

MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

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

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

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

On behalf of Mackenzie Financial Corporation,
Manager of the Fund



Barry McInerney
President and Chief Executive Officer



Terry Rountes
Chief Financial Officer, Funds

June 7, 2018

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Strategic Income Fund (the "Fund")

We have audited the accompanying financial statements of the Fund which comprise the statements of financial position as at March 31, 2018 and 2017, and the statements of comprehensive income, statements of changes in financial position and statements of cash flows for the periods then ended, as indicated in Note 1, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2018 and 2017, and its financial performance and its cash flows for the periods then ended, as indicated in Note 1, in accordance with International Financial Reporting Standards.



Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada
June 7, 2018



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STATEMENTS OF FINANCIAL POSITION

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

	2018	2017
	\$	\$
ASSETS		
Current assets		
Investments at fair value	1,869,429	1,766,744
Cash and cash equivalents	25,622	34,262
Accrued interest receivable	8,352	9,145
Dividends receivable	2,087	2,485
Accounts receivable for investments sold	28,031	10,250
Accounts receivable for securities issued	1,776	2,567
Due from manager	43	1
Margin on futures contracts	491	2,367
Unrealized gains on derivative contracts	1,275	2,885
Total assets	1,937,106	1,830,706

LIABILITIES

Current liabilities		
Accounts payable for investments purchased	52,706	33,840
Accounts payable for securities redeemed	1,449	1,315
Due to manager	181	–
Unrealized losses on derivative contracts	10,862	1,768
Total liabilities	65,198	36,923
Net assets attributable to securityholders	1,871,908	1,793,783

Net assets attributable to securityholders per series (note 3)

Series A	919,022	1,070,643
Series AR	17,547	11,969
Series B	3,735	3,719
Series D	1,087	699
Series F	100,225	81,581
Series F8	3,200	2,419
Series FB	1,535	914
Series FB5	106	88
Series I	–	83
Series J	2,128	2,205
Series O	13,601	15,539
Series PW	243,992	87,675
Series PWB	326	–
Series PWF	64,131	19,907
Series PWF8	2,785	1,698
Series PWFB	1,274	–
Series PWFB5	104	–
Series PWT8	6,291	2,842
Series PWX	7,186	4,853
Series PWX8	804	639
Series R	251,044	292,712
Series T8	14,754	18,057
Quadrus Series	116,773	93,223
H Series	7,848	5,804
H5 Series	98	104
L Series	35,333	30,074

	2018	2017
	\$	\$
L5 Series	1,831	493
N Series	23,584	19,989
N5 Series	1,081	715
D5 Series	1,124	949
QF Series	4,043	1,658
QF5 Series	191	100
Series LB	11,064	12,189
Series LW	5,351	–
Series LW6	3,548	–
Series LX	5,162	10,243

Net assets attributable to securityholders per security (note 3)

Series A	8.85	9.32
Series AR	11.36	11.44
Series B	11.14	11.22
Series D	14.24	14.87
Series F	9.81	10.22
Series F8	13.21	14.04
Series FB	10.59	10.85
Series FB5	15.23	15.72
Series I	–	9.82
Series J	9.63	10.11
Series O	12.37	12.76
Series PW	14.27	15.01
Series PWB	9.90	–
Series PWF	14.96	15.57
Series PWF8	12.95	13.76
Series PWFB	9.72	–
Series PWFB5	14.71	–
Series PWT8	12.72	13.66
Series PWX	15.26	15.73
Series PWX8	13.80	14.52
Series R	9.70	9.78
Series T8	12.37	13.31
Quadrus Series	11.53	11.61
H Series	11.34	11.42
H5 Series	15.04	15.50
L Series	11.53	11.60
L5 Series	15.32	15.90
N Series	11.52	11.57
N5 Series	15.74	16.06
D5 Series	14.85	15.47
QF Series	10.67	10.74
QF5 Series	15.28	15.76
Series LB	11.72	11.71
Series LW	9.73	–
Series LW6	14.30	–
Series LX	13.47	14.20

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



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STATEMENTS OF COMPREHENSIVE INCOME

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

	2018	2017		2018	2017
	\$	\$		\$	\$
Income			Quadrus Series	2,389	10,567
Dividends	32,008	27,421	H Series	219	705
Interest income	43,537	45,502	H5 Series	5	14
Other changes in fair value of investments			L Series	937	3,516
Net realized gain (loss)	79,999	112,564	L5 Series	3	61
Net unrealized gain (loss)	(66,258)	86,797	N Series	1,043	2,763
Securities lending income	504	339	N5 Series	43	124
Fee rebate income	843	–	D5 Series	23	102
Total income (loss)	90,633	272,623	QF Series	80	68
			QF5 Series	4	–
			Series LB	436	994
Expenses (note 6)			Series LW	(79)	–
Management fees	29,145	26,992	Series LW6	(61)	–
Management fee rebates	(173)	(31)	Series LX	316	1,444
Administration fees	3,276	3,071			
Interest charges	5	7	Increase (decrease) in net assets attributable to		
Commissions and other portfolio transaction costs	761	738	securityholders from operations per security		
Independent Review Committee fees	7	8	Series A	0.24	1.21
Other	12	4	Series AR	0.25	1.44
Expenses before amounts absorbed by Manager	33,033	30,789	Series B	0.31	1.44
Expenses absorbed by Manager	–	–	Series D	0.42	2.06
Net expenses	33,033	30,789	Series E	–	0.26
			Series F	0.35	1.43
Increase (decrease) in net assets attributable to			Series F8	0.47	1.96
securityholders from operations before tax	57,600	241,834	Series FB	0.41	1.49
Foreign withholding taxes	1,507	1,448	Series FB5	0.55	1.19
Foreign income taxes paid (recovered)	159	–	Series I	0.45	1.33
Increase (decrease) in net assets attributable to			Series J	0.29	1.34
securityholders from operations	55,934	240,386	Series O	0.63	1.93
			Series PW	0.37	1.98
Increase (decrease) in net assets attributable to			Series PWB	0.22	–
securityholders from operations per series			Series PWF	0.52	2.21
Series A	24,716	142,237	Series PWF8	0.46	1.91
Series AR	317	1,121	Series PWFB	0.35	–
Series B	100	557	Series PWFB5	(0.30)	–
Series D	21	57	Series PWT8	0.35	1.82
Series E	–	–	Series PWX	0.73	2.35
Series F	2,912	8,458	Series PWX8	0.71	2.19
Series F8	94	239	Series R	0.49	1.45
Series FB	43	62	Series T8	0.34	1.75
Series FB5	4	–	Quadrus Series	0.27	1.47
Series I	4	10	H Series	0.39	1.57
Series J	63	304	H5 Series	0.64	2.15
Series O	724	2,641	L Series	0.33	1.53
Series PW	5,358	10,190	L5 Series	0.08	2.10
Series PWB	6	–	N Series	0.53	1.75
Series PWF	1,625	2,127	N5 Series	0.78	2.40
Series PWF8	93	161	D5 Series	0.36	2.01
Series PWFB	28	–	QF Series	0.31	1.10
Series PWFB5	(1)	–	QF5 Series	0.46	0.24
Series PWT8	157	311	Series LB	0.38	1.47
Series PWX	288	682	Series LW	(0.17)	–
Series PWX8	38	93	Series LW6	(0.25)	–
Series R	13,579	48,390	Series LX	0.51	1.83
Series T8	407	2,388			

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STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Series A		Series AR		Series B		Series D		Series E	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	1,070,643	1,059,638	11,969	5,957	3,719	4,618	699	211	–	13
Increase (decrease) in net assets from operations	24,716	142,237	317	1,121	100	557	21	57	–	–
Distributions paid to securityholders:										
Investment income	(18,966)	(22,979)	(276)	(151)	(71)	(93)	(21)	(11)	–	–
Capital gains	(13,163)	–	(219)	–	(51)	–	(11)	–	–	–
Return of capital	(40,658)	(42,820)	–	–	–	–	(28)	(13)	–	–
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(72,787)	(65,799)	(495)	(151)	(122)	(93)	(60)	(24)	–	–
Security transactions:										
Proceeds from securities issued	236,249	311,700	6,173	5,228	1,594	1,513	626	447	–	–
Proceeds from securities issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested distributions	68,156	60,090	495	151	110	81	55	20	–	–
Value of securities redeemed	(407,955)	(437,223)	(912)	(337)	(1,666)	(2,957)	(254)	(12)	–	(13)
Total security transactions	(103,550)	(65,433)	5,756	5,042	38	(1,363)	427	455	–	(13)
Total increase (decrease) in net assets	(151,621)	11,005	5,578	6,012	16	(899)	388	488	–	(13)
End of period	919,022	1,070,643	17,547	11,969	3,735	3,719	1,087	699	–	–

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	114,898	122,230	1,046	585	331	460	47	15	–	1
Issued	25,739	34,189	535	478	141	138	42	32	–	–
Issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested distributions	7,450	6,657	43	14	10	8	4	1	–	–
Redeemed	(44,221)	(48,178)	(79)	(31)	(147)	(275)	(17)	(1)	–	(1)
Securities outstanding – end of period	103,866	114,898	1,545	1,046	335	331	76	47	–	–

	Series F		Series F8		Series FB		Series FB5		Series I	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	81,581	46,221	2,419	1,453	914	155	88	1	83	73
Increase (decrease) in net assets from operations	2,912	8,458	94	239	43	62	4	–	4	10
Distributions paid to securityholders:										
Investment income	(2,509)	(1,894)	(83)	(54)	(34)	(12)	(3)	–	(2)	(2)
Capital gains	(1,374)	–	(47)	–	(23)	–	(2)	–	(1)	–
Return of capital	(2,877)	(1,772)	(152)	(85)	(27)	–	(2)	–	(3)	(3)
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(6,760)	(3,666)	(282)	(139)	(84)	(12)	(7)	–	(6)	(5)
Security transactions:										
Proceeds from securities issued	58,469	41,947	1,782	1,359	1,769	754	15	87	–	–
Proceeds from securities issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested distributions	5,165	2,614	92	46	83	12	7	–	6	5
Value of securities redeemed	(41,142)	(13,993)	(905)	(539)	(1,190)	(57)	(1)	–	(87)	–
Total security transactions	22,492	30,568	969	866	662	709	21	87	(81)	5
Total increase (decrease) in net assets	18,644	35,360	781	966	621	759	18	87	(83)	10
End of period	100,225	81,581	3,200	2,419	1,535	914	106	88	–	83

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	7,979	4,917	172	110	84	16	6	–	9	8
Issued	5,764	4,221	128	99	163	72	1	6	–	–
Issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested distributions	512	264	7	3	8	1	–	–	1	1
Redeemed	(4,043)	(1,423)	(65)	(40)	(110)	(5)	–	–	(10)	–
Securities outstanding – end of period	10,212	7,979	242	172	145	84	7	6	–	9

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

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STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Series J		Series O		Series PW		Series PWB		Series PWF	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	2,205	2,260	15,539	18,500	87,675	64,043	–	–	19,907	11,855
Increase (decrease) in net assets from operations	63	304	724	2,641	5,358	10,190	6	–	1,625	2,127
Distributions paid to securityholders:										
Investment income	(48)	(56)	(582)	(725)	(4,583)	(1,678)	(6)	–	(1,684)	(485)
Capital gains	(31)	–	(220)	–	(3,267)	–	(5)	–	(838)	–
Return of capital	(89)	(81)	(335)	(305)	(9,307)	(2,997)	–	–	(1,425)	(423)
Management fee rebates	–	–	–	–	(86)	(27)	–	–	(17)	(3)
Total distributions paid to securityholders	(168)	(137)	(1,137)	(1,030)	(17,243)	(4,702)	(11)	–	(3,964)	(911)
Security transactions:										
Proceeds from securities issued	–	–	2,331	2,601	196,504	28,620	320	–	50,263	9,388
Proceeds from securities issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested distributions	167	137	1,092	989	16,422	4,536	11	–	3,057	707
Value of securities redeemed	(139)	(359)	(4,948)	(8,162)	(44,724)	(15,012)	–	–	(6,757)	(3,259)
Total security transactions	28	(222)	(1,525)	(4,572)	168,202	18,144	331	–	46,563	6,836
Total increase (decrease) in net assets	(77)	(55)	(1,938)	(2,961)	156,317	23,632	326	–	44,224	8,052
End of period	2,128	2,205	13,601	15,539	243,992	87,675	326	–	64,131	19,907

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	218	241	1,218	1,594	5,841	4,593	–	–	1,279	829
Issued	–	–	184	212	13,161	1,968	32	–	3,247	621
Issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested distributions	17	14	86	81	1,114	312	1	–	199	47
Redeemed	(14)	(37)	(389)	(669)	(3,023)	(1,032)	–	–	(437)	(218)
Securities outstanding – end of period	221	218	1,099	1,218	17,093	5,841	33	–	4,288	1,279

	Series PWF8		Series PWF8		Series PWF8		Series PWF8		Series PWF8	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	1,698	747	–	–	–	–	2,842	1,841	4,853	3,241
Increase (decrease) in net assets from operations	93	161	28	–	(1)	–	157	311	288	682
Distributions paid to securityholders:										
Investment income	(94)	(36)	(25)	–	(1)	–	(124)	(49)	(244)	(191)
Capital gains	(43)	–	(15)	–	–	–	(92)	–	(113)	–
Return of capital	(136)	(58)	(19)	–	(1)	–	(385)	(142)	(152)	(82)
Management fee rebates	(1)	–	–	–	–	–	(2)	(1)	–	–
Total distributions paid to securityholders	(274)	(94)	(59)	–	(2)	–	(603)	(192)	(509)	(273)
Security transactions:										
Proceeds from securities issued	1,656	1,026	1,289	–	107	–	5,676	1,145	2,737	2,485
Proceeds from securities issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested distributions	117	10	58	–	1	–	296	35	488	258
Value of securities redeemed	(505)	(152)	(42)	–	(1)	–	(2,077)	(298)	(671)	(1,540)
Total security transactions	1,268	884	1,305	–	107	–	3,895	882	2,554	1,203
Total increase (decrease) in net assets	1,087	951	1,274	–	104	–	3,449	1,001	2,333	1,612
End of period	2,785	1,698	1,274	–	104	–	6,291	2,842	7,186	4,853

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	123	58	–	–	–	–	208	142	308	227
Issued	120	75	129	–	7	–	421	85	175	166
Issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested distributions	9	1	6	–	–	–	22	3	31	17
Redeemed	(37)	(11)	(4)	–	–	–	(156)	(22)	(43)	(102)
Securities outstanding – end of period	215	123	131	–	7	–	495	208	471	308

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

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STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Series PWX8		Series R		Series T8		Quadrus Series		H Series	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	639	664	292,712	324,957	18,057	17,599	93,223	71,538	5,804	4,129
Increase (decrease) in net assets from operations	38	93	13,579	48,390	407	2,388	2,389	10,567	219	705
Distributions paid to securityholders:										
Investment income	(31)	(26)	(10,943)	(13,293)	(293)	(378)	(1,636)	(1,501)	(164)	(141)
Capital gains	(13)	–	(4,214)	–	(215)	–	(1,791)	–	(126)	–
Return of capital	(34)	(23)	–	(1,934)	(1,007)	(1,094)	–	–	–	–
Management fee rebates	–	–	–	–	–	–	(52)	–	(9)	–
Total distributions paid to securityholders	(78)	(49)	(15,157)	(15,227)	(1,515)	(1,472)	(3,479)	(1,501)	(299)	(141)
Security transactions:										
Proceeds from securities issued	217	40	4,462	8,094	6,051	6,277	45,023	33,197	3,592	1,691
Proceeds from securities issued on merger	–	–	–	–	–	–	1,598	–	–	–
Reinvested distributions	42	26	5,294	1,269	621	497	3,477	1,501	296	141
Value of securities redeemed	(54)	(135)	(49,846)	(74,771)	(8,867)	(7,232)	(25,458)	(22,079)	(1,764)	(721)
Total security transactions	205	(69)	(40,090)	(65,408)	(2,195)	(458)	24,640	12,619	2,124	1,111
Total increase (decrease) in net assets	165	(25)	(41,668)	(32,245)	(3,303)	458	23,550	21,685	2,044	1,675
End of period	804	639	251,044	292,712	14,754	18,057	116,773	93,223	7,848	5,804

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	44	49	29,937	37,017	1,357	1,393	8,031	6,916	508	406
Issued	15	3	454	884	465	479	3,838	2,972	311	154
Issued on merger	–	–	–	–	–	–	135	–	–	–
Reinvested distributions	3	2	537	133	48	38	298	136	26	13
Redeemed	(4)	(10)	(5,049)	(8,097)	(677)	(553)	(2,172)	(1,993)	(153)	(65)
Securities outstanding – end of period	58	44	25,879	29,937	1,193	1,357	10,130	8,031	692	508

	H5 Series		L Series		L5 Series		N Series		N5 Series	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	104	107	30,074	22,987	493	389	19,989	16,659	715	816
Increase (decrease) in net assets from operations	5	14	937	3,516	3	61	1,043	2,763	43	124
Distributions paid to securityholders:										
Investment income	(3)	(3)	(613)	(578)	(18)	(11)	(738)	(690)	(36)	(34)
Capital gains	(2)	–	(603)	–	(11)	–	(523)	–	(17)	–
Return of capital	(2)	(2)	–	–	(22)	(12)	–	–	(13)	(7)
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(7)	(5)	(1,216)	(578)	(51)	(23)	(1,261)	(690)	(66)	(41)
Security transactions:										
Proceeds from securities issued	–	2	14,320	10,073	1,432	52	10,514	6,625	429	42
Proceeds from securities issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested distributions	7	5	1,215	576	45	22	1,260	688	49	24
Value of securities redeemed	(11)	(19)	(9,997)	(6,500)	(91)	(8)	(7,961)	(6,056)	(89)	(250)
Total security transactions	(4)	(12)	5,538	4,149	1,386	66	3,813	1,257	389	(184)
Total increase (decrease) in net assets	(6)	(3)	5,259	7,087	1,338	104	3,595	3,330	366	(101)
End of period	98	104	35,333	30,074	1,831	493	23,584	19,989	1,081	715

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	7	8	2,592	2,224	31	27	1,727	1,620	44	56
Issued	–	–	1,218	903	92	4	894	604	28	2
Issued on merger	–	–	–	–	–	–	–	–	–	–
Reinvested distributions	–	–	104	52	3	1	108	63	3	2
Redeemed	–	(1)	(850)	(587)	(6)	(1)	(681)	(560)	(6)	(16)
Securities outstanding – end of period	7	7	3,064	2,592	120	31	2,048	1,727	69	44

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

MACKENZIE STRATEGIC INCOME FUND

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BALANCED FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2018	2017	2018	2017	2018	2017	2018	2017
	D5 Series		QF Series		QF5 Series		Series LB	
	\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS								
Beginning of period	949	591	1,658	-	100	-	12,189	6,750
Increase (decrease) in net assets from operations	23	102	80	68	4	-	436	994
Distributions paid to securityholders:								
Investment income	(19)	(15)	(69)	(16)	(3)	-	(57)	(62)
Capital gains	(15)	-	(61)	-	(2)	-	(224)	-
Return of capital	(33)	(24)	-	-	(3)	-	-	-
Management fee rebates	(1)	-	(3)	-	-	-	-	-
Total distributions paid to securityholders	(68)	(39)	(133)	(16)	(8)	-	(281)	(62)
Security transactions:								
Proceeds from securities issued	416	407	3,875	1,631	109	100	7,402	5,966
Proceeds from securities issued on merger	-	-	-	-	-	-	-	-
Reinvested distributions	53	29	133	16	7	-	281	62
Value of securities redeemed	(249)	(141)	(1,570)	(41)	(21)	-	(8,963)	(1,521)
Total security transactions	220	295	2,438	1,606	95	100	(1,280)	4,507
Total increase (decrease) in net assets	175	358	2,385	1,658	91	100	(1,125)	5,439
End of period	1,124	949	4,043	1,658	191	100	11,064	12,189

	Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):								
Securities outstanding – beginning of period	61	42	154	-	6	-	1,041	653
Issued	27	26	359	157	8	6	622	521
Issued on merger	-	-	-	-	-	-	-	-
Reinvested distributions	4	2	12	1	-	-	24	5
Redeemed	(16)	(9)	(146)	(4)	(1)	-	(743)	(138)
Securities outstanding – end of period	76	61	379	154	13	6	944	1,041

	Series LW		Series LW6		Series LX		Total	
	\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS								
Beginning of period	-	-	-	-	10,243	11,227	1,793,783	1,699,240
Increase (decrease) in net assets from operations	(79)	-	(61)	-	316	1,444	55,934	240,386
Distributions paid to securityholders:								
Investment income	(17)	-	(27)	-	(152)	(228)	(44,175)	(45,392)
Capital gains	(67)	-	(52)	-	(83)	-	(27,534)	-
Return of capital	-	-	(43)	-	(394)	(443)	(57,147)	(52,320)
Management fee rebates	(1)	-	(1)	-	-	-	(173)	(31)
Total distributions paid to securityholders	(85)	-	(123)	-	(629)	(671)	(129,029)	(97,743)
Security transactions:								
Proceeds from securities issued	5,691	-	4,096	-	1,067	662	676,256	483,159
Proceeds from securities issued on merger	-	-	-	-	-	-	1,598	-
Reinvested distributions	84	-	123	-	621	635	109,486	75,182
Value of securities redeemed	(260)	-	(487)	-	(6,456)	(3,054)	(636,120)	(606,441)
Total security transactions	5,515	-	3,732	-	(4,768)	(1,757)	151,220	(48,100)
Total increase (decrease) in net assets	5,351	-	3,548	-	(5,081)	(984)	78,125	94,543
End of period	5,351	-	3,548	-	5,162	10,243	1,871,908	1,793,783

	Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):						
Securities outstanding – beginning of period	-	-	-	-	721	849
Issued	567	-	274	-	76	47
Issued on merger	-	-	-	-	-	-
Reinvested distributions	9	-	8	-	44	46
Redeemed	(26)	-	(34)	-	(458)	(221)
Securities outstanding – end of period	550	-	248	-	383	721

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

MACKENZIE STRATEGIC INCOME FUND

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BALANCED FUND

STATEMENTS OF CASH FLOWS

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

	2018	2017
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	55,934	240,386
Adjustments for:		
Net realized loss (gain) on investments	(79,999)	(112,564)
Change in net unrealized loss (gain) on investments	66,258	(86,797)
Distributions received in-kind from underlying funds	(3,569)	(157)
Purchase of investments	(1,124,926)	(1,314,461)
Proceeds from sale and maturity of investments	1,051,816	1,414,249
Change in accrued interest receivable	793	2,821
Change in dividends receivable	398	20
Change in due from manager	(42)	–
Change in due to manager	181	–
Change in margin on futures contracts	1,876	(2,364)
Net cash from operating activities	(31,280)	141,133
Cash flows from financing activities		
Proceeds from redeemable securities issued	406,346	307,183
Payments on redemption of redeemable securities	(364,165)	(432,741)
Distributions paid net of reinvestments	(19,543)	(22,561)
Net cash from financing activities	22,638	(148,119)
Net increase (decrease) in cash and cash equivalents	(8,642)	(6,986)
Cash and cash equivalents at beginning of period	34,262	41,251
Effect of exchange rate fluctuations on cash and cash equivalents	2	(3)
Cash and cash equivalents at end of period	25,622	34,262
Cash	3,029	9,493
Cash equivalents	22,593	24,769
Cash and cash equivalents at end of period	25,622	34,262
Supplementary disclosures on cash flow from operating activities:		
Dividends received	32,406	27,441
Foreign taxes paid	1,666	1,551
Interest received	44,269	48,166
Interest paid	5	7

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



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MACKENZIE STRATEGIC INCOME FUND

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BALANCED FUND

SCHEDULE OF INVESTMENTS

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS					
AAC holdings Inc. Term Loan 1st Lien F/R 06-30-2023	United States	Term Loans	USD 1,663,032	2,084	2,180
Advanced Micro Devices Inc. 7.50% 08-15-2022	United States	Corporate - Non Convertible	USD 2,700,000	3,957	3,796
AIMCo Realty Investors LP 3.04% 06-01-2028 Callable 2028	Canada	Corporate - Non Convertible	510,000	510	507
Algonquin Power & Utilities Corp. 4.09% 02-17-2027 Callable	Canada	Corporate - Non Convertible	960,000	959	985
Alibaba Group Holding Ltd. 3.40% 12-06-2027 Callable 2027	China	Corporate - Non Convertible	USD 460,000	588	563
Allied Properties Real Estate Investment Trust 3.75% 03-13-2020	Canada	Corporate - Non Convertible	520,000	526	528
Allied Properties Real Estate Investment Trust 3.93% 11-14-2022	Canada	Corporate - Non Convertible	391,000	392	398
Allied Properties Real Estate Investment Trust 3.64% 04-21-2025 Callable 2025	Canada	Corporate - Non Convertible	1,120,000	1,122	1,095
AltaGas Ltd. 3.98% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	510,000	510	515
AltaLink LP 3.72% 12-03-2046 Callable MTN	Canada	Corporate - Non Convertible	427,000	427	443
AMC Entertainment Holdings Inc. 5.88% 11-15-2026 Callable	United States	Corporate - Non Convertible	USD 1,940,000	2,340	2,465
American Teleconferencing Services Ltd. Term Loan 1st Lien F/R 12-08-2021	United States	Term Loans	USD 1,307,177	1,732	1,684
Amneal Pharmaceuticals LLC Term loan B 1st Lien F/R 03-23-2025	United States	Term Loans	USD 2,800,000	3,585	3,614
AMS FinCo SARL Term Loan 1st Lien F/R 05-27-2024	Luxembourg	Term Loans	USD 794,000	1,060	1,032
Anheuser-Busch InBev Finance Inc. 2.60% 05-15-2024 Callable 2024	Belgium	Corporate - Non Convertible	1,880,000	1,865	1,831
Antero Resources Corp. 5.00% 03-01-2025	United States	Corporate - Non Convertible	USD 1,630,000	2,098	2,114
Appvion Inc. 9.00% 06-01-2020 Callable 144A	United States	Corporate - Non Convertible	USD 4,720,000	4,864	565
Arch Merger Sub Inc. 8.50% 09-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 3,980,000	5,064	4,749
ASP AMC Merger Sub Inc. 8.00% 05-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 3,880,000	5,174	4,691
ASP MSG Acquisition Co. Inc. Term Loan 1st Lien F/R 08-16-2023	United States	Term Loans	USD 817,550	1,054	1,059
Atlantic Power Corp. 5.95% 06-23-2036	United States	Corporate - Non Convertible	3,825,000	2,573	3,184
ATS Consolidated Inc. Term Loan B 1st Lien F/R 02-23-2025	United States	Term Loans	USD 1,210,000	1,523	1,579
Aviva PLC 4.50% 05-10-2021	United Kingdom	Corporate - Non Convertible	1,210,000	1,206	1,262
Avolon Holdings Funding Ltd. 5.50% 01-15-2023 144A Callable 2022	Ireland	Corporate - Non Convertible	USD 430,000	551	547
Bank of America Corp. 3.228% 06-22-2022	United States	Corporate - Non Convertible	510,000	517	518
Bank of America Corp. F/R 03-15-2023 Callable 2022	United States	Corporate - Non Convertible	1,470,000	1,470	1,452
Bank of America Corp. F/R 09-20-2025 Callable 2024	United States	Corporate - Non Convertible	2,200,000	2,200	2,214
Bank of Montreal 2.27% 07-11-2022	Canada	Corporate - Non Convertible	1,800,000	1,792	1,771
Bank of Montreal 2.70% 09-11-2024 DPNT	Canada	Corporate - Non Convertible	3,570,000	3,567	3,539
Bank of Montreal 3.32% 06-01-2026	Canada	Corporate - Non Convertible	1,170,000	1,180	1,183
Bank of Montreal F/R 12-15-2032 Callable 2027	Canada	Corporate - Non Convertible	USD 780,000	1,002	957
The Bank of Nova Scotia 1.90% 12-02-2021 DPNT	Canada	Corporate - Non Convertible	2,700,000	2,654	2,633
The Bank of Nova Scotia 2.36% 11-08-2022	Canada	Corporate - Non Convertible	2,000,000	2,000	1,970
The Bank of Nova Scotia 2.29% 06-28-2024	Canada	Corporate - Non Convertible	750,000	733	727
The Bank of Nova Scotia F/R 04-12-2066 Callable 2022	Canada	Corporate - Non Convertible	USD 1,060,000	1,323	1,298
bcIMC Realty Corp. 3.00% 03-31-2027 Callable 2026	Canada	Corporate - Non Convertible	710,000	710	709
Bell Canada 2.70% 02-27-2024 Callable	Canada	Corporate - Non Convertible	4,540,000	4,524	4,436
Bell Canada 3.60% 09-29-2027 Callable	Canada	Corporate - Non Convertible	1,960,000	1,981	1,979
Bellatrix Exploration Ltd. 8.50% 05-15-2020 Callable 144A	Canada	Corporate - Non Convertible	USD 1,400,000	1,588	1,478
Big Ass Fans LLC Term Loan 1st Lien F/R 05-07-2024	United States	Term Loans	USD 1,047,375	1,331	1,362
BMC Acquisition Inc. Term Loan 1st Lien F/R 12-15-2024	United States	Term Loans	USD 1,047,375	1,334	1,353
Boardriders Inc. Term Loan B 1st Lien F/R 03-21-2024	United States	Term Loans	USD 3,540,000	4,472	4,515
Bright Bidco BV Term Loan B 1st Lien F/R 06-30-2024	Netherlands	Term Loans	USD 1,379,575	1,818	1,805
Brookfield Renewable Energy Partners ULC 3.752% 06-02-2025 Callable 2025	Canada	Corporate - Non Convertible	260,000	270	265
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate - Non Convertible	1,890,000	1,889	1,880



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SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Bruce Power LP 2.84% 06-23-2021	Canada	Corporate - Non Convertible	2,790,000	2,805	2,793
Bruce Power LP 3.00% 06-21-2024 Callable 2024	Canada	Corporate - Non Convertible	1,050,000	1,056	1,040
Bruce Power LP 3.97% 06-23-2026	Canada	Corporate - Non Convertible	790,000	813	821
California Resources Corp. 8.00% 12-15-2022 Callable 2018 144A	United States	Corporate - Non Convertible	USD 2,110,000	1,984	2,141
Calpine Corp. 5.25% 06-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 2,930,000	3,703	3,648
Camelot Finance LP Term Loan 1st Lien F/R 10-03-2023	United States	Term Loans	USD 2,669,553	3,509	3,465
Camelot Finance SA 7.88% 10-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 1,600,000	2,137	2,153
Can Am Construction Inc./Canada Term Loan B 1st Lien F/R 07-01-2024	Canada	Term Loans	USD 2,382,000	3,004	3,099
Canada Goose Inc. Term Loan 1st Lien F/R 12-22-2021	Canada	Term Loans	USD 2,050,000	2,568	2,614
Canada Housing Trust No. 1 2.65% 03-15-2028	Canada	Federal Government	1,890,000	1,882	1,914
Canadian Imperial Bank of Commerce 2.30% 07-11-2022 DPNT	Canada	Corporate - Non Convertible	1,540,000	1,539	1,517
Canadian Imperial Bank of Commerce 2.47% 12-05-2022	Canada	Corporate - Non Convertible	1,820,000	1,823	1,803
Canadian Imperial Bank of Commerce F/R 04-04-2028 Callable 2023	Canada	Corporate - Non Convertible	780,000	780	783
Canadian Real Estate Investment Trust 2.95% 01-18-2023 Callable 2022	Canada	Corporate - Non Convertible	690,000	691	681
Canadian Western Bank 2.74% 06-16-2022 DPNT	Canada	Corporate - Non Convertible	460,000	460	456
Canadian Western Bank 2.92% 12-15-2022	Canada	Corporate - Non Convertible	1,080,000	1,078	1,074
Capital Power Corp. 4.28% 09-18-2024 Callable 2024	Canada	Corporate - Non Convertible	1,580,000	1,583	1,601
CareCentrix Inc. Term Loan B 1st Lien F/R 07-08-2021	United States	Term Loans	USD 3,383,250	4,201	4,383
Careerbuilder LLC Term Loan 1st Lien F/R 07-31-2023	United States	Term Loans	USD 2,271,750	2,768	2,923
Casablanca US Holdings Inc. Term Loan 1st Lien F/R 03-29-2024	United States	Term Loans	USD 1,267,200	1,624	1,649
Centennial Resource Production LLC 5.38% 01-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 880,000	1,123	1,114
CenturyLink Inc. Term Loan B 1st Lien F/R 01-31-2025	United States	Term Loans	USD 2,164,575	2,869	2,748
Chartwell Retirement Residences 3.79% 12-11-2023 Callable 2023	Canada	Corporate - Non Convertible	1,000,000	997	1,002
Chemtrade Logistics Income Fund 4.75% 05-31-2024 Conv. Callable 2022	Canada	Corporate - Convertible	1,690,000	1,690	1,665
CHIP Mortgage Trust 2.98% 11-15-2021	Canada	Corporate - Non Convertible	880,000	880	861
Chloe Ox Parent LLC Term Loan 1st Lien F/R 12-19-2024	United States	Term Loans	USD 1,990,000	2,537	2,596
Choice Properties Real Estate Investment Trust 3.01% 03-21-2022 Callable 2022	Canada	Corporate - Non Convertible	310,000	310	310
Choice Properties Real Estate Investment Trust 3.55% 01-10-2025 Callable 2024	Canada	Corporate - Non Convertible	540,000	540	540
Choice Properties Real Estate Investment Trust 4.18% 03-08-2028 Callable 2027	Canada	Corporate - Non Convertible	1,090,000	1,090	1,107
Coeur Mining Inc. 5.88% 06-01-2024 Callable 2020	United States	Corporate - Non Convertible	USD 1,650,000	2,231	2,117
Comber Wind Financial Corp. 5.132% 11-15-2030	Canada	Corporate - Non Convertible	9,015,156	9,014	9,686
Comfort Holding LLC Term Loan 1st Lien F/R 02-05-2024	United States	Term Loans	USD 2,267,100	2,922	2,840
Comfort Holding LLC Term Loan 2nd Lien F/R 02-03-2025	United States	Term Loans	USD 640,000	800	782
Commercial Vehicle Group Inc. Term Loan B 1st Lien F/R 03-30-2023	United States	Term Loans	USD 1,668,125	2,179	2,165
Commonwealth of Bahamas 6.00% 11-21-2028 Callable 2028	Bahamas	Foreign Governments	USD 4,900,000	6,238	6,591
Communications Sales & Leasing Inc. Term Loan B 1st Lien F/R 10-24-2022	United States	Term Loans	USD 1,174,553	1,416	1,463
Conn's Inc. 7.25% 07-15-2022 Callable	United States	Corporate - Non Convertible	USD 900,000	931	1,157
Constellium NV 6.63% 03-01-2025 Callable 2020 144A	Netherlands	Corporate - Non Convertible	USD 280,000	375	367
Constellium NV 4.25% 02-15-2026 Callable 2020	Netherlands	Corporate - Non Convertible	EUR 510,000	762	821
Constellium NV 5.88% 02-15-2026 Callable 2020 144A	Netherlands	Corporate - Non Convertible	USD 1,300,000	1,684	1,666



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MACKENZIE STRATEGIC INCOME FUND

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BALANCED FUND

SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
ConvergeOne Holdings Corp. Term Loan B 1st Lien F/R 06-20-2024	United States	Term Loans	USD 1,449,050	1,866	1,876
Coronado Australian Holdings Pty Ltd. Term Loan B 1st Lien F/R 03-21-2025	United States	Term Loans	USD 1,673,571	2,093	2,134
Coronado Australian Holdings Pty Ltd. Term Loan C 1st Lien F/R 03-21-2025	United States	Term Loans	USD 456,429	571	582
Crew Energy Inc. 6.50% 03-14-2024 Callable	Canada	Corporate - Non Convertible	2,880,000	2,882	2,712
CSC Holdings LLC Term Loan B 1st Lien F/R 01-12-2026	United States	Term Loans	USD 1,440,000	1,787	1,858
CSM Bakery Solutions LLC Term Loan 2nd Lien F/R 07-05-2021	United States	Term Loans	USD 2,650,000	2,830	3,283
CSM NV Term Loan B F/R 07-03-2020	United States	Term Loans	USD 1,116,475	1,428	1,425
CSP Technologies North America LLC Term Loan B 1st Lien F/R 01-29-2022	United States	Term Loans	USD 1,762,452	2,173	2,282
CU Inc. 3.964% 07-27-2045 Callable	Canada	Corporate - Non Convertible	100,000	107	107
CVR Partners LP 9.25% 06-15-2023 Callable 2019 144A	United States	Corporate - Non Convertible	USD 813,000	1,048	1,114
Daseke Inc. Term Loan 1st Lien F/R 02-27-2024	United States	Term Loans	USD 3,618,235	4,649	4,714
DaVita Healthcare Partners Inc. 5.00% 05-01-2025 Callable 2020	United States	Corporate - Non Convertible	USD 2,230,000	2,732	2,783
Deerfield Holdings Corp. Term Loan B 1st Lien F/R 12-06-2024	United States	Term Loans	USD 1,070,000	1,366	1,385
Denbury Resources Inc. 9.00% 05-15-2021 Callable 144A	United States	Corporate - Non Convertible	USD 590,000	767	780
Denbury Resources Inc. 5.50% 05-01-2022 Callable 2017	United States	Corporate - Non Convertible	USD 350,000	329	358
DHX Media Ltd. 5.88% 09-30-2024 Conv.	Canada	Corporate - Convertible	260,000	243	237
Diamond (BC) BV Term Loan 1st Lien F/R 09-06-2024	United States	Term Loans	USD 1,316,700	1,642	1,696
Digicert Holdings Inc. Term Loan 1st Lien F/R 09-20-2024	United States	Term Loans	USD 1,270,000	1,558	1,657
Digicert Holdings Inc. Term Loan 2nd Lien F/R 10-31-2025	United States	Term Loans	USD 430,000	528	560
DISH DBS Corp. 5.875% 11-15-2024	United States	Corporate - Non Convertible	USD 2,020,000	2,568	2,327
Drive DeVilbiss Healthcare Ltd. Term Loan 1st Lien F/R 01-03-2023	United States	Term Loans	USD 2,143,313	2,610	2,561
Eagle Credit Card Trust 2.63% 10-17-2022	Canada	Corporate - Non Convertible	340,000	340	338
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	USD 4,342,600	5,400	5,647
Elo Touch Solutions Inc. Term Loan B 1st Lien F/R 10-25-2023	United States	Term Loans	USD 1,976,367	2,510	2,570
Enbridge Gas Distribution Inc. 3.51% 11-29-2047 Callable 2047	Canada	Corporate - Non Convertible	970,000	970	963
Enbridge Inc. 3.20% 06-08-2027 Callable 2027	Canada	Corporate - Non Convertible	630,000	630	604
Enbridge Inc. 4.57% 03-11-2044	Canada	Corporate - Non Convertible	880,000	915	882
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	9,360,000	9,348	9,023
EnerCare Solutions Inc. 3.38% 02-21-2022 Callable 2022	Canada	Corporate - Non Convertible	980,000	980	989
EnerCare Solutions Inc. 3.99% 02-21-2024 Callable 2023	Canada	Corporate - Non Convertible	730,000	730	747
Envigo Holdings Inc. Term Loan B 1st Lien F/R 12-14-2023	United States	Term Loans	USD 2,560,000	3,151	3,240
EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047	Canada	Corporate - Non Convertible	650,000	650	651
Exela Intermediate LLC 10.00% 07-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 3,850,000	5,014	5,054
FAGE International SA/FAGE USA Dairy Industry Inc. 5.625% 08-15-2026 Callable 2021 144A	Luxembourg	Corporate - Non Convertible	USD 660,000	798	796
Fairfax Financial Holdings Ltd. 5.80% 05-15-2021 144A	Canada	Corporate - Non Convertible	USD 6,500,000	6,344	8,848
Fairfax Financial Holdings Ltd. 5.84% 10-14-2022	Canada	Corporate - Non Convertible	22,900,000	23,840	25,186
Fairfax Financial Holdings Ltd. 4.50% 03-22-2023	Canada	Corporate - Non Convertible	1,000,000	994	1,043
Fairfax Financial Holdings Ltd. 8.30% 04-15-2026	Canada	Corporate - Non Convertible	USD 900,000	1,360	1,428
Fairmount Santrol Term Loan B 1st Lien F/R 11-01-2022	United States	Term Loans	USD 2,599,576	3,284	3,394
Federation des Caisses Desjardins du Quebec 2.09% 01-17-2022	Canada	Corporate - Non Convertible	2,190,000	2,185	2,146
First Quantum Minerals Ltd. 7.25% 04-01-2023 Callable 2019 144A	Canada	Corporate - Non Convertible	USD 2,410,000	3,217	3,080
First Quantum Minerals Ltd. 6.88% 03-01-2026 Callable 2021 144A	Zambia	Corporate - Non Convertible	USD 1,620,000	2,049	1,984
Fortified Trust 1.67% 07-23-2021	Canada	Corporate - Non Convertible	1,240,000	1,240	1,204



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BONDS (cont'd)					
Fortress Transportation and Infrastructure Investors LLC 6.75% 03-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,240,000	1,647	1,624
FXI Holdings Inc. 7.88% 11-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,320,000	1,693	1,666
Garda World Security Corp. Term Loan B 1st Lien F/R 05-26-2024	Canada	Term Loans	3,582,925	3,547	3,605
Garda World Security Corp. 7.25% 11-15-2021 Callable 144A	Canada	Corporate - Non Convertible	USD 2,958,000	3,286	3,869
Gateway Casinos & Entertainment Ltd. Term Loan B 1st Lien F/R 03-13-2025	Canada	Term Loans	USD 1,370,000	1,765	1,781
Gateway Casinos & Entertainment Ltd. 8.25% 03-01-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 2,110,000	2,781	2,890
Gavilan Resources LLC Term Loan 2nd Lien F/R 02-23-2024	United States	Term Loans	USD 1,030,000	1,337	1,334
General Motors Financial of Canada Ltd. 2.60% 06-01-2022	United States	Corporate - Non Convertible	860,000	859	839
Genworth Holdings Inc. Term Loan 1st Lien F/R 02-28-2023	United States	Term Loans	USD 1,370,000	1,749	1,799
GFL Environmental Inc. 5.38% 03-01-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 1,540,000	1,954	1,951
Gibson Energy Inc. 5.25% 07-15-2021 Conv. Callable 2020	Canada	Corporate - Convertible	1,370,000	1,394	1,451
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS	Canada	Corporate - Non Convertible	10,520,000	10,521	10,592
The Goldman Sachs Group Inc. 2.43% 04-26-2023 Callable	United States	Corporate - Non Convertible	1,700,000	1,700	1,658
Government of Canada 3.25% 06-01-2021	Canada	Federal Government	1,110,000	1,155	1,156
Government of Canada 2.50% 06-01-2024	Canada	Federal Government	900,000	921	925
Government of Canada 1.00% 06-01-2027	Canada	Federal Government	49,580,000	45,784	45,102
Government of Canada 2.00% 06-01-2028	Canada	Federal Government	14,160,000	13,772	14,019
Government of Canada 2.75% 12-01-2048	Canada	Federal Government	3,580,000	3,841	3,994
Granite REIT Holdings LP 3.87% 11-30-2023 Callable 2023	Canada	Corporate - Non Convertible	190,000	190	191
Great Canadian Gaming Corp. 6.625% 07-25-2022 Callable 144A	Canada	Corporate - Non Convertible	1,680,000	1,729	1,738
Green Plains Inc. Term Loan B 1st Lien F/R 08-29-2023	United States	Term Loans	USD 1,353,200	1,685	1,752
Greenhill & Co. Inc. Term Loan B 1st Lien F/R 10-12-2022	United States	Term Loans	USD 1,392,375	1,737	1,812
H&R Real Estate Investment Trust 2.92% 05-06-2022	Canada	Corporate - Non Convertible	2,360,000	2,348	2,325
H&R Real Estate Investment Trust 3.42% 01-23-2023 Callable 2022	Canada	Corporate - Non Convertible	420,000	420	420
H&R Real Estate Investment Trust 3.37% 01-30-2024 Callable 2023	Canada	Corporate - Non Convertible	1,140,000	1,122	1,127
Heathrow Funding Ltd. 3.25% 05-21-2025	United Kingdom	Corporate - Non Convertible	3,690,000	3,855	3,738
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	1,000,000	999	1,013
Hornblower Sub LLC Term Loan 1st Lien F/R 04-28-2025	United States	Term Loans	USD 2,320,000	2,983	2,996
HSBC Bank Canada 2.17% 06-29-2022	Canada	Corporate - Non Convertible	380,000	374	371
HSBC Bank Canada 2.54% 01-31-2023	Canada	Corporate - Non Convertible	1,040,000	1,040	1,025
HSBC Holdings PLC 3.20% 12-05-2023	United Kingdom	Corporate - Non Convertible	1,410,000	1,410	1,416
Hudson River Trading LLC Term Loan 1st Lien F/R 03-20-2025	United States	Term Loans	USD 1,970,000	2,551	2,547
Hydro One Inc. 3.72% 11-18-2047	Canada	Corporate - Non Convertible	760,000	760	777
Hyster-Yale Group Inc. Term Loan B 1st Lien F/R 05-30-2023	United States	Term Loans	USD 2,232,750	3,010	2,901
I-Logic Technologies Bidco Ltd. Term Loan B 1st Lien F/R 12-20-2024	United States	Term Loans	USD 1,755,600	2,241	2,269
Impala Private Holdings II LLC Term Loan 1st Lien F/R 11-10-2024	United States	Term Loans	USD 2,234,400	2,823	2,895
Indivior Finance SARL Term Loan B 1st Lien F/R 12-14-2022	United Kingdom	Term Loans	USD 1,326,675	1,683	1,720
Integro Ltd. United States Term Loan B1 1st Lien F/R 10-31-2022	United States	Term Loans	USD 3,380,974	4,202	4,355
Inter Pipeline Ltd. 2.73% 04-18-2024 Callable 2024	Canada	Corporate - Non Convertible	1,500,000	1,511	1,449
Inter Pipeline Ltd. 3.48% 12-16-2026 Callable 2026	Canada	Corporate - Non Convertible	370,000	370	364
Interior Logic Group Inc. Term Loan B 1st Lien F/R 03-01-2024	United States	Term Loans	USD 2,052,000	2,644	2,663
iQor US Inc. Term Loan 2nd Lien F/R 04-01-2022	United States	Term Loans	USD 3,230,000	3,495	4,022
iQor US Inc. Term Loan B 1st Lien F/R 04-01-2021	United States	Term Loans	USD 2,792,646	3,055	3,614
Iron Mountain Canada Operations ULC 5.38% 09-15-2023 Callable 2019	United States	Corporate - Non Convertible	830,000	870	845



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BONDS (cont'd)					
Itron Inc. 5.00% 01-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 1,320,000	1,683	1,678
JBS USA Lux SA Term Loan B 1st Lien F/R 10-30-2022	Brazil	Term Loans	USD 821,700	1,093	1,057
KEMET Corp. Term Loan B 1st Lien F/R 04-26-2024	United States	Term Loans	USD 1,996,571	2,615	2,624
Keystone Peer Review Organization Holdings Inc. Term Loan 1st Lien F/R 05-01-2024	United States	Term Loans	USD 825,850	1,105	1,071
Kronos Acquisition Holdings Inc. 9.00% 08-15-2023 144A	Canada	Corporate - Non Convertible	USD 590,000	713	729
Lamb Weston Holdings Inc. 4.88% 11-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 1,610,000	2,055	2,062
Lannett Co. Inc. Term Loan B 1st Lien F/R 11-25-2022	United States	Term Loans	USD 1,563,763	1,877	2,013
Laurentian Bank of Canada F/R 10-22-2019	Canada	Corporate - Non Convertible	850,000	850	851
Laurentian Bank of Canada 3.00% 09-12-2022	Canada	Corporate - Non Convertible	1,380,000	1,378	1,368
LBM Borrower LLC Term Loan 1st Lien F/R 08-20-2022	United States	Term Loans	USD 3,907,569	5,032	5,093
LD Intermediate Holdings Inc. Term Loan B 1st Lien F/R 12-09-2022	United States	Term Loans	USD 2,366,482	2,780	2,744
Lee Enterprises Inc. 9.50% 03-15-2022 Callable 2018 144A	United States	Corporate - Non Convertible	USD 1,180,000	1,346	1,590
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 1,660,250	2,110	2,192
Lifetime Brands Inc. Term Loan B 1st Lien F/R 03-31-2025	United States	Term Loans	USD 590,000	739	766
Lionbridge Technologies Inc. Term Loan 1st Lien F/R 02-28-2024	United States	Term Loans	USD 393,712	513	507
Livingston International Inc. Term Loan 1st Lien F/R 03-18-2020	Canada	Term Loans	4,485,621	4,441	4,306
Livingston International Inc. Term Loan 2nd Lien F/R 04-17-2020	Canada	Term Loans	USD 5,149,522	5,166	6,368
Logibec Groupe Informatique Ltd. Term Loan 1st Lien F/R 12-31-2018	Canada	Term Loans	1,040,599	988	988
Manulife Bank of Canada 2.08% 05-26-2022	Canada	Corporate - Non Convertible	1,300,000	1,300	1,266
Manulife Bank of Canada 2.84% 01-12-2023	Canada	Corporate - Non Convertible	630,000	630	631
Manulife Financial Corp. F/R 08-20-2029 Callable 2024	Canada	Corporate - Non Convertible	1,390,000	1,390	1,371
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020	Canada	Corporate - Non Convertible	5,060,000	5,105	5,165
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 1,260,000	1,571	1,641
McAfee LLC Term Loan B 1st Lien F/R 09-30-2024	United States	Term Loans	USD 3,039,700	3,754	3,961
McDonald's Corp. 3.13% 03-04-2025 Callable 2025	United States	Corporate - Non Convertible	1,640,000	1,636	1,637
MEG Energy Corp. Term Loan B 1st Lien F/R 12-31-2023	Canada	Term Loans	USD 425,600	563	549
MEG Energy Corp. 7.00% 03-31-2024 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 1,340,000	1,513	1,433
Meredith Corp. Term Loan B 1st Lien F/R 01-18-2025	United States	Term Loans	USD 4,060,000	5,030	5,268
Meredith Corp. 6.88% 02-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 990,000	1,238	1,310
Metro Inc. 3.39% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	670,000	670	661
Molson Coors International LP 2.84% 07-15-2023 Callable 2023	United States	Corporate - Non Convertible	4,510,000	4,509	4,413
Mondelez International Inc. 3.25% 03-07-2025 Callable 2025	United States	Corporate - Non Convertible	880,000	876	878
Morgan Stanley 3.00% 02-07-2024	United States	Corporate - Non Convertible	1,730,000	1,730	1,710
Mountain Province Diamonds Inc. 8.00% 12-15-2022 Callable 2019 144A	Canada	Corporate - Non Convertible	USD 490,000	609	631
National Bank of Canada 1.96% 06-30-2022	Canada	Corporate - Non Convertible	1,440,000	1,440	1,399
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	USD 1,700,000	2,165	2,179
New Arclin US Holding Corp. Term Loan 1st Lien F/R 02-14-2024	United States	Term Loans	USD 587,450	762	765
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 890,000	1,095	1,095
Newell Brands Inc. 4.20% 04-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 360,000	457	460
North Battleford Power LP 4.958% 12-31-2032	Canada	Corporate - Non Convertible	1,569,060	1,569	1,721
North West Redwater Partnership 2.80% 06-01-2027 Callable 2027	Canada	Corporate - Non Convertible	640,000	625	617
Numericable-SFR 6.00% 05-15-2022 Callable 144A	France	Corporate - Non Convertible	USD 3,135,000	4,175	3,954
NuVista Energy Ltd. 6.50% 03-02-2023 Callable 2020	Canada	Corporate - Non Convertible	1,200,000	1,200	1,204
NWH Escrow Corp. 7.50% 08-01-2021 Callable 144A	United States	Corporate - Non Convertible	USD 3,460,000	4,111	4,078
Ocean Bidco Inc. Term Loan B 1st Lien F/R 03-02-2025	United States	Term Loans	USD 1,080,000	1,386	1,398
OCI Beaumont LLC Term Loan B 1st Lien F/R 02-16-2025	United States	Term Loans	USD 1,650,000	2,069	2,142
Odebrecht Finance Ltd. 5.25% 06-27-2029	Brazil	Corporate - Non Convertible	USD 840,000	720	344



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BONDS (cont'd)					
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	USD 2,798,250	3,464	3,679
OMERS Realty Corp. 3.24% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	1,640,000	1,640	1,666
Ontario Power Generation Inc. 3.32% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	980,000	980	991
OPB Finance Trust 2.98% 01-25-2027	Canada	Provincial Governments	910,000	912	915
Osteon Merger Sub Inc. Term Loan B 1st Lien F/R 02-06-2025	United States	Term Loans	USD 1,070,000	1,333	1,392
Paradigm Acquisition Corp. Term Loan 1st Lien F/R 10-11-2024	United States	Term Loans	USD 2,076,870	2,598	2,702
Parkland Fuel Corp. 5.75% 09-16-2024 Callable 2019	Canada	Corporate - Non Convertible	1,755,000	1,755	1,781
Parkland Fuel Corp. 6.00% 04-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 3,620,000	4,739	4,694
The Pasha Group Term Loan B 1st Lien F/R 12-13-2022	United States	Term Loans	USD 2,392,813	2,988	3,113
Pembina Pipeline Corp. 2.99% 01-22-2024 Callable 2023	Canada	Corporate - Non Convertible	576,000	578	567
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 4,168,000	1,331	1,461
PetSmart Inc. Term Loan B2 1st Lien F/R 03-10-2022	United States	Term Loans	USD 2,590,425	2,808	2,687
PetSmart Inc. 5.88% 06-01-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 2,500,000	3,385	2,336
Pisces Midco Inc. Term Loan B 1st Lien F/R 03-29-2025	United States	Term Loans	USD 2,460,000	3,153	3,153
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021 [144A]	United States	Corporate - Non Convertible	USD 1,200,000	1,546	1,546
PNI Canada Acquireco Corp. Term Loan B 1st Lien F/R 08-23-2022	Canada	Term Loans	USD 965,150	1,139	1,240
Polycom Inc. Term Loan 1st Lien F/R 09-27-2023	United States	Term Loans	USD 8,313	10	11
Prospect Medical Holdings Inc. Term Loan B 1st Lien F/R 02-15-2024	United States	Term Loans	USD 4,120,000	5,069	5,321
Province of Newfoundland 3.70% 10-17-2048	Canada	Provincial Governments	3,460,000	3,825	3,738
Province of Ontario 2.40% 06-02-2026	Canada	Provincial Governments	1,010,000	997	989
Province of Ontario 2.60% 06-02-2027	Canada	Provincial Governments	4,610,000	4,583	4,555
Province of Ontario 2.80% 06-02-2048	Canada	Provincial Governments	1,350,000	1,249	1,291
Province of Quebec 2.50% 09-01-2026	Canada	Provincial Governments	410,000	405	405
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	USD 850,000	1,091	1,106
PSC Industrial Outsourcing LP Term Loan 2nd Lien F/R 10-05-2025	United States	Term Loans	USD 650,000	801	830
PSC Industrial Outsourcing LP Term Loan B 1st Lien F/R 10-05-2024	United States	Term Loans	USD 2,354,100	2,930	3,065
Q Holding Co. Term Loan B 1st Lien F/R 12-17-2021	United States	Term Loans	USD 645,396	853	841
QCP SNF West 8.13% 11-01-2023 Callable 2019 144A	United States	Corporate - Non Convertible	USD 3,045,000	4,011	4,084
Quad Graphics Inc. 7.00% 05-01-2022	United States	Corporate - Non Convertible	USD 1,250,000	1,372	1,667
Quebecor Media Inc. 6.625% 01-15-2023 144A	Canada	Corporate - Non Convertible	1,728,000	1,737	1,881
Quest Software US Holdings Inc. Term Loan 1st Lien F/R 10-31-2022	United States	Term Loans	USD 1,477,988	1,910	1,942
Quinpario Acquisition Corp. 2 B Term Loan 1st Lien F/R 06-30-2023	United States	Term Loans	USD 1,273,875	1,615	1,658
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 2,560,000	3,424	3,267
Red Ventures LLC Term Loan B 1st Lien F/R 11-08-2024	United States	Term Loans	USD 3,044,700	3,757	3,962
Reliance Intermediate Holdings LP 6.50% 04-01-2023 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 2,590,000	3,474	3,480
Reliance LP 3.84% 03-15-2025 Callable 2025	Canada	Corporate - Non Convertible	740,000	740	738
Renfro Corp. Term Loan B 1st Lien F/R 03-31-2021	United States	Term Loans	USD 4,677,919	5,172	6,071
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	United States	Term Loans	USD 4,279,275	5,230	5,487
Research Now Group Inc. Term Loan 2nd Lien F/R 12-20-2025	United States	Term Loans	USD 710,000	849	855
Resolute Forest Products Inc. 5.875% 05-15-2023	United States	Corporate - Non Convertible	USD 2,416,000	2,401	3,186
Resolute Investment Managers Inc. Term Loan 2nd Lien F/R 04-30-2023	United States	Term Loans	USD 560,000	701	734
Rite Aid Corp. 7.70% 02-15-2027	United States	Corporate - Non Convertible	USD 1,950,000	2,295	2,136
Robertshaw US Holding Corp. Term Loan 1st Lien F/R 02-15-2025	United States	Term Loans	USD 720,000	897	937



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Royal Bank of Canada 2.00% 03-21-2022	Canada	Corporate - Non Convertible	4,620,000	4,619	4,511
Royal Bank of Canada 2.36% 12-05-2022	Canada	Corporate - Non Convertible	690,000	690	680
Royal Bank of Canada 2.33% 12-05-2023 DPNT	Canada	Corporate - Non Convertible	520,000	520	508
Royal Bank of Canada 4.65% 01-27-2026 GMTN	Canada	Corporate - Non Convertible	USD 540,000	764	720
Russel Metals Inc. 6.00% 03-16-2026 Callable 2021	Canada	Corporate - Non Convertible	1,430,000	1,430	1,439
Scientific Games International Inc. 6.25% 09-01-2020 Callable	United States	Corporate - Non Convertible	USD 1,590,000	2,051	2,063
Sea to Sky Highway Investment LP 2.63% 08-31-2030	Canada	Corporate - Non Convertible	657,206	657	636
Sigma Bidco BV Term Loan B 1st Lien F/R 03-07-2025	Netherlands	Term Loans	EUR 2,140,000	3,409	3,364
Sigma US Corp. Term Loan B 1st Lien F/R 03-06-2025	Netherlands	Term Loans	USD 2,140,000	2,757	2,759
SmartCentres Real Estate Investment Trust 3.83% 12-21-2027 Callable 2027	Canada	Corporate - Non Convertible	220,000	220	216
SMI Acquisition Inc. Term Loan 1st Lien F/R 10-27-2024	United States	Term Loans	USD 847,875	1,085	1,100
SNC-Lavalin Group Inc. 3.24% 03-02-2023 Callable 2023	Canada	Corporate - Non Convertible	550,000	550	553
Solenis International LP Term Loan 2nd Lien F/R 07-31-2022	United States	Term Loans	USD 1,820,000	1,931	2,236
Source Energy Services Canada LP 10.50% 12-15-2021 Callable 2018 144A	Canada	Corporate - Non Convertible	1,693,000	1,711	1,847
Sprint Capital Corp. 6.875% 11-15-2028	United States	Corporate - Non Convertible	USD 1,910,000	2,589	2,301
Sprint Corp. 7.875% 09-15-2023	United States	Corporate - Non Convertible	USD 630,000	864	829
Sprint Corp. 7.63% 02-15-2025 Callable 2024	United States	Corporate - Non Convertible	USD 560,000	735	713
Staples Inc. Term Loan 1st Lien F/R 08-15-2024	United States	Term Loans	USD 2,034,900	2,588	2,601
Star West Generation LLC Term Loan B 1st Lien F/R 03-13-2020	United States	Term Loans	USD 4,130,446	4,312	4,855
Stepstone Group LP Term Loan B 1st Lien F/R 03-19-2025	United States	Term Loans	USD 1,070,000	1,378	1,387
Sun Life Financial Inc. F/R 11-23-2027 Callable 2022	Canada	Corporate - Non Convertible	630,000	630	624
Sun Life Financial Inc. F/R 09-19-2028 Callable 2023	Canada	Corporate - Non Convertible	1,140,000	1,138	1,140
Sunshine Investments BV Term Loan B3 1st Lien F/R 12-15-2024	Netherlands	Term Loans	USD 2,010,000	2,576	2,589
Superior Plus LP 5.25% 02-27-2024 Callable 2020	Canada	Corporate - Non Convertible	4,040,000	4,071	4,080
Syniverse Holdings Inc. Term Loan 1st Lien F/R 02-09-2023	United States	Term Loans	USD 920,000	1,146	1,200
Talen Energy Supply LLC 9.50% 07-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 2,270,000	2,901	2,843
Talen Energy Supply LLC 10.50% 01-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 720,000	899	799
Team Health Holdings Inc. 6.38% 02-01-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 2,180,000	2,710	2,414
Telenet Finance Luxembourg Notes Sarl 5.50% 03-01-2028 Callable 2022 144A	Belgium	Corporate - Non Convertible	USD 600,000	772	738
TELUS Corp. 3.63% 03-01-2028 Callable 2027	Canada	Corporate - Non Convertible	520,000	516	522
Tenet Healthcare Corp. 6.75% 06-15-2023	United States	Corporate - Non Convertible	USD 3,230,000	4,050	4,084
Tensar International Corp. Term Loan 2nd Lien F/R 07-09-2022	United States	Term Loans	USD 930,000	983	970
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027 144A	United States	Corporate - Non Convertible	USD 3,310,000	4,249	4,074
Teva Pharmaceutical Finance Netherlands III BV 3.15% 10-01-2026 Callable	Israel	Corporate - Non Convertible	USD 2,570,000	2,669	2,660
Titan Acquisition Ltd. Term Loan 1st Lien F/R 03-16-2025	United Kingdom	Term Loans	USD 2,530,000	3,304	3,257
Titan Acquisition Ltd. 7.75% 04-15-2026 Callable 2021 144A	United Kingdom	Corporate - Non Convertible	USD 6,590,000	8,628	8,487
TMX Group Ltd. 2.30% 12-11-2024 Callable 2024	Canada	Corporate - Non Convertible	650,000	652	645
The Toronto-Dominion Bank 1.91% 07-18-2023 DPNT	Canada	Corporate - Non Convertible	3,330,000	3,330	3,199
The Toronto-Dominion Bank F/R 07-25-2029 Callable 2024	Canada	Corporate - Non Convertible	280,000	280	277
Tortoise Borrower LLC Term Loan 1st Lien F/R 11-20-2024	United States	Term Loans	USD 990,000	1,262	1,291
TransCanada Pipelines Ltd. 3.39% 03-15-2028 Callable 2027	Canada	Corporate - Non Convertible	1,160,000	1,159	1,171
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	1,380,000	1,380	1,364
Traverse Midstream Partners LLC Term Loan B 1st Lien F/R 09-21-2024	United States	Term Loans	USD 1,090,000	1,338	1,414



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Trico Products Corp. Term Loan 1st Lien F/R 02-02-2024	United States	Term Loans	USD 2,100,000	2,524	2,726
Uber Technologies Inc. Term Loan 1st Lien F/R 03-21-2025	United States	Term Loans	USD 3,190,000	4,101	4,133
Uber Technologies Inc. Term Loan B 1st Lien F/R 07-13-2023	United States	Term Loans	USD 2,802,373	3,714	3,629
Union Gas Ltd. 3.59% 11-22-2047 Callable 2047	Canada	Corporate - Non Convertible	720,000	719	722
United States Treasury Inflation Indexed 0.89% 02-15-2047	United States	Foreign Governments	USD 14,160,000	17,797	18,584
United States Treasury 2.25% 11-15-2027	United States	Foreign Governments	USD 1,420,000	1,792	1,753
United States Treasury 2.75% 02-15-2028	United States	Foreign Governments	USD 320,000	408	413
Valeant Pharmaceuticals International Inc. 5.63% 12-01-2021 Callable 144A	United States	Corporate - Non Convertible	USD 2,770,000	3,090	3,417
VCVH Holding Corp. Term Loan 1st Lien F/R 05-10-2023	United States	Term Loans	USD 1,601,475	2,083	2,084
Ventas Canada Finance Ltd. 2.55% 03-15-2023 Callable 2023	United States	Corporate - Non Convertible	1,310,000	1,307	1,281
Verizon Communications Inc. 2.63% 08-15-2026 Callable 2026	United States	Corporate - Non Convertible	USD 5,490,000	7,222	6,462
Videotron Ltee 5.625% 06-15-2025 Callable 2025	Canada	Corporate - Non Convertible	6,997,000	7,010	7,395
Videotron Ltee 5.75% 01-15-2026 Callable 2020	Canada	Corporate - Non Convertible	1,100,000	1,100	1,155
Vistage Worldwide Inc. Term Loan 1st Lien F/R 02-01-2025	United States	Term Loans	USD 1,710,000	2,135	2,219
W/S Packaging Holdings Inc. 9.00% 04-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 4,190,000	5,414	5,492
WellDyneDx Inc. Term Loan 1st Lien F/R 08-16-2022	United States	Term Loans	USD 1,745,250	2,179	2,220
Wells Fargo & Co. 2.98% 05-19-2026	United States	Corporate - Non Convertible	3,790,000	3,790	3,665
Werner FinCo LP Term Loan 1st Lien F/R 06-23-2024	United States	Term Loans	USD 2,545,400	3,263	3,304
Western Dental Services Inc. Term Loan B 1st Lien F/R 06-23-2023	United States	Term Loans	USD 1,310,100	1,721	1,708
Williams Scotsman International Inc. 7.88% 12-15-2022 Callable 2019 144A	United States	Corporate - Non Convertible	USD 1,415,000	1,815	1,886
Wind Tre SPA 5.00% 01-20-2026 Callable 2020	Italy	Corporate - Non Convertible	USD 1,460,000	1,650	1,602
Windstream Services LLC Term Loan B6 1st Lien F/R 03-16-2021	United States	Term Loans	USD 1,188,831	1,454	1,477
YRC Worldwide Inc. Term Loan 1st Lien F/R 07-21-2022	United States	Term Loans	USD 1,496,486	1,857	1,947
Zotec Partners LLC Term Loan 1st Lien F/R 02-09-2024	United States	Term Loans	USD 2,480,000	3,089	3,195
Total bonds				778,120	786,111
EQUITIES					
AbbVie Inc.	United States	Health Care	33,500	2,495	4,085
Admiral Group PLC	United Kingdom	Financials	149,200	3,734	4,978
Aena SA	Spain	Industrials	25,500	6,527	6,621
Air Liquide SA	France	Materials	57,385	7,575	9,066
Alimentation Couche-Tard Inc. Class B Sub. voting	Canada	Consumer Staples	187,700	6,705	10,825
Allergan PLC	United States	Health Care	41,300	10,630	8,954
Allied Properties Real Estate Investment Trust	Canada	Real Estate	121,514	4,069	4,929
Alphabet Inc. Class A	United States	Information Technology	3,200	1,906	4,275
AltaGas Ltd. Pfd. Series K	Canada	Energy	103,533	2,591	2,627
Altria Group Inc.	United States	Consumer Staples	70,106	3,551	5,628
Amazon.com Inc.	United States	Consumer Discretionary	3,100	3,130	5,780
Apple Inc.	United States	Information Technology	25,900	2,141	5,598
ARC Resources Ltd.	Canada	Energy	570,012	11,470	8,003
Atlantia SPA	Italy	Industrials	175,500	5,165	7,010
Atlas Copco AB A	Sweden	Industrials	103,000	3,076	5,750
B3 SA- Brasil Bolsa Balcao	Brazil	Financials	496,431	4,063	5,172
Bank of Montreal	Canada	Financials	69,400	7,060	6,754
The Bank of Nova Scotia	Canada	Financials	388,661	24,620	30,844
Bayer AG	Germany	Health Care	57,000	7,918	8,304



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
Becton, Dickinson and Co.	United States	Health Care	35,153	4,787	9,813
Brenntag AG	Germany	Industrials	60,143	4,084	4,612
British American Tobacco PLC	United Kingdom	Consumer Staples	109,300	6,668	8,175
Broadcom Ltd.	United States	Information Technology	29,700	5,596	9,016
Brookfield Asset Management Inc. Class A limited voting	Canada	Financials	240,547	7,761	12,080
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Real Estate	81,354	2,049	2,099
Brookfield Asset Management Inc. Pfd. Series 48	Canada	Real Estate	56,216	1,407	1,428
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Utilities	161,324	4,040	4,064
Canadian Imperial Bank of Commerce	Canada	Financials	108,419	9,055	12,329
Canadian National Railway Co.	Canada	Industrials	77,300	7,757	7,278
Canadian Natural Resources Ltd.	Canada	Energy	428,152	16,150	17,340
Canadian Pacific Railway Ltd.	Canada	Industrials	73,600	14,118	16,722
Chemtrade Logistics Income Fund	Canada	Materials	383,163	6,948	5,897
China Mobile Ltd.	China	Telecommunication Services	326,300	4,416	3,846
Cielo SA	Brazil	Information Technology	302,635	3,303	2,444
Cisco Systems Inc.	United States	Information Technology	93,700	4,450	5,177
CME Group Inc.	United States	Financials	39,100	3,925	8,147
Compagnie Financiere Richemont SA	Switzerland	Consumer Discretionary	48,900	5,079	5,659
Crescent Point Energy Corp.	Canada	Energy	730,444	14,842	6,399
Deutsche Boerse AG	Germany	Financials	62,900	5,601	11,040
Diageo PLC	United Kingdom	Consumer Staples	75,700	2,665	3,300
Emera Inc.	Canada	Utilities	297,095	13,708	12,110
Enbridge Inc.	Canada	Energy	428,459	21,135	17,361
Equifax Inc.	United States	Industrials	37,100	4,409	5,631
Facebook Inc.	United States	Information Technology	11,200	2,315	2,306
Fanuc Corp.	Japan	Industrials	16,400	3,463	5,368
Fortis Inc.	Canada	Utilities	260,504	9,559	11,329
General Electric Co.	United States	Industrials	233,200	7,695	4,050
Goldcorp Inc.	Canada	Materials	332,148	8,090	5,909
The Goldman Sachs Group Inc.	United States	Financials	14,700	4,889	4,769
Great-West Lifeco Inc.*	Canada	Financials	101,000	3,081	3,321
H&R Real Estate Investment Trust	Canada	Real Estate	208,831	4,587	4,392
Harley-Davidson Inc.	United States	Consumer Discretionary	78,600	5,016	4,342
Heineken Holding NV A	Netherlands	Consumer Staples	55,900	5,854	7,427
Honeywell International Inc.	United States	Industrials	26,100	2,615	4,859
HSBC Holdings PLC	United Kingdom	Financials	600,400	6,800	7,232
Industrial Alliance Insurance and Financial Services Inc.	Canada	Financials	127,348	6,759	6,749
Intact Financial Corp.	Canada	Financials	74,495	5,952	7,212
Japan Exchange Group Inc.	Japan	Financials	263,800	5,154	6,310
Jardine Matheson Holdings Ltd.	Hong Kong	Industrials	39,700	2,687	3,155
Johnson & Johnson	United States	Health Care	43,700	4,468	7,214
Johnson Controls International PLC	United States	Industrials	118,600	6,654	5,384
JPMorgan Chase & Co.	United States	Financials	70,800	6,435	10,030
Kao Corp.	Japan	Consumer Staples	46,100	3,513	4,467
Keyera Corp.	Canada	Energy	127,743	4,808	4,281
Killam Apartment Real Estate Investment Trust	Canada	Real Estate	281,467	3,427	3,907
Kinder Morgan Canada Ltd.	Canada	Energy	35,254	609	653
Kinder Morgan Inc.	United States	Energy	350,700	8,956	6,804
Koninklijke Philips NV	Netherlands	Health Care	167,801	6,898	8,309



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
The Kraft Heinz Co.	United States	Consumer Staples	43,100	3,843	3,459
Kweichow Moutai Co. Ltd.	China	Consumer Staples	35,962	1,206	5,035
Loblaw Companies Ltd.	Canada	Consumer Staples	134,243	6,977	8,738
Lockheed Martin Corp.	United States	Industrials	15,400	2,422	6,704
LogMeIn Inc.	United States	Information Technology	12,900	2,075	1,920
Magna International Inc.	Canada	Consumer Discretionary	68,839	3,630	4,996
Manulife Financial Corp.	Canada	Financials	909,484	20,186	21,755
Marine Harvest ASA	Norway	Consumer Staples	190,900	4,418	4,941
McDonald's Corp.	United States	Consumer Discretionary	27,836	2,691	5,608
Micro Focus International PLC	United Kingdom	Information Technology	341,692	10,660	6,159
Microsoft Corp.	United States	Information Technology	98,898	4,270	11,628
Moody's Corp.	United States	Financials	32,200	3,984	6,691
Nasdaq Inc.	United States	Financials	46,400	4,355	5,154
Nestlé SA Reg.	Switzerland	Consumer Staples	90,400	7,561	9,219
New Oriental Education & Technology Group Inc. ADR	China	Consumer Discretionary	30,100	3,224	3,399
Nidec Corp.	Japan	Industrials	18,300	2,653	3,642
Nike Inc. Class B	United States	Consumer Discretionary	53,525	3,652	4,581
Northland Power Inc.	Canada	Utilities	191,275	3,748	4,401
Novo Nordisk AS B	Denmark	Health Care	103,600	4,835	6,568
Nutrien Ltd.	Canada	Materials	100,127	5,126	6,097
Oaktree Capital Group LLC	United States	Financials	116,005	7,205	5,918
Occidental Petroleum Corp.	United States	Energy	69,900	6,281	5,849
Open Text Corp.	Canada	Information Technology	135,563	5,740	6,076
Oracle Corp.	United States	Information Technology	124,540	4,976	7,340
Pembina Pipeline Corp.	Canada	Energy	283,391	9,537	11,392
Pernod Ricard SA	France	Consumer Staples	14,400	1,823	3,091
Philip Morris International Inc.	United States	Consumer Staples	59,600	5,563	7,632
Pure Multi-Family REIT LP	Canada	Real Estate	332,566	2,934	2,680
RioCan Real Estate Investment Trust	Canada	Real Estate	173,855	4,334	4,110
Roche Holding AG Genusscheine	Switzerland	Health Care	20,100	6,203	5,939
Rogers Communications Inc. Class B non-voting	Canada	Telecommunication Services	155,192	6,625	8,930
Royal Bank of Canada	Canada	Financials	315,805	19,449	31,428
Sabre Corp.	United States	Information Technology	322,157	8,742	8,902
Safran SA	France	Industrials	79,200	7,137	10,814
Sands China Ltd.	Hong Kong	Consumer Discretionary	878,273	6,539	6,143
SAP AG	Germany	Information Technology	45,700	3,763	6,162
Schindler Holding AG PC	Switzerland	Industrials	19,600	3,223	5,446
Schlumberger Ltd.	United States	Energy	61,300	5,577	5,116
Shaw Communications Inc. Class B non-voting	Canada	Consumer Discretionary	737,634	19,115	18,308
The Sherwin-Williams Co.	United States	Materials	12,800	4,698	6,466
SNC-Lavalin Group Inc.	Canada	Industrials	157,343	7,701	8,901
Starbucks Corp.	United States	Consumer Discretionary	80,800	5,738	6,026
Suncor Energy Inc.	Canada	Energy	141,059	4,884	6,276
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	Information Technology	621,400	5,679	6,709
TELUS Corp.	Canada	Telecommunication Services	205,769	9,500	9,309
Tencent Holdings Ltd.	China	Information Technology	68,700	2,371	4,711
Texas Instruments Inc.	United States	Information Technology	38,500	4,756	5,153
Thomson Reuters Corp.	Canada	Financials	352,216	19,634	17,537
The Toronto-Dominion Bank	Canada	Financials	535,457	24,288	39,147



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SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
TransAlta Corp. Pfd. Series A	Canada	Utilities	152,894	2,064	2,272
TransCanada Corp. Pfd. Series 15	Canada	Energy	217,280	5,481	5,660
TransCanada Corp.	Canada	Energy	313,882	17,203	16,724
Trevalli Mining Corp. Purchase Warrants Exp. 12-30-2020	Canada	Materials	850,326	–	780
Unilever NV CVA	United Kingdom	Consumer Staples	74,100	3,213	5,397
Visa Inc. Class A	United States	Information Technology	37,800	2,849	5,825
Wells Fargo & Co.	United States	Financials	126,924	6,776	8,569
Westcoast Energy Inc. 5.20% Cum. Red. First Pfd. Series 12	Canada	Utilities	38,220	961	987
Total equities				786,741	925,369
OPTIONS					
Options purchased (see schedule of options purchased)				1,409	751
Total options				1,409	751
EXCHANGE-TRADED FUNDS/NOTES					
Mackenzie Global High Yield Fixed Income ETF	Canada	Exchange-Traded Funds/Notes	6,342,884	130,081	124,574
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	163,457	16,257	16,066
Total exchange-traded funds/notes				146,338	140,640
MUTUAL FUNDS					
Mackenzie Global Tactical Bond Fund Series R	Canada	Mutual Funds	1,166,293	11,649	11,163
Mackenzie International Dividend Fund Series R	Canada	Mutual Funds	454,723	4,560	5,395
Total mutual funds				16,209	16,558
Transaction costs				(1,033)	–
Total investments				1,727,784	1,869,429
Derivative instruments (see schedule of derivative instruments)					(9,587)
Cash and cash equivalents					25,622
Other assets less liabilities					(13,556)
Total net assets					1,871,908

* Related to Mackenzie. See Note 1.



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SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2018		March 31, 2017	
Effective Portfolio Allocation	% of NAV	Portfolio Allocation	% of NAV
Equities	49.7	Equities	50.6
Bonds	48.9	Bonds	47.0
<i>Bonds</i>	48.9	<i>Bonds</i>	47.0
<i>Purchased options</i>	0.0	<i>Short futures</i>	(0.0)
<i>Short futures</i>	(0.0)	Cash and short-term investments	2.0
Cash and short-term investments	1.8	Mutual funds	0.9
Exchange-traded funds/notes	0.9	Other assets (liabilities)	(0.5)
Other assets (liabilities)	(1.3)		
Effective Regional Allocation	% of NAV	Regional Allocation	% of NAV
Canada	44.7	Canada	47.2
United States	37.6	United States	35.9
Other	4.3	Other	3.9
United Kingdom	3.4	United Kingdom	2.4
Cash and short-term investments	1.8	Cash and short-term investments	2.0
Netherlands	1.8	France	1.7
France	1.6	Germany	1.7
Germany	1.6	Switzerland	1.5
Switzerland	1.4	Netherlands	1.1
Japan	1.1	Japan	0.9
China	0.9	China	0.8
Brazil	0.6	Denmark	0.8
Hong Kong	0.5	Portugal	0.6
Other assets (liabilities)	(1.3)	Other assets (liabilities)	(0.5)
Effective Sector Allocation	% of NAV	Sector Allocation	% of NAV
Corporate bonds	26.8	Corporate bonds	25.7
Term loans	16.0	Financials	13.7
Financials	14.8	Term loans	11.0
Energy	6.2	Other	6.7
Industrials	6.0	Industrials	6.4
Other	5.7	Energy	6.2
Information technology	5.3	Federal bonds	5.0
Consumer staples	4.7	Consumer staples	5.0
Federal bonds	3.6	Information technology	4.8
Consumer discretionary	3.5	Foreign government bonds	4.0
Health care	3.2	Health care	3.5
Utilities	1.9	Materials	3.4
Materials	1.8	Consumer discretionary	3.1
Cash and short-term investments	1.8	Cash and short-term investments	2.0
Other assets (liabilities)	(1.3)	Other assets (liabilities)	(0.5)

As at March 31, 2018, the effective allocation shows the portfolio, regional or sector exposure of the Fund calculated by combining its direct and indirect investments.

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SCHEDULE OF OPTIONS PURCHASED

As at March 31, 2018

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000s)	Fair Value (\$ 000s)
iShares iBoxx \$ High Yield Corporate Bond ETF	2,460	Put	Jun. 15, 2018	USD 85.00	860	353
iShares iBoxx \$ High Yield Corporate Bond ETF	1,243	Put	Sep. 21, 2018	USD 83.00	311	223
iShares iBoxx \$ High Yield Corporate Bond ETF	646	Put	Sep. 21, 2018	USD 85.00	238	175
Total options					1,409	751



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SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2018

Schedule of Futures Contracts

Number of Contracts	Type of Contract	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000s)	Unrealized (Losses) (\$ 000s)
(16)	10 Year United States Treasury Note Futures	June 2018	119.74 USD	(2,497)	(29)
(37)	CME Ultra Term United States Treasury Bond Futures	June 2018	154.63 USD	(7,649)	(278)
Unrealized (Losses)				(10,146)	(307)
Total futures contracts				(10,146)	(307)

*Notional value represents the exposure to the underlying instruments as at March 31, 2018

Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)	Sold (\$ 000s)	Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)	
A	81,875	Mexican peso (5,413)	Canadian dollar	Apr. 6, 2018	5,413	5,797	384
AA	1,738	Canadian dollar (1,330)	U.S. dollar	Apr. 13, 2018	(1,738)	(1,713)	25
AA	7,420	U.S. dollar (9,554)	Canadian dollar	Apr. 20, 2018	9,554	9,555	1
AA	1,737	Canadian dollar (1,330)	U.S. dollar	May 11, 2018	(1,737)	(1,712)	25
AA	1,736	Canadian dollar (1,330)	U.S. dollar	May 18, 2018	(1,736)	(1,712)	24
AA	1,735	Canadian dollar (1,330)	U.S. dollar	Jun. 29, 2018	(1,735)	(1,711)	24
AA	68,598	Canadian dollar (52,720)	U.S. dollar	Jun. 29, 2018	(68,598)	(67,806)	792
Unrealized Gains						1,275	
A	5,370	Canadian dollar (81,875)	Mexican peso	Apr. 6, 2018	(5,370)	(5,797)	(427)
AA	25,038	Canadian dollar (20,000)	U.S. dollar	Apr. 13, 2018	(25,038)	(25,759)	(721)
AA	8,519	Canadian dollar (6,695)	U.S. dollar	Apr. 20, 2018	(8,519)	(8,622)	(103)
AA	6,608	Canadian dollar (5,280)	U.S. dollar	Apr. 20, 2018	(6,608)	(6,800)	(192)
AA	800	Canadian dollar (520)	Euro	Apr. 20, 2018	(800)	(825)	(25)
A	61,926	Canadian dollar (50,328)	U.S. dollar	Apr. 27, 2018	(61,926)	(64,807)	(2,881)
AA	77,718	Canadian dollar (62,153)	U.S. dollar	May 11, 2018	(77,718)	(80,015)	(2,297)
AA	8,514	Canadian dollar (6,695)	U.S. dollar	May 11, 2018	(8,514)	(8,619)	(105)
AA	48,011	Canadian dollar (39,156)	U.S. dollar	May 18, 2018	(48,011)	(50,402)	(2,391)
AA	52,800	Canadian dollar (42,000)	U.S. dollar	Jun. 8, 2018	(52,800)	(54,041)	(1,241)
AA	64,153	Canadian dollar (50,000)	U.S. dollar	Jun. 15, 2018	(64,153)	(64,325)	(172)
Unrealized (Losses)						(10,555)	
Total forward currency contracts						(9,280)	
Total derivative instruments at fair value						(9,587)	



MACKENZIE
Investments

NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the periods ended or as at March 31, 2018 and 2017, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Refer to Note 9 for the formation date of the Fund and the inception date of each series.

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

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

2. Basis of Preparation and Presentation

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

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

These financial statements were authorized for issue by the Board of Directors of Mackenzie Financial Corporation on June 7, 2018.

Standards issued but not yet effective for the current accounting year, as applicable, are described in Note 3.

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 – Net unrealized gain (loss).

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

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

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

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.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

The Fund accounts for its holdings in unlisted open-ended investment funds and exchange-traded funds, if any, at fair value through profit and loss. 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 – 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 futures contracts or swaps. Any change in the variation margin requirement is settled daily.

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

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at March 31, 2018.

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 – Net realized gain (loss).

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

(h) Net assets attributable to securityholders per security

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

(i) Net asset value per security

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

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

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

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

(k) Mergers

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

4. Critical Accounting Estimates and Judgments

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

Use of Estimates

Fair value of securities not quoted in an active market

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

Use of Judgments

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

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

Functional currency

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

Structured entities and associates

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

5. Income Taxes

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

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

NOTES TO FINANCIAL STATEMENTS

6. Management Fees and Operating Expenses

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

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

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

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

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

7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at March 31, 2018 and 2017 and securities issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the Fund in accordance with the investment objectives as discussed in Note 9.

8. Financial Instruments Risk

i. Risk exposure and management

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at March 31, 2018, grouped by asset type, with geographic and sector information.

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

ii. Liquidity risk

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

iii. Currency risk

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

NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

iv. Interest rate risk

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

v. Other price risk

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

vi. Credit risk

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

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

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

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

vii. Underlying funds

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

MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

NOTES TO FINANCIAL STATEMENTS

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

(a) Fund Formation and Series Information

Date of Formation November 30, 2005

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)*

Series A, Series B and Series T8 securities are offered to retail investors investing a minimum of \$500 (\$5,000 for Series T8). Investors in Series A and Series T8 securities also want to receive a regular monthly cash flow of 6% and 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. Investors in Series D securities also want to receive a regular monthly cash flow of 6% per year.

Series F and Series F8 securities are offered to investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$500 (\$5,000 for Series F8); they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie. Investors in Series F and Series F8 securities also want to receive a regular monthly cash flow of 6% and 8% per year, respectively.

Series FB securities are offered to retail investors investing a minimum of \$500. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor. Investors in Series FB securities also want to receive a monthly cash flow of 6% per year.

Series O securities are offered only to investors investing a minimum of \$500,000 who have an account with Mackenzie Private Wealth Counsel; certain institutional investors; and certain qualifying employees of Mackenzie and its subsidiaries. Investors in Series O securities also want to receive a monthly cash flow of 6% per year.

Series PW, Series PWB and Series PWT8 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors in Series PW and Series PWT8 securities also want to receive a monthly cash flow of 6% and 8% per year, respectively.

Series PWF and Series PWF8 securities are offered through our Private Wealth Solutions to certain high net worth 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 \$100,000. Investors in Series PWF and Series PWF8 securities also want to receive a monthly cash flow of 6% and 8% per year, respectively. Effective June 1, 2018, Series PWF and Series PWF8 securities were consolidated into Series F and Series F8 securities, respectively.

Series PWFB securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor. Investors in Series PWFB securities also want to receive a monthly cash flow of 6% per year.

Series PWX and Series PWX8 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor. Investors in Series PWX and Series PWX8 securities also want to receive a monthly cash flow of 6% and 8% per year, respectively.

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

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

Series FB5 and Series PWFB5 securities are no longer available for sale. Effective June 1, 2018, Series FB5 and Series PWFB5 securities were consolidated into Series FB and Series PWFB securities, respectively.

NOTES TO FINANCIAL STATEMENTS

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

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

Series Distributed by Quadrus Investment Services Ltd. *(255 Dufferin Ave., London, Ontario, N6A 4K1; 1-888-532-3322; www.quadrusgroupoffunds.com)*

Quadrus Investment Services Ltd. ("Quadrus") is the principal distributor of the series of securities listed below:

Quadrus Series and D5 Series securities are offered to investors investing a minimum of \$500. Investors in D5 Series securities also want to receive a regular monthly cash flow of 5% per year.

H Series and H5 Series securities are offered to investors investing a minimum of \$500, who are enrolled in a Quadrus-sponsored fee-for-service or wrap program and who are subject to an asset-based fee. Investors in H5 Series securities also want to receive a monthly cash flow of 5% per year.

L Series and L5 Series securities are offered to investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000. Investors in L5 Series securities also want to receive a regular monthly cash flow of 5% per year.

N Series and N5 Series securities are offered to investors investing a minimum of \$100,000, who have eligible minimum total holdings of \$500,000, and who have entered into an N type series account agreement with Mackenzie and Quadrus. Investors in N5 Series securities also want to receive a regular monthly cash flow of 5% per year.

QF Series and QF5 Series securities are offered to retail investors investing a minimum of \$500. Investors are required to negotiate their advisor service fee, which cannot exceed 1.25%, with their financial advisor. Investors in QF5 Series securities also want to receive a monthly cash flow of 5% per year.

Series Distributed by LBC Financial Services Inc. *(1350 René-Lévesque Blvd. West, 12th Floor, Montréal, Québec H3G 0A8; 1-800-522-1846; www.laurentianbank.ca/mackenzie)*

Series LB, Series LW, Series LW6 and Series LX securities are no longer available for sale, except for additional purchases by investors who have held these securities since December 11, 2017.

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

MACKENZIE STRATEGIC INCOME FUND

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BALANCED FUND

NOTES TO FINANCIAL STATEMENTS

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Mar. 31, 2018	Mar. 31, 2017
Series A	December 19, 2005	1.85%	0.21%	8.85	9.32
Series AR	October 17, 2013	1.85%	0.24%	11.35	11.44
Series B	May 9, 2013	1.85%	0.21%	11.14	11.22
Series D	January 17, 2014	1.10%	0.16%	14.24	14.87
Series E	None issued ⁽⁴⁾	0.70%	0.20%	—	—
Series F	December 20, 2005	0.70% ⁽⁵⁾	0.15% ⁽⁸⁾	9.81	10.22
Series F8	July 18, 2013	0.70% ⁽⁵⁾	0.15% ⁽⁸⁾	13.20	14.04
Series FB	October 26, 2015	0.85%	0.21%	10.59	10.85
Series FB5	October 26, 2015	0.85%	0.21%	15.22	15.72
Series I	None issued ⁽⁹⁾	1.25%	0.21%	—	9.82
Series J	November 29, 2010	1.55%	0.20%	9.62	10.11
Series O	October 16, 2009	— ⁽¹⁾	— *	12.37	12.76
Series PW	October 9, 2013	1.70% ⁽⁶⁾	0.15%	14.27	15.01
Series PWB	April 3, 2017	1.70% ⁽⁶⁾	0.15%	9.90	—
Series PWF	October 9, 2013	0.80%	0.15%	14.95	15.57
Series PWF8	August 26, 2014	0.80%	0.15%	12.95	13.76
Series PWFB	April 3, 2017	0.70% ⁽⁷⁾	0.15%	9.72	—
Series PWFB5	April 3, 2017	0.70% ⁽⁷⁾	0.15%	14.71	—
Series PWT8	November 4, 2013	1.70% ⁽⁶⁾	0.15%	12.71	13.66
Series PWX	October 22, 2013	— ⁽²⁾	— ⁽²⁾	15.26	15.73
Series PWX8	November 4, 2013	— ⁽²⁾	— ⁽²⁾	13.80	14.52
Series R	July 3, 2007	— *	— *	9.70	9.78
Series T8	May 9, 2013	1.85%	0.21%	12.37	13.31
Quadrus Series	July 8, 2013	1.85%	0.21%	11.52	11.61
H Series	July 16, 2013	0.85% ⁽³⁾	0.16%	11.34	11.42
H5 Series	October 17, 2014	0.85% ⁽³⁾	0.16%	15.03	15.50
L Series	August 22, 2013	1.55%	0.15%	11.53	11.60
L5 Series	September 1, 2015	1.55%	0.15%	15.31	15.90
N Series	July 17, 2013	— ⁽¹⁾	— ⁽¹⁾	11.51	11.57
N5 Series	October 15, 2014	— ⁽¹⁾	— ⁽¹⁾	15.73	16.06
D5 Series	September 9, 2013	1.85%	0.21%	14.84	15.47
QF Series	July 12, 2016	0.85%	0.21%	10.67	10.74
QF5 Series	July 12, 2016	0.85%	0.21%	15.27	15.76
Series LB	December 12, 2012	1.85%	0.21%	11.72	11.71
Series LW	December 1, 2017	1.80%	0.15%	9.73	—
Series LW6	December 1, 2017	1.80%	0.15%	14.30	—
Series LX	February 3, 2012	1.85%	0.21%	13.47	14.20

* 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.



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

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

- (3) Prior to June 29, 2016, the management fee for this series was charged to the Fund at a rate of 1.00%.
- (4) The series' original start date was February 22, 2011. All securities in the series were redeemed on May 25, 2016.
- (5) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.85%.
- (6) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 1.80%.
- (7) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.80%.
- (8) Prior to June 1, 2018, the administration fee for this series was charged to the Fund at a rate of 0.16%.
- (9) The series' original start date was October 4, 2006. All securities in the series were redeemed on February 26, 2018.

(b) Investments by Mackenzie and Affiliates

As at March 31, 2018, Mackenzie and other funds Managed by Mackenzie had an investment of \$81 and \$251,044 (2017 – \$137 and \$297,712), respectively, in the Fund.

(c) Loss Carryforwards

As at the last taxation year-end, there were no capital and non-capital losses available to carry forward for tax purposes.

(d) Securities Lending

The value of securities loaned and collateral received from securities lending at March 31, 2018 and 2017 were as follows:

	March 31, 2018	March 31, 2017
	(\$)	(\$)
Value of securities loaned	127,549	208,298
Value of collateral received	134,579	219,585

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

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended March 31, 2018 and 2017 is as follows:

	2018		2017	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	889	100.0	555	100.0
Tax withheld	(217)	(24.4)	(103)	(18.6)
	672	75.6	452	81.4
Payments to Securities Lending Agent	(168)	(18.9)	(113)	(20.4)
Securities lending income	504	56.7	339	61.0

(e) Commissions

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

	(\$)
March 31, 2018	33
March 31, 2017	31

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

(f) Fund Merger

At a meeting held on January 4, 2018, investors in Quadrus Trimark Balanced Fund (the "Terminating Fund") approved the merger of the Terminating Fund into the Fund. The merger was effective after the close of business on January 19, 2018. The merger was effected by transferring the net assets of the Terminating Fund in exchange for the securities of the Fund at fair market value. Quadrus Series of the Terminating Fund were issued 135 Quadrus Series securities of the Fund in exchange for net assets of \$1,598, which was the fair value on January 19, 2018. The merger has been accounted for as an acquisition of the Terminating Fund.

Following the merger, the Terminating Fund was terminated. Mackenzie paid the expenses incurred to the effect the merger.

(g) Unfunded Credit Agreements

The Fund has entered into credit agreements whereby the Fund commits to fund a participation in a senior unsecured credit facility ("Commitment Amount") during an agreed upon period of time ("Commitment Period"). In exchange for providing this potential funding the Fund is entitled to receive a commitment fee ("Commitment Fee") from the issuer equal to a certain percentage of the Commitment Amount at the end of the Commitment Period. The funding requirement and the Commitment Fee are both contingent on whether or not the issuer of the credit agreement completes a contemplated transaction by the end of the Commitment Period. As at March 31, 2018, none of the Commitment Amounts were funded (2017 – \$Nil). The Unfunded Commitment Amounts, the Commitment Fee rates and Commitment Period end date are listed below.

	Total Unfunded Commitment Amount (US\$)	Total Number of Commitments	Range of Unfunded Commitment Amounts (US\$)	Range of Commitment Fee Rates (%)	Range of Commitment Period End Date
March 31, 2018	17,970	3	4,393 - 7,587	0.750	June 18, 2018 - August 21, 2018
March 31, 2017	67,600	5	10,000 - 19,520	0.375 - 0.500	July 12, 2017 - January 31, 2018

(h) Offsetting of Financial Assets and Liabilities

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

	March 31, 2018			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	49	(49)	–	–
Unrealized losses on derivative contracts	(3,591)	49	491	(3,051)
Liability for options written	–	–	–	–
Total	(3,542)	–	491	(3,051)

	March 31, 2017			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	2	–	–	2
Unrealized losses on derivative contracts	(1,258)	–	2,367	1,109
Liability for options written	–	–	–	–
Total	(1,256)	–	2,367	1,111



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

(i) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks income and long-term capital growth by investing primarily in fixed income and/or income-oriented equities issued anywhere in the world, although it currently invests primarily in North America. 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.

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	March 31, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	729,651	18,394	(438,635)	309,410
Euro	92,038	36	(825)	91,249
British pound	29,844	—	—	29,844
Swiss franc	26,263	—	—	26,263
Japanese yen	19,787	—	—	19,787
Hong Kong dollar	14,700	—	—	14,700
Brazilian real	7,616	59	—	7,675
Taiwanese dollar	6,709	—	—	6,709
Danish krone	6,568	78	—	6,646
Swedish krona	5,750	—	—	5,750
Chinese yuan	5,035	—	—	5,035
Norwegian krone	4,941	—	—	4,941
Total	948,902	18,567	(439,460)	528,009
% of Net Assets	50.7	1.0	(23.5)	28.2



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

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

ii. Currency risk (cont'd)

Currency	March 31, 2017			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure*
U.S. dollar	755,220	32,525	(484,176)	303,569
Euro	84,445	34	(7,265)	77,214
British pound	31,256	–	(1,609)	29,647
Swiss franc	27,747	–	–	27,747
Hong Kong dollar	23,641	–	–	23,641
Japanese yen	16,045	–	–	16,045
Brazilian real	4,914	3,656	–	8,570
Danish krone	14,556	–	(8,747)	5,809
Swedish krona	5,255	–	–	5,255
Chinese yuan	4,252	–	–	4,252
Mexican peso	9,120	–	(8,968)	152
Total	976,451	36,215	(510,765)	501,901
% of Net Assets	54.4	2.0	(28.5)	27.9

* Includes both monetary and non-monetary financial instruments

As at March 31, 2018 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 \$30,804 or 1.6% of total net assets (2017 – \$25,095 or 1.4%). In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

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

Term to Maturity	March 31, 2018 (\$)		March 31, 2017 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	988	(10,146)	3,217	(61,061)
1-5 years	227,814	–	247,662	–
5-10 years	469,955	–	464,862	–
Greater than 10 years	87,354	–	128,113	–
Total	786,111	(10,146)	843,854	(61,061)

As at March 31, 2018, 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 \$40,273 or 2.2% (2017 – \$35,148 or 2.0%) 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 \$40,621 or 2.2% (2017 – \$35,148 or 2.0%) 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, mutual funds and exchange-traded funds/notes. As at March 31, 2018, 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 \$93,175 or 5.0% (2017 – \$92,289 or 5.1%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

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

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

v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2018, was 3.6% of the net assets of the Fund (2017 – 5.0%).

As at March 31, 2018 and 2017, debt securities by credit rating are as follows:

Bond Rating*	March 31, 2018	March 31, 2017
	% of Net Assets	% of Net Assets
AAA	4.8	8.6
AA	2.3	2.3
A	2.2	2.6
BBB	6.0	5.9
BB	6.5	7.3
B	14.8	13.9
Less than B	3.7	4.2
Unrated	1.7	2.2
Total	42.0	47.0

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

(j) Fair Value Classification

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

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

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

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

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

	March 31, 2018				March 31, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	3,116	782,995	–	786,111	1,026	842,828	–	843,854
Equities	745,515	179,074	780	925,369	906,035	–	814	906,849
Options	–	751	–	751	–	–	–	–
Exchange-traded funds/notes	140,640	–	–	140,640	–	–	–	–
Mutual funds	16,558	–	–	16,558	16,041	–	–	16,041
Derivative assets	–	1,275	–	1,275	–	2,885	–	2,885
Derivative liabilities	(307)	(10,555)	–	(10,862)	(47)	(1,721)	–	(1,768)
Short-term investments	–	22,593	–	22,593	–	24,769	–	24,769
Total	905,522	976,133	780	1,882,435	923,055	868,761	814	1,792,630

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.



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

(j) Fair Value Classification (cont'd)

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for non-North American equities when North American intraday stock market movements exceed pre-determined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, during the period ended March 31, 2018, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices).

As at March 31, 2018, fair value adjustments were applied to the majority of securities in non-North American markets (Level 2) that were closed on the last business day. The remaining non-North American securities were classified as Level 1. As at March 31, 2017, all non-North American equities were classified as Level 1. Other than as described above, there were no significant transfers between Level 1 and Level 2.

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

The table below presents a reconciliation of financial instruments measured at fair value using unobservable inputs (Level 3) for the periods ended March 31, 2018 and 2017:

	March 31, 2018	March 31, 2017
	Equities (\$)	Equities (\$)
Balance – beginning of period	814	41
Purchases	–	–
Sales	–	–
Transfers in	–	–
Transfers out	–	–
Gains (losses) during the period:		
Realized	–	–
Unrealized	(34)	773
Balance – end of period	780	814
Change in unrealized gains (losses) during the period attributable to securities held at end of period	(34)	773

Changing one or more of the inputs to reasonably possible alternative assumptions for valuing Level 3 financial instruments would not significantly affect the fair value of those instruments.

(k) Comparative Amounts

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