

Interim Unaudited Financial Statements

For the Six-Month Period Ended September 30, 2018

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

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

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS

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

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



MACKENZIE CANADIAN BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

FIXED INCOME FUND

STATEMENTS OF FINANCIAL POSITION

In thousands (except per security figures)
As at

	Sep. 30 2018	Mar. 31 2018 (Audited)		Sep. 30 2018	Mar. 31 2018 (Audited)
	\$	\$		\$	\$
ASSETS					
Current assets					
Investments at fair value	1,319,779	1,218,394	Investor Series	1,990	2,419
Cash and cash equivalents	56,276	54,502	B-Series	1,289	1,348
Accrued interest receivable	9,379	7,821	Advisor Series	45	46
Dividends receivable	12	4	Series LB	6,881	8,737
Accounts receivable for investments sold	3,153	1,961	Series LW	4,470	4,869
Accounts receivable for securities issued	435	102			
Due from manager	–	4	Net assets attributable to securityholders		
Margin on futures contracts	472	4,511	per security (note 3)		
Unrealized gains on derivative contracts	4,302	320			
Total assets	1,393,808	1,287,619	Series A	13.51	13.70
			Series AR	9.96	10.10
			Series B	9.82	9.96
			Series C	9.81	9.95
			Series D	9.79	9.93
			Series F	11.49	11.66
			Series FB	9.86	10.00
			Series G	10.55	10.70
			Series I	5.78	5.88
			Series IG	9.87	10.01
			Series J	10.68	10.84
			Series M	11.05	11.21
			Series O	11.43	11.59
			Series PW	10.21	10.35
			Series PWF	–	10.14
			Series PWFB	9.75	9.89
			Series PWT8	11.51	12.08
			Series PWX	9.86	10.00
			Series R	10.72	10.88
			Series S	10.39	10.54
			Series SC	10.04	10.18
			Series U	9.81	9.95
			Investor Series	10.37	10.51
			B-Series	10.25	10.40
			Advisor Series	10.34	10.48
			Series LB	9.84	9.98
			Series LW	9.82	9.96
LIABILITIES					
Current liabilities					
Accounts payable for investments purchased	2,703	2,141			
Accounts payable for securities redeemed	491	2,016			
Due to manager	–	29			
Liability for options written	4	–			
Unrealized losses on derivative contracts	123	3,312			
Total liabilities	3,321	7,498			
Net assets attributable to securityholders	1,390,487	1,280,121			
Net assets attributable to securityholders					
per series (note 3)					
Series A	55,240	67,887			
Series AR	10,494	10,603			
Series B	7,364	10,816			
Series C	344	397			
Series D	95	83			
Series F	24,271	15,165			
Series FB	764	1,734			
Series G	557	718			
Series I	4,738	4,990			
Series IG	369,374	226,500			
Series J	1,322	1,416			
Series M	913	1,078			
Series O	24,014	31,601			
Series PW	85,881	49,418			
Series PWF	–	7,255			
Series PWFB	4,590	1,362			
Series PWT8	274	280			
Series PWX	1,098	1,786			
Series R	335,176	316,542			
Series S	316,690	322,827			
Series SC	124,799	179,377			
Series U	7,814	10,867			

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

MACKENZIE CANADIAN BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

FIXED INCOME FUND

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended September 30 (note 1)
In thousands (except per security figures)

	2018	2017
	\$	\$
Income		
Dividends	45	–
Interest income	20,149	15,111
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(725)	(4,793)
Net unrealized gain (loss)	(17,909)	(19,609)
Securities lending income	87	41
Fee rebate income	26	–
Total Income (loss)	1,673	(9,250)

Expenses (note 6)

Management fees	2,099	2,575
Management fee rebates	(7)	(4)
Administration fees	362	432
Interest charges	–	1
Commissions and other portfolio transaction costs	27	18
Independent Review Committee fees	2	2
Other	1	1
Expenses before amounts absorbed by Manager	2,484	3,025
Expenses absorbed by Manager	–	–
Net Expenses	2,484	3,025

Increase (decrease) in net assets attributable to securityholders from operations before tax	(811)	(12,275)
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Foreign withholding taxes	–	–
Foreign income taxes paid (recovered)	–	–

Increase (decrease) in net assets attributable to securityholders from operations	(811)	(12,275)
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Increase (decrease) in net assets attributable to securityholders from operations per series		
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Series A	(500)	(1,350)
Series AR	(85)	(180)
Series B	(74)	(193)
Series C	(2)	(6)
Series D	(1)	(1)
Series E	–	–
Series F	(77)	(192)
Series FB	(10)	(10)
Series G	(5)	(12)
Series I	(23)	(91)
Series IG	1,404	–
Series J	(9)	(26)
Series M	(5)	(16)
Series O	21	(277)
Series PW	(259)	(1,003)
Series PWF	(7)	(91)
Series PWFB	(7)	(5)
Series PWT8	(3)	(3)

	2018	2017
	\$	\$
Series PWX	1	(20)
Series R	(19)	(2,873)
Series S	105	(2,758)
Series SC	(1,099)	(2,651)
Series U	(60)	(194)
Investor Series	(11)	(38)
B-Series	1	(11)
Advisor Series	(1)	(2)
Series LB	(56)	(272)
Series LW	(30)	–

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

Series A	(0.11)	(0.22)
Series AR	(0.08)	(0.18)
Series B	(0.08)	(0.13)
Series C	(0.06)	(0.15)
Series D	(0.04)	(0.16)
Series E	–	(0.13)
Series F	(0.04)	(0.13)
Series FB	(0.11)	(0.17)
Series G	(0.08)	(0.14)
Series I	(0.03)	(0.08)
Series IG	0.04	–
Series J	(0.07)	(0.14)
Series M	(0.05)	(0.15)
Series O	0.01	(0.10)
Series PW	(0.04)	(0.24)
Series PWF	(0.01)	(0.16)
Series PWFB	(0.03)	(0.32)
Series PWT8	(0.07)	(0.19)
Series PWX	0.02	(0.12)
Series R	–	(0.11)
Series S	–	(0.09)
Series SC	(0.08)	(0.13)
Series U	(0.06)	(0.13)
Investor Series	(0.05)	(0.15)
B-Series	0.01	(0.08)
Advisor Series	(0.08)	(0.17)
Series LB	(0.07)	(0.15)
Series LW	(0.06)	–

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



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MACKENZIE CANADIAN BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

FIXED INCOME FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2018		2017		2018		2017		2018		2017	
	Series A		Series AR		Series B		Series C		Series D			
	\$		\$		\$		\$		\$			
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS												
Beginning of period	67,887	91,778	10,603	10,261	10,816	16,840	397	407	83	55		
Increase (decrease) in net assets from operations	(500)	(1,350)	(85)	(180)	(74)	(193)	(2)	(6)	(1)	(1)		
Distributions paid to securityholders:												
Investment income	(354)	(539)	(59)	(62)	(56)	(68)	(3)	(3)	(1)	(1)		
Capital gains	-	-	-	-	-	-	-	-	-	-		
Return of capital	-	-	-	-	-	-	-	-	-	-		
Management fee rebates	-	-	-	-	-	-	-	-	-	-		
Total distributions paid to securityholders	(354)	(539)	(59)	(62)	(56)	(68)	(3)	(3)	(1)	(1)		
Security transactions:												
Proceeds from securities issued	2,128	5,688	809	857	-	-	-	-	13	27		
Reinvested distributions	339	518	59	62	53	65	3	3	1	1		
Payments on redemption of securities	(14,260)	(16,009)	(833)	(512)	(3,375)	(3,840)	(51)	(7)	-	(2)		
Total security transactions	(11,793)	(9,803)	35	407	(3,322)	(3,775)	(48)	(4)	14	26		
Total increase (decrease) in net assets	(12,647)	(11,692)	(109)	165	(3,452)	(4,036)	(53)	(13)	12	24		
End of period	55,240	80,086	10,494	10,426	7,364	12,804	344	394	95	79		

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

	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	4,954	6,644	1,050	1,008	1,086	1,681	40	41	8	6
Issued	157	413	81	84	-	-	-	-	2	2
Reinvested distributions	25	37	6	6	5	6	-	-	-	-
Redeemed	(1,048)	(1,160)	(83)	(50)	(341)	(381)	(5)	(1)	-	-
Securities outstanding – end of period	4,088	5,934	1,054	1,048	750	1,306	35	40	10	8

	Series E		Series F		Series FB		Series G		Series I	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	-	10	15,165	19,075	1,734	480	718	1,041	4,990	7,140
Increase (decrease) in net assets from operations	-	-	(77)	(192)	(10)	(10)	(5)	(12)	(23)	(91)
Distributions paid to securityholders:										
Investment income	-	-	(231)	(184)	(9)	(8)	(4)	(7)	(57)	(83)
Capital gains	-	-	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	-	-	-	-
Management fee rebates	-	-	-	-	-	-	-	-	-	-
Total distributions paid to securityholders	-	-	(231)	(184)	(9)	(8)	(4)	(7)	(57)	(83)
Security transactions:										
Proceeds from securities issued	-	-	13,095	2,934	1,963	1,292	4	6	86	26
Reinvested distributions	-	-	203	161	9	8	4	6	55	82
Payments on redemption of securities	-	-	(3,884)	(5,703)	(2,923)	(278)	(160)	(250)	(313)	(1,381)
Total security transactions	-	-	9,414	(2,608)	(951)	1,022	(152)	(238)	(172)	(1,273)
Total increase (decrease) in net assets	-	-	9,106	(2,984)	(970)	1,004	(161)	(257)	(252)	(1,447)
End of period	-	10	24,271	16,091	764	1,484	557	784	4,738	5,693

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

	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	-	1	1,301	1,623	173	48	67	97	849	1,198
Issued	-	-	1,129	250	198	130	-	-	15	4
Reinvested distributions	-	-	18	14	1	1	-	1	9	14
Redeemed	-	-	(336)	(485)	(295)	(28)	(14)	(24)	(54)	(236)
Securities outstanding – end of period	-	1	2,112	1,402	77	151	53	74	819	980

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

MACKENZIE CANADIAN BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

FIXED INCOME FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2018		2017		2018		2017		2018		2017	
	Series IG		Series J		Series M		Series O		Series PW			
	\$		\$		\$		\$		\$			
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS												
Beginning of period	226,500	–	1,416	2,303	1,078	1,173	31,601	32,552	49,418	13,043		
Increase (decrease) in net assets from operations	1,404	–	(9)	(26)	(5)	(16)	21	(277)	(259)	(1,003)		
Distributions paid to securityholders:												
Investment income	(5,167)	–	(11)	(17)	(9)	(10)	(418)	(463)	(628)	(373)		
Capital gains	–	–	–	–	–	–	–	–	–	–		
Return of capital	–	–	–	–	–	–	–	–	–	–		
Management fee rebates	–	–	–	–	–	–	–	–	(5)	(3)		
Total distributions paid to securityholders	(5,167)	–	(11)	(17)	(9)	(10)	(418)	(463)	(633)	(376)		
Security transactions:												
Proceeds from securities issued	154,384	–	–	–	–	–	839	3,908	50,975	41,125		
Reinvested distributions	5,167	–	11	17	9	10	415	460	617	365		
Payments on redemption of securities	(12,914)	–	(85)	(525)	(160)	(47)	(8,444)	(3,688)	(14,237)	(5,727)		
Total security transactions	146,637	–	(74)	(508)	(151)	(37)	(7,190)	680	37,355	35,763		
Total increase (decrease) in net assets	142,874	–	(94)	(551)	(165)	(63)	(7,587)	(60)	36,463	34,384		
End of period	369,374	–	1,322	1,752	913	1,110	24,014	32,492	85,881	47,427		

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

	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	22,626	–	131	211	96	104	2,726	2,787	4,773	1,249
Issued	15,588	–	–	–	–	–	72	334	4,963	3,916
Reinvested distributions	520	–	1	2	1	1	36	39	60	35
Redeemed	(1,298)	–	(8)	(49)	(14)	(4)	(733)	(314)	(1,384)	(549)
Securities outstanding – end of period	37,436	–	124	164	83	101	2,101	2,846	8,412	4,651

	Series PWF		Series PWFB		Series PWT8		Series PWX		Series R	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	7,255	3,860	1,362	–	280	132	1,786	1,381	316,542	260,939
Increase (decrease) in net assets from operations	(7)	(91)	(7)	(5)	(3)	(3)	1	(20)	(19)	(2,873)
Distributions paid to securityholders:										
Investment income	(22)	(65)	(31)	(2)	(2)	(1)	(23)	(24)	(4,890)	(4,071)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	(9)	(4)	–	–	–	–
Management fee rebates	(1)	(1)	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(23)	(66)	(31)	(2)	(11)	(5)	(23)	(24)	(4,890)	(4,071)
Security transactions:										
Proceeds from securities issued	323	3,630	3,644	318	–	–	12	794	57,622	55,883
Reinvested distributions	21	61	30	2	8	1	23	24	–	–
Payments on redemption of securities	(7,569)	(1,510)	(408)	–	–	–	(701)	(134)	(34,079)	(6,858)
Total security transactions	(7,225)	2,181	3,266	320	8	1	(666)	684	23,543	49,025
Total increase (decrease) in net assets	(7,255)	2,024	3,228	313	(6)	(7)	(688)	640	18,634	42,081
End of period	–	5,884	4,590	313	274	125	1,098	2,021	335,176	303,020

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

	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	715	378	138	–	23	10	179	137	29,090	23,795
Issued	33	353	372	32	–	–	–	79	5,318	5,107
Reinvested distributions	2	6	3	–	1	–	2	2	–	–
Redeemed	(750)	(148)	(42)	–	–	–	(70)	(13)	(3,156)	(628)
Securities outstanding – end of period	–	589	471	32	24	10	111	205	31,252	28,274

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



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MACKENZIE CANADIAN BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

FIXED INCOME FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2018		2017		2018		2017		2018		2017	
	Series S		Series SC		Series U		Investor Series		B-Series			
	\$		\$		\$		\$		\$			
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS												
Beginning of period	322,827	320,903	179,377	236,546	10,867	16,390	2,419	2,831	1,348	1,358		
Increase (decrease) in net assets from operations	105	(2,758)	(1,099)	(2,651)	(60)	(194)	(11)	(38)	1	(11)		
Distributions paid to securityholders:												
Investment income	(4,696)	(4,641)	(1,083)	(1,582)	(71)	(101)	(19)	(24)	(20)	(7)		
Capital gains	-	-	-	-	-	-	-	-	-	-		
Return of capital	-	-	-	-	-	-	-	-	-	-		
Management fee rebates	-	-	-	-	-	-	-	-	-	-		
Total distributions paid to securityholders	(4,696)	(4,641)	(1,083)	(1,582)	(71)	(101)	(19)	(24)	(20)	(7)		
Security transactions:												
Proceeds from securities issued	7,998	6,550	11,097	20,601	-	89	8	39	-	32		
Reinvested distributions	4,696	4,641	1,046	1,533	71	101	19	24	20	7		
Payments on redemption of securities	(14,240)	(10,141)	(64,539)	(62,446)	(2,993)	(2,332)	(426)	(212)	(60)	(65)		
Total security transactions	(1,546)	1,050	(52,396)	(40,312)	(2,922)	(2,142)	(399)	(149)	(40)	(26)		
Total increase (decrease) in net assets	(6,137)	(6,349)	(54,578)	(44,545)	(3,053)	(2,437)	(429)	(211)	(59)	(44)		
End of period	316,690	314,554	124,799	192,001	7,814	13,953	1,990	2,620	1,289	1,314		

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

	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	30,624	30,199	17,617	23,046	1,092	1,636	230	268	130	131
Issued	763	619	1,097	2,014	-	9	1	4	-	2
Reinvested distributions	449	437	104	149	7	10	2	2	2	1
Redeemed	(1,356)	(958)	(6,388)	(6,062)	(303)	(231)	(41)	(20)	(6)	(6)
Securities outstanding – end of period	30,480	30,297	12,430	19,147	796	1,424	192	254	126	128

	Advisor Series		Series LB		Series LW		Total	
	\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS								
Beginning of period	46	59	8,737	18,627	4,869	-	1,280,121	1,059,184
Increase (decrease) in net assets from operations	(1)	(2)	(56)	(272)	(30)	-	(811)	(12,275)
Distributions paid to securityholders:								
Investment income	-	-	(56)	(136)	(35)	-	(17,955)	(12,472)
Capital gains	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	(9)	(4)
Management fee rebates	-	-	-	-	(1)	-	(7)	(4)
Total distributions paid to securityholders	-	-	(56)	(136)	(36)	-	(17,971)	(12,480)
Security transactions:								
Proceeds from securities issued	-	-	53	2,249	184	-	305,237	146,048
Reinvested distributions	-	-	55	133	35	-	12,969	8,285
Payments on redemption of securities	-	(1)	(1,852)	(3,938)	(552)	-	(189,058)	(125,606)
Total security transactions	-	(1)	(1,744)	(1,556)	(333)	-	129,148	28,727
Total increase (decrease) in net assets	(1)	(3)	(1,856)	(1,964)	(399)	-	110,366	3,972
End of period	45	56	6,881	16,663	4,470	-	1,390,487	1,063,156

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

	Securities		Securities		Securities	
Securities outstanding – beginning of period	4	6	876	1,852	489	-
Issued	-	-	4	223	18	-
Reinvested distributions	-	-	6	13	4	-
Redeemed	-	(1)	(187)	(392)	(56)	-
Securities outstanding – end of period	4	5	699	1,696	455	-

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



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MACKENZIE CANADIAN BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

FIXED INCOME FUND

STATEMENTS OF CASH FLOWS

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

	2018	2017
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	(811)	(12,275)
Adjustments for:		
Net realized loss (gain) on investments	(1,250)	4,793
Change in net unrealized loss (gain) on investments	17,915	19,609
Purchase of investments	(567,416)	(607,338)
Proceeds from sale and maturity of investments	541,913	553,864
Change in accrued interest receivable	(1,558)	(471)
Change in dividends receivable	(8)	–
Change in due from manager	4	–
Change in due to manager	(29)	–
Change in margin on futures contracts	4,039	1,054
Net cash from operating activities	(7,201)	(40,764)
Cash flows from financing activities		
Proceeds from securities issued	145,994	96,163
Payments on redemption of securities	(131,975)	(75,684)
Distributions paid net of reinvestments	(5,002)	(4,195)
Net cash from financing activities	9,017	16,284
Net increase (decrease) in cash and cash equivalents	1,816	(24,480)
Cash and cash equivalents at beginning of period	54,502	56,388
Effect of exchange rate fluctuations on cash and cash equivalents	(42)	(1)
Cash and cash equivalents at end of period	56,276	31,907
Cash	1,271	777
Cash equivalents	55,005	31,130
Cash and cash equivalents at end of period	56,276	31,907
Supplementary disclosures on cash flow from operating activities:		
Dividends received	37	–
Foreign taxes paid	–	–
Interest received	18,591	14,640
Interest paid	–	1

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



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MACKENZIE CANADIAN BOND FUND

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS					
407 International Inc. 3.43% 06-01-2033 MTN	Canada	Corporate - Non Convertible	5,330,000	5,385	5,287
407 International Inc. 3.60% 05-21-2047 Callable	Canada	Corporate - Non Convertible	1,960,000	1,962	1,911
407 International Inc. 3.72% 05-11-2048 Callable 2047	Canada	Corporate - Non Convertible	3,310,000	3,310	3,299
AbbVie Inc. 3.75% 11-14-2023 Callable 2023	United States	Corporate - Non Convertible	USD 490,000	636	632
Access Justice Durham 5.015% 08-31-2039	Canada	Asset Backed	2,965,788	3,048	3,213
AerCap Ireland Capital Designated Activity Co. 3.30% 01-23-2023 Callable 2022	Netherlands	Corporate - Non Convertible	USD 1,740,000	2,164	2,167
AerCap Ireland Capital Designated Activity Co. 4.45% 10-01-2025 Callable 2025	Ireland	Corporate - Non Convertible	USD 1,020,000	1,332	1,309
AIMCo Realty Investors LP 2.27% 06-26-2024 Callable 2024	Canada	Corporate - Non Convertible	1,990,000	1,995	1,890
AIMCo Realty Investors LP 3.04% 06-01-2028 Callable 2028	Canada	Corporate - Non Convertible	1,180,000	1,180	1,141
Algonquin Power & Utilities Corp. 4.65% 02-15-2022	Canada	Corporate - Non Convertible	3,790,000	3,939	3,937
Algonquin Power & Utilities Corp. 4.09% 02-17-2027 Callable	Canada	Corporate - Non Convertible	2,610,000	2,611	2,602
Allied Properties Real Estate Investment Trust 3.75% 03-13-2020	Canada	Corporate - Non Convertible	1,745,000	1,757	1,763
Allied Properties Real Estate Investment Trust 3.93% 11-14-2022	Canada	Corporate - Non Convertible	1,736,000	1,744	1,754
Allied Properties Real Estate Investment Trust 3.64% 04-21-2025 Callable 2025	Canada	Corporate - Non Convertible	3,100,000	3,067	3,014
AltaGas Ltd. 3.72% 09-28-2021 Callable	Canada	Corporate - Non Convertible	4,950,000	5,066	5,005
AltaGas Ltd. 3.98% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	1,190,000	1,190	1,174
AltaLink LP 3.72% 12-03-2046 Callable MTN	Canada	Corporate - Non Convertible	2,029,000	2,022	2,027
Anheuser-Busch InBev Finance Inc. 3.30% 02-01-2023 Callable 2022	Belgium	Corporate - Non Convertible	USD 2,400,000	3,429	3,063
Anheuser-Busch InBev Finance Inc. 2.60% 05-15-2024 Callable 2024	Belgium	Corporate - Non Convertible	7,960,000	7,810	7,604
APT Pipelines Ltd. 4.20% 03-23-2025 Callable 2024 144A	Australia	Corporate - Non Convertible	USD 2,490,000	3,179	3,186
Aroundtown SA 4.63% 09-18-2025 Callable 2025	Germany	Corporate - Non Convertible	2,040,000	2,032	2,028
Artis Real Estate Investment Trust 3.753% 03-27-2019	Canada	Corporate - Non Convertible	1,730,000	1,738	1,738
AT&T Inc. 3.825% 11-25-2020	United States	Corporate - Non Convertible	5,190,000	5,428	5,278
AT&T Inc. 4.00% 11-25-2025 Callable 2025	United States	Corporate - Non Convertible	3,710,000	3,714	3,705
Aviva PLC 4.50% 05-10-2021	United Kingdom	Corporate - Non Convertible	2,430,000	2,490	2,497
Bank of America Corp. 3.228% 06-22-2022	United States	Corporate - Non Convertible	3,880,000	3,918	3,881
Bank of America Corp. 3.30% 04-24-2024 Callable 2023	United States	Corporate - Non Convertible	2,100,000	2,100	2,085
Bank of America Corp. F/R 09-20-2025 Callable 2024	United States	Corporate - Non Convertible	4,270,000	4,283	4,218
Bank of Montreal 2.27% 07-11-2022	Canada	Corporate - Non Convertible	4,940,000	4,916	4,817
Bank of Montreal 2.89% 06-20-2023	Canada	Corporate - Non Convertible	3,030,000	3,029	3,005
Bank of Montreal 2.70% 09-11-2024 DPNT	Canada	Corporate - Non Convertible	10,120,000	10,045	9,871
Bank of Montreal 3.32% 06-01-2026	Canada	Corporate - Non Convertible	4,920,000	4,972	4,932
Bank of Montreal 3.19% 03-01-2028	Canada	Corporate - Non Convertible	2,710,000	2,688	2,679
Bank of Montreal F/R 12-15-2032 Callable 2027	Canada	Corporate - Non Convertible	USD 1,790,000	2,300	2,162
The Bank of Nova Scotia 1.90% 12-02-2021 DPNT	Canada	Corporate - Non Convertible	6,900,000	6,855	6,689
The Bank of Nova Scotia 1.83% 04-27-2022	Canada	Corporate - Non Convertible	2,370,000	2,345	2,279
The Bank of Nova Scotia 2.36% 11-08-2022	Canada	Corporate - Non Convertible	3,410,000	3,410	3,322
The Bank of Nova Scotia 2.98% 04-17-2023	Canada	Corporate - Non Convertible	4,470,000	4,475	4,451
The Bank of Nova Scotia 2.29% 06-28-2024	Canada	Corporate - Non Convertible	10,960,000	10,798	10,462
The Bank of Nova Scotia 6.45% 01-01-2025	Canada	Mortgage Backed	2,649,379	2,784	3,044
The Bank of Nova Scotia F/R 04-12-2066 Callable 2022	Canada	Corporate - Non Convertible	USD 3,250,000	4,029	3,943
bclMC Realty Corp. 3.00% 03-31-2027 Callable 2026	Canada	Corporate - Non Convertible	2,570,000	2,610	2,497
Bell Canada 2.70% 02-27-2024 Callable	Canada	Corporate - Non Convertible	3,250,000	3,282	3,132
Bell Canada 3.60% 09-29-2027 Callable	Canada	Corporate - Non Convertible	2,930,000	2,947	2,879
Bell Canada 3.80% 08-21-2028 Callable 2028	Canada	Corporate - Non Convertible	4,630,000	4,601	4,583



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Bell Canada 4.45% 02-27-2047 Callable	Canada	Corporate - Non Convertible	4,340,000	4,336	4,281
BP Capital Markets PLC 3.47% 05-15-2025	United Kingdom	Corporate - Non Convertible	2,790,000	2,790	2,782
Brookfield Infrastructure Finance ULC 4.20% 09-11-2028 Callable 2018	Canada	Corporate - Non Convertible	2,500,000	2,500	2,469
Brookfield Renewable Energy Partners ULC 3.752% 06-02-2025 Callable 2025	Canada	Corporate - Non Convertible	3,680,000	3,695	3,659
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate - Non Convertible	5,500,000	5,414	5,338
Brookfield Renewable Partners ULC 4.25% 01-15-2029 Callable 2028	Canada	Corporate - Non Convertible	2,320,000	2,319	2,318
Bruce Power LP 2.84% 06-23-2021	Canada	Corporate - Non Convertible	4,800,000	4,869	4,763
Bruce Power LP 3.00% 06-21-2024 Callable 2024	Canada	Corporate - Non Convertible	4,610,000	4,653	4,485
Bruce Power LP 3.97% 06-23-2026	Canada	Corporate - Non Convertible	4,680,000	4,797	4,739
Cameco Corp. 5.67% 09-02-2019	Canada	Corporate - Non Convertible	3,720,000	3,736	3,811
Canada Housing Trust No 1 F/R 09-15-2023	Canada	Federal Government	18,870,000	18,847	18,874
Canada Housing Trust No. 1 2.35% 06-15-2023	Canada	Federal Government	37,600,000	37,571	37,168
Canadian Commercial Mortgage Origination Trust 1 2.768% 11-12-2018	Canada	Mortgage Backed	468,544	469	466
Canadian Credit Card Trust II 1.829% 03-24-2020	Canada	Corporate - Non Convertible	5,490,000	5,473	5,418
Canadian Imperial Bank of Commerce 2.47% 12-05-2022	Canada	Corporate - Non Convertible	6,360,000	6,328	6,223
Canadian Imperial Bank of Commerce 2.97% 07-11-2023	Canada	Corporate - Non Convertible	10,290,000	10,288	10,235
Canadian Imperial Bank of Commerce 3.00% 10-28-2024 Callable 2019	Canada	Corporate - Non Convertible	2,410,000	2,445	2,414
Canadian Imperial Bank of Commerce 3.30% 05-26-2025	Canada	Corporate - Non Convertible	7,570,000	7,577	7,602
Canadian Imperial Bank of Commerce 3.42% 01-26-2026 Callable 2021	Canada	Corporate - Non Convertible	8,760,000	8,943	8,801
Canadian Imperial Bank of Commerce F/R 04-04-2028 Callable 2023	Canada	Corporate - Non Convertible	2,140,000	2,139	2,122
Canadian National Railway Co. 3.60% 07-31-2048 Callable 2048	Canada	Corporate - Non Convertible	3,070,000	3,024	2,986
Canadian Natural Resources Ltd. 3.55% 06-03-2024	Canada	Corporate - Non Convertible	3,150,000	3,170	3,146
Canadian Western Bank 2.751% 06-29-2020	Canada	Corporate - Non Convertible	1,500,000	1,499	1,494
Canadian Western Bank 2.74% 06-16-2022 DPNT	Canada	Corporate - Non Convertible	2,790,000	2,764	2,737
Canadian Western Bank 2.92% 12-15-2022	Canada	Corporate - Non Convertible	1,920,000	1,920	1,888
Capital Power Corp. 4.28% 09-18-2024 Callable 2024	Canada	Corporate - Non Convertible	5,260,000	5,288	5,260
Cards II Trust 2.155% 10-15-2020	Canada	Corporate - Non Convertible	4,610,000	4,610	4,544
CCL Industries Inc. 3.86% 04-13-2028 Callable 2028	Canada	Corporate - Non Convertible	1,520,000	1,520	1,512
Central 1 Credit Union F/R 02-05-2021	Canada	Corporate - Non Convertible	830,000	830	828
Central 1 Credit Union 2.60% 11-07-2022	Canada	Corporate - Non Convertible	1,440,000	1,439	1,402
Charter Communications Operating LLC 4.50% 02-01-2024 Callable 2024	United States	Corporate - Non Convertible	USD 1,830,000	2,424	2,380
Chartwell Retirement Residences 3.79% 12-11-2023 Callable 2023	Canada	Corporate - Non Convertible	2,780,000	2,770	2,767
Chartwell Retirement Residences 4.21% 04-28-2025 Callable 2025	Canada	Corporate - Non Convertible	760,000	760	762
CHIP Mortgage Trust 2.98% 11-15-2021	Canada	Corporate - Non Convertible	1,060,000	1,060	1,040
Choice Properties Real Estate Investment Trust 3.55% 01-10-2025 Callable 2024	Canada	Corporate - Non Convertible	1,030,000	1,030	1,014
Choice Properties Real Estate Investment Trust 4.055% 11-24-2025 Callable	Canada	Corporate - Non Convertible	2,580,000	2,775	2,596
Choice Properties Real Estate Investment Trust 4.18% 03-08-2028 Callable 2027	Canada	Corporate - Non Convertible	2,950,000	2,950	2,936
CI Financial Corp. 3.52% 07-20-2023 Callable 2023	Canada	Corporate - Non Convertible	1,510,000	1,510	1,494



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Citigroup Inc. 4.09% 06-09-2025	United States	Corporate - Non Convertible	6,140,000	6,194	6,169
Crosslinx Transit Solutions General Partnership 4.651% 09-30-2046	Canada	Corporate - Non Convertible	2,610,000	2,603	2,663
CU Inc. 3.964% 07-27-2045 Callable	Canada	Corporate - Non Convertible	1,480,000	1,565	1,521
CU Inc. 3.76% 11-19-2046 Callable 2046	Canada	Corporate - Non Convertible	1,400,000	1,400	1,393
Danske Bank AS 2.75% 09-17-2020 144A	Denmark	Corporate - Non Convertible	USD 750,000	990	953
Danske Bank AS 2.80% 03-10-2021 144A	Denmark	Corporate - Non Convertible	USD 2,610,000	3,421	3,294
Eagle Credit Card Trust 2.147% 09-17-2020	Canada	Corporate - Non Convertible	4,230,000	4,204	4,172
Eagle Credit Card Trust 2.63% 10-17-2022	Canada	Corporate - Non Convertible	800,000	800	785
Eagle Credit Card Trust 3.04% 07-17-2023	Canada	Corporate - Non Convertible	1,050,000	1,051	1,041
Enbridge Gas Distribution Inc. 3.51% 11-29-2047 Callable 2047	Canada	Corporate - Non Convertible	2,220,000	2,220	2,105
Enbridge Inc. 3.20% 06-08-2027 Callable 2027	Canada	Corporate - Non Convertible	1,480,000	1,479	1,407
Enbridge Inc. 4.57% 03-11-2044	Canada	Corporate - Non Convertible	9,070,000	9,126	9,042
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	11,460,000	11,326	10,926
Enbridge Inc. F/R 04-12-2078 Callable 2028	Canada	Corporate - Non Convertible	2,970,000	2,972	3,068
EnerCare Solutions Inc. 3.38% 02-21-2022 Callable 2022	Canada	Corporate - Non Convertible	3,510,000	3,512	3,497
EnerCare Solutions Inc. 3.99% 02-21-2024 Callable 2023	Canada	Corporate - Non Convertible	1,740,000	1,740	1,744
EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047	Canada	Corporate - Non Convertible	1,510,000	1,510	1,449
EPR Properties 4.95% 04-15-2028 Callable 2028	United States	Corporate - Non Convertible	USD 1,360,000	1,706	1,730
Fairfax Financial Holdings Ltd. 5.84% 10-14-2022	Canada	Corporate - Non Convertible	1,920,000	1,946	2,087
Fairfax Financial Holdings Ltd. 4.50% 03-22-2023	Canada	Corporate - Non Convertible	4,490,000	4,596	4,653
Fairfax Financial Holdings Ltd. 8.30% 04-15-2026	Canada	Corporate - Non Convertible	USD 2,180,000	3,294	3,377
Fairfax Financial Holdings Ltd. 4.25% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	130,000	130	127
Federation des Caisses Desjardins du Quebec 2.09% 01-17-2022	Canada	Corporate - Non Convertible	4,390,000	4,396	4,270
The Fédération des Caisses Desjardins du Québec 2.39% 08-25-2022	Canada	Corporate - Non Convertible	6,440,000	6,397	6,287
Federation des Caisses Desjardins du Quebec 3.06% 09-11-2023	Canada	Corporate - Non Convertible	5,820,000	5,814	5,794
Fortified Trust 2.16% 10-23-2020	Canada	Corporate - Non Convertible	4,230,000	4,230	4,171
Fortified Trust 1.67% 07-23-2021	Canada	Corporate - Non Convertible	5,970,000	5,881	5,765
FortisAlberta Inc. 3.67% 09-09-2047 Callable 2047	Canada	Corporate - Non Convertible	480,000	470	473
FortisAlberta Inc. 3.74% 09-18-2048 Callable 2048	Canada	Corporate - Non Convertible	550,000	549	547
Gaz Metro Inc. 1.52% 05-25-2020	Canada	Corporate - Non Convertible	1,010,000	1,010	992
Genesis Trust II 2.43% 05-15-2019	Canada	Corporate - Non Convertible	151,000	151	151
Genesis Trust II 1.699% 04-15-2020	Canada	Corporate - Non Convertible	6,380,000	6,330	6,282
Glacier Credit Card Trust 2.05% 09-20-2022	Canada	Corporate - Non Convertible	4,460,000	4,423	4,283
Glacier Credit Card Trust 3.14% 09-20-2023	Canada	Corporate - Non Convertible	1,720,000	1,720	1,710
The Goldman Sachs Group Inc. 2.43% 04-26-2023 Callable	United States	Corporate - Non Convertible	4,040,000	4,040	3,909
The Goldman Sachs Group Inc. 3.31% F/R 10-31-2025 Callable 2024	United States	Corporate - Non Convertible	9,560,000	9,513	9,322
Government of Canada 1.50% 06-01-2023	Canada	Federal Government	6,760,000	6,565	6,516
Government of Canada 2.50% 06-01-2024	Canada	Federal Government	1,600,000	1,611	1,612
Government of Canada 2.00% 06-01-2028	Canada	Federal Government	120,660,000	117,293	116,325
Government of Canada 2.00% 12-01-2041 Real Return	Canada	Federal Government	1,450,000	2,417	2,249
Government of Canada 1.25% 12-01-2047 Real Return	Canada	Federal Government	32,420,000	41,089	40,884
Government of Canada 2.75% 12-01-2048	Canada	Federal Government	9,120,000	9,984	9,772
H&R Real Estate Investment Trust 2.92% 05-06-2022	Canada	Corporate - Non Convertible	1,520,000	1,521	1,489
H&R Real Estate Investment Trust 3.42% 01-23-2023 Callable 2022	Canada	Corporate - Non Convertible	1,950,000	1,950	1,928
H&R Real Estate Investment Trust 3.37% 01-30-2024 Callable 2023	Canada	Corporate - Non Convertible	4,300,000	4,268	4,191
HCN Canadian Holdings-1 LP 3.35% 11-25-2020	United States	Corporate - Non Convertible	1,650,000	1,646	1,661
Health Montreal Collective LP 6.721% 09-30-2049	Canada	Corporate - Non Convertible	1,490,000	1,509	1,907



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BONDS (cont'd)					
Heathrow Funding Ltd. 3.25% 05-21-2025	United Kingdom	Corporate - Non Convertible	4,050,000	4,109	4,011
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	2,600,000	2,596	2,548
Heathrow Funding Ltd. 3.79% 09-04-2030 Callable 2030	United Kingdom	Corporate - Non Convertible	2,270,000	2,270	2,244
Hollis Receivables Term Trust II 1.788% 02-26-2020	Canada	Corporate - Non Convertible	7,270,000	7,249	7,180
HSBC Bank Canada 2.17% 06-29-2022	Canada	Corporate - Non Convertible	7,320,000	7,270	7,079
HSBC Bank Canada 2.54% 01-31-2023	Canada	Corporate - Non Convertible	6,420,000	6,359	6,256
HSBC Bank Canada 3.25% 09-15-2023	Canada	Corporate - Non Convertible	2,470,000	2,470	2,466
HSBC Holdings PLC 3.20% 12-05-2023	United Kingdom	Corporate - Non Convertible	3,460,000	3,460	3,410
Hydro One Inc. 2.97% 06-26-2025 Callable 2025	Canada	Corporate - Non Convertible	1,040,000	1,040	1,018
Hydro One Inc. 3.72% 11-18-2047	Canada	Corporate - Non Convertible	5,550,000	5,591	5,402
Hydro One Inc. 3.63% 06-25-2049 Callable 2048	Canada	Corporate - Non Convertible	1,260,000	1,260	1,204
Hydro-Quebec Interest Strip 0% 02-15-2025	Canada	Provincial Governments	2,880,000	2,421	2,382
Industrial Alliance Insurance and Financial Services Inc. 2.80% 05-16-2024 Callable 2019	Canada	Corporate - Non Convertible	1,230,000	1,242	1,231
Inter Pipeline Ltd. 2.73% 04-18-2024 Callable 2024	Canada	Corporate - Non Convertible	4,680,000	4,726	4,475
Inter Pipeline Ltd. 3.173% 03-24-2025 Callable 2024 MTN	Canada	Corporate - Non Convertible	3,590,000	3,630	3,470
Inter Pipeline Ltd. 3.48% 12-16-2026 Callable 2026	Canada	Corporate - Non Convertible	2,610,000	2,646	2,528
The International Bank for Reconstruction and Development 3.50% 01-22-2021	Supra - National	n/a	NZD 9,200,000	8,509	8,098
International Finance Corp. 3.625% 05-20-2020	Supra - National	n/a	NZD 2,960,000	2,733	2,595
Ivanhoe Cambridge II Inc. 2.91% 06-27-2023 Callable 2023	Canada	Corporate - Non Convertible	1,230,000	1,231	1,217
JPMorgan Chase & Co. 3.19% 03-05-2021	United States	Corporate - Non Convertible	4,080,000	4,162	4,105
Laurentian Bank of Canada F/R 10-22-2019	Canada	Corporate - Non Convertible	1,930,000	1,930	1,933
Laurentian Bank of Canada 3.00% 09-12-2022	Canada	Corporate - Non Convertible	3,350,000	3,344	3,282
Laurentian Bank of Canada 3.45% 06-27-2023	Canada	Corporate - Non Convertible	1,230,000	1,230	1,217
The Manufacturers Life Insurance Co. 2.389% 01-05-2026 Callable 2021	Canada	Corporate - Non Convertible	3,200,000	3,206	3,159
Manulife Bank of Canada 1.92% 09-01-2021	Canada	Corporate - Non Convertible	4,170,000	4,126	4,045
Manulife Bank of Canada 2.08% 05-26-2022	Canada	Corporate - Non Convertible	2,800,000	2,800	2,704
Manulife Bank of Canada 2.84% 01-12-2023	Canada	Corporate - Non Convertible	5,840,000	5,840	5,765
Manulife Financial Corp. F/R 05-09-2028 Callable 2023	Canada	Corporate - Non Convertible	1,260,000	1,260	1,253
Manulife Financial Corp. F/R 08-20-2029 Callable 2024	Canada	Corporate - Non Convertible	3,310,000	3,310	3,216
McDonald's Corp. 3.13% 03-04-2025 Callable 2025	United States	Corporate - Non Convertible	4,890,000	4,884	4,788
Metro Inc. 3.39% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	1,540,000	1,539	1,482
Molson Coors International LP 2.84% 07-15-2023 Callable 2023	United States	Corporate - Non Convertible	3,290,000	3,270	3,168
Mondelez International Inc. 3.25% 03-07-2025 Callable 2025	United States	Corporate - Non Convertible	2,380,000	2,369	2,315
Mondelez International Inc. 4.13% 05-07-2028 Callable 2028	United States	Corporate - Non Convertible	USD 670,000	853	858
Morgan Stanley 3.00% 02-07-2024	United States	Corporate - Non Convertible	5,620,000	5,603	5,488
National Bank of Canada 1.96% 06-30-2022	Canada	Corporate - Non Convertible	16,400,000	16,108	15,803
NAV Canada 3.29% 03-30-2048 Callable 2047	Canada	Corporate - Non Convertible	1,520,000	1,522	1,479
NBC Asset Trust 7.447% Perpetual (F/R @ 06-30-2020) Callable 2020	Canada	Corporate - Non Convertible	13,790,000	14,061	14,669
Newell Brands Inc. 4.20% 04-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 850,000	1,079	1,046
North Battleford Power LP 4.958% 12-31-2032	Canada	Corporate - Non Convertible	1,688,346	1,688	1,804
North West Redwater Partnership 2.80% 06-01-2027 Callable 2027	Canada	Corporate - Non Convertible	2,760,000	2,665	2,601
North West Redwater Partnership 3.65% 06-01-2035 Callable 2034	Canada	Corporate - Non Convertible	1,480,000	1,479	1,431
Nouvelle Autoroute 30 Financement Inc. 4.11% 03-31-2042	Canada	Corporate - Non Convertible	1,740,000	1,740	1,743
OMERS Realty Corp. 3.24% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	10,350,000	10,340	10,203



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MACKENZIE CANADIAN BOND FUND

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SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
OMERS Realty Corp. 3.63% 06-05-2030 Callabe 2030	Canada	Corporate - Non Convertible	3,020,000	3,020	3,034
Ontario Electricity Financial Corp. 0% 11-27-2020	Canada	Provincial Governments	4,910,000	4,758	4,646
Ontario Hydro 0% 05-26-2025	Canada	Provincial Governments	2,580,000	2,144	2,097
Ontario Power Generation Inc. 3.32% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	2,800,000	2,800	2,761
Ontario Power Generation Inc. 3.84% 06-22-2048 Callable 2047	Canada	Corporate - Non Convertible	1,650,000	1,650	1,610
OPB Finance Trust 2.98% 01-25-2027	Canada	Provincial Governments	6,190,000	6,198	6,091
Pembina Pipeline Corp. 3.54% 02-03-2025 Callable	Canada	Corporate - Non Convertible	1,440,000	1,436	1,426
Pembina Pipeline Corp. 4.02% 03-27-2028 Callable 2027	Canada	Corporate - Non Convertible	2,020,000	2,022	2,016
Province of Alberta 3.05% 12-01-2048	Canada	Provincial Governments	17,020,000	16,903	16,595
Province of Alberta 3.10% 06-01-2050	Canada	Provincial Governments	3,500,000	3,491	3,452
Province of Manitoba 1.738% 12-01-2018 Real Return	Canada	Provincial Governments	8,615,000	11,042	10,762
Province of Newfoundland 3.00% 06-02-2026	Canada	Provincial Governments	7,900,000	7,932	7,853
Province of Newfoundland 3.70% 10-17-2048	Canada	Provincial Governments	10,300,000	11,239	10,865
Province of Ontario Canada 2.90% 06-02-2028	Canada	Provincial Governments	65,240,000	64,786	64,297
Province of Ontario Generic Coupon Strip 0% 12-02-2023	Canada	Provincial Governments	7,050,000	5,950	6,081
Province of Ontario 0% 07-13-2022	Canada	Provincial Governments	5,870,000	5,209	5,276
Province of Ontario 2.60% 09-08-2023	Canada	Provincial Governments	32,350,000	32,328	32,130
Province of Ontario 0% 06-02-2024	Canada	Provincial Governments	14,560,000	12,704	12,339
Province of Ontario 0% 06-02-2026	Canada	Provincial Governments	3,170,000	2,638	2,500
Province of Ontario 4.60% 06-02-2039	Canada	Provincial Governments	4,000,000	4,912	4,814
Province of Ontario 2.90% 06-02-2049	Canada	Provincial Governments	43,550,000	42,180	40,963
Province of Quebec 0% 04-01-2026 Generic Strip	Canada	Provincial Governments	3,380,000	2,806	2,679
Province Of Quebec 2.75% 09-01-2028	Canada	Provincial Governments	11,970,000	11,859	11,670
Province of Quebec 3.50% 12-01-2048	Canada	Provincial Governments	31,550,000	34,475	33,473
Province of Saskatchewan 3.30% 06-02-2048	Canada	Provincial Governments	4,060,000	4,249	4,154
Reliance LP 3.813% 09-15-2020	Canada	Corporate - Non Convertible	2,500,000	2,517	2,528
Reliance LP 3.84% 03-15-2025 Callable 2025	Canada	Corporate - Non Convertible	1,690,000	1,690	1,661
Royal Bank of Canada 2.36% 12-05-2022	Canada	Corporate - Non Convertible	1,590,000	1,590	1,550
Royal Bank of Canada 2.95% 05-01-2023	Canada	Corporate - Non Convertible	20,300,000	20,304	20,196
Royal Bank of Canada 3.30% 09-26-2023	Canada	Corporate - Non Convertible	9,770,000	9,772	9,783
Saputo Inc. 3.61% 08-14-2025 Callable 2025	Canada	Corporate - Non Convertible	1,850,000	1,850	1,841
Sea to Sky Highway Investment LP 2.63% 08-31-2030	Canada	Corporate - Non Convertible	2,446,074	2,446	2,329
SNC-Lavalin Group Inc. 3.24% 03-02-2023 Callable 2023	Canada	Corporate - Non Convertible	1,100,000	1,101	1,086
Spirit AeroSystems Inc. 3.95% 06-15-2023 Callable 2023	United States	Corporate - Non Convertible	USD 1,130,000	1,448	1,456
Sprint Spectrum Co. LLC 4.74% 03-20-2025 144A	United States	Corporate - Non Convertible	USD 1,140,000	1,476	1,477
Spy Hill Power LP 4.14% 03-31-2036	Canada	Corporate - Non Convertible	1,660,310	1,655	1,664
Sun Life Financial Inc. F/R 02-19-2026 Callable 2021	Canada	Corporate - Non Convertible	3,310,000	3,350	3,311
Sun Life Financial Inc. F/R 11-23-2027 Callable 2022	Canada	Corporate - Non Convertible	1,450,000	1,449	1,420
Sun Life Financial Inc. F/R 09-19-2028 Callable 2023	Canada	Corporate - Non Convertible	7,980,000	7,970	7,867
Sydney Airport Finance Co. Pty. Ltd. 3.625% 04-28-2026 Callable 2026 144A	Australia	Corporate - Non Convertible	USD 2,950,000	3,752	3,648
Sysco Canada Inc. 3.65% 04-25-2025 Callable 2025	United States	Corporate - Non Convertible	2,380,000	2,382	2,386
TD Capital Trust IV 6.63% 06-30-2108 Callable 2021	Canada	Corporate - Non Convertible	4,400,000	4,681	4,782
TELUS Corp. 3.35% 04-01-2024 Callable	Canada	Corporate - Non Convertible	340,000	350	338
TELUS Corp. 3.63% 03-01-2028 Callable 2027	Canada	Corporate - Non Convertible	3,460,000	3,436	3,401
TELUS Corp. 4.70% 03-06-2048 Callable 2047	Canada	Corporate - Non Convertible	2,820,000	2,803	2,846
Thomson Reuters Corp. 3.309% 11-12-2021 Callable	Canada	Corporate - Non Convertible	2,270,000	2,270	2,291
TMX Group Ltd. 4.46% 10-03-2023 Callable 2023	Canada	Corporate - Non Convertible	4,595,000	5,109	4,849



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SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
TMX Group Ltd. 2.30% 12-11-2024 Callable 2024	Canada	Corporate - Non Convertible	820,000	822	804
TMX Group Ltd. 3.78% 06-05-2028 Callable 2028	Canada	Corporate - Non Convertible	1,040,000	1,044	1,045
The Toronto-Dominion Bank 2.05% 12-01-2022	Canada	Mortgage Backed	3,233,621	3,163	3,152
The Toronto-Dominion Bank 3.01% 05-30-2023	Canada	Corporate - Non Convertible	2,020,000	2,021	2,017
The Toronto-Dominion Bank 1.91% 07-18-2023 DPNT	Canada	Corporate - Non Convertible	16,020,000	15,655	15,206
The Toronto-Dominion Bank 5.50% 04-01-2024	Canada	Mortgage Backed	919,075	871	1,012
The Toronto-Dominion Bank 6.125% 12-01-2024	Canada	Mortgage Backed	4,731,724	5,138	5,368
The Toronto-Dominion Bank 5.38% 07-01-2028	Canada	Mortgage Backed	6,205,186	6,593	6,909
The Toronto-Dominion Bank F/R 09-14-2028 Callable 2023	Canada	Corporate - Non Convertible	3,180,000	3,180	3,172
The Toronto-Dominion Bank F/R 07-25-2029 Callable 2024	Canada	Corporate - Non Convertible	1,320,000	1,320	1,286
TransCanada Pipelines Ltd. 3.39% 03-15-2028 Callable 2027	Canada	Corporate - Non Convertible	4,900,000	4,885	4,802
TransCanada PipeLines Ltd. 4.18% 07-03-2048 Callable 2048	Canada	Corporate - Non Convertible	1,500,000	1,499	1,460
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	4,720,000	4,702	4,475
Transurban Finance Co. Pty Ltd. 3.368% 03-06-2019	Australia	Asset Backed	2,990,000	2,997	3,003
Trillium Windpower LP 5.80% 02-15-2033	United States	Corporate - Non Convertible	1,599,886	1,600	1,768
Union Gas Ltd. 3.59% 11-22-2047 Callable 2047	Canada	Corporate - Non Convertible	1,650,000	1,647	1,589
United States Treasury 2.75% 02-15-2028	United States	Foreign Governments	USD 2,820,000	3,580	3,559
United States Treasury 3.00% 02-15-2048	United States	Foreign Governments	USD 17,650,000	22,212	22,003
Ventas Canada Finance Ltd. 2.55% 03-15-2023 Callable 2023	United States	Corporate - Non Convertible	4,260,000	4,214	4,111
Ventas Realty LP 4.00% 03-01-2028 Callable 2027	United States	Corporate - Non Convertible	USD 1,110,000	1,377	1,387
Verizon Communications Inc. 2.63% 08-15-2026 Callable 2026	United States	Corporate - Non Convertible	USD 5,490,000	7,017	6,438
Vodafone Group PLC 3.75% 01-16-2024	United Kingdom	Corporate - Non Convertible	USD 910,000	1,158	1,166
VW Credit Canada Inc. 3.25% 03-29-2023	Germany	Corporate - Non Convertible	1,240,000	1,239	1,231
Wells Fargo & Co. 2.51% 10-27-2023	United States	Corporate - Non Convertible	8,190,000	7,865	7,844
Wells Fargo & Co. 2.98% 05-19-2026	United States	Corporate - Non Convertible	2,263,000	2,263	2,145
Welltower Inc. 4.25% 04-15-2028 Callable 2028	United States	Corporate - Non Convertible	USD 1,640,000	2,105	2,089
Westcoast Energy Inc. 4.79% 10-28-2041	Canada	Corporate - Non Convertible	2,570,000	2,718	2,743
Total bonds				1,317,946	1,301,051
OPTIONS					
Options purchased (see schedule of options purchased)				319	81
Total options				319	81
EXCHANGE-TRADED FUNDS/NOTES					
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged) Canada		Exchange-Traded Funds/Notes	190,898	18,986	18,647
Total exchange-traded funds/notes				18,986	18,647
Transaction costs				(17)	—
Total investments				1,337,234	1,319,779
Derivative instruments (see schedule of derivative instruments)					4,179
Liability for options written (see schedule of options written)					(4)
Cash and cash equivalents					56,276
Other assets less liabilities					10,257
Total net assets					1,390,487



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SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2018	
Portfolio Allocation	% of NAV
Bonds	93.8
<i>Bonds</i>	93.6
<i>Short futures</i>	0.2
Cash and short-term investments	4.0
Exchange-traded funds/notes	1.3
Other assets (liabilities)	0.9
Purchased currency options	0.0
Written currency options	(0.0)

Regional Allocation	
Regional Allocation	% of NAV
Canada	81.6
United States	9.3
Cash and short-term investments	4.0
United Kingdom	1.3
Other assets (liabilities)	0.9
Belgium	0.8
Australia	0.7
New Zealand	0.6
Denmark	0.3
Germany	0.2
Netherlands	0.2
Ireland	0.1

Sector Allocation	
Sector Allocation	% of NAV
Corporate bonds	51.8
Provincial bonds	20.6
Federal bonds	16.8
Cash and short-term investments	4.0
Foreign government bonds	2.0
Mortgage backed	1.4
Exchange-traded funds/notes	1.3
Other assets (liabilities)	0.9
Supra-national bonds	0.8
Asset backed	0.4

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

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

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



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MACKENZIE CANADIAN BOND FUND

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SCHEDULE OF OPTIONS PURCHASED

As at September 30, 2018

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000s)	Fair Value (\$ 000s)
Currency Call Option AUD/USD	36,467,000	Call	Oct. 02, 2018	USD 0.73	49	2
Currency Call Option AUD/USD	27,350,000	Call	Oct. 02, 2018	USD 0.74	27	–
Currency Call Option USD/CAD	19,110,000	Call	Oct. 05, 2018	CAD 1.33	55	1
Currency Call Option USD/CAD	6,370,000	Call	Oct. 05, 2018	CAD 1.33	18	–
Currency Call Option EUR/NOK	12,250,000	Call	Dec. 14, 2018	NOK 9.30	170	78
Total options					319	81

SCHEDULE OF OPTIONS WRITTEN

As at September 30, 2018

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Received (\$ 000s)	Fair Value (\$ 000s)
Currency Written Call Option EUR/NOK	(12,250,000)	Written Call	Dec. 14, 2018	NOK 8.90	(24)	(4)
Total options					(24)	(4)



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SCHEDULE OF DERIVATIVE INSTRUMENTS

As at September 30, 2018

Schedule of Futures Contracts

Number of Contracts	Type of Contract	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000s)	Unrealized Gains (\$ 000s)
(28)	10 Year Japanese Government Bond (OSE) Futures December 2018	Dec. 13, 2018	150.24 JPY	(47,809)	48
(1,655)	10 Year United States Treasury Note Futures December 2018	Dec. 19, 2018	119.99 USD	(254,046)	2,591
Unrealized Gains				(301,855)	2,639
Total futures contracts				(301,855)	2,639

*Notional value represents the exposure to the underlying instruments as at September 30, 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)
AA	8,619 Canadian dollar	(6,485) U.S. dollar	Oct. 5, 2018	(8,619)	(8,379)	240
AA	1,247 Canadian dollar	(960) U.S. dollar	Oct. 5, 2018	(1,247)	(1,241)	6
AA	5,258 Canadian dollar	(3,960) U.S. dollar	Oct. 19, 2018	(5,258)	(5,113)	145
AA	4,686 Canadian dollar	(3,570) U.S. dollar	Oct. 19, 2018	(4,686)	(4,610)	76
AA	9,498 Canadian dollar	(7,185) U.S. dollar	Oct. 26, 2018	(9,498)	(9,274)	224
A	12,252 Canadian dollar	(9,370) U.S. dollar	Nov. 2, 2018	(12,252)	(12,091)	161
A	3,066 Canadian dollar	(2,350) U.S. dollar	Nov. 2, 2018	(3,066)	(3,033)	33
AA	4,225 Canadian dollar	(3,240) U.S. dollar	Nov. 9, 2018	(4,225)	(4,181)	44
AA	4,279 Canadian dollar	(3,240) U.S. dollar	Nov. 9, 2018	(4,279)	(4,181)	98
AA	3,089 Canadian dollar	(2,350) U.S. dollar	Nov. 30, 2018	(3,089)	(3,031)	58
AA	2,103 Canadian dollar	(1,623) U.S. dollar	Nov. 30, 2018	(2,103)	(2,093)	10
AA	10,875 Canadian dollar	(12,500) New Zealand dollar	Dec. 5, 2018	(10,875)	(10,691)	184
AA	1,245 Canadian dollar	(960) U.S. dollar	Dec. 7, 2018	(1,245)	(1,238)	7
AA	3,365 Canadian dollar	(2,583) U.S. dollar	Dec. 7, 2018	(3,365)	(3,331)	34
AA	5,169 Canadian dollar	(3,960) U.S. dollar	Dec. 7, 2018	(5,169)	(5,107)	62
AA	261 Canadian dollar	(200) U.S. dollar	Dec. 14, 2018	(261)	(258)	3
AA	15,124 Canadian dollar	(11,515) U.S. dollar	Dec. 14, 2018	(15,124)	(14,846)	278
Unrealized Gains						1,663
AA	5,270 U.S. dollar	(6,921) Canadian dollar	Oct. 5, 2018	6,921	6,808	(113)
AA	437 U.S. dollar	(574) Canadian dollar	Oct. 19, 2018	574	564	(10)
Unrealized (Losses)						(123)
Total forward currency contracts						1,540
Total derivative instruments at fair value						4,179



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NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2018 and 2017, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2018, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Refer to Note 9 for the formation date of the Fund and the inception date of each series.

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

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

2. Basis of Preparation and Presentation

These unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including international Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2018. A summary of the Fund's significant accounting policies under IFRS is presented in Note 3.

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

These financial statements were authorized for issue by the Board of Directors of Mackenzie Financial Corporation on November 13, 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 – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

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

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

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

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

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

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

(b) Fair value measurement

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

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

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

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

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

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

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

The value of futures contracts or swaps fluctuates daily, and cash settlements made daily, where applicable, by the Fund are equal to the unrealized gains or losses on a "mark to market" basis. These unrealized gains or losses are recorded and reported as such until the Fund closes out the contract or the contract expires. Margin paid or deposited in respect of futures contracts or swaps is reflected as a receivable in the Statement of Financial Position – Margin on 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 September 30, 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 – Other changes in fair value of investments and other net assets – Net realized gain (loss).

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

(h) Net assets attributable to securityholders per security

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

(i) Net asset value per security

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

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

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

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

- (k) Mergers

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

4. Critical Accounting Estimates and Judgments

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

Use of Estimates

Fair value of securities not quoted in an active market

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

Use of Judgments

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

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

Functional currency

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

Structured entities and associates

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

5. Income Taxes

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

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

NOTES TO FINANCIAL STATEMENTS

6. Management Fees and Operating Expenses

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

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

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

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

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

7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at September 30, 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 September 30, 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 CANADIAN BOND FUND

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NOTES TO FINANCIAL STATEMENTS

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

(a) Fund Formation and Series Information

Date of Formation January 12, 1989

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

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

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

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

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

Series F securities are offered to investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$500; they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie.

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

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

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

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

Series PW 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 PWT8 securities also want to receive a monthly cash flow of 8% per year.

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

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

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

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

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

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

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

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

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

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

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

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

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NOTES TO FINANCIAL STATEMENTS

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Sep. 30, 2018	Mar. 31, 2018
Series A	February 10, 1989	1.35%	0.17%	13.51	13.70
Series AR	November 15, 2011	1.35%	0.20%	9.96	10.10
Series B	November 25, 2016	1.25%	0.17%	9.82	9.96
Series C	November 25, 2016	1.00%	0.17%	9.81	9.95
Series D	March 17, 2014	0.80%	0.15%	9.79	9.93
Series E	None issued ⁽⁵⁾	0.50%	0.15%	—	—
Series F	February 2, 2001	0.45% ⁽³⁾	0.15%	11.49	11.65
Series FB	October 26, 2015	0.55%	0.17%	9.86	10.00
Series G	April 6, 2005	1.10%	0.17%	10.56	10.70
Series I	October 25, 1999	0.80%	0.17%	5.78	5.88
Series IG	January 2, 2018	— *	— *	9.87	10.01
Series J	December 22, 2008	1.00%	0.15%	10.68	10.83
Series M	August 9, 2002	Up to 0.85%	0.17%	11.05	11.20
Series O	January 26, 2001	— ⁽¹⁾	— *	11.43	11.59
Series PW	October 10, 2013	0.95% ⁽⁴⁾	0.15%	10.21	10.35
Series PWF	None issued ⁽⁶⁾	0.55%	0.15%	—	10.14
Series PWFB	April 3, 2017	0.45% ⁽³⁾	0.15%	9.76	9.89
Series PWT8	June 8, 2015	0.95% ⁽⁴⁾	0.15%	11.51	12.08
Series PWX	February 20, 2014	— ⁽²⁾	— ⁽²⁾	9.86	10.00
Series R	July 3, 2007	— *	— *	10.73	10.88
Series S	October 6, 2009	— ⁽¹⁾	0.02%	10.39	10.54
Series SC	November 10, 2010	1.05%	0.17%	10.04	10.18
Series U	November 25, 2016	1.00%	0.17%	9.81	9.95
Investor Series	September 25, 2009	0.89%	0.17%	10.37	10.51
B-Series	September 25, 2009	— ⁽¹⁾	— *	10.26	10.40
Advisor Series	September 25, 2009	1.35%	0.17%	10.34	10.48
Series LB	January 20, 2012	1.05%	0.17%	9.84	9.98
Series LW	December 1, 2017	1.05%	0.15%	9.82	9.96

* Not applicable.

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

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

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

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

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

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



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NOTES TO FINANCIAL STATEMENTS

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

(b) Investments by Mackenzie and Affiliates

As at September 30, 2018, Mackenzie, other funds managed by Mackenzie, Related Insurance Companies and funds managed by I.G. Investment Management Ltd. had an investment of \$5, \$335,176, \$316,690 and \$369,374 (March 31, 2018 – \$5, \$316,542, \$322,827 and \$226,500), respectively, in the Fund.

(c) Loss Carryforwards

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

(d) Securities Lending

The value of securities loaned and collateral received from securities lending at September 30, 2018 and March 31, 2018, were as follows:

	September 30, 2018	March 31, 2018
	(\$)	(\$)
Value of securities loaned	239,962	241,141
Value of collateral received	252,102	254,146

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

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended September 30, 2018 and 2017 is as follows:

	2018		2017	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	117	100.0	55	100.0
Tax withheld	(1)	(0.9)	–	–
	116	99.1	55	100.0
Payments to Securities Lending Agent	(29)	(24.8)	(14)	(25.5)
Securities lending income	87	74.3	41	74.5

(e) Offsetting of Financial Assets and Liabilities

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

	September 30, 2018			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	3,236	(10)	–	3,226
Unrealized losses on derivative contracts	(10)	10	472	472
Liability for options written	–	–	–	–
Total	3,226	–	472	3,698



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NOTES TO FINANCIAL STATEMENTS

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

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

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

(f) Risks Associated with Financial Instruments

i. Risk exposure and management

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

ii. Currency risk

As at September 30, 2018 and March 31, 2018, the Fund did not have a significant exposure to currency risk.

iii. Interest rate risk

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

Term to Maturity	September 30, 2018 (\$)		March 31, 2018 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	19,931	(301,855)	16,919	(146,643)
1-5 years	416,013	–	288,490	–
5-10 years	561,253	–	486,520	–
Greater than 10 years	303,854	–	407,702	–
Total	1,301,051	(301,855)	1,199,631	(146,643)

As at September 30, 2018, had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased by approximately \$86,082 or 6.2% of total net assets (March 31, 2018 – \$88,325 or 6.9%). In practice, the actual trading results may differ and the difference could be material.

iv. Other price risk

As at September 30, 2018 and March 31, 2018, the Fund did not have a significant exposure to price risk.



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NOTES TO FINANCIAL STATEMENTS

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

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

v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. The maximum exposure to any one debt issuer as at September 30, 2018, was 16.8% of the net assets of the Fund (March 31, 2018 – 22.9%).

As at September 30, 2018 and March 31, 2018, debt securities by credit rating are as follows:

Bond Rating*	September 30, 2018	March 31, 2018
	% of Net Assets	% of Net Assets
AAA	24.2	30.1
AA	32.4	29.8
A	18.0	15.7
BBB	19.0	17.9
Less than BBB	–	0.1
Unrated	–	0.1
Total	93.6	93.7

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

(g) Fair Value Classification

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

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

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

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

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

	September 30, 2018				March 31, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	1,301,051	–	1,301,051	–	1,199,631	–	1,199,631
Options	–	81	–	81	–	–	–	–
Exchange-traded funds/notes	18,647	–	–	18,647	18,763	–	–	18,763
Mutual funds	–	–	–	–	–	–	–	–
Derivative assets	2,639	1,663	–	4,302	–	320	–	320
Derivative liabilities	–	(127)	–	(127)	(2,880)	(432)	–	(3,312)
Short-term investments	–	55,005	–	55,005	–	53,796	–	53,796
Total	21,286	1,357,673	–	1,378,959	15,883	1,253,315	–	1,269,198

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

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

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