

# MACKENZIE USD GLOBAL STRATEGIC 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 USD Global Strategic 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 USD Global Strategic 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



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## STATEMENTS OF FINANCIAL POSITION

*In thousands of U.S. dollars (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	45,132	53,810	Series A	9.65	10.06
Cash and cash equivalents	1,117	4,446	Series D	9.46	9.78
Accrued interest receivable	185	244	Series F	9.86	10.15
Dividends receivable	46	56	Series F8	14.20	–
Accounts receivable for investments sold	195	343	Series FB	10.17	10.49
Accounts receivable for securities issued	35	59	Series PW	9.70	10.09
Due from manager	–	5	Series PWF	–	10.11
Margin on derivatives	203	135	Series PWF8	–	13.32
Unrealized gains on derivative contracts	144	72	Series PWFB	9.83	10.12
<b>Total assets</b>	<b>47,057</b>	<b>59,170</b>	Series PWT8	13.41	14.41
<b>LIABILITIES</b>			Series PWX	10.14	10.34
<b>Current liabilities</b>			Series PWX8	15.41	–
Accounts payable for investments purchased	176	1,341	Series T8	11.69	12.58
Accounts payable for securities redeemed	26	35			
Due to manager	–	5			
Unrealized losses on derivative contracts	195	159			
<b>Total liabilities</b>	<b>397</b>	<b>1,540</b>			
<b>Net assets attributable to securityholders</b>	<b>46,660</b>	<b>57,630</b>			
<b>Net assets attributable to securityholders</b>					
<b>per series (note 3)</b>					
Series A	7,060	12,736			
Series D	96	2			
Series F	16,728	5,460			
Series F8	3	–			
Series FB	55	51			
Series PW	16,984	13,621			
Series PWF	–	18,770			
Series PWF8	–	438			
Series PWFB	1,400	1,966			
Series PWT8	549	117			
Series PWX	2,471	2,580			
Series PWX8	1	–			
Series T8	1,313	1,889			

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



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## STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended March 31 (note 1)  
In thousands of U.S. dollars (except per security figures)

	2019	2018		2019	2018
	\$	\$		\$	\$
<b>Income</b>			<b>Increase (decrease) in net assets attributable to securityholders from operations per security</b>		
Dividends	900	560	Series A	0.13	0.33
Interest income	865	789	Series D	0.24	0.60
Other changes in fair value of investments and other net assets			Series F	0.26	0.40
Net realized gain (loss)	(297)	(445)	Series F8	(0.40)	–
Net unrealized gain (loss)	384	1,149	Series FB	0.05	0.49
Fee rebate income	2	–	Series FB5	–	1.25
<b>Total income (loss)</b>	<b>1,854</b>	<b>2,053</b>	Series PW	0.13	0.29
			Series PWF	0.04	0.18
<b>Expenses (note 6)</b>			Series PWF8	0.05	0.76
Management fees	686	646	Series PWF8	0.08	(1.90)
Management fee rebates	(12)	(16)	Series PWF85	–	1.35
Administration fees	89	82	Series PWT8	0.26	0.31
Interest charges	7	2	Series PWX	0.30	0.43
Commissions and other portfolio transaction costs	46	58	Series PWX8	0.99	–
Independent Review Committee fees	–	–	Series T8	0.16	0.39
Other	3	3			
<b>Expenses before amounts absorbed by Manager</b>	<b>819</b>	<b>775</b>			
Expenses absorbed by Manager	–	–			
<b>Net expenses</b>	<b>819</b>	<b>775</b>			
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>1,035</b>	<b>1,278</b>			
Foreign withholding taxes	105	74			
Foreign income taxes paid (recovered)	–	–			
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>930</b>	<b>1,204</b>			
<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>					
Series A	107	384			
Series D	2	–			
Series F	424	182			
Series F8	(6)	–			
Series FB	1	1			
Series FB5	–	–			
Series PW	215	316			
Series PWF	66	196			
Series PWF8	1	35			
Series PWF8	19	(40)			
Series PWF85	–	–			
Series PWT8	7	2			
Series PWX	75	81			
Series PWX8	–	–			
Series T8	19	47			

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## STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the periods ended March 31 (note 1)  
In thousands of U.S. dollars

	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Series A		Series D		Series F		Series F8		Series FB	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	12,736	13,506	2	4	5,460	3,919	–	–	51	1
Increase (decrease) in net assets from operations	107	384	2	–	424	182	(6)	–	1	1
Distributions paid to securityholders:										
Investment income	(100)	(64)	(1)	–	(419)	(86)	(5)	–	(1)	(1)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	(355)	(278)	(2)	–	(467)	(98)	(10)	–	(2)	(1)
Management fee rebates	–	–	–	–	(1)	–	–	–	–	–
Total distributions paid to securityholders	(455)	(342)	(3)	–	(887)	(184)	(15)	–	(3)	(2)
Security transactions:										
Proceeds from securities issued	3,472	7,757	95	1	23,247	7,512	401	–	196	61
Reinvested distributions	412	298	2	–	612	109	4	–	3	2
Payments on redemption of securities	(9,212)	(8,867)	(2)	(3)	(12,128)	(6,078)	(381)	–	(193)	(12)
Total security transactions	(5,328)	(812)	95	(2)	11,731	1,543	24	–	6	51
<b>Total increase (decrease) in net assets</b>	<b>(5,676)</b>	<b>(770)</b>	<b>94</b>	<b>(2)</b>	<b>11,268</b>	<b>1,541</b>	<b>3</b>	<b>–</b>	<b>4</b>	<b>50</b>
<b>End of period</b>	<b>7,060</b>	<b>12,736</b>	<b>96</b>	<b>2</b>	<b>16,728</b>	<b>5,460</b>	<b>3</b>	<b>–</b>	<b>55</b>	<b>51</b>

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	1,266	1,355	–	–	538	391	–	–	5	–
Issued	356	753	10	–	2,316	724	27	–	19	6
Reinvested distributions	43	29	–	–	63	11	–	–	–	–
Redeemed	(933)	(871)	–	–	(1,221)	(588)	(27)	–	(19)	(1)
<b>Securities outstanding – end of period</b>	<b>732</b>	<b>1,266</b>	<b>10</b>	<b>–</b>	<b>1,696</b>	<b>538</b>	<b>–</b>	<b>–</b>	<b>5</b>	<b>5</b>

	Series FB5		Series PW		Series PWF		Series PWF8		Series PWFB	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	–	1	13,621	5,589	18,770	3,349	438	631	1,966	–
Increase (decrease) in net assets from operations	–	–	215	316	66	196	1	35	19	(40)
Distributions paid to securityholders:										
Investment income	–	–	(242)	(85)	(67)	(216)	(2)	(13)	(66)	(5)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	(677)	(295)	(87)	(286)	(4)	(39)	(72)	(9)
Management fee rebates	–	–	(5)	(10)	(4)	(6)	–	–	(2)	–
Total distributions paid to securityholders	–	–	(924)	(390)	(158)	(508)	(6)	(52)	(140)	(14)
Security transactions:										
Proceeds from securities issued	–	–	9,623	11,025	1,466	18,160	–	240	957	2,008
Reinvested distributions	–	–	816	358	124	414	2	16	140	14
Payments on redemption of securities	–	(1)	(6,367)	(3,277)	(20,268)	(2,841)	(435)	(432)	(1,542)	(2)
Total security transactions	–	(1)	4,072	8,106	(18,678)	15,733	(433)	(176)	(445)	2,020
<b>Total increase (decrease) in net assets</b>	<b>–</b>	<b>(1)</b>	<b>3,363</b>	<b>8,032</b>	<b>(18,770)</b>	<b>15,421</b>	<b>(438)</b>	<b>(193)</b>	<b>(566)</b>	<b>1,966</b>
<b>End of period</b>	<b>–</b>	<b>–</b>	<b>16,984</b>	<b>13,621</b>	<b>–</b>	<b>18,770</b>	<b>–</b>	<b>438</b>	<b>1,400</b>	<b>1,966</b>

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	–	–	1,350	559	1,856	335	33	46	194	–
Issued	–	–	972	1,076	145	1,756	–	17	95	193
Reinvested distributions	–	–	84	35	12	40	–	1	14	1
Redeemed	–	–	(656)	(320)	(2,013)	(275)	(33)	(31)	(161)	–
<b>Securities outstanding – end of period</b>	<b>–</b>	<b>–</b>	<b>1,750</b>	<b>1,350</b>	<b>–</b>	<b>1,856</b>	<b>–</b>	<b>33</b>	<b>142</b>	<b>194</b>

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

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

For the periods ended March 31 (note 1)  
In thousands of U.S. dollars

	2019	2018	2019	2018	2019	2018
	Series PWF85		Series PWT8		Series PWX	
	\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>						
<b>Beginning of period</b>	–	–	117	–	2,580	1,297
Increase (decrease) in net assets from operations	–	–	7	2	75	81
Distributions paid to securityholders:						
Investment income	–	–	(5)	(1)	(91)	(46)
Capital gains	–	–	–	–	–	–
Return of capital	–	–	(28)	(6)	(51)	(33)
Management fee rebates	–	–	–	–	–	–
Total distributions paid to securityholders	–	–	(33)	(7)	(142)	(79)
Security transactions:						
Proceeds from securities issued	–	1	456	303	680	1,467
Reinvested distributions	–	–	12	5	142	79
Payments on redemption of securities	–	(1)	(10)	(186)	(864)	(265)
Total security transactions	–	–	458	122	(42)	1,281
<b>Total increase (decrease) in net assets</b>	–	–	<b>432</b>	<b>117</b>	<b>(109)</b>	<b>1,283</b>
<b>End of period</b>	–	–	<b>549</b>	<b>117</b>	<b>2,471</b>	<b>2,580</b>

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	–	–	8	–	249	129
Issued	–	–	33	20	69	138
Reinvested distributions	–	–	1	–	14	7
Redeemed	–	–	(1)	(12)	(88)	(25)
<b>Securities outstanding – end of period</b>	–	–	<b>41</b>	<b>8</b>	<b>244</b>	<b>249</b>

	Series PWX8		Series T8		Total	
	\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>						
<b>Beginning of period</b>	–	–	1,889	1,483	57,630	29,780
Increase (decrease) in net assets from operations	–	–	19	47	930	1,204
Distributions paid to securityholders:						
Investment income	–	–	(19)	(8)	(1,018)	(525)
Capital gains	–	–	–	–	–	–
Return of capital	–	–	(113)	(118)	(1,868)	(1,163)
Management fee rebates	–	–	–	–	(12)	(16)
Total distributions paid to securityholders	–	–	(132)	(126)	(2,898)	(1,704)
Security transactions:						
Proceeds from securities issued	1	–	68	1,076	40,662	49,611
Reinvested distributions	–	–	45	27	2,314	1,322
Payments on redemption of securities	–	–	(576)	(618)	(51,978)	(22,583)
Total security transactions	1	–	(463)	485	(9,002)	28,350
<b>Total increase (decrease) in net assets</b>	<b>1</b>	<b>–</b>	<b>(576)</b>	<b>406</b>	<b>(10,970)</b>	<b>27,850</b>
<b>End of period</b>	<b>1</b>	<b>–</b>	<b>1,313</b>	<b>1,889</b>	<b>46,660</b>	<b>57,630</b>

Increase (decrease) in fund securities (note 7):	Securities		Securities	
<b>Securities outstanding – beginning of period</b>	–	–	150	113
Issued	–	–	5	82
Reinvested distributions	–	–	4	2
Redeemed	–	–	(47)	(47)
<b>Securities outstanding – end of period</b>	–	–	<b>112</b>	<b>150</b>

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## STATEMENTS OF CASH FLOWS

For the periods ended March 31 (note 1)  
In thousands of U.S. dollars

	2019	2018
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	930	1,204
Adjustments for:		
Net realized loss (gain) on investments	847	(127)
Change in net unrealized loss (gain) on investments	(384)	(1,149)
Distributions received in-kind from underlying funds	–	(5)
Purchase of investments	(26,285)	(46,976)
Proceeds from sale and maturity of investments	33,448	23,884
Change in accrued interest receivable	59	(111)
Change in dividends receivable	10	(26)
Change in due from manager	5	(5)
Change in due to manager	(5)	5
Change in margin on derivatives	(68)	78
<b>Net cash from operating activities</b>	<b>8,557</b>	<b>(23,228)</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	28,807	38,875
Payments on redemption of securities	(40,108)	(11,733)
Distributions paid net of reinvestments	(584)	(382)
<b>Net cash from financing activities</b>	<b>(11,885)</b>	<b>26,760</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,328)</b>	<b>3,532</b>
Cash and cash equivalents at beginning of period	4,446	913
Effect of exchange rate fluctuations on cash and cash equivalents	(1)	1
<b>Cash and cash equivalents at end of period</b>	<b>1,117</b>	<b>4,446</b>
Cash	1,117	73
Cash equivalents	–	4,373
<b>Cash and cash equivalents at end of period</b>	<b>1,117</b>	<b>4,446</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	910	534
Foreign taxes paid	105	74
Interest received	924	677
Interest paid	7	2

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## SCHEDULE OF INVESTMENTS

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (US\$ 000s)	Fair Value (US\$ 000s)
<b>BONDS</b>					
407 International Inc. 3.14% 03-06-2030 Callable 2029	Canada	Corporate - Non Convertible	CAD 10,000	8	8
407 International Inc. 3.65% 09-08-2044 Callable MTN	Canada	Corporate - Non Convertible	CAD 10,000	7	8
407 International Inc. 3.60% 05-21-2047 Callable	Canada	Corporate - Non Convertible	CAD 30,000	23	23
407 International Inc. 3.72% 05-11-2048 Callable 2047	Canada	Corporate - Non Convertible	CAD 70,000	54	56
407 International Inc. 3.67% 03-08-2049 Callable 2048	Canada	Corporate - Non Convertible	CAD 20,000	15	16
Abu Dhabi National Energy Co. 3.63% 06-22-2021	United Arab Emirates	Corporate - Non Convertible	200,000	202	202
Acproducts Inc. Term Loan 1st Lien F/R 02-14-2024	United States	Term Loans	20,000	19	19
Aegis Toxicology Sciences Corp. Term Loan B 1st Lien F/R 05-09-2025	United States	Term Loans	9,950	10	10
Al Ladder Luxembourg Term Loan B 1st Lien F/R 05-04-2025	United States	Term Loans	16,456	16	16
AL Midcoast Holdings LLC Term Loan B 1st Lien F/R 06-28-2025	United States	Term Loans	19,900	20	20
Alcami Carolinas Corp. Term Loan 1st Lien F/R 07-06-2025	United States	Term Loans	9,950	10	10
Alchemy US Holdco LLC Term Loan B 1st Lien F/R 10-01-2025	United States	Term Loans	9,938	10	10
Algonquin Power & Utilities Corp. 4.65% 02-15-2022	Canada	Corporate - Non Convertible	CAD 170,000	138	134
Allegiant Travel Co. Term Loan B 1st Lien F/R 01-29-2024	United States	Term Loans	20,000	20	20
AltaLink LP 3.72% 12-03-2046 Callable MTN	Canada	Corporate - Non Convertible	CAD 153,000	120	122
Anheuser-Busch InBev Finance Inc. 2.60% 05-15-2024 Callable 2024	Belgium	Corporate - Non Convertible	CAD 50,000	36	37
Apple Inc. 2.51% 08-19-2024 Callable 2024	United States	Corporate - Non Convertible	CAD 350,000	263	263
Asian Development Bank 6.00% 02-24-2021	Supra - National	n/a	INR 5,500,000	87	78
Asian Development Bank 6.45% 08-08-2021	Supra - National	n/a	INR 1,790,000	28	26
Asian Development Bank 5.90% 12-20-2022	Supra - National	n/a	INR 14,100,000	210	198
AT&T Inc. 4.00% 11-25-2025 Callable 2025	United States	Corporate - Non Convertible	CAD 30,000	23	23
AT&T Inc. 4.35% 03-01-2029 Callable 2028	United States	Corporate - Non Convertible	10,000	10	10
Ball Metalpack Finco LLC Term Loan B 1st Lien F/R 07-26-2025	United States	Term Loans	9,925	10	10
Bank of America Corp. F/R 02-07-2022 Callable 2021	United States	Corporate - Non Convertible	EUR 200,000	227	226
Bank of America Corp. 3.23% 06-22-2022 Series MPLE	United States	Corporate - Non Convertible	CAD 20,000	16	15
Bank of America Corp. F/R 09-20-2025 Callable 2024	United States	Corporate - Non Convertible	CAD 20,000	16	15
Bank of Israel 0% 11-06-2019	Israel	Foreign Governments	ILS 963,698	261	265
The Bank of Nova Scotia 2.98% 04-17-2023	Canada	Corporate - Non Convertible	CAD 30,000	23	23
The Bank of Nova Scotia 2.29% 06-28-2024	Canada	Corporate - Non Convertible	CAD 20,000	16	15
Bausch Health Cos Inc. Term Loan B 1st Lien F/R 05-24-2025	United States	Term Loans	9,250	9	9
Boardriders Inc. Term Loan B 1st Lien F/R 03-21-2024	United States	Term Loans	29,775	29	30
BP Capital Markets PLC 3.47% 05-15-2025	United Kingdom	Corporate - Non Convertible	CAD 10,000	8	8
Brookfield Infrastructure Finance ULC 4.20% 09-11-2028 Callable 2028	Canada	Corporate - Non Convertible	CAD 80,000	60	62
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate - Non Convertible	CAD 140,000	107	106
Brookfield Renewable Partners ULC 4.25% 01-15-2029 Callable 2028	Canada	Corporate - Non Convertible	CAD 40,000	31	31
Bruce Power LP 3.00% 06-21-2024 Callable 2024	Canada	Corporate - Non Convertible	CAD 70,000	54	52
Bruce Power LP 3.97% 06-23-2026	Canada	Corporate - Non Convertible	CAD 30,000	24	23
Bulldog Purchaser Inc. Delayed Draw Term Loan 1st Lien F/R 08-31-2025	United States	Term Loans	381	—	—
Bulldog Purchaser Inc. Term Loan B 1st Lien F/R 08-31-2025	United States	Term Loans	9,595	10	9
BWAY Holding Co. 7.25% 04-15-2025	United States	Corporate - Non Convertible	20,000	20	19
C&D Technologies Inc. Term Loan B 1st Lien F/R 12-13-2025	United States	Term Loans	9,975	9	9
Calceus Acquisition Inc. Term Loan B1 1st Lien F/R 02-08-2025	United States	Term Loans	20,000	20	20
Calpine Corp. 5.25% 06-01-2026 Callable 2021	United States	Corporate - Non Convertible	20,000	20	20



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<b>BONDS (cont'd)</b>					
Calpine Corp. 5.25% 06-01-2026 Callable 2021 BDVP1Z6	United States	Corporate - Non Convertible	20,000	19	20
Camelot Finance SA 7.875% 10-15-2024 Callable 2019	Luxembourg	Corporate - Non Convertible	20,000	20	21
Can Am Construction Inc./Canada Term Loan B 1st Lien F/R 07-01-2024	Canada	Term Loans	49,323	48	48
Canada Goose Inc. Term Loan 1st Lien F/R 12-22-2021	Canada	Term Loans	20,000	20	20
Canadian National Railway Co. 3.60% 07-31-2048 Callable 2048	Canada	Corporate - Non Convertible	CAD 30,000	23	23
Canadian Natural Resources Ltd. 3.55% 06-03-2024	Canada	Corporate - Non Convertible	CAD 60,000	47	46
Canadian Pacific Railway Ltd. 3.15% 03-13-2029 Callable 2028	Canada	Corporate - Non Convertible	CAD 20,000	15	15
CareCentrix Inc. Term Loan 1st Lien F/R 03-22-2025	United States	Term Loans	29,250	29	29
Casablanca US Holdings Inc. Term Loan 1st Lien F/R 03-31-2024	United States	Term Loans	39,600	39	38
CCL Industries Inc. 3.86% 04-13-2028 Callable 2028	Canada	Corporate - Non Convertible	CAD 30,000	24	23
CCS-CMGC Holdings Inc. Term Loan 1st Lien F/R 09-25-2025	United States	Term Loans	9,975	10	10
CEVA Logistics Finance BV Term Loan B 1st Lien F/R 08-03-2025	United States	Term Loans	10,000	10	10
Chartwell Retirement Residences 4.21% 04-28-2025 Callable 2025	Canada	Corporate - Non Convertible	CAD 15,000	12	12
Citadel LLC Term Loan B 1st Lien F/R 02-22-2026	United States	Term Loans	30,000	30	30
City of Oslo 2.35% 09-04-2024	Norway	Foreign Governments	NOK 3,000,000	373	353
Coca-Cola Femsa SAB de CV 3.88% 11-26-2023	Mexico	Corporate - Non Convertible	150,000	159	155
Commonwealth of Bahamas 5.75% 01-16-2024	Bahamas	Foreign Governments	130,000	134	136
Commonwealth of Bahamas 6.95% 11-20-2029	Bahamas	Foreign Governments	70,000	80	77
CommScope Inc. Term Loan B2 1st Lien F/R 02-07-2026	United States	Term Loans	10,000	10	10
CommScope Technologies Finance LLC 8.25% 03-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	10,000	10	10
Communications Sales & Leasing Inc. Term Loan B 1st Lien F/R 10-24-2022	United States	Term Loans	110	–	–
Concrete Pumping Merger Sub Inc. Term Loan 1st Lien F/R 11-14-2025	United States	Term Loans	10,000	10	10
Cordelio Amalco GP I 4.09% 06-30-2034	Canada	Corporate - Non Convertible	CAD 30,000	23	24
Cordelio Amalco GP I 4.09% 09-30-2034	Canada	Corporate - Non Convertible	CAD 20,000	15	16
Crown Subsea Communications Holing Inc. Term Loan 1st Lien F/R 11-02-2025	United States	Term Loans	19,750	19	20
Dawn Acquisition LLC Term Loan 1st Lien F/R 10-25-2025	United States	Term Loans	19,950	20	19
DNB Boligkreditt AS 2.00% 05-28-2020	Norway	Corporate - Non Convertible	250,000	249	248
Eagle Credit Card Trust 2.15% 09-17-2020	Canada	Corporate - Non Convertible	CAD 100,000	75	75
Eagle Credit Card Trust 2.63% 10-17-2022	Canada	Corporate - Non Convertible	CAD 20,000	16	15
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	29,600	29	29
Eastern Power LLC Term Loan B 1st Lien F/R 10-02-2023	United States	Term Loans	9,690	10	10
Electrical Components International Inc. Term Loan 1st Lien F/R 06-22-2025	United States	Term Loans	19,850	20	19
Emera Inc. 2.90% 06-16-2023	Canada	Corporate - Non Convertible	CAD 40,000	30	30
Enbridge Inc. 4.57% 03-11-2044	Canada	Corporate - Non Convertible	CAD 30,000	23	24
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	CAD 160,000	129	117
Enbridge Inc. F/R 04-12-2078 Callable 2028	Canada	Corporate - Non Convertible	CAD 80,000	62	64
ENC Holding Corp. Term Loan 1st Lien F/R 05-30-2025	United States	Term Loans	9,929	10	10
EnerCare Solutions Inc. 3.38% 02-21-2022 Callable 2022	Canada	Corporate - Non Convertible	CAD 30,000	23	23
EnerCare Solutions Inc. 3.99% 02-21-2024 Callable 2023	Canada	Corporate - Non Convertible	CAD 30,000	23	23
Ensono LP Term Loan 1st Lien F/R 04-30-2025	United States	Term Loans	9,925	10	10
EnTrans International LLC Term Loan 1st Lien F/R 10-29-2025	United States	Term Loans	9,813	10	10



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<b>BONDS (cont'd)</b>					
EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047	Canada	Corporate - Non Convertible	CAD 30,000	24	23
Exela Intermediate LLC 10.00% 07-15-2023 Callable 2020	United States	Corporate - Non Convertible	50,000	50	51
Fairfax Financial Holdings Ltd. 8.30% 04-15-2026	Canada	Corporate - Non Convertible	40,000	50	48
Fairfax Financial Holdings Ltd. 4.25% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	CAD 50,000	39	38
The Fédération des Caisses Desjardins du Québec 2.39% 08-25-2022	Canada	Corporate - Non Convertible	CAD 60,000	48	45
Federative Republic of Brazil 10.00% 01-01-2029	Brazil	Foreign Governments	BRL 40,000	110	111
Financial & Risk US Holdings Inc. 8.25% 11-15-2026 Callable 2021	United States	Corporate - Non Convertible	30,000	30	30
First Eagle Holdings Inc. Term Loan B 1st Lien F/R 12-01-2024	United States	Term Loans	19,950	20	20
Fortress Transportation and Infrastructure Investors LLC 6.50% 10-01-2025 Callable 2021	United States	Corporate - Non Convertible	10,000	10	10
Foundation Building Materials LLC Term Loan B 1st Lien F/R 05-11-2025	United States	Term Loans	9,975	10	10
Fresenius US Finance II Inc. 4.25% 02-01-2021	Germany	Corporate - Non Convertible	125,000	131	128
Frontera Generation Holdings LLC Term Loan B 1st Lien F/R 04-25-2025	United States	Term Loans	9,925	10	10
Fusion Connect Inc. Term Loan B 1st Lien F/R 05-03-2023	United States	Term Loans	9,625	9	9
FXI Holdings Inc. 7.88% 11-01-2024 Callable 2020	United States	Corporate - Non Convertible	10,000	10	9
Gaz Metro Inc. 1.52% 05-25-2020	Canada	Corporate - Non Convertible	CAD 10,000	8	7
General Electric Co. 8.35% 09-03-2022	United States	Corporate - Non Convertible	MXN 1,000,000	56	50
GFL Environmental Inc. Term Loan B 1st Lien F/R 05-31-2025	Canada	Term Loans	19,875	20	19
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS	Canada	Corporate - Non Convertible	CAD 43,000	34	33
Glacier Credit Card Trust 3.14% 09-20-2023	Canada	Corporate - Non Convertible	CAD 30,000	23	23
The Goldman Sachs Group Inc. 5.20% 12-17-2019	United States	Corporate - Non Convertible	NZD 100,000	77	69
The Goldman Sachs Group Inc. F/R 10-28-2027 Callable 2026	United States	Corporate - Non Convertible	200,000	208	201
Government of Australia 3.25% 04-21-2029	Australia	Foreign Governments	AUD 480,000	376	387
Government of Bermuda 4.13% 01-03-2023	Bermuda	Foreign Governments	200,000	207	205
Government of Bermuda 4.85% 02-06-2024	Bermuda	Foreign Governments	200,000	211	213
Government of Bermuda 3.72% 01-25-2027 Callable 2026	Bermuda	Foreign Governments	100,000	99	99
Government of Canada 1.00% 09-01-2022	Canada	Federal Government	CAD 20,000	15	15
Government of Canada 2.50% 06-01-2024	Canada	Federal Government	CAD 40,000	31	31
Government of Canada 1.50% 06-01-2026	Canada	Federal Government	CAD 10,000	7	7
Government of Canada 1.00% 06-01-2027	Canada	Federal Government	CAD 20,000	14	14
Government of Canada 2.25% 06-01-2029	Canada	Federal Government	CAD 20,000	16	16
Government of Cayman Islands 5.95% 11-24-2019	Cayman Islands	Foreign Governments	100,000	107	102
Government of Ireland 1.00% 05-15-2026	Ireland	Foreign Governments	EUR 100,000	107	119
Government of Jamaica 8.00% 06-24-2019	Jamaica	Foreign Governments	34,000	35	34
Government of Japan 0% 08-13-2019	Japan	Foreign Governments	JPY 90,000,000	816	813
Government of Mexico 7.50% 06-03-2027	Mexico	Foreign Governments	MXN 5,260,000	261	263
Government of Qatar 6.55% 04-09-2019	Qatar	Foreign Governments	300,000	312	300
Hadrian Merger Sub Inc. 8.50% 05-01-2026 Callable 2021	United States	Corporate - Non Convertible	21,000	21	19
Halo Buyer Inc. Delayed Draw Term Loan 1st Lien F/R 06-28-2025	United States	Term Loans	2,941	3	3
Halo Buyer Inc. Term Loan 1st Lien F/R 06-28-2025	United States	Term Loans	6,984	7	7
Heathrow Funding Ltd. 4.875% 07-15-2021	United Kingdom	Corporate - Non Convertible	100,000	110	103
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	CAD 60,000	47	45
Heathrow Funding Ltd. 3.79% 09-04-2030 Callable 2030	United Kingdom	Corporate - Non Convertible	CAD 40,000	31	31
Hillman Group Inc. Term Loan B 1st Lien F/R 05-21-2025	United States	Term Loans	25	-	-



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<b>BONDS (cont'd)</b>					
Hornblower Sub LLC Term Loan 1st Lien F/R 04-27-2025	United States	Term Loans	10,000	10	10
Hornblower Sub LLC Term Loan 1st Lien F/R 04-28-2025	United States	Term Loans	19,800	20	20
Hydro One Inc. 2.97% 06-26-2025 Callable 2025	Canada	Corporate - Non Convertible	CAD 20,000	15	15
Hydro One Inc. 3.72% 11-18-2047	Canada	Corporate - Non Convertible	CAD 20,000	15	15
IEA Energy Services LLC Term Loan 1st Lien F/R 11-02-2024	United States	Term Loans	19,500	19	19
Imagine! Print Solutions Inc. Term Loan 1st Lien F/R 06-21-2022	United States	Term Loans	68,893	67	64
Innovative Water Care Global Corp. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	20,000	19	19
Institutional Shareholder Services Inc. Term Loan 1st Lien F/R 02-26-2026	United States	Term Loans	10,000	10	10
Inter Pipeline Ltd. 2.73% 04-18-2024 Callable 2024	Canada	Corporate - Non Convertible	CAD 30,000	22	22
Inter Pipeline Ltd. 3.48% 12-16-2026 Callable 2026	Canada	Corporate - Non Convertible	CAD 10,000	8	8
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	CAD 10,000	7	8
Interior Logic Group Holdings IV LLC Term Loan B 1st Lien F/R 05-21-2025	United States	Term Loans	29,850	30	29
Intermedia Holdings Inc. Term Loan B 1st Lien F/R 07-13-2025	United States	Term Loans	9,975	10	10
International Finance Corp. 7.00% 07-20-2027	Supra - National	n/a	MXN 9,980,000	490	479
International Finance Corp. 8.38% 05-31-2029	Supra - National	n/a	MXN 4,000,000	225	209
iQor US Inc. Term Loan B 1st Lien F/R 04-01-2021	United States	Term Loans	51,406	47	48
Isagenix International LLC Term Loan 1st Lien F/R 04-26-2025	United States	Term Loans	19,250	19	17
Itron Inc. 5.00% 01-15-2026 Callable 2021	United States	Corporate - Non Convertible	20,000	20	20
Ivanhoe Cambridge II Inc. 2.91% 06-27-2023 Callable 2023	Canada	Corporate - Non Convertible	CAD 20,000	15	15
Janus International Group LLC Term Loan 1st Lien F/R 02-15-2025	United States	Term Loans	10,000	10	10
JP Intermediate B LLC Term Loan 1st Lien F/R 10-19-2025	United States	Term Loans	9,875	10	9
Keane Group Holdings LLC Term Loan B 1st Lien F/R 05-18-2025	United States	Term Loans	9,925	10	10
Kestrel Acquisition LLC Term Loan B 1st Lien F/R 05-02-2025	United States	Term Loans	19,875	20	20
The KeyW Holding Corp. Term Loan 1st Lien F/R 05-04-2024	United States	Term Loans	9,302	9	9
KFW 3.75% 05-29-2020	Germany	Foreign Governments	NZD 250,000	180	174
Kindred Healthcare Inc. Term Loan B 1st Lien F/R 06-21-2025	United States	Term Loans	9,950	10	10
Kommunalbanken AS 2.13% 02-11-2025	Norway	Foreign Governments	200,000	196	196
The Korea Development Bank 5.13% 11-13-2020	South Korea	Foreign Governments	NZD 200,000	143	141
Kruger Products LP 6.00% 04-24-2025 Callable 2021	Canada	Corporate - Non Convertible	CAD 10,000	8	7
Landshypotek Bank AB F/R 10-25-2021	Sweden	Corporate - Non Convertible	SEK 2,000,000	244	219
Manulife Financial Corp. F/R 05-09-2028 Callable 2023	Canada	Corporate - Non Convertible	CAD 30,000	23	23
Matterhorn Merger Sub LLC 8.50% 06-01-2026 Callable 2021 F/R 04-05-2025	United States	Corporate - Non Convertible	20,000	20	17
McDermott Technology Americas Inc. Term Loan B 1st Lien F/R 04-05-2025	United States	Term Loans	9,750	10	9
Meredith Corp. Term Loan B 1st Lien F/R 01-31-2025	United States	Term Loans	20,458	20	20
Mexico City Airport Trust 3.88% 04-30-2028 Callable 2028	Mexico	Corporate - Non Convertible	200,000	200	182
Minotaur Acquisition Inc. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	20,000	20	20
Morgan Stanley 3.00% 02-07-2024	United States	Corporate - Non Convertible	CAD 60,000	46	45
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	8,770	9	9
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020	Canada	Corporate - Non Convertible	10,000	10	10
Newell Brands Inc. 4.20% 04-01-2026 Callable 2026	United States	Corporate - Non Convertible	20,000	20	19
Nouvelle Autoroute 30 Financement Inc. 4.11% 03-31-2042	Canada	Corporate - Non Convertible	CAD 29,993	23	24
Nova Scotia Power Inc. 3.57% 04-05-2049 Callable 2048	Canada	Corporate - Non Convertible	CAD 20,000	15	15
Nykredit Realkredit AS F/R 07-01-2019	Denmark	Corporate - Non Convertible	SEK 2,000,000	247	216
Nykredit Realkredit AS 1.00% 01-01-2023	Denmark	Corporate - Non Convertible	DKK 2,000,000	315	314



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<b>BONDS (cont'd)</b>					
OCI Beaumont LLC Term Loan B 1st Lien F/R 02-16-2025	United States	Term Loans	9,900	10	10
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	12,336	12	13
OMERS Realty Corp. 3.24% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	CAD 70,000	57	55
Ontario Power Generation Inc. 3.32% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	CAD 35,000	28	27
Ontario Power Generation Inc. 4.25% 01-18-2049 Callable 2048	Canada	Corporate - Non Convertible	CAD 10,000	8	8
Owens & Minor Inc. Term Loan B 1st Lien F/R 05-01-2025	United States	Term Loans	29,850	29	23
Panther BF Aggregator 2 LP Term B 1st Lien F/R 03-18-2026	United States	Term Loans	10,000	10	10
Parkland Fuel Corp. 5.75% 09-16-2024 Callable 2019	Canada	Corporate - Non Convertible	CAD 60,000	46	45
Parkland Fuel Corp. 6.00% 04-01-2026 Callable 2021	Canada	Corporate - Non Convertible	10,000	10	10
The Pasha Group Term Loan B 1st Lien F/R 12-13-2022	United States	Term Loans	16,719	16	17
Pembina Pipeline Corp. 3.54% 02-03-2025 Callable	Canada	Corporate - Non Convertible	CAD 40,000	31	31
Pembina Pipeline Corp. 4.02% 03-27-2028 Callable 2027	Canada	Corporate - Non Convertible	CAD 100,000	78	78
PepsiCo Inc. 2.50% 11-01-2022	United States	Corporate - Non Convertible	GBP 100,000	151	137
PepsiCo Inc. 3.00% 10-15-2027 Callable 2027	United States	Corporate - Non Convertible	225,000	225	224
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	20,000	5	5
Petroleos Mexicanos 6.50% 01-23-2029	Mexico	Corporate - Non Convertible	30,000	30	30
Pisces Midco Inc. Term Loan B 1st Lien F/R 03-29-2025	United States	Term Loans	46,715	47	45
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021	United States	Corporate - Non Convertible	20,000	19	18
Prairie ECI Acquiror LP Term Loan 1st Lien F/R 03-07-2026	United States	Term Loans	10,000	10	10
Project Leopard Holdings Inc. Term Loan 1st Lien F/R 07-07-2023	United States	Term Loans	19,950	19	20
Prospect Medical Holdings Inc. Term Loan B 1st Lien F/R 02-15-2024	United States	Term Loans	19,800	19	18
Province of Alberta 2.20% 06-01-2026	Canada	Provincial Governments	CAD 330,000	243	246
Province of Newfoundland 3.00% 06-02-2026	Canada	Provincial Governments	CAD 80,000	62	62
Province of Newfoundland 3.70% 10-17-2048	Canada	Provincial Governments	CAD 20,000	17	17
Province of Ontario 1.875% 05-21-2020	Canada	Provincial Governments	100,000	101	99
Province of Ontario 2.70% 06-02-2029	Canada	Provincial Governments	CAD 60,000	46	46
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	9,950	10	10
PSC Industrial Outsourcing LP Term Loan B 1st Lien F/R 10-05-2024	United States	Term Loans	49,375	49	49
Queensland Treasury Corp. 2.75% 08-20-2027	Australia	Foreign Governments	AUD 800,000	605	593
R1 RCM Inc. Term Loan B 1st Lien F/R 05-02-2025	United States	Term Loans	9,925	10	10
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2019	United States	Corporate - Non Convertible	30,000	30	27
Realkredit Danmark AS 1.00% 04-01-2022	Denmark	Corporate - Non Convertible	DKK 2,150,000	323	336
Reliance Intermediate Holdings LP 6.50% 04-01-2023 Callable 2019	Canada	Corporate - Non Convertible	10,000	11	10
Republic of Argentina 5.88% 01-11-2028	Argentina	Foreign Governments	190,000	179	146
Republic of Argentina 6.88% 01-11-2048	Argentina	Foreign Governments	35,000	35	26
Republic of South Africa 8.00% 01-31-2030	South Africa	Foreign Governments	ZAR 4,250,000	274	271
Rite Aid Corp. 7.70% 02-15-2027	United States	Corporate - Non Convertible	125,000	107	78
Russian Federal Bond - OFZ 7.05% 01-19-2028	Russia	Foreign Governments	RUB 18,500,000	316	264
Savage Enterprises LLC Term Loan B 1st Lien F/R 07-02-2025	United States	Term Loans	17,914	18	18
Sigma Bidco BV Term Loan B 1st Lien F/R 03-07-2025	Netherlands	Term Loans	EUR 20,000	25	22
SIRVA Worldwide Inc. Term Loan 1st Lien F/R 07-31-2025	United States	Term Loans	18,881	19	18
SIWF Holdings Inc. Term Loan 1st Lien F/R 05-25-2025	United States	Term Loans	9,925	10	10
Skandiabanken Aktiebolag F/R 03-02-2022	Sweden	Corporate - Non Convertible	SEK 2,000,000	251	219
Source Energy Services Canada LP 10.50% 12-15-2021 Callable 2019	Canada	Corporate - Non Convertible	CAD 46,000	35	34
Spirit AeroSystems Inc. 3.95% 06-15-2023 Callable 2023	United States	Corporate - Non Convertible	20,000	20	20



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (US\$ 000s)	Fair Value (US\$ 000s)
<b>BONDS (cont'd)</b>					
SS&C Technologies Inc. Term Loan B5 1st Lien F/R 04-16-2025	United States	Term Loans	9,949	10	10
St. Joseph Energy Center LLC Term Loan 1st Lien F/R 04-06-2025	United States	Term Loans	9,652	10	10
Staples Inc. Term Loan 1st Lien F/R 08-15-2024	United States	Term Loans	29,750	30	30
Stars Group Holdings BV 7.00% 07-15-2026 Callable 2021	Canada	Corporate - Non Convertible	10,000	10	10
Sun Life Financial Inc. F/R 02-19-2026 Callable 2021	Canada	Corporate - Non Convertible	CAD 20,000	16	15
Superior Plus LP 5.25% 02-27-2024 Callable 2020	Canada	Corporate - Non Convertible	CAD 20,000	16	15
Superior Plus LP 7.00% 07-15-2026 Callable 2021	Canada	Corporate - Non Convertible	10,000	10	10
Sysco Canada Inc. 3.65% 04-25-2025 Callable 2025	United States	Corporate - Non Convertible	CAD 40,000	31	31
Talen Energy Supply LLC 9.50% 07-15-2022 Callable 2020	United States	Corporate - Non Convertible	50,000	45	54
TELUS Corp. 3.30% 05-02-2029 Callable 2029	Canada	Corporate - Non Convertible	CAD 20,000	15	15
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027	United States	Corporate - Non Convertible	10,000	10	10
Teva Pharmaceutical Industries Ltd. 2.20% 07-21-2021	Israel	Corporate - Non Convertible	5,000	5	5
Thor Industries Inc. Term Loan B 1st Lien F/R 11-01-2025	United States	Term Loans	27,454	27	26
Titan Acquisition Ltd. 7.75% 04-15-2026 Callable 2021	United Kingdom	Corporate - Non Convertible	30,000	30	26
TMX Group Ltd. 2.30% 12-11-2024 Callable 2024	Canada	Corporate - Non Convertible	CAD 10,000	8	8
TMX Group Ltd. 3.78% 06-05-2028 Callable 2028	Canada	Corporate - Non Convertible	CAD 30,000	23	24
TransCanada PipeLines Ltd. 3.69% 07-19-2023	Canada	Corporate - Non Convertible	CAD 20,000	15	16
TransCanada PipeLines Ltd. 3.30% 07-17-2025 Callable 2025 MTN	Canada	Corporate - Non Convertible	CAD 150,000	121	116
TransCanada Pipelines Ltd. 3.39% 03-15-2028 Callable 2027	Canada	Corporate - Non Convertible	CAD 30,000	23	23
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	CAD 60,000	44	42
Travelport Finance Luxembourg Sarl Term Loan 1st Lien F/R 03-18-2026	Luxembourg	Term Loans	30,000	29	29
Treasury Corp. of Victoria 3.00% 10-20-2028	Australia	Foreign Governments	AUD 600,000	460	455
TricorBraun Inc. (KRAIND) Term Loan 1st Lien F/R 11-30-2023	United States	Term Loans	98,068	97	98
Uber Technologies Inc. Term Loan B 1st Lien F/R 07-13-2023	United States	Term Loans	29,151	29	29
Ultra Clean Holdings Inc. Term Loan B 1st Lien F/R 08-27-2025	United States	Term Loans	29,625	29	29
Unimin Corp. Term Loan 1st Lien F/R 05-21-2025	United States	Term Loans	19,850	20	17
Union Gas Ltd. 3.59% 11-22-2047 Callable 2047	Canada	Corporate - Non Convertible	CAD 20,000	16	15
United States Treasury 1.88% 02-28-2022	United States	Foreign Governments	200,000	200	198
United States Treasury 2.88% 09-30-2023	United States	Foreign Governments	30,000	30	31
United States Treasury 2.88% 10-31-2023	United States	Foreign Governments	10,000	10	10
United States Treasury 2.13% 02-29-2024	United States	Foreign Governments	100,000	100	99
United States Treasury 0.13% 07-15-2024 Inflation Indexed	United States	Foreign Governments	330,000	342	346
United States Treasury 0.50% 01-15-2028 Inflation Indexed	United States	Foreign Governments	550,000	545	560
United States Treasury 2.75% 02-15-2028	United States	Foreign Governments	30,000	30	31
United States Treasury 0.75% 07-15-2028 Inflation Indexed	United States	Foreign Governments	880,000	876	902
United States Treasury 2.88% 08-15-2028	United States	Foreign Governments	80,000	78	83
United States Treasury 0.87% 01-15-2029 Inflation Indexed	United States	Foreign Governments	410,000	416	423
United States Treasury 1.01% 02-15-2048 Inflation Indexed	United States	Foreign Governments	1,090,000	1,069	1,138
Vancouver Airport Authority 3.66% 11-23-2048 Callable 2048	Canada	Corporate - Non Convertible	CAD 40,000	30	33
VeriFone Systems Inc. Term Loan 1st Lien F/R 08-09-2025	United States	Term Loans	19,950	20	20
Vertex Aerospace Services Corp. Term Loan B 1st Lien F/R 06-14-2025	United States	Term Loans	9,920	10	10
Videotron Ltee 5.75% 01-15-2026 Callable 2020	Canada	Corporate - Non Convertible	CAD 10,000	8	8
Vistage Worldwide Inc. Term Loan 1st Lien F/R 02-01-2025	United States	Term Loans	9,900	10	10
Vodafone Group PLC 3.75% 01-16-2024	United Kingdom	Corporate - Non Convertible	20,000	20	20
Volkswagen Financial Services NV 1.75% 04-17-2020	Germany	Corporate - Non Convertible	GBP 50,000	78	65
VVC Holding Corp. Term Loan B 1st Lien F/R 02-07-2026	United States	Term Loans	30,000	29	30



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<b>BONDS (cont'd)</b>					
Vyair Medical Inc. Term Loan B 1st Lien F/R 04-06-2025	United States	Term Loans	19,850	19	18
W/S Packaging Holdings Inc. 9.00% 04-15-2023 Callable 2020	United States	Corporate - Non Convertible	20,000	20	21
Wells Fargo & Co. 3.19% 02-08-2024 Callable 2024	United States	Corporate - Non Convertible	CAD 40,000	31	30
Welltower Inc. 4.13% 03-15-2029 Callable 2028	United States	Corporate - Non Convertible	20,000	20	20
Werner FinCo LP Term Loan 1st Lien F/R 06-23-2024	United States	Term Loans	98,747	98	96
Williams Scotsman International Inc. 7.88% 12-15-2022 Callable 2019	United States	Corporate - Non Convertible	30,000	30	31
Yak Access LLC Term Loan B 1st Lien F/R 06-26-2025	United States	Term Loans	29,625	29	25
YRC Worldwide Inc. Term Loan 1st Lien F/R 07-21-2022	United States	Term Loans	15,490	15	15
Zotec Partners LLC Term Loan 1st Lien F/R 02-09-2024	United States	Term Loans	19,500	19	19
<b>Total bonds</b>				<b>19,930</b>	<b>19,618</b>
<b>EQUITIES</b>					
Aena SA	Spain	Industrials	CAD 2,400	433	432
AIA Group Ltd.	Hong Kong	Financials	CAD 22,800	173	227
Air Liquide SA	France	Materials	CAD 3,380	372	430
Allergan PLC	United States	Health Care	CAD 3,200	600	469
AltaGas Ltd. Pfd. Series K	Canada	Energy	CAD 1,336	26	20
Altria Group Inc.	United States	Consumer Staples	CAD 5,100	310	293
Apple Inc.	United States	Information Technology	CAD 1,700	224	323
Atlas Copco AB A	Sweden	Industrials	CAD 7,500	247	202
B3 SA- Brasil Bolsa Balcao	Brazil	Financials	CAD 22,555	148	185
Baker Hughes a GE Co.	United States	Energy	CAD 7,300	156	202
Bayer AG	Germany	Health Care	CAD 4,117	460	266
Becton, Dickinson and Co.	United States	Health Care	CAD 2,600	479	649
Brenntag AG	Germany	Industrials	CAD 5,500	295	283
British American Tobacco PLC	United Kingdom	Consumer Staples	CAD 6,800	416	283
Broadcom Inc.	United States	Information Technology	CAD 1,200	289	361
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Real Estate	CAD 824	15	16
Brookfield Asset Management Inc. Pfd. Series 48	Canada	Real Estate	CAD 809	17	15
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Utilities	CAD 2,317	44	37
Cabot Oil & Gas Corp.	United States	Energy	CAD 4,700	108	123
Cisco Systems Inc.	United States	Information Technology	CAD 4,700	189	254
CME Group Inc.	United States	Financials	CAD 2,400	288	395
Compagnie Financiere Richemont SA	Switzerland	Consumer Discretionary	CAD 3,100	259	226
Constellation Brands Inc. Class A	United States	Consumer Staples	CAD 1,700	325	298
Dentsply Sirona Inc.	United States	Health Care	CAD 9,200	450	456
Deutsche Boerse AG	Germany	Financials	CAD 4,200	385	539
Diageo PLC	United Kingdom	Consumer Staples	CAD 5,800	181	237
Equifax Inc.	United States	Industrials	CAD 3,300	340	391
Eurofins Scientific	Luxembourg	Health Care	CAD 500	182	207
Harley-Davidson Inc.	United States	Consumer Discretionary	CAD 3,500	170	125
Heineken Holding NV A	Netherlands	Consumer Staples	CAD 3,700	329	371
Honeywell International Inc.	United States	Industrials	CAD 2,300	291	366
HSBC Holdings PLC	United Kingdom	Financials	CAD 35,100	307	285
Japan Exchange Group Inc.	Japan	Financials	CAD 19,200	310	342
Johnson & Johnson	United States	Health Care	CAD 3,200	383	447
JPMorgan Chase & Co.	United States	Financials	CAD 4,500	376	456
Kao Corp.	Japan	Consumer Staples	CAD 3,600	231	283



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (US\$ 000s)	Fair Value (US\$ 000s)
<b>EQUITIES (cont'd)</b>					
Keyence Corp.	Japan	Information Technology	CAD 300	150	187
Kinder Morgan Inc.	United States	Energy	CAD 24,100	466	482
Koninklijke Philips NV	Netherlands	Health Care	CAD 10,887	377	444
Linde PLC	Ireland	Materials	CAD 1,100	170	194
Lockheed Martin Corp.	United States	Industrials	CAD 1,200	307	360
London Stock Exchange Group PLC	United Kingdom	Financials	CAD 4,100	243	254
McDonald's Corp.	United States	Consumer Discretionary	CAD 1,300	148	247
Micro Focus International PLC	United Kingdom	Information Technology	CAD 18,262	463	475
Microsoft Corp.	United States	Information Technology	CAD 5,300	306	625
Moody's Corp.	United States	Financials	CAD 2,000	228	362
Mowi ASA	Norway	Consumer Staples	CAD 8,500	157	190
Murata Manufacturing Co. Ltd.	Japan	Information Technology	CAD 2,700	142	134
Nestlé SA Reg.	Switzerland	Consumer Staples	CAD 7,000	562	667
New Oriental Education & Technology Group Inc. ADR	China	Consumer Discretionary	CAD 2,200	178	198
Nidec Corp.	Japan	Industrials	CAD 200	26	25
Nike Inc. Class B	United States	Consumer Discretionary	CAD 1,900	100	160
Nokia OYJ	Finland	Information Technology	CAD 42,200	262	240
Northern Trust Corp.	United States	Financials	CAD 2,400	262	217
Novo Nordisk AS B	Denmark	Health Care	CAD 7,700	306	403
Oaktree Capital Group LLC	United States	Financials	CAD 8,000	380	397
Occidental Petroleum Corp.	United States	Energy	CAD 4,700	330	311
Oracle Corp.	United States	Information Technology	CAD 5,300	239	285
Otsuka Corp.	Japan	Information Technology	CAD 3,600	109	134
Pernod Ricard SA*	France	Consumer Staples	CAD 1,200	159	215
Philip Morris International Inc.	United States	Consumer Staples	CAD 5,700	538	504
Roche Holding AG Genusscheine	Switzerland	Health Care	CAD 1,600	427	441
Sabre Corp.	United States	Information Technology	CAD 8,166	166	175
Safran SA	France	Industrials	CAD 4,300	364	590
Sands China Ltd.	Hong Kong	Consumer Discretionary	CAD 55,300	245	278
SAP AG	Germany	Information Technology	CAD 3,200	291	370
The Sherwin-Williams Co.	United States	Materials	CAD 1,100	361	474
Sika AG	Switzerland	Materials	CAD 2,700	357	377
Sony Corp.	Japan	Consumer Discretionary	CAD 5,200	255	218
Source Energy Services Ltd.	Canada	Energy	CAD 385	3	—
Starbucks Corp.	United States	Consumer Discretionary	CAD 5,700	318	424
Suzuki Motor Corp.	Japan	Consumer Discretionary	CAD 1,800	82	80
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	Information Technology	CAD 28,800	231	229
Tencent Holdings Ltd.	China	Communication Services	CAD 6,700	236	308
Texas Instruments Inc.	United States	Information Technology	CAD 2,300	228	244
TransAlta Corp. Pfd. Series A	Canada	Utilities	CAD 1,997	21	19
TransCanada Corp. Pfd. Series 15	Canada	Energy	CAD 2,069	39	40
Unilever NV CVA	United Kingdom	Consumer Staples	CAD 5,400	270	314
United Technologies Corp.	United States	Industrials	CAD 3,600	451	464
Visa Inc. Class A	United States	Information Technology	CAD 2,500	216	390
Walgreens Boots Alliance Inc.	United States	Consumer Staples	CAD 4,100	266	259
Wells Fargo & Co.	United States	Financials	CAD 5,800	303	280
<b>Total equities</b>				<b>21,546</b>	<b>24,178</b>



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## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (US\$ 000s)	Fair Value (US\$ 000s)
<b>OPTIONS</b>					
Options purchased (see schedule of options purchased)				49	20
<b>Total options</b>				<b>49</b>	<b>20</b>
<b>EXCHANGE-TRADED FUNDS/NOTES</b>					
iShares J.P. Morgan USD Emerging Markets Bond ETF	United States	Exchange-Traded Funds/Notes	CAD 1,000	104	110
Mackenzie Floating Rate Income ETF	Canada	Exchange-Traded Funds/Notes	CAD 6,322	100	99
Mackenzie US High Yield Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	CAD 2,301	163	166
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	CAD 7,390	561	545
VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	United States	Exchange-Traded Funds/Notes	CAD 5,300	173	177
<b>Total exchange-traded funds/notes</b>				<b>1,101</b>	<b>1,097</b>
<b>MUTUAL FUNDS</b>					
Mackenzie International Dividend Fund Series R	Canada	Mutual Funds	CAD 19,301	147	173
Mackenzie Unconstrained Fixed Income Fund Series R	Canada	Mutual Funds	CAD 6,267	47	46
<b>Total mutual funds</b>				<b>194</b>	<b>219</b>
Transaction costs				(34)	–
<b>Total investments</b>				<b>42,786</b>	<b>45,132</b>
Derivative instruments (see schedule of derivative instruments)					(51)
Cash and cash equivalents					1,117
Other assets less liabilities					462
<b>Total net assets</b>					<b>46,660</b>

\* Related to Mackenzie. See Note 1.



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## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2019	
Portfolio Allocation	% of NAV
Equities	51.9
Bonds	41.8
<i>Bonds</i>	42.0
<i>Purchased options</i>	0.0
<i>Short futures</i>	(0.2)
Cash and short-term investments	2.4
Exchange-traded funds/notes	2.3
Other assets (liabilities)	1.1
Mutual funds	0.5
Purchased currency options	0.0
Swaps	(0.0)

Regional Allocation	
	% of NAV
United States	43.7
Canada	8.6
Other	8.2
Japan	4.7
United Kingdom	4.5
Germany	3.9
Switzerland	3.7
Australia	3.1
Denmark	2.7
France	2.6
Cash and short-term investments	2.4
Norway	2.1
Netherlands	1.8
Sweden	1.4
Mexico	1.3
Bermuda	1.1
Other assets (liabilities)	1.1
China	1.1
Hong Kong	1.1
Spain	0.9

Sector Allocation	
	% of NAV
Foreign government bonds	20.5
Corporate bonds	14.4
Information technology	9.6
Financials	8.5
Consumer staples	8.4
Health care	8.1
Industrials	6.7
Consumer discretionary	4.2
Term loans	3.8
Materials	3.2
Energy	2.5
Cash and short-term investments	2.4
Exchange-traded funds/notes	2.3
Other	2.2
Supra-national bonds	2.1
Other assets (liabilities)	1.1

March 31, 2018	
Portfolio Allocation	% of NAV
Equities	48.4
Bonds	43.9
<i>Bonds</i>	44.0
<i>Short futures</i>	(0.1)
Cash and short-term investments	7.7
Exchange-traded funds/notes	0.6
Mutual funds	0.4
Other assets (liabilities)	(1.0)

Regional Allocation	
	% of NAV
United States	40.9
Canada	9.0
Other	8.0
Cash and short-term investments	7.7
United Kingdom	5.9
Other Europe	5.2
Germany	3.9
Japan	3.7
Switzerland	2.7
France	2.6
Australia	2.2
Norway	2.1
Denmark	1.9
Netherlands	1.8
Bermuda	1.7
China	1.7
Other assets (liabilities)	(1.0)

Sector Allocation	
	% of NAV
Foreign government bonds	18.8
Corporate bonds	17.8
Information technology	9.5
Financials	9.0
Industrials	8.4
Cash and short-term investments	7.7
Consumer staples	6.7
Health care	6.6
Other	5.9
Consumer discretionary	3.8
Supra-national bonds	3.6
Term loans	3.2
Other assets (liabilities)	(1.0)



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## SCHEDULE OF OPTIONS PURCHASED

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Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$US 000s)	Fair Value (\$US 000s)
Currency Call Option CAD/KRW	1,110,000	Call	Apr. 3, 2019	KRW 900.00	9	–
Currency Put Option USD/EUR	1,500,000	Put	Apr. 17, 2019	USD 1.15	3	–
iShares iBoxx \$ High Yield Corporate Bond ETF	210	Put	Apr. 18, 2019	USD 84.00	4	2
iShares iBoxx \$ High Yield Corporate Bond ETF	100	Put	Apr. 18, 2019	USD 85.00	4	2
iShares Barclays Capital TB ETF	100	Put	Jun. 21, 2019	USD 117.00	7	2
iShares iBoxx \$ High Yield Corporate Bond ETF	80	Put	Jun. 21, 2019	USD 84.00	6	4
iShares iBoxx \$ High Yield Corporate Bond ETF	80	Put	Jul. 19, 2019	USD 84.00	8	6
iShares Barclays Capital TB ETF	40	Put	Sep. 20, 2019	USD 116.00	4	2
iShares Barclays Capital TB ETF	40	Put	Sep. 20, 2019	USD 117.00	4	2
<b>Total options</b>					<b>49</b>	<b>20</b>



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## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2019

### Schedule of Swap Contracts

Counterparty Credit Rating	Counterparty	Number of Contracts	Maturity Date	Fund Pays Counterparty Return on	Counterparty Pays Fund Return On	Notional Value (US\$ 000s)	Unrealized Gains (Losses) (US\$ 000s)
AA	Bank of Montreal	5,004	May 10, 2019	Floating interest LIBOR (USD) 3 month rate plus 0.21%	Invesco Senior Loan ETF	113	1
AA	Bank of Montreal	819	May 10, 2019	Floating interest LIBOR (USD) 3 month rate plus 0.21%	iShares 0-5 Year High Yield Corporate Bond ETF	38	–
AA	Bank of Montreal	1,842	Jun. 12, 2019	Floating interest LIBOR (USD) 3 month rate plus 0.35%	iShares J.P. Morgan USD Emerging Markets Bond ETF	199	4
Unrealized Gains						350	5
AA	Bank of Montreal	1	Jan. 17, 2024	Fixed (NZD) interest rate at 2.20%	Floating interest LIBOR (NZD) 3 month rate	709	(15)
Unrealized (Losses)						709	(15)
<b>Total swap contract</b>						<b>1,059</b>	<b>(10)</b>

### Schedule of Futures Contracts

Number of Contracts	Type of Contract	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (US\$ 000s)	Unrealized (Losses) (US\$ 000s)	
(5)	Euro-Bund Futures June 2019	Jun. 6, 2019	163.18 EUR	(933)	(18)	
(3)	Euro-OAT Futures June 2019	Jun. 6, 2019	158.51 EUR	(548)	(14)	
(7)	10 Year United States Treasury Note Futures June 2019	Jun. 19, 2019	123.44 USD	(870)	(5)	
(10)	CME Ultra Term United States Treasury Bond Futures June 2019	Jun. 19, 2019	160.52 USD	(1,679)	(76)	
Unrealized (Losses)					(4,030)	(113)
<b>Total futures contracts</b>					<b>(4,030)</b>	<b>(113)</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 (US\$ 000s)	Current Fair Value (US\$ 000s)	Unrealized Gains (US\$ 000s)
A	221 U.S. dollar	(310) Australian dollar	Apr. 3, 2019	(221)	(220)	1
A	320 Australian dollar	(226) U.S. dollar	Apr. 3, 2019	226	227	1
AA	4,394 U.S. dollar	(5,789) Canadian dollar	Apr. 4, 2019	(4,394)	(4,331)	63
AA	381 U.S. dollar	(505) Canadian dollar	Apr. 4, 2019	(381)	(378)	3
AA	219 U.S. dollar	(290) Canadian dollar	Apr. 4, 2019	(219)	(217)	2
AA	86 U.S. dollar	(113) Canadian dollar	Apr. 4, 2019	(86)	(85)	1
AA	670 Canadian dollar	(501) U.S. dollar	Apr. 4, 2019	501	501	–
AA	178 U.S. dollar	(177) Swiss franc	Apr. 4, 2019	(178)	(178)	–
AA	110 U.S. dollar	(96) Euro	Apr. 4, 2019	(110)	(108)	2
AA	15,300 Japanese yen	(137) U.S. dollar	Apr. 4, 2019	137	138	1
AA	56 U.S. dollar	(480) Norwegian krone	Apr. 4, 2019	(56)	(56)	–
AA	252 U.S. dollar	(2,320) Swedish krona	Apr. 4, 2019	(252)	(250)	2
A	534 U.S. dollar	(468) Euro	Apr. 5, 2019	(534)	(525)	9
A	26 U.S. dollar	(500) Mexican peso	Apr. 5, 2019	(26)	(26)	–
AA	668 U.S. dollar	(4,340) Danish krone	Apr. 10, 2019	(668)	(650)	18
AA	532 U.S. dollar	(4,790) Swedish krona	Apr. 10, 2019	(532)	(515)	17



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## SCHEDULE OF DERIVATIVE INSTRUMENTS (cont'd)

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### Schedule of Forward Currency Contracts (cont'd)

Counterparty Credit Rating	Bought (\$ 000s)	Sold (\$ 000s)	Settlement Date	Contract Cost (US\$ 000s)	Current Fair Value (US\$ 000s)	Unrealized Gains (Losses) (US\$ 000s)		
A	58	U.S. dollar	(38,000)	Chilean peso	Apr. 11, 2019	(58)	(56)	2
A	46	U.S. dollar	(31,000)	Chilean peso	Apr. 11, 2019	(46)	(45)	1
A	22,000	Chilean peso	(32)	U.S. dollar	Apr. 11, 2019	32	32	–
A	35	U.S. dollar	(110,000)	Colombian Peso	Apr. 11, 2019	(35)	(34)	1
A	34	U.S. dollar	(106,000)	Colombian Peso	Apr. 11, 2019	(34)	(34)	–
A	31	U.S. dollar	(720)	Czech koruna	Apr. 11, 2019	(31)	(31)	–
A	69	U.S. dollar	(980,000)	Indonesian rupiah	Apr. 11, 2019	(69)	(69)	–
A	980,000	Indonesian rupiah	(69)	U.S. dollar	Apr. 11, 2019	69	69	–
A	2,700	Indian rupee	(39)	U.S. dollar	Apr. 11, 2019	39	39	–
A	61	U.S. dollar	(4,200)	Indian rupee	Apr. 11, 2019	(61)	(61)	–
A	15	U.S. dollar	(17,000)	South Korean won	Apr. 11, 2019	(15)	(15)	–
A	20	U.S. dollar	(390)	Mexican peso	Apr. 11, 2019	(20)	(20)	–
A	35	U.S. dollar	(670)	Mexican peso	Apr. 11, 2019	(35)	(35)	–
A	7,140	Taiwanese dollar	(231)	U.S. dollar	Apr. 11, 2019	231	231	–
A	116	U.S. dollar	(6,100)	Philippine peso	Apr. 11, 2019	(116)	(116)	–
A	6,100	Philippine peso	(115)	U.S. dollar	Apr. 11, 2019	115	115	–
A	42	U.S. dollar	(160)	Polish Zloty	Apr. 11, 2019	(42)	(42)	–
A	30	U.S. dollar	(40)	Singapore dollar	Apr. 11, 2019	(30)	(30)	–
A	3,390	Thai baht	(106)	U.S. dollar	Apr. 11, 2019	106	106	–
AA	425	U.S. dollar	(590)	Australian dollar	May 1, 2019	(425)	(419)	6
AA	106	U.S. dollar	(155)	New Zealand dollar	May 8, 2019	(106)	(106)	–
AA	204	U.S. dollar	(180)	Euro	May 10, 2019	(204)	(202)	2
AA	23,060	Japanese yen	(208)	U.S. dollar	May 15, 2019	208	209	1
AA	203	U.S. dollar	(154)	British pound	Jun. 19, 2019	(203)	(202)	1
AA	353	U.S. dollar	(3,000)	Norwegian krone	Jun. 19, 2019	(353)	(349)	4
AA	591	U.S. dollar	(11,600)	Mexican peso	Jun. 21, 2019	(591)	(590)	1
Unrealized Gains								139
A	667	U.S. dollar	(943)	Australian dollar	Apr. 3, 2019	(667)	(670)	(3)
AA	41	Australian dollar	(29)	U.S. dollar	Apr. 4, 2019	29	29	–
AA	695	Canadian dollar	(529)	U.S. dollar	Apr. 4, 2019	529	520	(9)
AA	110	Canadian dollar	(82)	U.S. dollar	Apr. 4, 2019	82	82	–
AA	43	British pound	(57)	U.S. dollar	Apr. 4, 2019	57	56	(1)
AA	283	New Zealand dollar	(193)	U.S. dollar	Apr. 4, 2019	193	193	–
A	100	Euro	(114)	U.S. dollar	Apr. 5, 2019	114	113	(1)
A	220	Euro	(249)	U.S. dollar	Apr. 5, 2019	249	247	(2)
A	328	U.S. dollar	(6,702)	Mexican peso	Apr. 5, 2019	(328)	(345)	(17)
AA	900	Swedish krona	(98)	U.S. dollar	Apr. 10, 2019	98	97	(1)
A	48	U.S. dollar	(154,000)	Colombian Peso	Apr. 11, 2019	(48)	(48)	–
A	720	Czech koruna	(32)	U.S. dollar	Apr. 11, 2019	32	32	–
A	8,900	Hungarian forint	(32)	U.S. dollar	Apr. 11, 2019	32	31	(1)
A	16,900	Hungarian forint	(61)	U.S. dollar	Apr. 11, 2019	61	59	(2)
A	3,400	Hungarian forint	(12)	U.S. dollar	Apr. 11, 2019	12	12	–
A	151	U.S. dollar	(2,160,000)	Indonesian rupiah	Apr. 11, 2019	(151)	(151)	–
A	38	U.S. dollar	(2,700)	Indian rupee	Apr. 11, 2019	(38)	(39)	(1)
A	62,000	South Korean won	(55)	U.S. dollar	Apr. 11, 2019	55	54	(1)
A	40	U.S. dollar	(45,000)	South Korean won	Apr. 11, 2019	(40)	(40)	–
A	1,060	Mexican peso	(55)	U.S. dollar	Apr. 11, 2019	55	55	–
A	224	U.S. dollar	(6,900)	Taiwanese dollar	Apr. 11, 2019	(224)	(224)	–



**MACKENZIE**  
Investments

# MACKENZIE USD GLOBAL STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## SCHEDULE OF DERIVATIVE INSTRUMENTS (cont'd)

As at March 31, 2019

### Schedule of Forward Currency Contracts (cont'd)

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (US\$ 000s)	Current Fair Value (US\$ 000s)	Unrealized Gains (Losses) (US\$ 000s)
A	8	U.S. dollar	(240)	Taiwanese dollar	Apr. 11, 2019	(8)	(8)	–
A	262	U.S. dollar	(870)	Peruvian New Sol	Apr. 11, 2019	(262)	(262)	–
A	430	Polish Zloty	(113)	U.S. dollar	Apr. 11, 2019	113	112	(1)
A	108	U.S. dollar	(147)	Singapore dollar	Apr. 11, 2019	(108)	(108)	–
A	187	Singapore dollar	(138)	U.S. dollar	Apr. 11, 2019	138	138	–
A	111	U.S. dollar	(3,530)	Thai baht	Apr. 11, 2019	(111)	(111)	–
A	140	Thai baht	(4)	U.S. dollar	Apr. 11, 2019	4	4	–
A	36	U.S. dollar	(210)	Turkish lira	Apr. 11, 2019	(36)	(37)	(1)
AA	332	U.S. dollar	(470)	Australian dollar	May 1, 2019	(332)	(334)	(2)
AA	576	U.S. dollar	(64,000)	Japanese yen	May 15, 2019	(576)	(580)	(4)
A	281	U.S. dollar	(20,400)	Indian rupee	May 17, 2019	(281)	(292)	(11)
AA	130	U.S. dollar	(8,650)	Russian ruble	May 17, 2019	(130)	(131)	(1)
AA	8,650	Russian ruble	(133)	U.S. dollar	May 17, 2019	133	131	(2)
AA	295	U.S. dollar	(395)	Canadian dollar	Jun. 7, 2019	(295)	(296)	(1)
AA	263	Canadian dollar	(963)	Israeli shekel	nov. 5, 2019	(263)	(268)	(5)
Unrealized (Losses)								(67)
<b>Total forward currency contracts</b>								<b>72</b>
<b>Total derivative instruments at fair value</b>								<b>(51)</b>



**MACKENZIE**  
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# MACKENZIE USD GLOBAL STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

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## 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 U.S. 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 U.S. dollars. Foreign currency purchases and sales of investments and foreign currency dividend and interest income and expenses are translated to U.S. 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 U.S. 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 U.S. 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 U.S. 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.

# MACKENZIE USD GLOBAL STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

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## NOTES TO FINANCIAL STATEMENTS

### 9. Fund Specific Information *(in '000s of U.S. dollars, except for (a))*

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

Date of Formation      May 1, 2015

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)*

The minimums below are calculated in U.S. dollars.

Series A and Series T8 securities are offered to retail investors investing a minimum of \$500 (\$5,000 for Series T8). Investors in Series A and Series T8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively.

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 PW and Series 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 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 FB5 and Series PWFB5 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.

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 and various low-load purchase options. 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.

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### 9. Fund Specific Information (in '000s of U.S. dollars, 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 (US\$)	
				Mar. 31, 2019	Mar. 31, 2018
Series A	May 20, 2015	1.85%	0.24%	9.65	10.06
Series D	May 20, 2015	1.10%	0.16%	9.46	9.78
Series F	May 20, 2015	0.70% <sup>(4)</sup>	0.15% <sup>(7)</sup>	9.86	10.15
Series F8	June 1, 2018	0.70%	0.15%	14.20	—
Series FB	October 26, 2015	0.85%	0.24%	10.17	10.49
Series FB5	None issued <sup>(2)</sup>	0.85%	0.24%	—	—
Series PW	May 20, 2015	1.70% <sup>(5)</sup>	0.15%	9.70	10.09
Series PWF	None issued <sup>(8)</sup>	0.80%	0.15%	—	10.11
Series PWF8	None issued <sup>(9)</sup>	0.80%	0.15%	—	13.32
Series PWFB	April 3, 2017	0.70% <sup>(6)</sup>	0.15%	9.83	10.12
Series PWFB5	None issued <sup>(3)</sup>	0.70% <sup>(6)</sup>	0.15%	—	—
Series PWT8	April 3, 2017	1.70% <sup>(5)</sup>	0.15%	13.41	14.41
Series PWX	June 15, 2015	— <sup>(1)</sup>	— <sup>(1)</sup>	10.14	10.34
Series PWX8	October 24, 2018	— <sup>(1)</sup>	— <sup>(1)</sup>	15.41	—
Series T8	May 26, 2015	1.85%	0.24%	11.69	12.58

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

(2) The series' original start date was October 26, 2015. All securities in the series were redeemed on January 17, 2018.

(3) The series' original start date was April 3, 2017. All securities in the series were redeemed on January 17, 2018.

(4) Prior to June 1, 2018, the management fee for Series F was charged to the Fund at a rate of 0.85%.

(5) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 1.80%.

(6) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.80%.

(7) Prior to June 1, 2018, the administration fee for Series F was charged to the Fund at a rate of 0.16%.

(8) The series' original start date was May 20, 2015. All securities in the series were consolidated into Series F on June 1, 2018.

(9) The series' original start date was August 13, 2015. All securities in the series were consolidated into Series F8 on June 1, 2018.

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

As at March 31, 2019, Mackenzie had an investment of \$7 (2018 – \$5) in the Fund.

#### (c) Loss Carryforwards

As at the last taxation year-end, the Fund has capital losses of \$599 which may be carried forward indefinitely to reduce future realized capital gains. There were no non-capital losses available to carry forward for tax purposes.

#### (d) Securities Lending

As at March 31, 2019 and 2018, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

#### (e) Commissions

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

	(\$)
March 31, 2019	3
March 31, 2018	3

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## NOTES TO FINANCIAL STATEMENTS

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

#### (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 (\$)	Total Number of Commitments	Range of Unfunded Commitment Amounts (\$)	Range of Commitment Fee Rates (%)	Range of Commitment Period End Date
March 31, 2019	–	–	–	–	–
March 31, 2018	90	3	22 - 38	0.750	June 18, 2018 - August 21, 2018

#### (g) 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	72	(16)	–	56
Unrealized losses on derivative contracts	(129)	16	203	90
Liability for options written	–	–	–	–
Total	(57)	–	203	146

	March 31, 2018			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	9	(9)	–	–
Unrealized losses on derivative contracts	(54)	9	135	90
Liability for options written	–	–	–	–
Total	(45)	–	135	90

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

##### i. Risk exposure and management

The Fund seeks long-term capital growth and income in U.S. dollars, by investing primarily in fixed income and/or income-oriented equities issued anywhere in the world. Depending on economic conditions and relative valuations by the Fund's portfolio managers, the Fund will generally invest 30% to 70% of its assets in each of equity and fixed income securities, but may invest up to 100% of its assets in either asset class.

# MACKENZIE USD GLOBAL STRATEGIC INCOME FUND

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## NOTES TO FINANCIAL STATEMENTS

### 9. Fund Specific Information *(in '000s of U.S. dollars, except for (a)) (cont'd)*

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

##### *ii. Currency risk*

The table below indicates currencies to which the Fund had significant exposure as at period end in U.S. 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.

Currency	March 31, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Euro	5,068	142	993	6,203
Japanese yen	2,216	(25)	(233)	1,958
British pound	1,736	2	(146)	1,592
Swiss franc	1,711	9	(178)	1,542
Canadian dollar	4,311	–	(3,373)	938
Hong Kong dollar	813	7	–	820
New Zealand dollar	384	–	87	471
Danish krone	1,053	4	(650)	407
Brazilian real	296	1	–	297
Swedish krona	856	108	(668)	296
Russian ruble	264	24	–	288
South African rand	271	–	–	271
Taiwanese dollar	229	–	(1)	228
Norwegian krone	543	2	(405)	140
Hungarian forint	–	–	102	102
Polish zloty	–	–	70	70
Australian dollar	1,435	7	(1,387)	55
Mexican peso	1,001	2	(961)	42
Czech koruna	–	–	1	1
Philippine peso	–	–	(1)	(1)
Thai baht	–	–	(1)	(1)
Israeli shekel	265	–	(268)	(3)
Turkish lira	–	–	(37)	(37)
Indian rupee	302	–	(353)	(51)
Chilean peso	–	–	(69)	(69)
Columbian peso	–	–	(116)	(116)
Indonesian rupiah	–	–	(151)	(151)
Peruvian nuevo sol	–	–	(262)	(262)
South Korean won	–	–	(832)	(832)
Total	22,754	283	(8,839)	14,198
% of Net Assets	48.8	0.6	(18.9)	30.5



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## NOTES TO FINANCIAL STATEMENTS

### 9. Fund Specific Information *(in '000s of U.S. dollars, except for (a)) (cont'd)*

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

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

Currency	March 31, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Euro	6,079	61	(954)	5,186
British pound	2,710	(3)	(864)	1,843
Swiss franc	1,567	13	(254)	1,326
Japanese yen	2,072	–	(829)	1,243
Hong Kong dollar	883	–	–	883
Polish zloty	818	–	–	818
Indian rupee	805	–	–	805
Brazilian real	621	4	–	625
Canadian dollar	6,295	–	(5,671)	624
Turkish lira	409	8	–	417
Danish krone	757	5	(372)	390
Taiwanese dollar	387	–	–	387
New Zealand dollar	484	–	(106)	378
Norwegian krone	674	–	(298)	376
Russian ruble	317	–	–	317
Argentine peso	162	17	–	179
Australian dollar	1,058	–	(953)	105
Mexican peso	1,199	–	(1,179)	20
Swedish krona	1,337	34	(2,152)	(781)
Total	28,634	139	(13,632)	15,141
% of Net Assets	49.7	0.2	(23.7)	26.2

\* Includes both monetary and non-monetary financial instruments

As at March 31, 2019, had the U.S. dollar increased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased by approximately \$598 or 1.3% of total net assets (2018 – \$757 or 1.3%). Similarly, had the Canadian dollar decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have increased by approximately \$635 or 1.4% of the total net assets (2018 – \$757 or 1.3%). In practice, the actual trading results may differ and the difference could be material.



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## NOTES TO FINANCIAL STATEMENTS

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

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

##### 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	1,799	(3,680)	1,218	(2,496)
1-5 years	5,263	(709)	8,544	–
5-10 years	9,639	–	13,340	–
Greater than 10 years	2,917	–	2,249	–
Total	19,618	(4,389)	25,351	(2,496)

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 \$261 or 0.6% of total net assets (2018 – \$972 or 1.7%). Similarly, had prevailing interest rates increased by 1%, with all other variables held constant, net assets would have increased by approximately \$626 or 1.3% (2018 – \$972 or 1.7%) 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 \$2,549 or 5.5% of total net assets (2018 – \$2,846 or 4.9%). 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 8.2% (2018 – 4.5%) of the net assets of the Fund.

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	10.1	13.9
AA	10.5	4.4
A	8.3	10.5
BBB	5.4	7.9
Less than BBB	6.9	6.6
Unrated	0.8	0.7
Total	42.0	44.0

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

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## NOTES TO FINANCIAL STATEMENTS

### 9. Fund Specific Information *(in '000s of U.S. dollars, except for (a)) (cont'd)*

#### (i) 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	–	19,618	–	19,618	–	25,351	–	25,351
Equities	24,178	–	–	24,178	16,849	11,025	–	27,874
Options	6	14	–	20	–	–	–	–
Exchange-traded funds/notes	1,097	–	–	1,097	358	–	–	358
Mutual funds	219	–	–	219	227	–	–	227
Derivative assets	–	144	–	144	–	72	–	72
Derivative liabilities	(113)	(82)	–	(195)	(44)	(115)	–	(159)
Short-term investments	–	–	–	–	–	4,373	–	4,373
Total	25,387	19,694	–	45,081	17,390	40,706	–	58,096

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.

#### (j) Comparative Amounts

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



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