

## ***Interim Unaudited Financial Statements***

*For the Six-Month Period Ended September 30, 2019*

*These Interim Unaudited Financial Statements do not contain the Interim Management Report of Fund Performance (“MRFP”) of the investment fund. You may obtain a copy of the Interim MRFP, at no cost, by contacting us using one of the methods noted under Fund Formation and Series Information or by visiting the SEDAR website at [www.sedar.com](http://www.sedar.com). Copies of the Annual Financial Statements or Annual MRFP may also be obtained, at no cost, using any of the methods outlined above.*

*Securityholders may also contact us using one of these methods to request a copy of the investment fund’s proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.*

### **NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS**

*Mackenzie Financial Corporation, the Manager of the Fund, appoints independent auditors to audit the Fund’s Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Interim Financial Statements, this must be disclosed in an accompanying notice.*

*The Fund’s independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.*



# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

BALANCED FUND

## STATEMENTS OF FINANCIAL POSITION

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

	Sep. 30 2019	Mar. 31 2019 (Audited)		Sep. 30 2019	Mar. 31 2019 (Audited)
	\$	\$		\$	\$
<b>ASSETS</b>			<b>Net assets attributable to securityholders</b>		
<b>Current assets</b>			<b>per security (note 3)</b>		
Investments at fair value	22,693	21,555	Series A	10.41	10.33
Cash and cash equivalents	815	794	Series AR	10.42	10.34
Accrued interest receivable	61	62	Series D	10.55	10.42
Dividends receivable	21	38	Series F	10.61	10.45
Accounts receivable for investments sold	368	117	Series F5	14.55	14.68
Accounts receivable for securities issued	75	52	Series F8	13.67	14.00
Margin on derivatives	34	101	Series FB	10.58	10.43
Unrealized gains on derivative contracts	62	26	Series FB5	14.48	14.63
<b>Total assets</b>	<b>24,129</b>	<b>22,745</b>	Series O	10.74	10.53
			Series PW	10.45	10.36
			Series PWFB	10.62	10.47
			Series PWFB5	14.59	14.71
			Series PWR	10.05	–
			Series PWT5	14.29	14.49
			Series PWT8	13.45	13.83
			Series PWX	10.74	10.53
			Series PWX8	13.91	14.18
			Series T5	14.17	14.41
			Series T8	13.33	13.75
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable for investments purchased	462	168			
Accounts payable for securities redeemed	1	–			
Liability for options written	5	–			
Unrealized losses on derivative contracts	66	144			
<b>Total liabilities</b>	<b>534</b>	<b>312</b>			
<b>Net assets attributable to securityholders</b>	<b>23,595</b>	<b>22,433</b>			
<b>Net assets attributable to securityholders</b>					
<b>per series (note 3)</b>					
Series A	7,148	8,857			
Series AR	1,008	894			
Series D	35	37			
Series F	7,958	6,483			
Series F5	732	344			
Series F8	3,087	3,307			
Series FB	185	145			
Series FB5	1	1			
Series O	1	1			
Series PW	3,071	2,306			
Series PWFB	70	33			
Series PWFB5	1	1			
Series PWR	211	–			
Series PWT5	68	1			
Series PWT8	1	1			
Series PWX	1	1			
Series PWX8	1	1			
Series T5	15	6			
Series T8	1	14			

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

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

BALANCED FUND

## STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended September 30 (note 1)  
In thousands (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	192	115	Series A	0.12	0.33
Interest income	194	179	Series AR	0.09	0.31
Other changes in fair value of investments and other net assets			Series D	0.14	0.16
Net realized gain (loss)	57	107	Series F	0.14	0.38
Net unrealized gain (loss)	36	558	Series F5	0.17	0.47
Securities lending income	1	–	Series F8	0.17	0.44
<b>Total income (loss)</b>	<b>480</b>	<b>959</b>	Series FB	0.11	0.38
			Series FB5	0.20	0.56
<b>Expenses (note 6)</b>			Series O	0.21	0.45
Management fees	162	196	Series PW	0.06	0.28
Administration fees	24	27	Series PWF	–	0.11
Commissions and other portfolio transaction costs	17	13	Series PWF5	–	0.17
Independent Review Committee fees	–	–	Series PWF8	–	0.17
Other	–	1	Series PWFB	0.04	0.41
<b>Expenses before amounts absorbed by Manager</b>	<b>203</b>	<b>237</b>	Series PWFB5	0.24	0.59
Expenses absorbed by Manager	–	–	Series PWR	(0.11)	–
<b>Net expenses</b>	<b>203</b>	<b>237</b>	Series PWT5	0.02	0.51
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>277</b>	<b>722</b>	Series PWT8	0.15	0.49
Foreign withholding taxes	21	17	Series PWX	0.21	0.45
Foreign income taxes paid (recovered)	–	–	Series PWX8	0.28	0.63
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>256</b>	<b>705</b>	Series T5	(0.16)	0.48
<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>			Series T8	0.53	0.47
Series A	86	506			
Series AR	7	16			
Series D	1	–			
Series F	98	121			
Series F5	6	5			
Series F8	42	28			
Series FB	1	1			
Series FB5	–	–			
Series O	–	–			
Series PW	16	18			
Series PWF	–	8			
Series PWF5	–	–			
Series PWF8	–	–			
Series PWFB	–	–			
Series PWFB5	–	–			
Series PWR	(2)	–			
Series PWT5	1	–			
Series PWT8	–	–			
Series PWX	–	–			
Series PWX8	–	–			
Series T5	–	–			
Series T8	–	2			

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



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

BALANCED FUND

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the periods ended September 30 (note 1)  
In thousands

	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Series A		Series AR		Series D		Series F		Series F5	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	8,857	17,127	894	431	37	2	6,483	2,248	344	97
Increase (decrease) in net assets from operations	86	506	7	16	1	–	98	121	6	5
Distributions paid to securityholders:										
Investment income	–	–	–	–	–	–	–	–	(5)	(1)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–	(7)	(3)
Total distributions paid to securityholders	–	–	–	–	–	–	–	–	(12)	(4)
Security transactions:										
Proceeds from securities issued	3,007	2,154	343	198	1	17	1,647	2,191	407	175
Reinvested distributions	–	–	–	–	–	–	–	–	2	–
Payments on redemption of securities	(4,802)	(5,531)	(236)	(3)	(4)	–	(270)	(246)	(15)	–
Total security transactions	(1,795)	(3,377)	107	195	(3)	17	1,377	1,945	394	175
<b>Total increase (decrease) in net assets</b>	<b>(1,709)</b>	<b>(2,871)</b>	<b>114</b>	<b>211</b>	<b>(2)</b>	<b>17</b>	<b>1,475</b>	<b>2,066</b>	<b>388</b>	<b>176</b>
<b>End of period</b>	<b>7,148</b>	<b>14,256</b>	<b>1,008</b>	<b>642</b>	<b>35</b>	<b>19</b>	<b>7,958</b>	<b>4,314</b>	<b>732</b>	<b>273</b>
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	<b>858</b>	<b>1,680</b>	<b>86</b>	<b>42</b>	<b>4</b>	<b>–</b>	<b>620</b>	<b>219</b>	<b>23</b>	<b>6</b>
Issued	287	208	33	19	–	2	155	209	28	12
Reinvested distributions	–	–	–	–	–	–	–	–	–	–
Redeemed	(458)	(531)	(22)	–	(1)	–	(25)	(23)	(1)	–
<b>Securities outstanding – end of period</b>	<b>687</b>	<b>1,357</b>	<b>97</b>	<b>61</b>	<b>3</b>	<b>2</b>	<b>750</b>	<b>405</b>	<b>50</b>	<b>18</b>
	Series F8		Series FB		Series FB5		Series O		Series PW	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	3,307	503	145	46	1	1	1	1	2,306	203
Increase (decrease) in net assets from operations	42	28	1	1	–	–	–	–	16	18
Distributions paid to securityholders:										
Investment income	(42)	(9)	–	–	–	–	–	–	–	–
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	(88)	(31)	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(130)	(40)	–	–	–	–	–	–	–	–
Security transactions:										
Proceeds from securities issued	485	1,571	81	4	–	–	–	–	1,242	866
Reinvested distributions	83	26	–	–	–	–	–	–	–	–
Payments on redemption of securities	(700)	(6)	(42)	–	–	–	–	–	(493)	(3)
Total security transactions	(132)	1,591	39	4	–	–	–	–	749	863
<b>Total increase (decrease) in net assets</b>	<b>(220)</b>	<b>1,579</b>	<b>40</b>	<b>5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>765</b>	<b>881</b>
<b>End of period</b>	<b>3,087</b>	<b>2,082</b>	<b>185</b>	<b>51</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3,071</b>	<b>1,084</b>
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	<b>236</b>	<b>34</b>	<b>14</b>	<b>4</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>223</b>	<b>20</b>
Issued	35	105	8	1	–	–	–	–	118	83
Reinvested distributions	6	2	–	–	–	–	–	–	–	–
Redeemed	(51)	–	(4)	–	–	–	–	–	(47)	–
<b>Securities outstanding – end of period</b>	<b>226</b>	<b>141</b>	<b>18</b>	<b>5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>294</b>	<b>103</b>

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



# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

BALANCED FUND

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

For the periods ended September 30 (note 1)  
In thousands

	2019	2018	2019	2018	2019	2018
	Series T5		Series T8		Total	
	\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>						
<b>Beginning of period</b>	6	1	14	89	22,433	21,480
Increase (decrease) in net assets from operations	-	-	-	2	256	705
Distributions paid to securityholders:						
Investment income	-	-	-	-	(47)	(10)
Capital gains	-	-	-	-	-	-
Return of capital	-	-	-	(2)	(96)	(36)
Total distributions paid to securityholders	-	-	-	(2)	(143)	(46)
Security transactions:						
Proceeds from securities issued	9	-	-	42	7,542	7,243
Reinvested distributions	-	-	-	1	85	27
Payments on redemption of securities	-	-	(13)	(105)	(6,578)	(6,652)
Total security transactions	9	-	(13)	(62)	1,049	618
<b>Total increase (decrease) in net assets</b>	<b>9</b>	<b>-</b>	<b>(13)</b>	<b>(62)</b>	<b>1,162</b>	<b>1,277</b>
<b>End of period</b>	<b>15</b>	<b>1</b>	<b>1</b>	<b>27</b>	<b>23,595</b>	<b>22,757</b>
<b>Increase (decrease) in fund securities (note 7):</b>						
<b>Securities outstanding – beginning of period</b>	-	-	1	6		
Issued	1	-	-	3		
Reinvested distributions	-	-	-	-		
Redeemed	-	-	(1)	(7)		
<b>Securities outstanding – end of period</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>2</b>		

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# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

BALANCED FUND

## STATEMENTS OF CASH FLOWS

For the periods ended September 30 (note 1)  
In thousands

	2019	2018
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	256	705
Adjustments for:		
Net realized loss (gain) on investments	(313)	(234)
Change in net unrealized loss (gain) on investments	(36)	(558)
Purchase of investments	(8,331)	(5,110)
Proceeds from sale and maturity of investments	7,478	4,853
Change in accrued interest receivable	1	7
Change in dividends receivable	17	16
Change in margin on derivatives	67	111
Change in due to manager	–	(3)
<b>Net cash from operating activities</b>	<b>(861)</b>	<b>(213)</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	6,790	6,171
Payments on redemption of securities	(5,848)	(5,628)
Distributions paid net of reinvestments	(58)	(19)
<b>Net cash from financing activities</b>	<b>884</b>	<b>524</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>23</b>	<b>311</b>
Cash and cash equivalents at beginning of period	794	171
Effect of exchange rate fluctuations on cash and cash equivalents	(2)	(1)
<b>Cash and cash equivalents at end of period</b>	<b>815</b>	<b>481</b>
Cash	815	481
Cash equivalents	–	–
<b>Cash and cash equivalents at end of period</b>	<b>815</b>	<b>481</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	209	131
Foreign taxes paid	21	17
Interest received	195	186
Interest paid	–	–

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**MACKENZIE**  
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# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

BALANCED FUND

## SCHEDULE OF INVESTMENTS

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS</b>					
407 International Inc. 3.14% 03-06-2030 Callable 2029	Canada	Corporate - Non Convertible	10,000	10	11
407 International Inc. 3.65% 09-08-2044 Callable MTN	Canada	Corporate - Non Convertible	6,000	6	7
407 International Inc. 3.67% 03-08-2049 Callable 2048	Canada	Corporate - Non Convertible	6,000	6	7
Acproducts Inc. Term Loan 1st Lien F/R 02-14-2024	United States	Term Loans	USD 9,875	12	13
Advanced Micro Devices Inc. 7.50% 08-15-2022	United States	Corporate - Non Convertible	USD 40,000	57	60
Aegis Toxicology Sciences Corp. Term Loan B 1st Lien F/R 05-09-2025	United States	Term Loans	USD 9,900	13	13
AG Merger Sub II Inc. Term Loan B 1st Lien F/R 08-01-2026	United States	Term Loans	USD 10,000	13	13
AI Ladder Luxembourg Term Loan B 1st Lien F/R 05-04-2025	United States	Term Loans	USD 5,438	7	7
Aimco Realty Investors LP 2.712% 06-01-2029 Callable 2029	Canada	Corporate - Non Convertible	30,000	30	31
AL Midcoast Holdings LLC Term Loan B 1st Lien F/R 06-28-2025	United States	Term Loans	USD 9,900	13	13
Alcami Carolinas Corp. Term Loan 1st Lien F/R 07-06-2025	United States	Term Loans	USD 9,900	13	12
Alchemy US Holdco LLC Term Loan B 1st Lien F/R 10-01-2025	United States	Term Loans	USD 9,813	12	13
Algonquin Power & Utilities Corp. 4.09% 02-17-2027 Callable	Canada	Corporate - Non Convertible	75,000	78	80
APFS Staffing Holdings Inc. Term Loan 1st Lien F/R 04-10-2026	United States	Term Loans	USD 9,975	13	13
Apple Inc. 2.51% 08-19-2024 Callable 2024	United States	Corporate - Non Convertible	130,000	131	132
Ascend Performance Materials Operations LLC Term Loan B 1st Lien F/R 08-16-2026	United States	Term Loans	USD 10,000	13	13
Ball Metalpack Finco LLC Term Loan B 1st Lien F/R 07-26-2025	United States	Term Loans	USD 9,875	13	12
Bank of America Corp. 2.15% 11-09-2020 Callable 2019	United States	Corporate - Non Convertible	USD 60,000	75	79
Bank of America Corp. F/R 04-25-2025 Callable 2024	United States	Corporate - Non Convertible	20,000	20	20
The Bank of Nova Scotia 2.98% 04-17-2023	Canada	Corporate - Non Convertible	20,000	20	21
BCPE Cycle Merger Sub II Inc. 10.63% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 5,000	7	6
Bell Canada Inc. 2.70% 02-27-2024 Callable 2023	Canada	Corporate - Non Convertible	75,000	74	76
Bell Canada Inc. 2.90% 09-10-2029 Callable 2029	Canada	Corporate - Non Convertible	15,000	15	15
Boardriders Inc. Term Loan B 1st Lien F/R 03-21-2024	United States	Term Loans	USD 9,875	12	13
Brookfield Infrastructure Finance ULC 4.20% 09-11-2028 Callable 2028	Canada	Corporate - Non Convertible	20,000	20	21
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate - Non Convertible	55,000	55	57
Brookfield Renewable Partners ULC 4.25% 01-15-2029 Callable 2028	Canada	Corporate - Non Convertible	100,000	100	109
Brookfield Renewable Partners ULC 3.38% 01-15-2030 Callable 2029	Canada	Corporate - Non Convertible	40,000	40	40
Brookfield Renewable Partners ULC 4.29% 11-05-2049 Callable 2049	Canada	Corporate - Non Convertible	60,000	60	61
Bulldog Purchaser Inc. Delayed Draw Term Loan 1st Lien F/R 08-31-2025	United States	Term Loans	USD 381	–	–
Bulldog Purchaser Inc. Term Loan B 1st Lien F/R 08-31-2025	United States	Term Loans	USD 9,547	13	13
Calpine Corp. 5.25% 06-01-2026 Callable 2021 BDVP1Z6	United States	Corporate - Non Convertible	USD 40,000	50	55
Can Am Construction Inc./Canada Term Loan B 1st Lien F/R 07-01-2024	Canada	Term Loans	USD 78,619	101	101
Canadian Pacific Railway Ltd. 3.15% 03-13-2029 Callable 2028	Canada	Corporate - Non Convertible	10,000	10	10
CareCentrix Inc. Term Loan 1st Lien F/R 03-22-2025	United States	Term Loans	USD 9,625	12	13
Casablanca US Holdings Inc. Term Loan 1st Lien F/R 03-31-2024	United States	Term Loans	USD 19,700	25	25
CCS-CMGC Holdings Inc. Term Loan 1st Lien F/R 09-25-2025	United States	Term Loans	USD 9,925	13	13
CEVA Logistics Finance BV Term Loan B 1st Lien F/R 08-03-2025	United States	Term Loans	USD 9,975	13	12
Chartwell Retirement Residences 4.21% 04-28-2025 Callable 2025	Canada	Corporate - Non Convertible	5,000	5	5
Choice Properties Real Estate Investment Trust 3.55% 01-10-2025 Callable 2024	Canada	Corporate - Non Convertible	20,000	20	21



**MACKENZIE**  
Investments



# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Citadel LLC Term Loan B 1st Lien F/R 02-22-2026	United States	Term Loans	USD 9,950	13	13
City of Oslo F/R 05-06-2026	Norway	Foreign Governments	NOK 1,000,000	155	146
City of Toronto 2.60% 09-24-2039	Canada	Municipal Governments	110,000	109	110
Comber Wind Financial Corp. 5.13% 11-15-2030	Canada	Corporate - Non Convertible	36,817	40	41
CommScope Technologies Finance LLC 8.25% 03-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 33,000	44	43
Connect Finco SARL Term Loan B 1st Lien F/R 09-23-2026	United Kingdom	Term Loans	USD 10,000	13	13
Cordelio Amalco GP I 4.09% 06-30-2034	Canada	Corporate - Non Convertible	9,620	10	10
Cordelio Amalco GP I 4.09% 09-30-2034	Canada	Corporate - Non Convertible	9,592	10	10
Corporacion Andina de Fomento 3.25% 02-11-2022	Supra - National	n/a	USD 100,000	135	135
Covanta Holding Corp. 5.88% 07-01-2025 Callable 2020	United States	Corporate - Non Convertible	USD 40,000	49	55
CPPIB Capital Inc. 1.95% 09-30-2029	Canada	Corporate - Non Convertible	40,000	40	40
Crown Subsea Communications Holding Inc. Term Loan 1st Lien F/R 11-02-2025	United States	Term Loans	USD 9,750	13	13
CU Inc. 3.76% 11-19-2046 Callable 2046	Canada	Corporate - Non Convertible	50,000	51	57
Dell International LLC Term Loan B 1st Lien F/R 09-07-2023	United States	Term Loans	USD 43,498	55	58
Diamond Sports Group LLC Term Loan B 1st Lien F/R 07-18-2026	United States	Term Loans	USD 10,000	13	13
Eastern Power LLC Term Loan B 1st Lien F/R 10-02-2023	United States	Term Loans	USD 9,495	12	13
Edgewell Personal Care Co. Term Loan B 1st Lien F/R 09-20-2026	United States	Term Loans	USD 10,000	13	13
Electrical Components International Inc. Term Loan 1st Lien F/R 06-22-2025	United States	Term Loans	USD 9,875	13	12
Enbridge Inc. F/R 04-12-2078 Callable 2028	Canada	Corporate - Non Convertible	20,000	20	22
ENC Holding Corp. Term Loan 1st Lien F/R 05-30-2025	United States	Term Loans	USD 9,882	13	13
EnTrans International LLC Term Loan 1st Lien F/R 10-29-2025	United States	Term Loans	USD 9,438	12	12
EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047	Canada	Corporate - Non Convertible	10,000	10	11
EPCOR Utilities Inc. 3.11% 07-08-2049 Callable 2049	Canada	Corporate - Non Convertible	20,000	20	20
European Investment Bank 1.25% 11-05-2020	Supra - National	n/a	100,000	98	99
European Investment Bank 0.13% 06-20-2029	Supra - National	n/a	EUR 200,000	298	301
Fairfax Financial Holdings Ltd. 4.23% 06-14-2029 Callable 2029	Canada	Corporate - Non Convertible	10,000	10	10
First Eagle Holdings Inc. Term Loan B 1st Lien F/R 12-01-2024	United States	Term Loans	USD 9,925	13	13
Foundation Building Materials LLC Term Loan B 1st Lien F/R 05-11-2025	United States	Term Loans	USD 9,925	13	13
Fresenius US Finance II Inc. 4.25% 02-01-2021	Germany	Corporate - Non Convertible	USD 75,000	101	102
Frontera Generation Holdings LLC Term Loan B 1st Lien F/R 04-25-2025	United States	Term Loans	USD 9,823	13	12
Fusion Connect Inc. Term Loan 1st Lien F/R 06-03/2019	Netherlands	Term Loans	USD 100	–	–
Fusion Connect Inc. Term Loan B 1st Lien F/R 05-03-2023	United States	Term Loans	USD 10,490	13	7
Fusion Connect Inc. Term Loan DIP 1st Lien F/R 10-03-2019	United States	Term Loans	USD 1,300	2	2
GEMS MENASA (Cayman) Ltd. Term Loan B 1st Lien F/R 07-30-2026	United Arab Emirates	Term Loans	USD 9,975	13	13
GFL Environmental Inc. 5.38% 03-01-2023 Callable 2020	Canada	Corporate - Non Convertible	USD 80,000	102	107
Gibson Energy Inc. 3.60% 09-17-2029 Callable 2029	Canada	Corporate - Non Convertible	15,000	15	15
GLOBALFOUNDRIES Inc. Term Loan B 1st Lien F/R 05/24/2026	United States	Term Loans	USD 30,000	40	39
Government of Australia 3.00% 03-21-2047	Australia	Foreign Governments	AUD 200,000	182	233
Government of Japan 0% 11-11-2019	Japan	Foreign Governments	JPY 25,000,000	314	306
Greater Toronto Airports Authority 2.73% 04-03-2029 Callable 2029	Canada	Corporate - Non Convertible	10,000	10	10
Greater Toronto Airports Authority 2.75% 10-17-2039	Canada	Corporate - Non Convertible	10,000	10	10
Hadrian Merger Sub Inc. 8.50% 05-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 7,000	9	9
Halo Buyer Inc. Term Loan 1st Lien F/R 06-28-2025	United States	Term Loans	USD 9,876	13	13



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
HAT Holdings I LLC 5.25% 07-15-2024 Callable 2021 144A	United States	Corporate - Non Convertible	USD 100,000	131	139
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	20,000	20	21
Heathrow Funding Ltd. 3.79% 09-04-2030 Callable 2030	United Kingdom	Corporate - Non Convertible	20,000	20	21
Heritage Power LLC Term Loan B 1st Lien F/R 07-08-2026	United States	Term Loans	USD 10,000	13	13
Hornblower Sub LLC Term Loan 1st Lien F/R 04-28-2025	United States	Term Loans	USD 18,882	25	25
HSBC Bank Canada 2.54% 01-31-2023	Canada	Corporate - Non Convertible	20,000	20	20
Hydro One Inc. 2.54% 04-05-2024 Callable 2024	Canada	Corporate - Non Convertible	10,000	10	10
Hydro One Inc. 3.72% 11-18-2047	Canada	Corporate - Non Convertible	50,000	50	56
Hydro-Quebec 4.00% 02-15-2055	Canada	Provincial Governments	50,000	59	70
IEA Energy Services LLC Term Loan 1st Lien F/R 09-25-2024	United States	Term Loans	USD 9,256	12	12
II-VI Inc. Term Loan B 1st Lien F/R 05-08-2026	United States	Term Loans	USD 20,000	26	27
INEOS Enterprises Holdings US Finco LLC Term Loan B 1st Lien F/R 07-29-2026	United States	Term Loans	USD 10,000	13	13
Innovative Water Care Global Corp. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 9,950	12	12
Institutional Shareholder Services Inc. Term Loan 1st Lien F/R 02-26-2026	United States	Term Loans	USD 9,950	13	13
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	10,000	10	10
Interior Logic Group Holdings IV LLC Term Loan B 1st Lien F/R 05-21-2025	United States	Term Loans	USD 19,800	25	26
Intermedia Holdings Inc. Term Loan B 1st Lien F/R 07-13-2025	United States	Term Loans	USD 9,925	13	13
Isagenix International LLC Term Loan 1st Lien F/R 04-26-2025	United States	Term Loans	USD 9,500	12	10
Ivanhoe Cambridge II Inc. 2.91% 06-27-2023 Callable 2023	Canada	Corporate - Non Convertible	10,000	10	10
Jane Street Group LLC. Term Loan B 1st Lien F/R 08-25-2022	United States	Term Loans	USD 9,950	13	13
JP Intermediate B LLC Term Loan 1st Lien F/R 10-19-2025	United States	Term Loans	USD 9,625	12	11
JPMorgan Chase & Co. 3.19% 03-05-2021	United States	Corporate - Non Convertible	30,000	31	30
Kestrel Acquisition LLC Term Loan B 1st Lien F/R 05-02-2025	United States	Term Loans	USD 19,825	26	25
Kestrel Bidco Inc. Term Loan 1st Lien F/R 08-07-2026	Canada	Term Loans	USD 20,000	26	27
Keyera Corp. F/R 06-13-2079 Callable 2029	Canada	Corporate - Non Convertible	10,000	10	10
Kommunalbanken AS 2.13% 02-11-2025	Norway	Foreign Governments	USD 200,000	251	270
Kommuninvest I Sverige AB 2.50% 12-01-2020	Sweden	Foreign Governments	SEK 900,000	149	125
The Korea Development Bank 5.13% 11-13-2020	South Korea	Foreign Governments	NZD 150,000	137	129
Kruger Products LP 6.00% 04-24-2025 Callable 2021	Canada	Corporate - Non Convertible	10,000	10	10
LABL Escrow Issuer LLC 6.75% 07-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 6,000	8	8
LABL Escrow Issuer LLC 10.50% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 9,000	12	12
LBM Borrower LLC Term Loan 1st Lien F/R 08-20-2022	United States	Term Loans	USD 48,980	62	65
Lee Enterprises Inc. 9.50% 03-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 40,000	52	53
Manulife Financial Corp. F/R 05-09-2028 Callable 2023	Canada	Corporate - Non Convertible	40,000	41	41
Meredith Corp. Term Loan B 1st Lien F/R 01-31-2025	United States	Term Loans	USD 5,787	7	8
Metronet Systems Holding LLC Term Loan 1st Lien F/R 12-31-2049	United States	Term Loans	USD 10,000	13	13
MidAmerican Energy Co. 3.95% 08-01-2047 Callable 2047	United States	Corporate - Non Convertible	USD 40,000	53	61
Morgan Stanley 3.00% 02-07-2024	United States	Corporate - Non Convertible	100,000	100	102
Multi-Color Corp. Term Loan B 1st Lien F/R 06-17-2026	United States	Term Loans	USD 10,000	13	13
MyNEXUS Inc. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	USD 9,750	13	13
Natel Engineering Co. Inc. Term Loan B 1st Lien F/R 04-29-2026	United States	Term Loans	USD 9,975	13	13
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	USD 8,536	11	11
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 5,000	6	7
Nexstar Escrow Inc. 5.63% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 6,000	8	8



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Nokia OYJ 3.38% 06-12-2022	Finland	Corporate - Non Convertible	USD 40,000	51	54
Norbord Inc. 5.75% 07-15-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 10,000	13	14
Northland Power Solar Finance One LP 4.40% 06-30-2032	Canada	Corporate - Non Convertible	39,143	41	42
Nova Scotia Power Inc. 3.57% 04-05-2049 Callable 2048	Canada	Corporate - Non Convertible	10,000	10	11
OCI Beaumont LLC Term Loan B 1st Lien F/R 02-16-2025	United States	Term Loans	USD 9,850	12	13
OMERS Finance Trust 2.60% 05-14-2029	Canada	Corporate - Non Convertible	20,000	20	21
Ontario Power Generation Inc. 2.98% 09-13-2029	Canada	Corporate - Non Convertible	50,000	50	51
Ontario Power Generation Inc. 3.84% 06-22-2048 Callable 2047	Canada	Corporate - Non Convertible	40,000	41	43
Ontario Power Generation Inc. 4.25% 01-18-2049 Callable 2048	Canada	Corporate - Non Convertible	10,000	10	11
Owens & Minor Inc. Term Loan B 1st Lien F/R 05-01-2025	United States	Term Loans	USD 9,900	12	12
Panther BF Aggregator 2 LP 8.50% 05-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 10,000	13	13
Parkland Fuel Corp. 6.00% 04-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 9,000	12	13
Parkland Fuel Corp. 5.88% 07-15-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 2,000	3	3
Pattern Energy Group Inc. 5.88% 02-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 40,000	53	55
Paypal Holdings Inc. 2.40% 10-01-2024 Callable 2024	United States	Corporate - Non Convertible	USD 10,000	13	13
PayPal Holdings Inc. 2.65% 10-01-2026	United States	Corporate - Non Convertible	USD 10,000	13	13
Pembina Pipeline Corp. 3.62% 04-03-2029 Callable 2029	Canada	Corporate - Non Convertible	10,000	10	10
Pembina Pipeline Corp. 3.31% 02-01-2030 Callable 2029	Canada	Corporate - Non Convertible	10,000	10	10
PepsiCo Inc. 3.00% 10-15-2027 Callable 2027	United States	Corporate - Non Convertible	USD 100,000	128	140
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 10,000	13	13
Pluto Acquisition I Inc. Term Loan 1st Lien F/R 06-18-2026	United States	Term Loans	USD 9,975	13	13
Polymer Process Holdings Inc. Term Loan 1st Lien F/R 04-29-2026	United States	Term Loans	USD 9,975	13	13
Province of Alberta 2.20% 06-01-2026	Canada	Provincial Governments	120,000	117	122
Province of Quebec 2.25% 02-22-2024	Canada	Provincial Governments	40,000	40	41
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	USD 9,900	13	13
Queensland Treasury Corp. 2.75% 08-20-2027	Australia	Foreign Governments	AUD 214,000	202	211
Reliance Intermediate Holdings LP 6.50% 04-01-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 5,000	7	7
Rogers Communications Inc. 4.00% 03-13-2024	Canada	Corporate - Non Convertible	75,000	80	80
Rogers Communications Inc. 3.25% 05-01-2029 Callable 2029	Canada	Corporate - Non Convertible	10,000	10	10
Shields Health Solutions Holdings LLC Term Loan 1st Lien F/R 08-13-2026	United States	Term Loans	USD 10,000	13	13
Sigma Bidco BV Term Loan B 1st Lien F/R 03-07-2025	Netherlands	Term Loans	EUR 10,000	16	14
SIRVA Worldwide Inc. Term Loan 1st Lien F/R 07-31-2025	United States	Term Loans	USD 9,813	13	13
SIWF Holdings Inc. Term Loan 1st Lien F/R 05-25-2025	United States	Term Loans	USD 9,875	13	13
SS&C Technologies Inc. Term Loan B5 1st Lien F/R 04-16-2025	United States	Term Loans	USD 9,899	13	13
St. Joseph Energy Center LLC Term Loan 1st Lien F/R 04-06-2025	United States	Term Loans	USD 9,437	12	12
Suncor Energy Inc. 3.10% 05-24-2029 Callable 2029	Canada	Corporate - Non Convertible	10,000	10	10
Superior Plus LP 7.00% 07-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 10,000	13	14
Sysco Canada Inc. 3.65% 04-25-2025 Callable 2025	United States	Corporate - Non Convertible	60,000	63	63
Telus Corp. 2.75% 07-08-2026	Canada	Corporate - Non Convertible	10,000	10	10
TELUS Corp. 3.30% 05-02-2029 Callable 2029	Canada	Corporate - Non Convertible	10,000	10	10
Teneo Holdings LLC Term Loan B 1st Lien F/R 07-12-2025	United States	Term Loans	USD 10,000	13	13
Thor Industries Inc. Term Loan B 1st Lien F/R 11-01-2025	United States	Term Loans	USD 13,314	17	17
Titan Sub LLC Term Loan B 1st Lien F/R 09-19-2026	United States	Term Loans	USD 10,000	13	13
TMX Group Ltd. 3.78% 06-05-2028 Callable 2028	Canada	Corporate - Non Convertible	10,000	10	11
TransCanada Pipelines Ltd. 3.00% 09-18-2029 Callable 2029	Canada	Corporate - Non Convertible	10,000	10	10



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	10,000	9	10
Travelport Finance Luxembourg Sarl Term Loan 1st Lien F/R 03-18-2026	Luxembourg	Term Loans	USD 20,000	26	24
Treasury Corp. of Victoria 3.00% 10-20-2028	Australia	Foreign Governments	AUD 214,000	206	218
Trillium Windpower LP 5.80% 02-15-2033	United States	Corporate - Non Convertible	19,502	22	23
Ultra Clean Holdings Inc. Term Loan B 1st Lien F/R 08-27-2025	United States	Term Loans	USD 18,071	23	23
United States Treasury 0.13% 01-15-2023 Inflation Indexed	United States	Foreign Governments	USD 150,000	203	219
United States Treasury 0.63% 04-15-2023 Inflation Indexed	United States	Foreign Governments	USD 150,000	200	207
United States Treasury 0.50% 04-15-2024 Inflation Indexed	United States	Foreign Governments	USD 80,000	110	109
United States Treasury 0.13% 07-15-2024 Inflation Indexed	United States	Foreign Governments	USD 120,000	168	172
United States Treasury 2.38% 04-30-2026	United States	Foreign Governments	USD 250,000	342	347
United States Treasury 0.13% 07-15-2026 Inflation Indexed	United States	Foreign Governments	USD 200,000	278	283
United States Treasury 2.25% 08-15-2027	United States	Foreign Governments	USD 50,000	62	69
United States Treasury 0.50% 01-15-2028 Inflation Indexed	United States	Foreign Governments	USD 150,000	196	211
United States Treasury 0.75% 07-15-2028 Inflation Indexed	United States	Foreign Governments	USD 320,000	430	456
United States Treasury 0.87% 01-15-2029 Inflation Indexed	United States	Foreign Governments	USD 260,000	356	372
United States Treasury 2.38% 05-15-2029	United States	Foreign Governments	USD 316,800	431	446
United States Treasury 1.63% 08-15-2029	United States	Foreign Governments	USD 330,000	446	437
United States Treasury 3.00% 02-15-2047	United States	Foreign Governments	USD 50,000	65	78
United States Treasury 1.01% 02-15-2048 Inflation Indexed	United States	Foreign Governments	USD 370,000	485	570
United States Treasury 1.00% 02-15-2049 Inflation Indexed	United States	Foreign Governments	USD 100,000	138	152
US Renal Care Inc. Term Loan B 1st Lien F/R 06-14-2026	United States	Term Loans	USD 10,000	13	13
Vancouver Airport Authority 3.66% 11-23-2048 Callable 2048	Canada	Corporate - Non Convertible	20,000	20	24
VeriFone Systems Inc. Term Loan 1st Lien F/R 08-09-2025	United States	Term Loans	USD 9,925	13	13
Vertex Aerospace Services Corp. Term Loan B 1st Lien F/R 06-14-2025	United States	Term Loans	USD 9,875	13	13
Vistage Worldwide Inc. Term Loan 1st Lien F/R 02-01-2025	United States	Term Loans	USD 9,850	12	13
Vungle Inc. Term Loan B 1st Lien F/R 09-30-2026	United States	Term Loans	USD 10,000	13	13
VVC Holding Corp. Term Loan B 1st Lien F/R 02-07-2026	United States	Term Loans	USD 19,900	26	26
Vyair Medical Inc. Term Loan B 1st Lien F/R 04-06-2025	United States	Term Loans	USD 9,875	12	12
Waste Management of Canada Corp. 2.60% 09-23-2026 Callable 2026	Canada	Corporate - Non Convertible	20,000	20	20
Yak Access LLC Term Loan B 1st Lien F/R 06-26-2025	United States	Term Loans	USD 19,500	25	24
Zotec Partners LLC Term Loan 1st Lien F/R 02-09-2024	United States	Term Loans	USD 9,625	12	13
<b>Total bonds</b>				<b>10,550</b>	<b>10,946</b>
<b>EQUITIES</b>					
ABN AMRO Group NV	Netherlands	Financials	5,592	194	131
AIA Group Ltd.	Hong Kong	Financials	10,800	144	135
Alnylam Pharmaceuticals Inc.	United States	Health Care	810	103	86
Alphabet Inc. Class C	United States	Communication Services	307	391	496
Amada Holdings Co. Ltd.	Japan	Industrials	7,300	104	104
Amazon.com Inc.	United States	Consumer Discretionary	149	206	342
Becton, Dickinson and Co.	United States	Health Care	460	118	154
Cemex SAB de CV ADR	Mexico	Materials	17,731	136	92
Cerner Corp.	United States	Health Care	1,667	146	150
Comcast Corp. Class A	United States	Communication Services	5,681	286	339
Comerica Inc.	United States	Financials	1,866	195	163



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Compagnie de Saint-Gobain	France	Industrials	4,829	290	251
ConocoPhillips	United States	Energy	1,207	77	91
Continental AG	Germany	Consumer Discretionary	825	171	140
Covetrus Inc.	United States	Health Care	1,978	103	31
CVS Health Corp.	United States	Health Care	2,513	231	210
Deere & Co.	United States	Industrials	839	177	187
DexCom Inc.	United States	Health Care	325	24	64
EOG Resources Inc.	United States	Energy	854	117	84
Facebook Inc.	United States	Communication Services	1,901	412	449
Fifth Third Bancorp	United States	Financials	5,433	200	197
First Horizon National Corp.	United States	Financials	5,947	133	128
Foot Locker Inc.	United States	Consumer Discretionary	1,911	91	109
HeidelbergCement AG	Germany	Materials	2,169	243	208
Hexcel Corp.	United States	Industrials	1,261	113	137
ICICI Bank Ltd. ADR	India	Financials	6,525	71	105
Illumina Inc.	United States	Health Care	269	70	108
ING Groep NV	Netherlands	Financials	21,149	406	293
Intact Financial Corp.	Canada	Financials	970	122	129
KDDI Corp.	Japan	Communication Services	8,100	254	280
Kinden Corp.	Japan	Industrials	2,900	60	57
Kion Group AG	Germany	Industrials	1,067	115	74
KT Corp. ADR	South Korea	Communication Services	10,202	178	153
Kyocera Corp.	Japan	Information Technology	2,300	184	189
Lamb Weston Holdings Inc.	United States	Consumer Staples	1,291	119	124
Lloyds Banking Group PLC	United Kingdom	Financials	270,318	282	238
Medtronic PLC	United States	Health Care	1,651	166	237
Micron Technology Inc.	United States	Information Technology	2,455	133	139
Microsoft Corp.	United States	Information Technology	1,787	178	329
Mitsubishi Electric Corp.	Japan	Industrials	7,100	145	125
Neurocrine Biosciences Inc.	United States	Health Care	502	59	60
Novartis AG Reg.	Switzerland	Health Care	2,449	266	281
The Progressive Corp.	United States	Financials	2,349	246	240
Prudential PLC	United Kingdom	Financials	5,171	155	124
PT Bank Rakyat Indonesia (Persero) TBK	Indonesia	Financials	259,900	91	100
Reckitt Benckiser Group PLC	United Kingdom	Consumer Staples	2,217	238	228
Regeneron Pharmaceuticals Inc.	United States	Health Care	283	133	104
Reinsurance Group of America Inc.	United States	Financials	1,291	236	273
Royal Caribbean Cruises Ltd.	United States	Consumer Discretionary	2,239	342	321
Rubis SCA	France	Utilities	1,579	118	121
Schneider Electric SE	France	Industrials	2,927	331	340
Shenzhou International Group Holdings Ltd.	China	Consumer Discretionary	6,500	84	112
Sony Corp.	Japan	Consumer Discretionary	3,400	173	264
Southwest Airlines Co.	United States	Industrials	4,634	343	331
Swedbank AB	Sweden	Financials	8,988	273	171
TE Connectivity Ltd.	United States	Information Technology	1,259	142	155
Tencent Holdings Ltd.	China	Communication Services	4,100	246	229
Total SA	France	Energy	4,976	384	344
Treasury Wine Estates Ltd.	Australia	Consumer Staples	5,059	74	84



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As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
United Continental Holdings Inc.	United States	Industrials	1,200	101	140
Visa Inc. Class A	United States	Information Technology	762	106	173
Vonovia SE	Germany	Real Estate	3,894	228	262
<b>Total equities</b>				<b>11,257</b>	<b>11,515</b>
<b>OPTIONS</b>					
Options purchased (see schedule of options purchased)				27	22
<b>Total options</b>				<b>27</b>	<b>22</b>
<b>EXCHANGE-TRADED FUNDS/NOTES</b>					
Xtrackers MSCI USA ESG Leaders Equity ETF	United States	Exchange-Traded Funds/Notes	5,872	212	210
<b>Total exchange-traded funds/notes</b>				<b>212</b>	<b>210</b>
Transaction costs				(28)	–
<b>Total investments</b>				<b>22,018</b>	<b>22,693</b>
Derivative instruments (see schedule of derivative instruments)					(4)
Liability for options written (see schedule of options written)					(5)
Cash and cash equivalents					815
Other assets less liabilities					96
<b>Total net assets</b>					<b>23,595</b>



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## SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2019	
Portfolio Allocation	% of NAV
Equities	48.8
Bonds	47.8
<i>Bonds</i>	46.4
<i>Long futures</i>	1.3
<i>Short futures</i>	0.1
<i>Purchased options</i>	0.0
Cash and short-term investments	2.1
Exchange-traded funds/notes	0.8
Other assets (liabilities)	0.4
Purchased currency options	0.1
Written currency options	(0.0)

Regional Allocation	
	% of NAV
United States	55.6
Canada	9.6
Japan	5.6
France	4.5
Germany	3.3
Australia	3.2
Other	2.8
United Kingdom	2.7
Cash and short-term investments	2.1
Netherlands	1.9
Norway	1.8
China	1.4
Luxembourg	1.4
Sweden	1.3
South Korea	1.2
Switzerland	1.2
Other assets (liabilities)	0.4

Sector Allocation	
	% of NAV
Foreign government bonds	25.6
Corporate bonds	12.6
Financials	10.3
Communication services	8.2
Industrials	7.4
Health care	6.3
Term loans	5.6
Consumer discretionary	5.5
Information technology	4.2
Other	3.0
Supra-national bonds	2.3
Energy	2.2
Cash and short-term investments	2.1
Consumer staples	1.9
Materials	1.3
Real estate	1.1
Other assets (liabilities)	0.4

March 31, 2019	
Portfolio Allocation	% of NAV
Equities	49.6
Bonds	45.8
<i>Bonds</i>	46.1
<i>Purchased options</i>	0.0
<i>Short futures</i>	(0.3)
Cash and short-term investments	3.5
Other assets (liabilities)	0.7
Exchange-traded funds/notes	0.4
Purchased currency options	0.0
Swaps	(0.0)

Regional Allocation	
	% of NAV
United States	50.6
Canada	8.7
Japan	5.2
Australia	4.2
Norway	3.8
Other	3.7
Cash and short-term investments	3.5
Germany	3.4
France	3.3
United Kingdom	2.9
Denmark	2.6
Netherlands	1.7
China	1.7
Switzerland	1.4
Sweden	1.3
South Korea	1.3
Other assets (liabilities)	0.7

Sector Allocation	
	% of NAV
Foreign government bonds	20.5
Corporate bonds	15.9
Financials	9.7
Communication services	8.0
Health care	7.2
Consumer discretionary	7.0
Term loans	6.7
Information technology	5.3
Industrials	5.1
Cash and short-term investments	3.5
Energy	3.0
Other	2.1
Real estate	1.4
Utilities	1.4
Provincial bonds	1.3
Materials	1.2
Other assets (liabilities)	0.7



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# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

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## SCHEDULE OF OPTIONS PURCHASED

As at September 30, 2019

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000s)	Fair Value (\$ 000s)
Currency Call Option EUR/NOK	770,000	Call	Dec. 13, 2019	NOK 9.70	3	3
iShares iBoxx \$ High Yield Corporate Bond ETF	22	Put	Jan. 17, 2020	USD 84.00	2	2
iShares iBoxx \$ High Yield Corporate Bond ETF	33	Put	Mar. 20, 2020	USD 85.00	8	6
Currency Call Option EUR/USD	900,000	Call	Apr. 16, 2020	USD 1.18	10	2
Currency Put Option USD/EUR	900,000	Put	Apr. 16, 2020	USD 1.08	4	9
<b>Total options</b>					<b>27</b>	<b>22</b>

## SCHEDULE OF OPTIONS WRITTEN

As at September 30, 2019

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Received (\$ 000s)	Fair Value (\$ 000s)
Currency Call Option EUR/NOK	(770,000)	Written Call	Dec. 13, 2019	NOK 9.50	(1)	(1)
Currency Call Option EUR/USD	(900,000)	Written Call	Apr. 16, 2020	USD 1.23	(3)	–
Currency Put Option USD/EUR	(900,000)	Written Put	Apr. 16, 2020	USD 1.05	(1)	(4)
<b>Total options</b>					<b>(5)</b>	<b>(5)</b>



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# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

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## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at September 30, 2019

### Schedule of Futures Contracts

Number of Contracts	Type of Contract	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
(1)	30 Year Euro-Buxl Futures December 2019	Dec. 6, 2019	222.74 EUR	(314)	8
(2)	Euro-Bund Futures December 2019	Dec. 6, 2019	175.19 EUR	(503)	3
(4)	Ultra United States Treasury Bond Futures December 2019	Dec. 19, 2019	195.20 USD	(1,016)	17
Unrealized Gains				(1,833)	28
(1)	Euro-OAT Futures December 2019	Dec. 6, 2019	170.64 EUR	(246)	–
2	5 Year United States Treasury Note Futures December 2019	Dec. 31, 2019	119.98 USD	315	(2)
Unrealized (Losses)				69	(2)
<b>Total futures contracts</b>				<b>(1,764)</b>	<b>26</b>

\*Notional value represents the exposure to the underlying instruments as at September 30, 2019

### Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)	Sold (\$ 000s)	Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (\$ 000s)
A	115 Australian dollar	(78) U.S. dollar	Oct. 3, 2019	103	103	–
A	74 Canadian dollar	(55) U.S. dollar	Oct. 3, 2019	(74)	(73)	1
A	48 U.S. dollar	(47) Swiss franc	Oct. 3, 2019	(63)	(62)	1
A	7 British pound	(8) U.S. dollar	Oct. 3, 2019	11	11	–
A	8 U.S. dollar	(7) British pound	Oct. 3, 2019	(11)	(11)	–
A	41 U.S. dollar	(4,400) Japanese yen	Oct. 3, 2019	(54)	(54)	–
A	106 U.S. dollar	(168) New Zealand dollar	Oct. 3, 2019	(140)	(139)	1
A	168 New Zealand dollar	(105) U.S. dollar	Oct. 3, 2019	139	139	–
A	340 Swedish krona	(35) U.S. dollar	Oct. 3, 2019	46	46	–
A	35 U.S. dollar	(340) Swedish krona	Oct. 3, 2019	(46)	(46)	–
A	294 Canadian dollar	(200) Euro	Oct. 4, 2019	(294)	(289)	5
A	96 Canadian dollar	(65) Euro	Oct. 4, 2019	(96)	(94)	2
A	88 Canadian dollar	(60) Euro	Oct. 4, 2019	(88)	(86)	2
AA	15 Canadian dollar	(10) Euro	Oct. 25, 2019	(15)	(15)	–
AA	89 Canadian dollar	(60) Euro	Oct. 25, 2019	(89)	(87)	2
AA	715 Canadian dollar	(537) U.S. dollar	Oct. 25, 2019	(715)	(711)	4
A	312 Israeli shekel	(115) Canadian dollar	Nov. 5, 2019	115	119	4
A	40 Australian dollar	(27) U.S. dollar	Nov. 7, 2019	36	36	–
A	5 U.S. dollar	(5) Swiss franc	Nov. 7, 2019	(7)	(7)	–
A	53 U.S. dollar	(5,700) Japanese yen	Nov. 7, 2019	(70)	(70)	–
A	5 U.S. dollar	(50) Norwegian krone	Nov. 7, 2019	(7)	(7)	–
A	32 U.S. dollar	(51) New Zealand dollar	Nov. 7, 2019	(42)	(42)	–
A	4 U.S. dollar	(40) Swedish krona	Nov. 7, 2019	(5)	(5)	–
A	655 Canadian dollar	(492) U.S. dollar	Nov. 8, 2019	(655)	(651)	4
A	149 Canadian dollar	(1,005) Norwegian krone	Nov. 15, 2019	(149)	(146)	3
A	113 Canadian dollar	(85) U.S. dollar	Nov. 15, 2019	(113)	(113)	–
AA	152 Canadian dollar	(115) U.S. dollar	Nov. 15, 2019	(152)	(152)	–
A	384 Canadian dollar	(290) U.S. dollar	Nov. 22, 2019	(384)	(384)	–
A	104 Canadian dollar	(78) U.S. dollar	Dec. 13, 2019	(104)	(104)	–



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# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

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## SCHEDULE OF DERIVATIVE INSTRUMENTS (cont'd)

As at September 30, 2019

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

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
AA	53	Canadian dollar	(40)	U.S. dollar	Dec. 13, 2019	(53)	(53)	–
A	671	Canadian dollar	(745)	Australian dollar	Jan. 15, 2020	(671)	(667)	4
A	129	Canadian dollar	(155)	New Zealand dollar	Jan. 15, 2020	(129)	(128)	1
Unrealized Gains								34
A	78	U.S. dollar	(115)	Australian dollar	Oct. 3, 2019	(103)	(103)	–
A	56	U.S. dollar	(74)	Canadian dollar	Oct. 3, 2019	74	74	–
A	47	Swiss franc	(47)	U.S. dollar	Oct. 3, 2019	62	62	–
A	4,400	Japanese yen	(42)	U.S. dollar	Oct. 3, 2019	55	54	(1)
A	41	U.S. dollar	(370)	Norwegian krone	Oct. 3, 2019	(54)	(54)	–
A	370	Norwegian krone	(41)	U.S. dollar	Oct. 3, 2019	54	54	–
A	110	Euro	(164)	Canadian dollar	Oct. 4, 2019	164	159	(5)
A	90	Euro	(133)	Canadian dollar	Oct. 4, 2019	133	130	(3)
AA	273	Canadian dollar	(210)	U.S. dollar	Oct. 4, 2019	(273)	(279)	(6)
AA	326	Canadian dollar	(250)	U.S. dollar	Oct. 4, 2019	(326)	(330)	(4)
A	284	Canadian dollar	(215)	U.S. dollar	Oct. 4, 2019	(284)	(284)	–
A	81	Canadian dollar	(6,650)	Japanese yen	Oct. 9, 2019	(81)	(81)	–
A	3,026	Canadian dollar	(2,307)	U.S. dollar	Oct. 11, 2019	(3,026)	(3,056)	(30)
A	3	Canadian dollar	(2)	U.S. dollar	Oct. 11, 2019	(3)	(3)	–
A	284	Canadian dollar	(215)	U.S. dollar	Oct. 11, 2019	(284)	(284)	–
AA	273	Canadian dollar	(210)	U.S. dollar	Oct. 25, 2019	(273)	(278)	(5)
A	508	Canadian dollar	(386)	U.S. dollar	Nov. 1, 2019	(508)	(511)	(3)
A	114	Canadian dollar	(312)	Israeli shekel	Nov. 5, 2019	(114)	(119)	(5)
A	95	Canadian dollar	(72)	U.S. dollar	Nov. 7, 2019	(95)	(95)	–
A	20	U.S. dollar	(19)	Euro	Nov. 7, 2019	(27)	(27)	–
A	36	British pound	(45)	U.S. dollar	Nov. 7, 2019	59	59	–
A	290	U.S. dollar	(386)	Canadian dollar	Nov. 8, 2019	386	384	(2)
Unrealized (Losses)								(64)
<b>Total forward currency contracts</b>								<b>(30)</b>
<b>Total derivative instruments at fair value</b>								<b>(4)</b>



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2019 and 2018, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2019, 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. The Related Insurance Companies are moving to formally amalgamate into one company, The Canada Life Assurance Company, effective January 1, 2020. This amalgamation is subject to a policyholder vote and other regulatory approvals. 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 unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including international Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2019. A summary of the Fund's significant accounting policies under IFRS is presented in Note 3.

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

These financial statements were authorized for issue by the Board of Directors of Mackenzie Financial Corporation on November 12, 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 period-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.

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

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## 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 September 30, 2019.

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

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## NOTES TO FINANCIAL STATEMENTS

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

#### (c) Income recognition

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

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

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

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

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

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

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

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

#### (f) Offsetting

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

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

#### (g) Foreign currency

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

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net realized gain (loss).

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

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

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

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

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

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

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## NOTES TO FINANCIAL STATEMENTS

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

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

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

(k) Mergers

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

### 4. Critical Accounting Estimates and Judgments

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

#### Use of Estimates

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

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

#### Use of Judgments

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

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

##### *Functional currency*

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

##### *Structured entities and associates*

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

### 5. Income Taxes

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

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



# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

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## 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 September 30, 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 September 30, 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 order to monitor the liquidity of its assets, the Fund utilizes a liquidity risk management program that calculates the number of days to convert the investments held by the Fund into cash using a multi-day liquidation approach. This liquidity risk analysis assesses the Fund's liquidity against predetermined minimum liquidity percentages established for different time periods and is monitored quarterly. In addition, the Fund has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

In order to comply with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e., investments that can be readily sold).

#### iii. Currency risk

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

## NOTES TO FINANCIAL STATEMENTS

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

#### iv. Interest rate risk

Interest rate risk arises when the fair value of interest-bearing financial instruments fluctuates due to changes in the prevailing levels of market interest rates. Cash and cash equivalents do not expose the Fund to significant amounts of interest rate risk. Note 9 summarizes the Fund's exposure, if applicable and significant, to interest rate risk.

#### v. Other price risk

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

#### vi. Credit risk

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

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

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

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

#### vii. Underlying funds

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



# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

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## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation September 29, 2017

The Fund may issue an unlimited number of securities of each series. The number of issued and outstanding securities of each series is disclosed in the Statements of Changes in Financial Position.

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

Series A, Series T5 and Series T8 securities are offered to retail investors investing a minimum of \$500 (\$5,000 for Series T5 and Series T8). Investors in Series T5 and Series T8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively.

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

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

Series F, Series F5 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 F5 and Series F8); they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie. Investors in Series F5 and Series F8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively.

Series FB and Series FB5 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 FB5 securities also want to receive a monthly cash flow of 5% per year.

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

Series PW, Series PWT5 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 PWT5 and Series PWT8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively.

Series PWFB and Series PWFB5 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 PWFB5 securities also want to receive a monthly cash flow of 5% per year.

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

Series PWX and Series PWX8 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor. Investors in Series PWX8 securities also want to receive a monthly cash flow of 8% per year.

Series PWF, Series PWF5 and Series PWF8 securities are no longer available for sale. Effective June 1, 2018, Series PWF, Series PWF5 and Series PWF8 securities were consolidated into Series F, Series F5 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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## NOTES TO FINANCIAL STATEMENTS

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Sep. 30, 2019	Mar. 31, 2019
Series A	October 16, 2017	1.85%	0.24%	10.41	10.33
Series AR	October 16, 2017	1.85%	0.27%	10.42	10.34
Series D	October 16, 2017	1.10%	0.16%	10.55	10.42
Series F	October 16, 2017	0.70% <sup>(3)</sup>	0.15% <sup>(6)</sup>	10.61	10.45
Series F5	October 16, 2017	0.70% <sup>(3)</sup>	0.15% <sup>(6)</sup>	14.55	14.68
Series F8	October 16, 2017	0.70% <sup>(3)</sup>	0.15% <sup>(6)</sup>	13.67	14.00
Series FB	October 16, 2017	0.85%	0.24%	10.58	10.43
Series FB5	October 16, 2017	0.85%	0.24%	14.48	14.63
Series O	October 16, 2017	— <sup>(1)</sup>	— *	10.74	10.53
Series PW	October 16, 2017	1.70% <sup>(4)</sup>	0.15%	10.45	10.36
Series PWF	None issued <sup>(7)</sup>	0.80%	0.15%	—	—
Series PWF5	None issued <sup>(8)</sup>	0.80%	0.15%	—	—
Series PWF8	None issued <sup>(9)</sup>	0.80%	0.15%	—	—
Series PWFB	October 16, 2017	0.70% <sup>(5)</sup>	0.15%	10.63	10.47
Series PWFB5	October 16, 2017	0.70% <sup>(5)</sup>	0.15%	14.59	14.71
Series PWR	April 1, 2019	1.70%	0.15%	10.05	—
Series PWT5	October 16, 2017	1.70% <sup>(4)</sup>	0.15%	14.29	14.49
Series PWT8	October 16, 2017	1.70% <sup>(4)</sup>	0.15%	13.45	13.83
Series PWX	October 16, 2017	— <sup>(2)</sup>	— <sup>(2)</sup>	10.74	10.53
Series PWX8	October 16, 2017	— <sup>(2)</sup>	— <sup>(2)</sup>	13.91	14.18
Series T5	October 16, 2017	1.85%	0.24%	14.17	14.41
Series T8	October 16, 2017	1.85%	0.24%	13.33	13.75

\* Not applicable.

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

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

(3) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.85%.

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

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

(6) Prior to June 1, 2018, the administration fee for this series was charged to the Fund at a rate of 0.16%.

(7) The series' original start date was October 16, 2017. All securities in the series were consolidated into Series F on June 1, 2018.

(8) The series' original start date was October 16, 2017. All securities in the series were consolidated into Series F5 on June 1, 2018.

(9) The series' original start date was October 16, 2017. All securities in the series were consolidated into Series F8 on June 1, 2018.

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

As at September 30, 2019, Mackenzie had an investment of \$22 (March 31, 2019 – \$3,475) in the Fund.

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

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## NOTES TO FINANCIAL STATEMENTS

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

#### (c) Loss Carryforwards

As at the last taxation year-end, the Fund has capital losses of \$66 which may be carried forward indefinitely to reduce future realized gains. There were no non-capital losses available to carry forward for tax purposes.

#### (d) Securities Lending

The value of securities loaned and collateral received from securities lending at September 30, 2019 and March 31, 2019, were as follows:

	September 30, 2019	March 31, 2019
	(\$)	(\$)
Value of securities loaned	1,587	1,198
Value of collateral received	1,679	1,386

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

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended September 30, 2019 and 2018 is as follows:

	2019		2018	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	1	100.0	–	–
Tax withheld	–	–	–	–
	1	100.0	–	–
Payments to Securities Lending Agent	–	–	–	–
Securities lending income	1	100.0	–	–

#### (e) 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 September 30, 2019, none of the Commitment Amounts were funded (March 31, 2019 – \$Nil). The unfunded Commitment Amounts, the Commitment Fee rates and Commitment Period end date are listed below.

	Total Unfunded Commitment Amount (US\$)	Total Number of Commitments	Range of Unfunded Commitment Amounts (US\$)	Range of Commitment Fee Rates (%)	Range of Commitment Period End Date
September 30, 2019	10	1	10	1.000	March 4, 2020
March 31, 2019	–	–	–	–	–

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## NOTES TO FINANCIAL STATEMENTS

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

#### (f) 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.

	September 30, 2019			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	35	(8)	–	27
Unrealized losses on derivative contracts	(23)	8	34	19
Liability for options written	–	–	–	–
Total	12	–	34	46

	March 31, 2019			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	3	(3)	–	–
Unrealized losses on derivative contracts	(66)	3	101	38
Liability for options written	–	–	–	–
Total	(63)	–	101	38

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

##### i. Risk exposure and management

The Fund seeks capital growth and income by investing primarily in a combination of equities and fixed income securities of issuers located 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. The Fund follows an approach to investing that focuses on sustainable and responsible issuers.



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# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

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## NOTES TO FINANCIAL STATEMENTS

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

#### (g) 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 Canadian dollar terms, including the underlying principal amount of any derivative instruments. Other financial assets and liabilities (including accrued interest and dividends receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

Currency	September 30, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	13,749	398	(6,829)	7,318
Euro	2,482	49	(299)	2,232
Japanese yen	1,325	–	(151)	1,174
British pound	591	237	59	887
Hong Kong dollar	476	–	–	476
Swedish krona	296	–	(5)	291
Swiss franc	281	–	(7)	274
Australian dollar	746	16	(631)	131
Indonesian rupiah	100	–	–	100
Danish krone	–	4	–	4
Norwegian krone	146	1	(153)	(6)
New Zealand dollar	129	1	(170)	(40)
Total	20,321	706	(8,186)	12,841
% of Net Assets	86.1	3.0	(34.7)	54.4



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## NOTES TO FINANCIAL STATEMENTS

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

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

*ii. Currency risk (cont'd)*

Currency	March 31, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	12,337	42	(6,098)	6,281
Euro	2,039	41	425	2,505
Japanese yen	1,171	(21)	(12)	1,138
British pound	591	–	27	618
Hong Kong dollar	330	–	–	330
New Zealand dollar	141	–	97	238
Swiss franc	306	–	(90)	216
Swedish krona	302	–	(125)	177
Indonesian rupiah	99	–	–	99
Australian dollar	944	6	(867)	83
Danish krone	586	–	(580)	6
Indian rupee	66	–	(63)	3
Israeli shekel	115	–	(116)	(1)
Norwegian krone	315	–	(338)	(23)
South Korean won	–	–	(370)	(370)
<b>Total</b>	<b>19,342</b>	<b>68</b>	<b>(8,110)</b>	<b>11,300</b>
<b>% of Net Assets</b>	<b>86.2</b>	<b>0.3</b>	<b>(36.1)</b>	<b>50.4</b>

\* Includes both monetary and non-monetary financial instruments

As at September 30, 2019, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$642 or 2.7% of total net assets (March 31, 2019 – \$584 or 2.6%). In practice, the actual trading results may differ and the difference could be material.



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# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

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## NOTES TO FINANCIAL STATEMENTS

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

#### (g) 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 by term to maturity.

Term to Maturity	September 30, 2019 (\$)		March 31, 2019 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	308	(1,764)	417	(2,138)
1-5 years	2,730	–	3,002	(326)
5-10 years	6,003	–	5,350	–
Greater than 10 years	1,905	–	1,575	–
Total	10,946	(1,764)	10,344	(2,464)

As at September 30, 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 \$479 or 3.0% (March 31, 2019 – \$221 or 1.0%) of total net assets. Similarly, had prevailing interest rates decreased by 1%, with all other variables held constant, net assets would have increased by approximately \$481 or 2.0% (March 31, 2019 – \$362 or 1.6%) 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 and exchange-traded funds/notes. As at September 30, 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 \$1,173 or 5.0% (March 31, 2019 – \$1,120 or 5.0%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

##### v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at September 30, 2019 was 1.6% (March 31, 2019 – 9.8%) of the net assets of the Fund.

As at September 30, 2019 and March 31, 2019, debt securities by credit rating are as follows:

Bond Rating*	September 30, 2019	March 31, 2019
	% of Net Assets	% of Net Assets
AAA	6.1	12.6
AA	20.8	11.8
A	5.4	6.4
BBB	5.4	5.2
Less than BBB	8.3	9.4
Unrated	0.4	0.7
Total	46.4	46.1

\* 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, except for (a)) (cont'd)*

#### (h) 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.

	September 30, 2019				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	10,946	–	10,946	–	10,344	–	10,344
Equities	11,515	–	–	11,515	11,106	–	–	11,106
Options	–	22	–	22	3	7	–	10
Exchange-traded funds/notes	210	–	–	210	95	–	–	95
Derivative assets	28	34	–	62	–	26	–	26
Derivative liabilities	(2)	(69)	–	(71)	(60)	(84)	–	(144)
Short-term investments	–	–	–	–	–	–	–	–
<b>Total</b>	<b>11,751</b>	<b>10,933</b>	<b>–</b>	<b>22,684</b>	<b>11,144</b>	<b>10,293</b>	<b>–</b>	<b>21,437</b>

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 September 30, 2019, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at September 30, 2019, these securities were classified as Level 1 (March 31, 2019 – Level 1).

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.