</i>	0.1	<i>Purchased options</i>	0.0
<i>Short futures</i>	(0.1)	<i>Short futures</i>	(0.2)
Equities	29.4	Equities	29.8
Cash and short-term investments	7.3	Cash and short-term investments	1.4
Exchange-traded funds/notes	1.3	Exchange-traded funds/notes	1.3
Other assets (liabilities)	(1.5)	Other assets (liabilities)	(0.3)
<b>Effective Regional Allocation</b>	<b>% of NAV</b>	<b>Effective Regional Allocation</b>	<b>% of NAV</b>
Canada	62.3	Canada	65.2
United States	19.6	United States	20.3
Cash and short-term investments	7.3	Other	4.4
Other	3.7	United Kingdom	2.4
United Kingdom	2.3	Cash and short-term investments	1.4
Germany	1.0	Germany	1.1
Switzerland	1.0	Switzerland	0.9
Japan	0.9	France	0.9
France	0.8	Australia	0.9
Netherlands	0.8	Netherlands	0.8
Bermuda	0.7	Japan	0.7
Australia	0.6	Bermuda	0.7
New Zealand	0.5	China	0.6
Other assets (liabilities)	(1.5)	Other assets (liabilities)	(0.3)
<b>Effective Sector Allocation</b>	<b>% of NAV</b>	<b>Effective Sector Allocation</b>	<b>% of NAV</b>
Corporate bonds	30.9	Corporate bonds	32.7
Provincial bonds	11.3	Federal bonds	12.7
Federal bonds	10.9	Provincial bonds	11.2
Financials	8.2	Financials	9.0
Cash and short-term investments	7.3	Term loans	5.8
Term loans	5.6	Other	4.4
Other	5.1	Energy	3.7
Energy	3.9	Industrials	3.7
Consumer staples	3.3	Foreign government bonds	3.3
Information technology	2.9	Information technology	3.1
Industrials	2.8	Consumer staples	2.9
Foreign government bonds	2.4	Health care	1.9
Health care	2.3	Consumer discretionary	1.9
Communication services	1.8	Cash and short-term investments	1.4
Consumer discretionary	1.4	Mortgage backed	1.3
Materials	1.4	Exchange-traded funds/notes	1.3
Other assets (liabilities)	(1.5)	Other assets (liabilities)	(0.3)

The effective allocation shows the portfolio, regional or sector exposure of the Fund calculated by combining its direct and indirect investments.

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## SCHEDULE OF OPTIONS PURCHASED

As at March 31, 2019

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000s)	Fair Value (\$ 000s)
iShares iBoxx \$ High Yield Corporate Bond ETF	4,312	Put	May 17, 2019	USD 84.00	338	166
iShares iBoxx \$ High Yield Corporate Bond ETF	1,035	Put	Jun. 21, 2019	USD 84.00	101	70
iShares iBoxx \$ High Yield Corporate Bond ETF	4,312	Put	Jul. 19, 2019	USD 82.00	425	251
iShares iBoxx \$ High Yield Corporate Bond ETF	852	Put	Sep. 20, 2019	USD 84.00	235	163
<b>Total options</b>					<b>1,099</b>	<b>650</b>



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## 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)
(431)	10 Year Canadian Government Bond Futures June 2019	Jun. 19, 2019	136.31 CAD	(59,926)	(1,176)
(142)	10 Year United States Treasury Note Futures June 2019	Jun. 19, 2019	124.18 USD	(23,568)	(7)
Unrealized (Losses)				(83,494)	(1,183)
<b>Total futures contracts</b>				<b>(83,494)</b>	<b>(1,183)</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)
A	59 Canadian dollar	(39) Euro	Apr. 5, 2019	(59)	(59)	–
AA	1,792 Canadian dollar	(1,340) U.S. dollar	Apr. 5, 2019	(1,792)	(1,790)	2
AA	2,370 U.S. dollar	(3,131) Canadian dollar	Apr. 5, 2019	3,131	3,166	35
AA	3,138 Canadian dollar	(2,340) U.S. dollar	Jun. 7, 2019	(3,138)	(3,122)	16
AA	22,112 Canadian dollar	(16,492) U.S. dollar	Jun. 7, 2019	(22,112)	(21,999)	113
AA	4,364 Canadian dollar	(3,260) U.S. dollar	Jun. 14, 2019	(4,364)	(4,348)	16
A	13,023 Canadian dollar	(9,738) U.S. dollar	Jun. 14, 2019	(13,023)	(12,988)	35
Unrealized Gains						217
AA	17,950 U.S. dollar	(23,981) Canadian dollar	Apr. 5, 2019	23,981	23,980	(1)
AA	10,640 Canadian dollar	(8,022) U.S. dollar	Apr. 12, 2019	(10,640)	(10,716)	(76)
AA	7,894 Canadian dollar	(8,693) New Zealand dollar	May 8, 2019	(7,894)	(7,911)	(17)
AA	150 Canadian dollar	(100) Euro	May 10, 2019	(150)	(150)	–
AA	13,330 Canadian dollar	(10,170) U.S. dollar	May 17, 2019	(13,330)	(13,574)	(244)
AA	40,644 Canadian dollar	(30,997) U.S. dollar	May 17, 2019	(40,644)	(41,371)	(727)
AA	30,000 Canadian dollar	(22,560) U.S. dollar	Jun. 14, 2019	(30,000)	(30,089)	(89)
Unrealized (Losses)						(1,154)
<b>Total forward currency contracts</b>						<b>(937)</b>
<b>Total derivative instruments at fair value</b>						<b>(2,120)</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 July 12, 1974

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, Series B, Series C and Series T8 securities are offered to retail investors investing a minimum of \$500. Investors in Series A, Series B and Series C securities want to receive a monthly cash flow of 5% per year. And Investors in Series T8 securities want to receive a monthly cash flow of 8% per year. Effective October 27, 2017, Series B and Series C securities were consolidated into Series A.

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. Investors in Series D securities also want to receive a monthly cash flow of 5% per year.

Series F and Series F8 securities are offered to investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$500 (\$5,000 for Series F8); they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie. Investors in Series F and Series F8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively.

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. Investors in Series FB securities also want to receive a monthly cash flow of 5% per year.

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. Investors in Series O securities also want to receive a monthly cash flow of 5% per year.

Series PW and PWT8 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors in Series PW and Series PWT8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively.

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. Investors in Series PWFB securities also want to receive a monthly cash flow of 5% per year.

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 and Series PWX8 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. Investors in Series PWX and Series PWX8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively.

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 G securities are no longer available for sale, except for additional purchases by investors who have held these securities since December 11, 2017. Investors in Series G securities also want to receive a monthly cash flow of 5% per year.

Series I and Series J securities are no longer available for sale.

Series PWF and Series PWF8 securities are no longer available for sale. Effective June 1, 2018, Series PWF and Series PWF8 securities were consolidated into Series F and Series F8 securities, respectively.

**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 INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED 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	July 12, 1974	1.50%	0.21%	1.89	1.92
Series AR	November 27, 2013	1.50%	0.24%	10.90	10.69
Series B	None issued <sup>(6)</sup>	1.50%	0.21%	—	—
Series C	None issued <sup>(7)</sup>	1.50%	0.21%	—	—
Series D	February 10, 2014	1.00%	0.16%	13.96	14.10
Series F	October 22, 2001	0.65% <sup>(3)</sup>	0.15% <sup>(5)</sup>	9.82	9.89
Series F8	June 1, 2018	0.65%	0.15%	14.55	—
Series FB	October 26, 2015	0.75%	0.21%	9.89	9.98
Series G	April 1, 2005	1.25%	0.21%	7.39	7.49
Series I	October 25, 1999	0.95%	0.21%	2.94	2.97
Series J	March 5, 2012	1.15%	0.20%	8.53	8.64
Series O	October 30, 2002	— <sup>(1)</sup>	—*	10.15	10.13
Series PW	October 11, 2013	1.15% <sup>(4)</sup>	0.15%	13.61	13.77
Series PWF	None issued <sup>(8)</sup>	0.75%	0.15%	—	14.10
Series PWF8	None issued <sup>(9)</sup>	0.75%	0.15%	—	12.69
Series PWFB	April 3, 2017	0.65% <sup>(3)</sup>	0.15%	9.71	9.77
Series PWR	None issued	1.15%	0.15%	—	—
Series PWT8	October 24, 2018	1.15%	0.15%	15.33	—
Series PWX	January 3, 2014	— <sup>(2)</sup>	— <sup>(2)</sup>	14.08	14.06
Series PWX8	October 24, 2018	— <sup>(2)</sup>	— <sup>(2)</sup>	15.39	—
Series R	December 8, 2008	—*	—*	9.78	9.59
Series S	January 7, 2011	— <sup>(1)</sup>	0.025%	9.14	9.13
Series T8	October 24, 2018	1.50%	0.21%	15.30	—
Series LB	January 23, 2012	1.50%	0.21%	8.06	8.20
Series LW	December 1, 2017	1.15% <sup>(10)</sup>	0.15%	14.15	14.49

\* 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 0.75%.
- (4) Prior to June 1, 2018, the management fee for Series PW was charged to the Fund at a rate of 1.25%.
- (5) Prior to June 1, 2018, the administration fee for Series F was charged to the Fund at a rate of 0.16%.
- (6) The series' original start date was January 30, 1998. All securities in the series were consolidated into Series A on October 27, 2017.
- (7) The series' original start date was July 20, 2004. All securities in the series were consolidated into Series A on October 27, 2017.
- (8) The series' original start date was December 5, 2013. All securities in the series were consolidated into Series F on June 1, 2018.
- (9) The series' original start date was December 23, 2014. All securities in the series were consolidated into Series F8 on June 1, 2018.
- (10) Prior to September 28, 2018, the management fee for Series LW was charged to the Fund at a rate of 1.25%.

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### 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 and Related Insurance Companies had an investment of \$8, \$12,117 and \$46,455 (2018 – \$Nil, \$13,514 and \$43,378), respectively, in the Fund.

#### (c) Loss Carryforwards

As at the last taxation year-end, there were no capital and 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	105,776	165,899
Value of collateral received	111,421	174,289

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	148	100.0	114	100.0
Tax withheld	(5)	(3.4)	(1)	(0.9)
	143	96.6	113	99.1
Payments to Securities Lending Agent	(36)	(24.3)	(29)	(25.4)
Securities lending income	107	72.3	84	73.7

#### (e) Commissions

The value of third-party services paid for by brokers during the period, is disclosed in the table below:

	(\$)
March 31, 2019	36
March 31, 2018	14

#### (f) Unfunded Credit Agreements

The Fund has entered into credit agreements whereby the Fund commits to fund a participation in a senior unsecured credit facility ("Commitment Amount") during an agreed upon period of time ("Commitment Period"). In exchange for providing this potential funding the Fund is entitled to receive a commitment fee ("Commitment Fee") from the issuer equal to a certain percentage of the Commitment Amount at the end of the Commitment Period. The funding requirement and the Commitment Fee are both contingent on whether or not the issuer of the credit agreement completes a contemplated transaction by the end of the Commitment Period. As at March 31, 2019, none of the Commitment Amounts were funded (2018 – \$Nil). The unfunded Commitment Amounts, the Commitment Fee rates and Commitment Period end date are listed below.

	Total Unfunded Commitment Amount (US\$)	Total Number of Commitments	Range of Unfunded Commitment Amounts (US\$)	Range of Commitment Fee Rates (%)	Range of Commitment Period End Date
March 31, 2019	–	–	–	–	–
March 31, 2018	1,300	3	319 - 551	0.750	June 18, 2018 - August 21, 2018



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

#### (g) Change in Investment Objective

Following the approval of investors in the Fund, the investment objective of the Fund changed effective July 6, 2018. These changes provide the Fund with additional flexibility to invest in foreign securities.

#### (h) 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	16	—	—	16
Unrealized losses on derivative contracts	(1,349)	—	2,976	1,627
Liability for options written	—	—	—	—
Total	(1,333)	—	2,976	1,643

	March 31, 2018			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	81	(24)	—	57
Unrealized losses on derivative contracts	(2,049)	24	3,012	987
Liability for options written	—	—	—	—
Total	(1,968)	—	3,012	1,044

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

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

Effective July 6, 2018, the Fund's investment objective was changed to seek income while trying to preserve capital by investing primarily in a combination of equities and fixed income securities of issuers anywhere in the world. It may hold up to 40% of its assets in foreign investments. The Fund's asset mix will generally range between 10%–40% equities and 60%–90% fixed income securities, including cash and cash equivalents. Under the prior investment objective, the Fund invested primarily in Canadian fixed income securities.

##### *ii. Currency risk*

The table below indicates currencies to which the Fund had significant exposure as at period end in Canadian dollar terms, including the underlying principal amount of any derivative instruments. Other financial assets and liabilities (including accrued interest and dividends receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.



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

(i) Risks Associated with Financial Instruments (cont'd)

ii. Currency risk (cont'd)

Currency	March 31, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Brazilian real	1,206	–	–	1,206
Chinese yuan	2,035	1	–	2,036
Danish krone	2,714	–	–	2,714
Euro	30,770	59	(209)	30,620
Hong Kong dollar	5,389	(67)	–	5,322
Japanese yen	9,303	157	–	9,460
New Zealand dollar	8,002	–	(7,911)	91
Norwegian krone	1,235	–	–	1,235
Swedish krona	1,239	–	–	1,239
Swiss franc	11,080	–	–	11,080
Taiwanese dollar	1,432	–	–	1,432
British pound	10,546	–	–	10,546
U.S. dollar	188,114	8,444	(112,858)	83,700
Total	273,065	8,594	(120,978)	160,681
% of Net Assets	24.6	0.8	(10.9)	14.5

Currency	March 31, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Euro	33,950	14	–	33,964
U.S. dollar	218,048	3,809	(206,577)	15,280
British pound	11,150	–	–	11,150
Swiss franc	10,020	–	–	10,020
Japanese yen	7,566	74	–	7,640
Hong Kong dollar	5,407	–	–	5,407
Brazilian real	2,873	–	–	2,873
Danish krone	2,460	29	–	2,489
Taiwanese dollar	2,448	–	–	2,448
Swedish krona	2,132	–	–	2,132
Chinese yuan	1,873	–	–	1,873
Norwegian krone	1,830	–	–	1,830
New Zealand dollar	8,170	–	(8,081)	89
Total	307,927	3,926	(214,658)	97,195
% of Net Assets	26.4	0.3	(18.4)	8.3

\* Includes both monetary and non-monetary financial instruments



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

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

##### ii. Currency risk (cont'd)

As at March 31, 2019, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$8,300 or 0.7% of total net assets (2018 – \$5,984 or 0.5%). In practice, the actual trading results may differ and the difference could be material.

##### 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	–	(83,494)	4,138	(84,164)
1-5 years	136,978	–	133,238	–
5-10 years	255,403	–	304,907	–
Greater than 10 years	256,624	–	291,521	–
Total	649,005	(83,494)	733,804	(84,164)

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 \$54,997 or 5.0% (2018 – \$59,194 or 5.1%) 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 \$56,103 or 5.1% (2018 – \$59,338 or 5.1%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

##### iv. Other price risk

The Fund's most significant exposure to price risk arises from its investment in equity securities, exchange-traded funds/notes and mutual funds. As at March 31, 2019, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$32,697 or 2.9% (2018 – \$34,769 or 3.0%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

##### 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 10.8% of the net assets of the Fund (2018 – 12.6%).

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	13.2	17.0
AA	8.4	15.4
A	18.0	11.6
BBB	13.5	12.7
Less than BBB	4.7	5.7
Unrated	0.6	0.6
Total	58.4	63.0

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

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

#### (j) 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	–	649,005	–	649,005	–	733,804	–	733,804
Equities	322,819	–	–	322,819	275,968	67,372	–	343,340
Options	233	417	–	650	–	352	–	352
Exchange-traded funds/notes	14,153	–	–	14,153	14,128	–	–	14,128
Mutual funds	65,764	–	–	65,764	66,751	–	–	66,751
Derivative assets	–	217	–	217	–	960	–	960
Derivative liabilities	(1,183)	(1,154)	–	(2,337)	(1,976)	(1,542)	–	(3,518)
Short-term investments	–	52,362	–	52,362	–	10,778	–	10,778
Total	401,786	700,847	–	1,102,633	354,871	811,724	–	1,166,595

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.

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for non-North American equities when North American intraday stock market movements exceed pre-determined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, during the period ended March 31, 2019, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices).

As at March 31, 2019, these securities were classified as Level 1. As at March 31, 2018, fair value adjustments were applied to the majority of securities in non-North American markets (Level 2) that were closed on the last business day. The remaining non-North American securities were classified as Level 1. Other than as described above, there were no significant transfers between Level 1 and Level 2.

Other 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.

#### (k) Comparative Amounts

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



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