

MACKENZIE USD GLOBAL TACTICAL BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

FIXED INCOME FUND

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

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

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

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

On behalf of Mackenzie Financial Corporation,
Manager of the Fund



Barry McInerney
President and Chief Executive Officer



Terry Rountes
Chief Financial Officer, Funds

June 7, 2018

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie USD Global Tactical Bond Fund (the "Fund")

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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



Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

June 7, 2018



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STATEMENTS OF FINANCIAL POSITION

*In thousands of U.S. dollars (except per security figures)
As at March 31*

| | 2018 | 2017 | | 2018 | 2017 |
|---|--------------|--------------|---|-------|-------|
| | \$ | \$ | | \$ | \$ |
| ASSETS | | | Net assets attributable to securityholders | | |
| Current assets | | | per security (note 3) | | |
| Investments at fair value | 7,591 | 8,805 | Series A | 9.40 | 9.50 |
| Cash and cash equivalents | 125 | 111 | Series D | 9.48 | 9.57 |
| Accrued interest receivable | 78 | 88 | Series F | 9.50 | 9.60 |
| Accounts receivable for investments sold | 64 | 76 | Series F6 | 13.35 | 13.93 |
| Accounts receivable for securities issued | 17 | 40 | Series FB | 9.79 | 9.90 |
| Margin on futures contracts | 111 | 247 | Series FB5 | 13.76 | 14.19 |
| Unrealized gains on derivative contracts | 28 | 17 | Series PW | 9.49 | 9.61 |
| Total assets | 8,014 | 9,384 | Series PWF | 9.50 | 9.61 |
| | | | Series PWF6 | 14.37 | – |
| | | | Series PWFB | 9.89 | – |
| | | | Series PWFB5 | 14.55 | – |
| | | | Series PWT6 | 14.35 | – |
| | | | Series PWX | 9.49 | 9.40 |
| | | | Series SC | 9.37 | 9.46 |
| | | | Series S6 | 12.67 | 13.29 |
| | | | Series T6 | 13.46 | 14.14 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Accounts payable for investments purchased | 206 | 199 | | | |
| Accounts payable for securities redeemed | 1 | 11 | | | |
| Due to manager | 1 | – | | | |
| Liability for options written | – | 3 | | | |
| Unrealized losses on derivative contracts | 68 | 99 | | | |
| Total liabilities | 276 | 312 | | | |
| Net assets attributable to securityholders | 7,738 | 9,072 | | | |
| Net assets attributable to securityholders | | | | | |
| per series (note 3) | | | | | |
| Series A | 155 | 285 | | | |
| Series D | 2 | 2 | | | |
| Series F | 2,137 | 2,900 | | | |
| Series F6 | 25 | 213 | | | |
| Series FB | 2 | 2 | | | |
| Series FB5 | 2 | 2 | | | |
| Series PW | 1,181 | 1,117 | | | |
| Series PWF | 3,389 | 3,715 | | | |
| Series PWF6 | 118 | – | | | |
| Series PWFB | 1 | – | | | |
| Series PWFB5 | 1 | – | | | |
| Series PWT6 | 1 | – | | | |
| Series PWX | 248 | 292 | | | |
| Series SC | 473 | 541 | | | |
| Series S6 | 2 | 2 | | | |
| Series T6 | 1 | 1 | | | |

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



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FIXED INCOME FUND

STATEMENTS OF COMPREHENSIVE INCOME

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

| | 2018 | 2017 | | 2018 | 2017 |
|---|------------|------------|---|------|------|
| | \$ | \$ | | \$ | \$ |
| Income | | | Increase (decrease) in net assets attributable to securityholders from operations per security | | |
| Dividends | 7 | 4 | Series A | 0.17 | 0.20 |
| Interest income | 372 | 323 | Series D | 0.36 | 0.27 |
| Other changes in fair value of investments | | | Series F | 0.18 | 0.22 |
| Net realized gain (loss) | (368) | 189 | Series F6 | 0.45 | 0.55 |
| Net unrealized gain (loss) | 272 | (209) | Series FB | 0.21 | 0.36 |
| Total income (loss) | 283 | 307 | Series FB5 | 0.30 | 0.53 |
| | | | Series PW | 0.15 | 0.05 |
| Expenses (note 6) | | | Series PWF | 0.19 | 0.18 |
| Management fees | 78 | 85 | Series PWF6 | 0.27 | – |
| Management fee rebates | (2) | (1) | Series PWFB | 0.22 | – |
| Administration fees | 15 | 16 | Series PWFB5 | 0.32 | – |
| Interest charges | 1 | 2 | Series PWT6 | 0.27 | – |
| Commissions and other portfolio transaction costs | 8 | 9 | Series PWX | 0.29 | 0.56 |
| Independent Review Committee fees | – | – | Series SC | 0.13 | 0.21 |
| Other | 3 | 2 | Series S6 | 0.18 | 0.39 |
| Expenses before amounts absorbed by Manager | 103 | 113 | Series T6 | 0.17 | 0.25 |
| Expenses absorbed by Manager | – | – | | | |
| Net expenses | 103 | 113 | | | |
| Increase (decrease) in net assets attributable to securityholders from operations before tax | 180 | 194 | | | |
| Foreign withholding taxes | – | – | | | |
| Foreign income taxes paid (recovered) | – | – | | | |
| Increase (decrease) in net assets attributable to securityholders from operations | 180 | 194 | | | |
| Increase (decrease) in net assets attributable to securityholders from operations per series | | | | | |
| Series A | 6 | 9 | | | |
| Series D | – | – | | | |
| Series F | 46 | 65 | | | |
| Series F6 | 2 | 6 | | | |
| Series FB | – | – | | | |
| Series FB5 | – | – | | | |
| Series PW | 20 | 5 | | | |
| Series PWF | 88 | 90 | | | |
| Series PWF6 | 3 | – | | | |
| Series PWFB | – | – | | | |
| Series PWFB5 | – | – | | | |
| Series PWT6 | – | – | | | |
| Series PWX | 9 | 8 | | | |
| Series SC | 6 | 11 | | | |
| Series S6 | – | – | | | |
| Series T6 | – | – | | | |

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



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MACKENZIE USD GLOBAL TACTICAL BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

FIXED INCOME FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
|---|--------------|--------------|----------|----------|--------------|--------------|--------------|------------|-----------|----------|
| | Series A | | Series D | | Series F | | Series F6 | | Series FB | |
| | \$ | | \$ | | \$ | | \$ | | \$ | |
| NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS | | | | | | | | | | |
| Beginning of period | 285 | 584 | 2 | 1 | 2,900 | 1,856 | 213 | 122 | 2 | 1 |
| Increase (decrease) in net assets from operations | 6 | 9 | – | – | 46 | 65 | 2 | 6 | – | – |
| Distributions paid to securityholders: | | | | | | | | | | |
| Investment income | (4) | (8) | – | – | (74) | (69) | (1) | (4) | – | – |
| Capital gains | – | (6) | – | – | – | (43) | – | (3) | – | – |
| Return of capital | – | – | – | – | – | – | (1) | (6) | – | – |
| Management fee rebates | – | – | – | – | – | – | – | – | – | – |
| Total distributions paid to securityholders | (4) | (14) | – | – | (74) | (112) | (2) | (13) | – | – |
| Security transactions: | | | | | | | | | | |
| Proceeds from securities issued | 17 | 146 | 5 | 60 | 1,586 | 3,082 | – | 4 | – | – |
| Proceeds from securities issued on merger | – | 44 | – | 1 | – | 102 | – | 113 | – | 1 |
| Reinvested distributions | 4 | 13 | – | – | 55 | 104 | – | 11 | – | – |
| Value of securities redeemed | (153) | (497) | (5) | (60) | (2,376) | (2,197) | (188) | (30) | – | – |
| Total security transactions | (132) | (294) | – | 1 | (735) | 1,091 | (188) | 98 | – | 1 |
| Total increase (decrease) in net assets | (130) | (299) | – | 1 | (763) | 1,044 | (188) | 91 | – | 1 |
| End of period | 155 | 285 | 2 | 2 | 2,137 | 2,900 | 25 | 213 | 2 | 2 |

| | Securities | | Securities | | Securities | | Securities | | Securities | |
|---|------------|-----------|------------|-----|------------|------------|------------|-----------|------------|---|
| Increase (decrease) in fund securities (note 7): | | | | | | | | | | |
| Securities outstanding – beginning of period | 30 | 60 | – | – | 302 | 191 | 15 | 8 | – | – |
| Issued | 2 | 15 | 1 | 6 | 164 | 315 | – | – | – | – |
| Issued on merger | – | 5 | – | – | – | 11 | – | 8 | – | – |
| Reinvested distributions | – | 1 | – | – | 6 | 11 | – | 1 | – | – |
| Redeemed | (16) | (51) | (1) | (6) | (247) | (226) | (13) | (2) | – | – |
| Securities outstanding – end of period | 16 | 30 | – | – | 225 | 302 | 2 | 15 | – | – |

| | Series FB5 | | Series PW | | Series PWF | | Series PWF6 | | Series PWF6 | | Series PWF6 | | Series PWFB | |
|---|------------|----------|--------------|--------------|--------------|--------------|-------------|----------|-------------|----------|-------------|----------|-------------|----------|
| | \$ | | \$ | | \$ | | \$ | | \$ | | \$ | | \$ | |
| NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS | | | | | | | | | | | | | | |
| Beginning of period | 2 | 1 | 1,117 | 321 | 3,715 | 2,030 | – | – | – | – | – | – | – | – |
| Increase (decrease) in net assets from operations | – | – | 20 | 5 | 88 | 90 | 3 | – | – | – | – | – | – | – |
| Distributions paid to securityholders: | | | | | | | | | | | | | | |
| Investment income | – | – | (35) | (14) | (144) | (109) | (5) | – | – | – | – | – | – | – |
| Capital gains | – | – | – | (16) | – | (80) | – | – | – | – | – | – | – | – |
| Return of capital | – | – | – | – | – | – | (5) | – | – | – | – | – | – | – |
| Management fee rebates | – | – | (1) | – | (1) | (1) | – | – | – | – | – | – | – | – |
| Total distributions paid to securityholders | – | – | (36) | (30) | (145) | (190) | (10) | – | – | – | – | – | – | – |
| Security transactions: | | | | | | | | | | | | | | |
| Proceeds from securities issued | – | – | 284 | 1,031 | 2,023 | 5,684 | 189 | – | – | – | – | 1 | – | – |
| Proceeds from securities issued on merger | – | 1 | – | 39 | – | 1 | – | – | – | – | – | – | – | – |
| Reinvested distributions | – | – | 18 | 14 | 115 | 176 | 7 | – | – | – | – | – | – | – |
| Value of securities redeemed | – | – | (222) | (263) | (2,407) | (4,076) | (71) | – | – | – | – | – | – | – |
| Total security transactions | – | 1 | 80 | 821 | (269) | 1,785 | 125 | – | – | – | – | 1 | – | – |
| Total increase (decrease) in net assets | – | 1 | 64 | 796 | (326) | 1,685 | 118 | – | – | – | – | 1 | – | – |
| End of period | 2 | 2 | 1,181 | 1,117 | 3,389 | 3,715 | 118 | – | – | – | – | 1 | – | – |

| | Securities | | Securities | | Securities | | Securities | | Securities | |
|---|------------|---|------------|------------|------------|------------|------------|---|------------|---|
| Increase (decrease) in fund securities (note 7): | | | | | | | | | | |
| Securities outstanding – beginning of period | – | – | 116 | 33 | 386 | 209 | – | – | – | – |
| Issued | – | – | 29 | 104 | 210 | 579 | 13 | – | – | – |
| Issued on merger | – | – | – | 4 | – | – | – | – | – | – |
| Reinvested distributions | – | – | 2 | 2 | 12 | 18 | – | – | – | – |
| Redeemed | – | – | (23) | (27) | (251) | (420) | (5) | – | – | – |
| Securities outstanding – end of period | – | – | 124 | 116 | 357 | 386 | 8 | – | – | – |

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



MACKENZIE USD GLOBAL TACTICAL BOND FUND

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STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
|---|-------------|----------|-------------|----------|-------------|------------|-------------|--------------|-----------|----------|
| | Series PWF5 | | Series PWT6 | | Series PWX | | Series SC | | Series S6 | |
| | \$ | | \$ | | \$ | | \$ | | \$ | |
| NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS | | | | | | | | | | |
| Beginning of period | - | - | - | - | 292 | 86 | 541 | 656 | 2 | 1 |
| Increase (decrease) in net assets from operations | - | - | - | - | 9 | 8 | 6 | 11 | - | - |
| Distributions paid to securityholders: | | | | | | | | | | |
| Investment income | - | - | - | - | (6) | (13) | (10) | (12) | - | - |
| Capital gains | - | - | - | - | - | (5) | - | (7) | - | - |
| Return of capital | - | - | - | - | - | - | - | - | - | - |
| Management fee rebates | - | - | - | - | - | - | - | - | - | - |
| Total distributions paid to securityholders | - | - | - | - | (6) | (18) | (10) | (19) | - | - |
| Security transactions: | | | | | | | | | | |
| Proceeds from securities issued | 1 | - | 1 | - | - | 140 | 443 | 456 | - | - |
| Proceeds from securities issued on merger | - | - | - | - | - | 109 | - | 101 | - | 1 |
| Reinvested distributions | - | - | - | - | 6 | 18 | 8 | 15 | - | - |
| Value of securities redeemed | - | - | - | - | (53) | (51) | (515) | (679) | - | - |
| Total security transactions | 1 | - | 1 | - | (47) | 216 | (64) | (107) | - | 1 |
| Total increase (decrease) in net assets | 1 | - | 1 | - | (44) | 206 | (68) | (115) | - | 1 |
| End of period | 1 | - | 1 | - | 248 | 292 | 473 | 541 | 2 | 2 |

| | Securities | | Securities | | Securities | | Securities | | Securities | |
|---|------------|----------|------------|----------|------------|-----------|------------|-----------|------------|----------|
| Increase (decrease) in fund securities (note 7): | | | | | | | | | | |
| Securities outstanding – beginning of period | - | - | - | - | 31 | 9 | 57 | 68 | - | - |
| Issued | - | - | - | - | - | 14 | 46 | 46 | - | - |
| Issued on merger | - | - | - | - | - | 11 | - | 11 | - | - |
| Reinvested distributions | - | - | - | - | 1 | 2 | 1 | 2 | - | - |
| Redeemed | - | - | - | - | (6) | (5) | (54) | (70) | - | - |
| Securities outstanding – end of period | - | - | - | - | 26 | 31 | 50 | 57 | - | - |

| | Series T6 | | Total | |
|---|-----------|----------|----------------|--------------|
| | \$ | | \$ | |
| NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS | | | | |
| Beginning of period | 1 | 1 | 9,072 | 5,660 |
| Increase (decrease) in net assets from operations | - | - | 180 | 194 |
| Distributions paid to securityholders: | | | | |
| Investment income | - | - | (279) | (229) |
| Capital gains | - | - | - | (160) |
| Return of capital | - | - | (6) | (6) |
| Management fee rebates | - | - | (2) | (1) |
| Total distributions paid to securityholders | - | - | (287) | (396) |
| Security transactions: | | | | |
| Proceeds from securities issued | - | - | 4,550 | 10,603 |
| Proceeds from securities issued on merger | - | - | - | 513 |
| Reinvested distributions | - | - | 213 | 351 |
| Value of securities redeemed | - | - | (5,990) | (7,853) |
| Total security transactions | - | - | (1,227) | 3,614 |
| Total increase (decrease) in net assets | - | - | (1,334) | 3,412 |
| End of period | 1 | 1 | 7,738 | 9,072 |

| | Securities | |
|---|------------|----------|
| Increase (decrease) in fund securities (note 7): | | |
| Securities outstanding – beginning of period | - | - |
| Issued | - | - |
| Issued on merger | - | - |
| Reinvested distributions | - | - |
| Redeemed | - | - |
| Securities outstanding – end of period | - | - |

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

MACKENZIE USD GLOBAL TACTICAL BOND FUND

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STATEMENTS OF CASH FLOWS

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

| | 2018 | 2017 |
|---|----------------|----------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Net increase (decrease) in net assets attributable to securityholders from operations | 180 | 194 |
| Adjustments for: | | |
| Net realized loss (gain) on investments | 368 | (189) |
| Change in net unrealized loss (gain) on investments | (272) | 209 |
| Distributions received in-kind from underlying funds | (1) | – |
| Purchase of investments | (10,951) | (15,182) |
| Proceeds from sale and maturity of investments | 12,045 | 11,834 |
| Change in accrued interest receivable | 10 | (27) |
| Change in due to manager | 1 | – |
| Change in margin on futures contracts | 136 | (149) |
| Change in liability for options written | (3) | 3 |
| Net cash from operating activities | 1,513 | (3,307) |
| Cash flows from financing activities | | |
| Proceeds from redeemable securities issued | 2,754 | 11,004 |
| Payments on redemption of redeemable securities | (4,181) | (7,769) |
| Distributions paid net of reinvestments | (74) | (46) |
| Net cash from financing activities | (1,501) | 3,189 |
| Net increase (decrease) in cash and cash equivalents | 12 | (118) |
| Cash and cash equivalents at beginning of period | 111 | 229 |
| Effect of exchange rate fluctuations on cash and cash equivalents | 2 | – |
| Cash and cash equivalents at end of period | 125 | 111 |
| Cash | 104 | 111 |
| Cash equivalents | 21 | – |
| Cash and cash equivalents at end of period | 125 | 111 |
| Supplementary disclosures on cash flow from operating activities: | | |
| Dividends received | 7 | 4 |
| Foreign taxes paid | – | – |
| Interest received | 382 | 296 |
| Interest paid | 1 | 2 |

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SCHEDULE OF INVESTMENTS

As at March 31, 2018

| | Country | Sector | Par Value/ No. of Shares/Units | Average Cost (US\$ 000s) | Fair Value (US\$ 000s) |
|---|------------------|-----------------------------|--------------------------------------|--------------------------------|------------------------------|
| BONDS | | | | | |
| 407 International Inc. 3.60% 05-21-2047 Callable | Canada | Corporate - Non Convertible | CAD 20,000 | 16 | 16 |
| AIMCo Realty Investors LP 3.04% 06-01-2028 Callable 2028 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Algonquin Power & Utilities Corp. 4.65% 02-15-2022 | Canada | Corporate - Non Convertible | CAD 40,000 | 32 | 33 |
| Allied Properties Real Estate Investment Trust 3.93% 11-14-2022 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| AltaGas Ltd. 3.98% 10-04-2027 Callable 2027 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| AltaLink LP 3.72% 12-03-2046 Callable MTN | Canada | Corporate - Non Convertible | CAD 32,000 | 24 | 26 |
| Amneal Pharmaceuticals LLC Term loan B 1st Lien F/R 03-23-2025 | United States | Term Loans | 10,000 | 10 | 10 |
| Anheuser-Busch InBev Finance Inc. 2.65% 02-01-2021 Callable 2021 | Belgium | Corporate - Non Convertible | 100,000 | 100 | 99 |
| Anheuser-Busch InBev Finance Inc. 3.30% 02-01-2023 Callable 2022 | Belgium | Corporate - Non Convertible | 80,000 | 82 | 80 |
| Anheuser-Busch InBev Finance Inc. 2.60% 05-15-2024 Callable 2024 | Belgium | Corporate - Non Convertible | CAD 30,000 | 22 | 23 |
| Arch Merger Sub Inc. 8.50% 09-15-2025 Callable 2020 | United States | Corporate - Non Convertible | 10,000 | 10 | 9 |
| Argentine Bonos del Tesoro 21.20% 09-19-2018 | Argentina | Foreign Governments | ARS 1,000,000 | 67 | 49 |
| Asian Development Bank 6.00% 02-24-2021 | Supra - National | n/a | INR 1,750,000 | 28 | 27 |
| Asian Development Bank 6.45% 08-08-2021 | Supra - National | n/a | INR 1,130,000 | 17 | 17 |
| Asian Development Bank 5.90% 12-20-2022 | Supra - National | n/a | INR 2,730,000 | 41 | 41 |
| ATS Consolidated Inc. Term Loan B 1st Lien F/R 02-23-2025 | United States | Term Loans | 10,000 | 10 | 10 |
| Aviva PLC 4.50% 05-10-2021 | United Kingdom | Corporate - Non Convertible | CAD 20,000 | 17 | 16 |
| Bank of America Corp. 3.228% 06-22-2022 | United States | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Bank of America Corp. F/R 03-15-2023 Callable 2022 | United States | Corporate - Non Convertible | CAD 30,000 | 22 | 23 |
| Bank of America Corp. F/R 09-20-2025 Callable 2024 | United States | Corporate - Non Convertible | CAD 30,000 | 25 | 23 |
| Bank of Montreal 2.70% 09-11-2024 DPNT | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Bank of Montreal 3.32% 06-01-2026 | Canada | Corporate - Non Convertible | CAD 20,000 | 16 | 16 |
| Bank of Montreal F/R 12-15-2032 Callable 2027 | Canada | Corporate - Non Convertible | 20,000 | 20 | 19 |
| The Bank of Nova Scotia 2.36% 11-08-2022 | Canada | Corporate - Non Convertible | CAD 40,000 | 31 | 31 |
| The Bank of Nova Scotia F/R 04-12-2066 Callable 2022 | Canada | Corporate - Non Convertible | 20,000 | 20 | 19 |
| bcIMC Realty Corp. 3.00% 03-31-2027 Callable 2026 | Canada | Corporate - Non Convertible | CAD 10,000 | 7 | 8 |
| Bell Canada 3.60% 09-29-2027 Callable | Canada | Corporate - Non Convertible | CAD 30,000 | 24 | 24 |
| Boardriders Inc. Term Loan B 1st Lien F/R 03-21-2024 | United States | Term Loans | 10,000 | 10 | 10 |
| Brazil Notas do Tesouro Nacional 10.00% 01-01-2027 | Brazil | Foreign Governments | BRL 20,000 | 64 | 62 |
| Brookfield Renewable Energy Partners ULC 3.752% 06-02-2025 Callable 2025 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026 | Canada | Corporate - Non Convertible | CAD 30,000 | 23 | 23 |
| Bruce Power LP 3.00% 06-21-2024 Callable 2024 | Canada | Corporate - Non Convertible | CAD 20,000 | 16 | 15 |
| Bruce Power LP 3.97% 06-23-2026 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Calpine Corp. 5.25% 06-01-2026 Callable 2021 | United States | Corporate - Non Convertible | 20,000 | 20 | 20 |
| Camelot Finance SA 7.875% 10-15-2024 Callable 2019 | Luxembourg | Corporate - Non Convertible | 20,000 | 20 | 21 |
| Can Am Construction Inc./Canada Term Loan B 1st Lien F/R 07-01-2024 | Canada | Term Loans | 9,925 | 10 | 10 |
| Canada Goose Inc. Term Loan 1st Lien F/R 12-22-2021 | Canada | Term Loans | 10,000 | 10 | 10 |
| Canadian Imperial Bank of Commerce 2.30% 07-11-2022 DPNT | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Canadian Imperial Bank of Commerce 2.47% 12-05-2022 | Canada | Corporate - Non Convertible | CAD 30,000 | 24 | 23 |
| Canadian Imperial Bank of Commerce 3.42% 01-26-2026 Callable 2021 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |



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|--|------------------|-----------------------------|--------------------------------------|--------------------------------|------------------------------|
| BONDS (cont'd) | | | | | |
| Canadian Imperial Bank of Commerce F/R 04-04-2028 Callable 2023 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Canadian Western Bank 2.74% 06-16-2022 DPNT | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Canadian Western Bank 2.92% 12-15-2022 | Canada | Corporate - Non Convertible | CAD 20,000 | 16 | 15 |
| Capital Power Corp. 4.28% 09-18-2024 Callable 2024 | Canada | Corporate - Non Convertible | CAD 40,000 | 33 | 31 |
| Careerbuilder LLC Term Loan 1st Lien F/R 07-31-2023 | United States | Term Loans | 9,750 | 9 | 10 |
| Central 1 Credit Union 2.60% 11-07-2022 | Canada | Corporate - Non Convertible | CAD 20,000 | 16 | 15 |
| Chartwell Retirement Residences 3.79% 12-11-2023 Callable 2023 | Canada | Corporate - Non Convertible | CAD 30,000 | 23 | 23 |
| Chassix Inc. Term Loan B 1st Lien F/R 11-10-2023 | United States | Term Loans | 9,975 | 10 | 10 |
| Choice Properties Real Estate Investment Trust 3.01% 03-21-2022 Callable 2022 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Choice Properties Real Estate Investment Trust 3.55% 01-10-2025 Callable 2024 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Choice Properties Real Estate Investment Trust 4.18% 03-08-2028 Callable 2027 | Canada | Corporate - Non Convertible | CAD 20,000 | 16 | 16 |
| City of Oslo 2.35% 09-04-2024 | Norway | Foreign Governments | NOK 1,000,000 | 125 | 127 |
| Comfort Holding LLC Term Loan 1st Lien F/R 02-05-2024 | United States | Term Loans | 9,900 | 10 | 10 |
| Commonwealth of Bahamas 5.75% 01-16-2024 | Bahamas | Foreign Governments | 40,000 | 41 | 41 |
| Commonwealth of Bahamas 6.95% 11-20-2029 | Bahamas | Foreign Governments | 35,000 | 40 | 38 |
| Communications Sales & Leasing Inc. Term Loan B 1st Lien F/R 10-24-2022 | United States | Term Loans | 43,403 | 43 | 42 |
| ConvergeOne Holdings Corp. Term Loan B 1st Lien F/R 06-20-2024 | United States | Term Loans | 10,918 | 11 | 11 |
| Cooperatieve Rabobank U.A. F/R 11-27-2019 | Netherlands | Corporate - Non Convertible | SEK 1,000,000 | 122 | 120 |
| Coronado Australian Holdings Pty Ltd. Term Loan B 1st Lien F/R 03-21-2025 | United States | Term Loans | 7,857 | 8 | 8 |
| Coronado Australian Holdings Pty Ltd. Term Loan C 1st Lien F/R 03-21-2025 | United States | Term Loans | 2,143 | 2 | 2 |
| Danske Bank AS F/R 05-22-2020 | Denmark | Corporate - Non Convertible | SEK 1,000,000 | 120 | 122 |
| Daseke Inc. Term Loan 1st Lien F/R 02-27-2024 | United States | Term Loans | 29,837 | 30 | 30 |
| Digicert Holdings Inc. Term Loan 1st Lien F/R 09-20-2024 | United States | Term Loans | 50,000 | 50 | 50 |
| Eagle Credit Card Trust 2.63% 10-17-2022 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024 | United States | Term Loans | 9,950 | 10 | 10 |
| Enbridge Inc. 4.00% 10-01-2023 Callable 2023 | Canada | Corporate - Non Convertible | 60,000 | 59 | 60 |
| Enbridge Inc. 3.20% 06-08-2027 Callable 2027 | Canada | Corporate - Non Convertible | CAD 10,000 | 7 | 7 |
| Enbridge Inc. 4.57% 03-11-2044 | Canada | Corporate - Non Convertible | CAD 20,000 | 15 | 16 |
| Enbridge Inc. 5.37% 09-27-2077 Callable 2027 | Canada | Corporate - Non Convertible | CAD 80,000 | 65 | 60 |
| EnerCare Solutions Inc. 3.38% 02-21-2022 Callable 2022 | Canada | Corporate - Non Convertible | CAD 20,000 | 15 | 16 |
| EnerCare Solutions Inc. 3.99% 02-21-2024 Callable 2023 | Canada | Corporate - Non Convertible | CAD 20,000 | 15 | 16 |
| Envigo Holdings Inc. Term Loan B 1st Lien F/R 12-14-2023 | United States | Term Loans | 10,000 | 10 | 10 |
| EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| European Bank for Reconstruction & Development 6.00% 05-04-2020 | Supra - National | n/a | INR 3,500,000 | 54 | 53 |
| Fairfax Financial Holdings Ltd. 8.30% 04-15-2026 | Canada | Corporate - Non Convertible | 20,000 | 25 | 25 |
| Fairfax Financial Holdings Ltd. 4.25% 12-06-2027 Callable 2027 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Federation des Caisses Desjardins du Quebec 2.09% 01-17-2022 | Canada | Corporate - Non Convertible | CAD 50,000 | 39 | 38 |
| The Fédération des Caisses Desjardins du Québec 2.39% 08-25-2022 | Canada | Corporate - Non Convertible | CAD 30,000 | 24 | 23 |



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|--|--------------------|-----------------------------|--------------------------------------|--------------------------------|------------------------------|
| BONDS (cont'd) | | | | | |
| Fortified Trust 2.16% 10-23-2020 | Canada | Corporate - Non Convertible | CAD 40,000 | 32 | 31 |
| Fortified Trust 1.67% 07-23-2021 | Canada | Corporate - Non Convertible | CAD 30,000 | 23 | 23 |
| FXI Holdings Inc. 7.88% 11-01-2024 Callable 2020 | United States | Corporate - Non Convertible | 20,000 | 20 | 20 |
| Gaz Metro Inc. 1.52% 05-25-2020 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| General Electric Capital Corp. F/R 07-30-2019 | United States | Corporate - Non Convertible | SEK 1,000,000 | 123 | 121 |
| General Electric Co. 8.35% 09-03-2022 | United States | Corporate - Non Convertible | MXN 1,000,000 | 56 | 55 |
| General Motors Financial of Canada Ltd. 2.60% 06-01-2022 | United States | Corporate - Non Convertible | CAD 20,000 | 15 | 15 |
| Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS | Canada | Corporate - Non Convertible | CAD 20,000 | 15 | 16 |
| The Goldman Sachs Group Inc. 5.20% 12-17-2019 | United States | Corporate - Non Convertible | NZD 200,000 | 154 | 150 |
| The Goldman Sachs Group Inc. F/R 10-28-2027 Callable 2026 | United States | Corporate - Non Convertible | 100,000 | 104 | 105 |
| Government of Bermuda 3.72% 01-25-2027 Callable 2026 | Bermuda | Foreign Governments | 200,000 | 202 | 195 |
| Government of Canada 2.50% 06-01-2024 | Canada | Federal Government | CAD 20,000 | 16 | 16 |
| Government of Canada 2.75% 12-01-2048 | Canada | Federal Government | CAD 40,000 | 34 | 34 |
| Government of Dominican Republic 7.50% 05-06-2021 | Dominican Republic | Foreign Governments | 100,000 | 109 | 107 |
| Government of Ireland 1.00% 05-15-2026 | Ireland | Foreign Governments | EUR 25,000 | 27 | 32 |
| Government of Japan 0.10% 02-15-2019 | Japan | Foreign Governments | JPY 25,000,000 | 236 | 236 |
| Government of Russia 7.05% 01-19-2028 | Russia | Foreign Governments | RUB 6,000,000 | 106 | 105 |
| Government of Turkey 9.40% 07-08-2020 | Turkey | Foreign Governments | TRL 300,000 | 81 | 70 |
| Government of Turkey 11.00% 02-24-2027 | Turkey | Foreign Governments | TRL 400,000 | 115 | 94 |
| Granite REIT Holdings LP 3.87% 11-30-2023 Callable 2023 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Green Plains Inc. Term Loan B 1st Lien F/R 08-29-2023 | United States | Term Loans | 9,950 | 10 | 10 |
| Greenhill & Co. Inc. Term Loan B 1st Lien F/R 10-12-2022 | United States | Term Loans | 9,875 | 10 | 10 |
| H&R Real Estate Investment Trust 2.92% 05-06-2022 | Canada | Corporate - Non Convertible | CAD 30,000 | 23 | 23 |
| H&R Real Estate Investment Trust 3.42% 01-23-2023 Callable 2022 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| H&R Real Estate Investment Trust 3.37% 01-30-2024 Callable 2023 | Canada | Corporate - Non Convertible | CAD 20,000 | 16 | 15 |
| Heathrow Funding Ltd. 4.00% 07-03-2019 | United Kingdom | Corporate - Non Convertible | CAD 100,000 | 78 | 79 |
| Heathrow Funding Ltd. 3.40% 03-08-2028 | United Kingdom | Corporate - Non Convertible | CAD 20,000 | 16 | 16 |
| Hornblower Sub LLC Term Loan 1st Lien F/R 04-28-2025 | United States | Term Loans | 10,000 | 10 | 10 |
| HSBC Bank Canada 2.54% 01-31-2023 | Canada | Corporate - Non Convertible | CAD 20,000 | 16 | 15 |
| Hudson River Trading LLC Term Loan 1st Lien F/R 03-20-2025 | United States | Term Loans | 10,000 | 10 | 10 |
| Hydro One Inc. 3.72% 11-18-2047 | Canada | Corporate - Non Convertible | CAD 10,000 | 7 | 8 |
| Hyster-Yale Group Inc. Term Loan B 1st Lien F/R 05-30-2023 | United States | Term Loans | 9,750 | 10 | 10 |
| Inter Pipeline Ltd. 2.73% 04-18-2024 Callable 2024 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Inter Pipeline Ltd. 3.48% 12-16-2026 Callable 2026 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| International Finance Corp. 6.30% 11-25-2024 | Supra - National | n/a | INR 5,020,000 | 77 | 76 |
| International Finance Corp. 7.00% 07-20-2027 | Supra - National | n/a | MXN 5,800,000 | 285 | 305 |
| iQor US Inc. Term Loan B 1st Lien F/R 04-01-2021 | United States | Term Loans | 82,180 | 76 | 82 |
| Itron Inc. 5.00% 01-15-2026 Callable 2021 | United States | Corporate - Non Convertible | 20,000 | 20 | 20 |
| Jane Street Group LLC Term Loan B 1st Lien F/R 08-25-2022 | United States | Term Loans | 9,875 | 10 | 10 |
| KEMET Corp. Term Loan B 1st Lien F/R 04-26-2024 | United States | Term Loans | 19,250 | 19 | 20 |
| Kommunalbanken AS F/R 05-26-2021 | Norway | Foreign Governments | NZD 50,000 | 36 | 36 |
| Kraft Heinz Foods Co. 3.00% 06-01-2026 Callable 2026 | United States | Corporate - Non Convertible | 50,000 | 48 | 46 |
| Laurentian Bank of Canada F/R 10-22-2019 | Canada | Corporate - Non Convertible | CAD 20,000 | 16 | 16 |
| Laurentian Bank of Canada 3.00% 09-12-2022 | Canada | Corporate - Non Convertible | CAD 30,000 | 24 | 23 |
| LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022 | Colombia | Term Loans | 9,750 | 10 | 10 |
| Manulife Bank of Canada 2.08% 05-26-2022 | Canada | Corporate - Non Convertible | CAD 30,000 | 22 | 23 |



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| BONDS (cont'd) | | | | | |
| Manulife Bank of Canada 2.84% 01-12-2023 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Manulife Financial Corp. F/R 08-20-2029 Callable 2024 | Canada | Corporate - Non Convertible | CAD 30,000 | 24 | 23 |
| Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020 | Canada | Corporate - Non Convertible | CAD 15,000 | 12 | 12 |
| McAfee LLC Term Loan B 1st Lien F/R 09-30-2024 | United States | Term Loans | 49,750 | 49 | 50 |
| McDonald's Corp. 3.13% 03-04-2025 Callable 2025 | United States | Corporate - Non Convertible | CAD 40,000 | 32 | 31 |
| Meredith Corp. Term Loan B 1st Lien F/R 01-18-2025 | United States | Term Loans | 10,000 | 10 | 10 |
| Metro Inc. 2.68% 12-05-2022 Callable 2022 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Metro Inc. 3.39% 12-06-2027 Callable 2027 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Mitsubishi UFJ Financial Group Inc. 2.67% 07-25-2022 | Japan | Corporate - Non Convertible | 50,000 | 50 | 48 |
| Molson Coors International LP 2.25% 09-18-2018 | United States | Corporate - Non Convertible | CAD 80,000 | 63 | 62 |
| Molson Coors International LP 2.84% 07-15-2023 Callable 2023 | United States | Corporate - Non Convertible | CAD 90,000 | 71 | 68 |
| Mondelez International Inc. 3.25% 03-07-2025 Callable 2025 | United States | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Morgan Stanley 3.13% 08-05-2021 | United States | Corporate - Non Convertible | CAD 100,000 | 82 | 78 |
| Morgan Stanley 3.00% 02-07-2024 | United States | Corporate - Non Convertible | CAD 40,000 | 31 | 31 |
| Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022 | United States | Term Loans | 5,000 | 5 | 5 |
| New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 | Canada | Corporate - Non Convertible | 5,000 | 5 | 5 |
| Ocean Bidco Inc. Term Loan B 1st Lien F/R 03-02-2025 | United States | Term Loans | 10,000 | 10 | 10 |
| OCI Beaumont LLC Term Loan B 1st Lien F/R 02-16-2025 | United States | Term Loans | 10,000 | 10 | 10 |
| Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022 | United States | Term Loans | 9,750 | 9 | 10 |
| OMERS Realty Corp. 3.24% 10-04-2027 Callable 2027 | Canada | Corporate - Non Convertible | CAD 40,000 | 32 | 32 |
| Ontario Power Generation Inc. 3.32% 10-04-2027 Callable 2027 | Canada | Corporate - Non Convertible | CAD 20,000 | 16 | 16 |
| OPB Finance Trust 2.98% 01-25-2027 | Canada | Provincial Governments | CAD 20,000 | 15 | 16 |
| Osteon Merger Sub Inc. Term Loan B 1st Lien F/R 02-06-2025 | United States | Term Loans | 10,000 | 10 | 10 |
| Paradigm Acquisition Corp. Term Loan 1st Lien F/R 10-11-2024 | United States | Term Loans | 48,753 | 49 | 49 |
| Parkland Fuel Corp. 5.75% 09-16-2024 Callable 2019 | Canada | Corporate - Non Convertible | CAD 50,000 | 38 | 39 |
| Parkland Fuel Corp. 6.00% 04-01-2026 Callable 2021 | Canada | Corporate - Non Convertible | 10,000 | 10 | 10 |
| Pembina Pipeline Corp. 2.99% 01-22-2024 Callable 2023 | Canada | Corporate - Non Convertible | CAD 42,000 | 32 | 32 |
| Petroleos De Venezuela SA 6.00% 05-16-2024 | Venezuela | Corporate - Non Convertible | 19,000 | 5 | 5 |
| Pisces Midco Inc. Term Loan B 1st Lien F/R 03-29-2025 | United States | Term Loans | 10,000 | 10 | 10 |
| Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021 | United States | Corporate - Non Convertible | 5,000 | 5 | 5 |
| PNI Canada Acquireco Corp. Term Loan B 1st Lien F/R 08-23-2022 | Canada | Term Loans | 9,950 | 9 | 10 |
| Prospect Medical Holdings Inc. Term Loan B 1st Lien F/R 02-15-2024 | United States | Term Loans | 10,000 | 10 | 10 |
| Province of Newfoundland 3.70% 10-17-2048 | Canada | Provincial Governments | CAD 10,000 | 9 | 8 |
| PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025 | United States | Term Loans | 10,000 | 10 | 10 |
| PSC Industrial Outsourcing LP Term Loan B 1st Lien F/R 10-05-2024 | United States | Term Loans | 49,875 | 49 | 50 |
| QCP SNF West 8.125% 11-01-2023 Callable 2019 | United States | Corporate - Non Convertible | 20,000 | 20 | 21 |
| Queensland Treasury Corp. 2.75% 08-20-2027 | Australia | Foreign Governments | AUD 250,000 | 192 | 187 |
| Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2019 | United States | Corporate - Non Convertible | 30,000 | 30 | 30 |
| Red Ventures LLC Term Loan B 1st Lien F/R 11-08-2024 | United States | Term Loans | 9,950 | 10 | 10 |
| Reliance Intermediate Holdings LP 6.50% 04-01-2023 Callable 2018 | Canada | Corporate - Non Convertible | 5,000 | 5 | 5 |
| Reliance LP 3.84% 03-15-2025 Callable 2025 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Republic of Argentina 4.63% 01-11-2023 | Argentina | Foreign Governments | 30,000 | 29 | 29 |
| Republic of Argentina 5.88% 01-11-2028 | Argentina | Foreign Governments | 70,000 | 66 | 66 |
| Republic of Argentina 6.88% 01-11-2048 | Argentina | Foreign Governments | 15,000 | 15 | 14 |
| Republic of Poland F/R 01-25-2026 | Poland | Foreign Governments | PLN 725,000 | 193 | 208 |



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|---|----------------|-----------------------------|--------------------------------------|--------------------------------|------------------------------|
| BONDS (cont'd) | | | | | |
| Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024 | United States | Term Loans | 9,975 | 9 | 10 |
| Rite Aid Corp. 7.70% 02-15-2027 | United States | Corporate - Non Convertible | 50,000 | 43 | 42 |
| Royal Bank of Canada 2.36% 12-05-2022 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Royal Bank of Canada 2.33% 12-05-2023 DPNT | Canada | Corporate - Non Convertible | CAD 10,000 | 7 | 8 |
| Royal Bank of Canada 4.65% 01-27-2026 GMTN | Canada | Corporate - Non Convertible | 10,000 | 11 | 10 |
| Sigma Bidco BV Term Loan B 1st Lien F/R 03-07-2025 | Netherlands | Term Loans | EUR 10,000 | 12 | 12 |
| Sigma US Corp. Term Loan B 1st Lien F/R 03-06-2025 | Netherlands | Term Loans | 10,000 | 10 | 10 |
| SNC-Lavalin Group Inc. 2.69% 11-24-2020 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| SNC-Lavalin Group Inc. 3.24% 03-02-2023 Callable 2023 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Source Energy Services Canada LP 10.50% 12-15-2021 Callable 2018 | Canada | Corporate - Non Convertible | CAD 41,000 | 31 | 35 |
| Staples Inc. Term Loan 1st Lien F/R 08-15-2024 | United States | Term Loans | 9,975 | 10 | 10 |
| Stepstone Group LP Term Loan B 1st Lien F/R 03-19-2025 | United States | Term Loans | 10,000 | 10 | 10 |
| Sun Life Financial Inc. F/R 11-23-2027 Callable 2022 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Superior Plus LP 5.25% 02-27-2024 Callable 2020 | Canada | Corporate - Non Convertible | CAD 20,000 | 16 | 16 |
| Sydney Airport Finance Co. Pty. Ltd. 3.625% 04-28-2026 Callable 2026 | Australia | Corporate - Non Convertible | 70,000 | 71 | 68 |
| Talen Energy Supply LLC 9.50% 07-15-2022 Callable 2020 | United States | Corporate - Non Convertible | 30,000 | 27 | 29 |
| Talen Energy Supply LLC 10.50% 01-15-2026 Callable 2022 | United States | Corporate - Non Convertible | 10,000 | 10 | 9 |
| TELUS Corp. 3.63% 03-01-2028 Callable 2027 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027 | United States | Corporate - Non Convertible | 10,000 | 10 | 10 |
| Teva Pharmaceutical Finance Netherlands III BV 3.15% 10-01-2026 Callable | Israel | Corporate - Non Convertible | 15,000 | 12 | 12 |
| Titan Acquisition Ltd. Term Loan 1st Lien F/R 03-16-2025 | United Kingdom | Term Loans | 10,000 | 10 | 10 |
| Titan Acquisition Ltd. 7.75% 04-15-2026 Callable 2021 | United Kingdom | Corporate - Non Convertible | 10,000 | 10 | 10 |
| T-Mobile USA Inc. 6.50% 01-15-2024 Callable 2019 | United States | Corporate - Non Convertible | 20,000 | 21 | 21 |
| TMX Group Ltd. 2.30% 12-11-2024 Callable 2024 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| The Toronto-Dominion Bank 1.91% 07-18-2023 DPNT | Canada | Corporate - Non Convertible | CAD 30,000 | 23 | 22 |
| The Toronto-Dominion Bank F/R 07-25-2029 Callable 2024 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| TransCanada Pipelines Ltd. 3.39% 03-15-2028 Callable 2027 | Canada | Corporate - Non Convertible | CAD 30,000 | 25 | 24 |
| TransCanada Trust F/R 05-18-2077 Callable 2027 | Canada | Corporate - Non Convertible | CAD 30,000 | 22 | 23 |
| Traverse Midstream Partners LLC Term Loan B 1st Lien F/R 09-21-2024 | United States | Term Loans | 10,000 | 10 | 10 |
| Treasury Corp. of Victoria 3.00% 10-20-2028 | Australia | Foreign Governments | AUD 200,000 | 154 | 153 |
| Trico Products Corp. Term Loan 1st Lien F/R 02-02-2024 | United States | Term Loans | 10,000 | 10 | 10 |
| Uber Technologies Inc. Term Loan 1st Lien F/R 03-21-2025 | United States | Term Loans | 10,000 | 10 | 10 |
| Uber Technologies Inc. Term Loan B 1st Lien F/R 07-13-2023 | United States | Term Loans | 19,749 | 20 | 20 |
| United Kingdom Treasury 4.25% 12-07-2027 | United Kingdom | Foreign Governments | GBP 100,000 | 168 | 177 |
| United States Treasury Inflation Indexed 0.13% 01-15-2023 | United States | Foreign Governments | 100,000 | 105 | 105 |
| United States Treasury Inflation Indexed 0.38% 07-15-2027 | United States | Foreign Governments | 250,000 | 252 | 246 |
| United States Treasury Inflation Indexed 0.89% 02-15-2047 | United States | Foreign Governments | 150,000 | 155 | 153 |
| United States Treasury 2.75% 02-15-2028 | United States | Foreign Governments | 10,000 | 10 | 10 |
| Ventas Canada Finance Ltd. 2.55% 03-15-2023 Callable 2023 | United States | Corporate - Non Convertible | CAD 20,000 | 15 | 15 |
| Videotron Ltee 5.75% 01-15-2026 Callable 2020 | Canada | Corporate - Non Convertible | CAD 10,000 | 8 | 8 |
| Vistage Worldwide Inc. Term Loan 1st Lien F/R 02-01-2025 | United States | Term Loans | 10,000 | 10 | 10 |
| Volkswagen Financial Services NV 1.75% 04-17-2020 | Germany | Corporate - Non Convertible | GBP 50,000 | 78 | 70 |
| W/S Packaging Holdings Inc. 9.00% 04-15-2023 Callable 2020 | United States | Corporate - Non Convertible | 10,000 | 10 | 10 |



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| BONDS (cont'd) | | | | | |
| Wells Fargo & Co. 2.09% 04-25-2022 | United States | Corporate - Non Convertible | CAD 100,000 | 79 | 75 |
| Wells Fargo & Co. 2.98% 05-19-2026 | United States | Corporate - Non Convertible | CAD 60,000 | 47 | 45 |
| Williams Scotsman International Inc. 7.88% 12-15-2022 Callable 2019 | United States | Corporate - Non Convertible | 25,000 | 25 | 26 |
| YRC Worldwide Inc. Term Loan 1st Lien F/R 07-21-2022 | United States | Term Loans | 9,845 | 10 | 10 |
| Zotec Partners LLC Term Loan 1st Lien F/R 02-09-2024 | United States | Term Loans | 10,000 | 10 | 10 |
| Total bonds | | | | 7,400 | 7,339 |
| EQUITIES | | | | | |
| AltaGas Ltd. Pfd. Series K | Canada | Energy | 500 | 10 | 10 |
| Brookfield Asset Management Inc. Pfd. Series 46 | Canada | Real Estate | 666 | 12 | 13 |
| Brookfield Asset Management Inc. Pfd. Series 48 | Canada | Real Estate | 397 | 8 | 8 |
| Brookfield Renewable Partners LP Pfd. Series 11 | Canada | Utilities | 953 | 18 | 19 |
| Source Energy Services Ltd. | Canada | Energy | 385 | 3 | 1 |
| TransAlta Corp. Pfd. Series A | Canada | Utilities | 864 | 9 | 10 |
| TransCanada Corp. Pfd. Series 15 | Canada | Energy | 1,265 | 23 | 26 |
| Total equities | | | | 83 | 87 |
| EXCHANGE-TRADED FUNDS/NOTES | | | | | |
| Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged) | Canada | Exchange-Traded Funds/Notes | 1,644 | 131 | 125 |
| Total exchange-traded funds/notes | | | | 131 | 125 |
| MUTUAL FUNDS | | | | | |
| Mackenzie Unconstrained Fixed Income Fund Series R | Canada | Mutual Funds | 5,198 | 39 | 40 |
| Total mutual funds | | | | 39 | 40 |
| Transaction costs | | | | (1) | – |
| Total investments | | | | 7,652 | 7,591 |
| Derivative instruments (see schedule of derivative instruments) | | | | | (40) |
| Cash and cash equivalents | | | | | 125 |
| Other assets less liabilities | | | | | 62 |
| Total net assets | | | | | 7,738 |



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SUMMARY OF INVESTMENT PORTFOLIO

| March 31, 2018 | |
|---------------------------------|----------|
| Portfolio Allocation | % of NAV |
| Bonds | 94.5 |
| <i>Bonds</i> | 94.8 |
| <i>Short futures</i> | (0.3) |
| Exchange-traded funds/notes | 1.6 |
| Cash and short-term investments | 1.6 |
| Equities | 1.2 |
| Other assets (liabilities) | 0.6 |
| Mutual funds | 0.5 |

| Regional Allocation | |
|---------------------------------|----------|
| Regional Allocation | % of NAV |
| United States | 37.2 |
| Canada | 22.2 |
| Other | 7.3 |
| Australia | 5.3 |
| United Kingdom | 4.7 |
| Japan | 3.7 |
| Poland | 2.7 |
| Belgium | 2.6 |
| Bermuda | 2.5 |
| Norway | 2.1 |
| Turkey | 2.1 |
| Argentina | 2.0 |
| Netherlands | 1.8 |
| Denmark | 1.6 |
| Cash and short-term investments | 1.6 |
| Other assets (liabilities) | 0.6 |

| Sector Allocation | |
|---------------------------------|----------|
| Sector Allocation | % of NAV |
| Corporate bonds | 43.7 |
| Foreign government bonds | 32.6 |
| Term loans | 10.5 |
| Supra-national bonds | 6.7 |
| Exchange-traded funds/notes | 1.6 |
| Cash and short-term investments | 1.6 |
| Federal bonds | 0.7 |
| Energy | 0.6 |
| Other assets (liabilities) | 0.6 |
| Mutual funds | 0.5 |
| Utilities | 0.4 |
| Provincial bonds | 0.3 |
| Financials | 0.2 |

| March 31, 2017 | |
|---------------------------------|----------|
| Portfolio Allocation | % of NAV |
| Bonds | 96.8 |
| <i>Bonds</i> | 94.8 |
| <i>Long futures</i> | 1.8 |
| <i>Purchased options</i> | 0.3 |
| <i>Written options</i> | (0.0) |
| <i>Short futures</i> | (0.1) |
| Other assets (liabilities) | 1.9 |
| Equities | 1.5 |
| Mutual funds | 0.4 |
| Cash and short-term investments | (0.6) |

| Regional Allocation | |
|---------------------------------|----------|
| Regional Allocation | % of NAV |
| United States | 34.3 |
| Canada | 13.6 |
| Denmark | 7.6 |
| Other | 7.6 |
| Mexico | 7.1 |
| Poland | 4.9 |
| Bermuda | 4.1 |
| Netherlands | 4.1 |
| Bahamas | 3.6 |
| Ireland | 2.9 |
| Portugal | 2.6 |
| Italy | 2.2 |
| France | 2.1 |
| Brazil | 2.0 |
| Other assets (liabilities) | 1.9 |
| Cash and short-term investments | (0.6) |

| Sector Allocation | |
|---------------------------------|----------|
| Sector Allocation | % of NAV |
| Foreign government bonds | 46.2 |
| Corporate bonds | 34.9 |
| Term loans | 12.1 |
| Supra-national bonds | 2.0 |
| Other assets (liabilities) | 1.9 |
| Other | 1.8 |
| Energy | 0.9 |
| Federal bonds | 0.8 |
| Cash and short-term investments | (0.6) |



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SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2018

Schedule of Futures Contracts

| Number of Contracts | Type of Contract | Expiration Date | Average Rate of Contracts (\$) | Notional Value* (US\$ 000s) | Unrealized (Losses) (US\$ 000s) |
|--------------------------------|--|-----------------|--------------------------------|-----------------------------|---------------------------------|
| (1) | Euro-BOBL Futures June 2018 | Jun. 7, 2018 | 156.58 EUR | (196) | (4) |
| (5) | 10 Year United States Treasury Note Futures June 2018 | Jun. 20, 2018 | 119.74 USD | (606) | (7) |
| (2) | CME Ultra Term United States Treasury Bond Futures June 2018 | Jun. 20, 2018 | 154.63 USD | (321) | (11) |
| Unrealized (Losses) | | | | (1,123) | (22) |
| Total futures contracts | | | | (1,123) | (22) |

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

Schedule of Forward Currency Contracts

| Counterparty Credit Rating | Bought (\$ 000s) | Sold (\$ 000s) | Settlement Date | Contract Cost (US\$ 000s) | Current Fair Value (US\$ 000s) | Unrealized Gains (Losses) (US\$ 000s) |
|---|-----------------------|-------------------------|-----------------|---------------------------|--------------------------------|---------------------------------------|
| AA | 4 British pound | (5) U.S. dollar | Apr. 5, 2018 | 5 | 5 | – |
| AA | 68 U.S. dollar | (559) Swedish krona | Apr. 5, 2018 | (68) | (67) | 1 |
| AA | 74 U.S. dollar | (69) Swiss franc | Apr. 5, 2018 | (74) | (72) | 2 |
| A | 5,158 Mexican peso | (271) U.S. dollar | Apr. 6, 2018 | 271 | 283 | 12 |
| AA | 4 British pound | (5) U.S. dollar | Apr. 11, 2018 | 5 | 5 | – |
| AA | 146 U.S. dollar | (1,200) Swedish krona | Apr. 18, 2018 | (146) | (144) | 2 |
| AA | 125 U.S. dollar | (1,010) Swedish krona | Apr. 18, 2018 | (125) | (121) | 4 |
| AA | 128 U.S. dollar | (1,000) Norwegian krone | Apr. 20, 2018 | (128) | (128) | – |
| A | 186 U.S. dollar | (149) Euro | Apr. 27, 2018 | (186) | (184) | 2 |
| A | 106 U.S. dollar | (135) Australian dollar | May 9, 2018 | (106) | (104) | 2 |
| A | 116 U.S. dollar | (150) Australian dollar | May 9, 2018 | (116) | (115) | 1 |
| AA | 69 U.S. dollar | (94) New Zealand dollar | Jun. 13, 2018 | (69) | (68) | 1 |
| AA | 116 U.S. dollar | (150) Australian dollar | Jun. 20, 2018 | (116) | (115) | 1 |
| Unrealized Gains | | | | | | 28 |
| AA | 38 Australian dollar | (30) U.S. dollar | Apr. 5, 2018 | 30 | 29 | (1) |
| AA | 3 Canadian dollar | (2) U.S. dollar | Apr. 5, 2018 | 2 | 2 | – |
| AA | 36 Euro | (45) U.S. dollar | Apr. 5, 2018 | 45 | 45 | – |
| AA | 743 Japanese yen | (7) U.S. dollar | Apr. 5, 2018 | 7 | 7 | – |
| AA | 15 New Zealand dollar | (11) U.S. dollar | Apr. 5, 2018 | 11 | 11 | – |
| AA | 194 Norwegian krone | (25) U.S. dollar | Apr. 5, 2018 | 25 | 25 | – |
| A | 266 U.S. dollar | (5,188) Mexican peso | Apr. 6, 2018 | (266) | (285) | (19) |
| AA | 242 U.S. dollar | (178) British pound | Apr. 11, 2018 | (242) | (250) | (8) |
| A | 70 Euro | (87) U.S. dollar | Apr. 27, 2018 | 87 | 86 | (1) |
| A | 53 Euro | (66) U.S. dollar | Apr. 27, 2018 | 66 | 65 | (1) |
| AA | 139 U.S. dollar | (2,640) Mexican peso | May 11, 2018 | (139) | (145) | (6) |
| AA | 1,977 U.S. dollar | (2,546) Canadian dollar | Jun. 15, 2018 | (1,977) | (1,979) | (2) |
| AA | 233 U.S. dollar | (24,700) Japanese yen | Jun. 20, 2018 | (233) | (234) | (1) |
| AA | 198 U.S. dollar | (3,775) Mexican peso | Jun. 22, 2018 | (198) | (205) | (7) |
| A | 1 U.S. dollar | (25) Mexican peso | Jul. 13, 2018 | (1) | (1) | – |
| Unrealized (Losses) | | | | | | (46) |
| Total forward currency contracts | | | | | | (18) |
| Total derivative instruments at fair value | | | | | | (40) |



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NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

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

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

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

2. Basis of Preparation and Presentation

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

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

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

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

3. Significant Accounting Policies

(a) Financial instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives. The Fund classifies and measures financial instruments in accordance with IFRS 9, *Financial Instruments* ("IFRS 9"). Upon initial recognition, financial instruments are classified as fair value through profit or loss ("FVTPL"). All financial instruments are recognized in the Statement of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial assets are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation is discharged, cancelled and expires. As such, investment purchase and sale transactions are recorded as of the trade date.

Financial instruments are subsequently measured at FVTPL with changes in fair value recognized in the Statement of Comprehensive Income – Net unrealized gain (loss).

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

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

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

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

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NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

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

(b) Fair value measurement

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

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

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

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

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

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

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

The value of futures contracts or swaps fluctuates daily, and cash settlements made daily, where applicable, by the Fund are equal to the unrealized gains or losses on a "mark to market" basis. These unrealized gains or losses are recorded and reported as such until the Fund closes out the contract or the contract expires. Margin paid or deposited in respect of futures contracts or swaps is reflected as a receivable in the Statement of Financial Position – Margin on futures contracts or swaps. Any change in the variation margin requirement is settled daily.

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

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

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NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(c) Income recognition

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

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

(d) Commissions and other portfolio transaction costs

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

(e) Securities lending, repurchase and reverse repurchase transactions

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

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

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

(f) Offsetting

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

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

(g) Foreign currency

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

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in the Statement of Comprehensive Income – Net realized gain (loss).

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

(h) Net assets attributable to securityholders per security

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

(i) Net asset value per security

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

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

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

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

- (k) Mergers

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

4. Critical Accounting Estimates and Judgments

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

Use of Estimates

Fair value of securities not quoted in an active market

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

Use of Judgments

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

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

Functional currency

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

Structured entities and associates

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

5. Income Taxes

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

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

NOTES TO FINANCIAL STATEMENTS

6. Management Fees and Operating Expenses

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

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

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

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

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

7. Fund's Capital

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

8. Financial Instruments Risk

i. Risk exposure and management

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

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

ii. Liquidity risk

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

iii. Currency risk

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

NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

iv. Interest rate risk

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

v. Other price risk

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

vi. Credit risk

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

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

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

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

vii. Underlying funds

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

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

(a) Fund Formation and Series Information

Date of Formation May 1, 2015

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

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

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

Series A and Series T6 securities are offered to retail investors investing a minimum of \$500 (\$5,000 for Series T6) under the redemption charge and low-load purchase options. Investors in Series T6 securities also want to receive a regular monthly cash flow of 6% per year.

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 and Series F6 securities are offered to investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$500 (\$5,000 for Series F6); they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie. Investors in Series F6 securities also want to receive a regular monthly cash flow of 6% per year.

Series FB and Series FB5 securities are offered to retail investors investing a minimum of \$500. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor. Investors in Series FB5 securities also want to receive a monthly cash flow of 5% per year.

Series PW and Series PWT6 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors in Series PWT6 securities also want to receive a monthly cash flow of 6% per year.

Series PWF and Series PWF6 securities are offered through our Private Wealth Solutions to certain high net worth investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$100,000. Investors in Series PWF6 securities also want to receive a monthly cash flow of 6% per year. Effective June 1, 2018, Series PWF and Series PWF6 securities were consolidated into Series F and Series F6 securities, respectively.

Series PWFB and Series PWFB5 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor. Investors in Series PWFB5 securities also want to receive a monthly cash flow of 5% per year.

Series 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 SC and Series S6 securities are offered to retail investors investing a minimum of \$500 (\$5,000 for Series S6) under the sales charge purchase option. Investors in Series S6 securities also want to receive a regular monthly cash flow of 6% per year.

An investor in the Fund may choose among different purchase options that are available under each series. These purchase options are a sales charge purchase option, a redemption charge purchase option and various low-load purchase options. The charges under the sales charge purchase option are negotiated by investors with their dealers. The charges under the redemption charge and low-load purchase options are paid to Mackenzie if an investor redeems securities of the Fund during specific periods. Not all purchase options are available under each series of the Fund, and the charges for each purchase option may vary among the different series. For further details on these purchase options, please refer to the Fund's Simplified Prospectus and Fund Facts.



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

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

| Series | Inception/ Reinstatement Date | Management Fees | Administration Fees | Net Asset Value per Security (US\$) | |
|--------------|----------------------------------|----------------------|------------------------|-------------------------------------|---------------|
| | | | | Mar. 31, 2018 | Mar. 31, 2017 |
| Series A | May 20, 2015 | 1.55% ⁽²⁾ | 0.20% | 9.40 | 9.50 |
| Series D | May 20, 2015 | 1.00% | 0.15% | 9.47 | 9.57 |
| Series F | May 20, 2015 | 0.65% ⁽⁴⁾ | 0.15% | 9.50 | 9.60 |
| Series F6 | September 22, 2015 | 0.65% ⁽⁴⁾ | 0.15% | 13.34 | 13.93 |
| Series FB | October 26, 2015 | 0.75% | 0.20% | 9.79 | 9.90 |
| Series FB5 | October 26, 2015 | 0.75% | 0.20% | 13.76 | 14.19 |
| Series PW | May 20, 2015 | 1.15% | 0.15% | 9.49 | 9.61 |
| Series PWF | May 20, 2015 | 0.65% | 0.15% | 9.50 | 9.61 |
| Series PWF6 | April 3, 2017 | 0.65% | 0.15% | 14.37 | — |
| Series PWFB | April 3, 2017 | 0.65% | 0.15% | 9.89 | — |
| Series PWFB5 | April 3, 2017 | 0.65% | 0.15% | 14.54 | — |
| Series PWT6 | April 3, 2017 | 1.15% | 0.15% | 14.35 | — |
| Series PWX | July 9, 2015 | — ⁽¹⁾ | — ⁽¹⁾ | 9.49 | 9.40 |
| Series SC | May 20, 2015 | 1.25% ⁽³⁾ | 0.20% | 9.37 | 9.46 |
| Series S6 | June 23, 2015 | 1.25% ⁽³⁾ | 0.20% | 12.66 | 13.29 |
| Series T6 | January 12, 2016 | 1.55% ⁽²⁾ | 0.20% | 13.46 | 14.14 |

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

(2) Prior to April 3, 2017, the management fee for this series was charged to the Fund at a rate of 1.60%.

(3) Prior to April 3, 2017, the management fee for this series was charged to the Fund at a rate of 1.40%.

(4) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.75%.

(b) Investments by Mackenzie and Affiliates

As at March 31, 2018, Mackenzie had an investment of \$19 in the Fund (2017 – \$16).

(c) Loss Carryforwards

As at the last taxation year-end, the Fund has capital losses of \$469 which may be carried forward indefinitely to reduce future realized capital gains. There were no non-capital losses available to carry forward for tax purposes.

(d) Securities Lending

As at March 31, 2018 and 2017, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

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

(e) Unfunded Credit Agreements

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

| | Total Unfunded Commitment Amount (\$) | Total Number of Commitments | Range of Unfunded Commitment Amounts (\$) | Range of Commitment Fee Rates (%) | Range of Commitment Period End Date |
|----------------|---------------------------------------|-----------------------------|---|-----------------------------------|-------------------------------------|
| March 31, 2018 | 30 | 3 | 7 - 13 | 0.750 | June 18, 2018 - August 21, 2018 |
| March 31, 2017 | 60 | 2 | 30 | 0.500 | August 3, 2017 - January 31, 2018 |

(f) Fund Merger

At a meeting held on November 21, 2016, investors in Mackenzie USD Convertible Securities Fund (the "Terminating Fund") approved the merger of the Terminating Fund into the Fund. The merger was effective after the close of business on November 25, 2016. The merger was effected by transferring the net assets of the Terminating Fund in exchange for the securities of the Fund at fair market value. Series A, Series D, Series F, Series F6, Series FB, Series FB5, Series PW, Series PWF, Series PWX, Series SC and Series S6 securityholders of the Terminating Fund were issued 5 Series A securities, 0.1 Series D securities, 11 Series F securities, 8 Series F6 securities, 0.1 Series FB securities, 0.1 Series FB5 securities, 4 Series PW securities, 0.1 Series PWF securities, 11 Series PWX securities, 11 Series SC securities and 0.1 Series S6 securities, respectively, of the Fund in exchange for net assets of \$513, which was the fair value on November 25, 2016. The merger has been accounted for as an acquisition of the Terminating Fund.

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

(g) Offsetting of Financial Assets and Liabilities

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

| | March 31, 2018 | | | |
|---|---|----------------------------------|-------------|-----------------|
| | Gross amount of assets/liabilities (\$) | Amount available for offset (\$) | Margin (\$) | Net amount (\$) |
| Unrealized gains on derivative contracts | 3 | (3) | – | – |
| Unrealized losses on derivative contracts | (26) | 3 | 111 | 88 |
| Liability for options written | – | – | – | – |
| Total | (23) | – | 111 | 88 |

| | March 31, 2017 | | | |
|---|---|----------------------------------|-------------|-----------------|
| | Gross amount of assets/liabilities (\$) | Amount available for offset (\$) | Margin (\$) | Net amount (\$) |
| Unrealized gains on derivative contracts | 10 | (7) | – | 3 |
| Unrealized losses on derivative contracts | (24) | 7 | 247 | 230 |
| Liability for options written | – | – | – | – |
| Total | (14) | – | 247 | 233 |



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

(h) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks income and long-term growth in U.S. dollars by investing primarily in fixed income securities issued by companies or governments of any size, anywhere in the world. The Fund allocates assets across credit quality, structures, sectors, currencies and countries.

ii. Currency risk

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

| Currency | March 31, 2018 | | | |
|------------------------|---------------------|--|-----------------------------------|-----------------------|
| | Investments (\$) | Cash and Short-Term Investments (\$) | Derivative Instruments (\$) | Net Exposure* (\$) |
| Indian rupee | 214 | – | – | 214 |
| Polish zloty | 208 | – | – | 208 |
| Canadian dollar | 2,164 | – | (1,977) | 187 |
| Turkish lira | 164 | – | – | 164 |
| New Zealand dollar | 186 | – | (57) | 129 |
| Russian ruble | 105 | – | – | 105 |
| Swedish krona | 363 | 37 | (332) | 68 |
| Brazilian real | 62 | – | – | 62 |
| Argentine peso | 49 | 5 | – | 54 |
| Australian dollar | 340 | – | (305) | 35 |
| Norwegian krone | 127 | – | (103) | 24 |
| Japanese yen | 236 | – | (227) | 9 |
| Mexican peso | 360 | – | (353) | 7 |
| British pound | 247 | – | (240) | 7 |
| Swiss franc | – | – | (72) | (72) |
| Euro | 44 | 15 | (184) | (125) |
| Total | 4,869 | 57 | (3,850) | 1,076 |
| % of Net Assets | 62.9 | 0.7 | (49.8) | 13.8 |



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

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

ii. Currency risk (cont'd)

| Currency | March 31, 2017 | | | |
|--------------------|---------------------|--|-----------------------------------|-----------------------|
| | Investments (\$) | Cash and Short-Term Investments (\$) | Derivative Instruments (\$) | Net Exposure* (\$) |
| Brazilian real | 184 | – | – | 184 |
| Indian rupee | 181 | – | – | 181 |
| Norwegian krone | 117 | – | 59 | 176 |
| New Zealand dollar | 146 | – | (43) | 103 |
| Japanese yen | – | – | 78 | 78 |
| Mexican peso | 697 | – | (681) | 16 |
| Polish zloty | 440 | – | (433) | 7 |
| Chilean peso | 96 | – | (96) | – |
| Danish krone | 578 | – | (579) | (1) |
| Australian dollar | 11 | – | (35) | (24) |
| Swiss franc | – | – | (193) | (193) |
| Canadian dollar | 1,434 | – | (1,698) | (264) |
| Euro | 1,136 | 53 | (1,561) | (372) |
| British pound | 64 | 3 | (485) | (418) |
| Swedish krona | 337 | 34 | (798) | (427) |
| Total | 5,421 | 90 | (6,465) | (954) |
| % of Net Assets | 59.8 | 1.0 | (71.3) | (10.5) |

* Includes both monetary and non-monetary financial instruments

As at March 31, 2018, had the U.S. dollar increased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have increased by approximately \$54 or 0.7% of total net assets (2017 – \$114 or 1.3%). Similarly, had the U.S. dollar decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have increased by approximately \$54 or 0.7% of the total net assets (2017 – decreased by \$61 or 0.7%). In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

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

| Term to Maturity | March 31, 2018 (\$) | | March 31, 2017 (\$) | |
|-----------------------|---------------------|------------------------|---------------------|------------------------|
| | Bonds | Derivative Instruments | Bonds | Derivative Instruments |
| Less than 1 year | 347 | (1,123) | 60 | (1,562) |
| 1-5 years | 2,392 | – | 2,216 | – |
| 5-10 years | 3,958 | – | 4,957 | – |
| Greater than 10 years | 642 | – | 1,369 | – |
| Total | 7,339 | (1,123) | 8,602 | (1,562) |

As at March 31, 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 \$242 or 3.1% of total net assets (2017 – \$382 or 4.2%). In practice, the actual trading results may differ and the difference could be material.

iv. Other price risk

As at March 31, 2018 and 2017, the Fund did not have a significant exposure to price risk.



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MACKENZIE USD GLOBAL TACTICAL BOND FUND

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

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

v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2018, was 6.5% of the net assets of the Fund (2017 – 6.6%).

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

| Bond Rating* | March 31, 2018 | March 31, 2017 |
|---------------|-----------------|-----------------|
| | % of Net Assets | % of Net Assets |
| AAA | 18.9 | 22.7 |
| AA | 11.0 | 8.6 |
| A | 25.0 | 26.5 |
| BBB | 16.9 | 15.4 |
| Less than BBB | 21.5 | 18.4 |
| Unrated | 1.5 | 3.2 |
| Total | 94.8 | 94.8 |

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

(i) Fair Value Classification

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

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

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

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

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

| | March 31, 2018 | | | | March 31, 2017 | | | |
|-----------------------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|---------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Bonds | – | 7,339 | – | 7,339 | – | 8,602 | – | 8,602 |
| Equities | 87 | – | – | 87 | 140 | – | – | 140 |
| Options | – | – | – | – | 4 | 20 | – | 24 |
| Exchange-traded funds/notes | 125 | – | – | 125 | – | – | – | – |
| Mutual funds | 40 | – | – | 40 | 39 | – | – | 39 |
| Derivative assets | – | 28 | – | 28 | 7 | 10 | – | 17 |
| Derivative liabilities | (22) | (46) | – | (68) | (10) | (92) | – | (102) |
| Short-term investments | – | 21 | – | 21 | – | – | – | – |
| Total | 230 | 7,342 | – | 7,572 | 180 | 8,540 | – | 8,720 |

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.