

# MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ALTERNATIVE FUND

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Mackenzie Financial Corporation, as Manager of Mackenzie Diversified Alternatives 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 Diversified Alternatives 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, 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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# MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ALTERNATIVE FUND

## STATEMENTS OF FINANCIAL POSITION

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

	2018	2017		2018	2017
	\$	\$		\$	\$
<b>ASSETS</b>			<b>Net assets attributable to securityholders</b>		
<b>Current assets</b>			<b>per security (note 3)</b>		
Investments at fair value	477,059	215,383	Series A	10.71	10.75
Cash and cash equivalents	79,341	38,769	Series AR	10.87	10.90
Accrued interest receivable	714	318	Series D	10.72	10.74
Dividends receivable	1,060	368	Series F	10.77	10.80
Accounts receivable for investments sold	2,535	2,462	Series F5	15.01	15.44
Accounts receivable for securities issued	5,585	3,517	Series FB	10.55	10.70
Due from manager	16	6	Series FB5	14.91	15.38
Unrealized gains on derivative contracts	656	309	Series O	10.67	10.65
<b>Total assets</b>	<b>566,966</b>	<b>261,132</b>	Series PW	10.86	10.90
			Series PWF	10.77	10.79
<b>LIABILITIES</b>			Series PWF5	15.03	15.47
<b>Current liabilities</b>			Series PWFB	9.98	–
Accounts payable for investments purchased	14,285	9,702	Series PWFB5	14.55	–
Accounts payable for securities redeemed	863	104	Series PWT5	14.81	15.28
Due to manager	42	–	Series PWX	10.72	10.75
Liability for options written	–	4	Series PWX5	15.27	15.56
Unrealized losses on derivative contracts	1,195	486	Series S	9.99	–
<b>Total liabilities</b>	<b>16,385</b>	<b>10,296</b>	Series T5	14.72	15.30
<b>Net assets attributable to securityholders</b>	<b>550,581</b>	<b>250,836</b>	Series UM	9.94	–
<b>Net assets attributable to securityholders</b>					
<b>per series (note 3)</b>					
Series A	124,737	74,006			
Series AR	555	191			
Series D	452	176			
Series F	211,516	117,586			
Series F5	4,002	1,569			
Series FB	130	25			
Series FB5	1	1			
Series O	9,459	7,956			
Series PW	26,909	9,221			
Series PWF	139,361	36,435			
Series PWF5	4,506	857			
Series PWFB	258	–			
Series PWFB5	1	–			
Series PWT5	509	1			
Series PWX	847	883			
Series PWX5	50	68			
Series S	95	–			
Series T5	4,128	1,861			
Series UM	23,065	–			

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



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# MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ALTERNATIVE FUND

## STATEMENTS OF COMPREHENSIVE INCOME

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

	2018	2017		2018	2017
	\$	\$		\$	\$
<b>Income</b>			<b>Increase (decrease) in net assets attributable to securityholders from operations per security</b>		
Dividends	12,947	3,745	Series A	0.33	1.13
Interest income	3,782	1,031	Series AR	0.32	1.25
Other changes in fair value of investments			Series D	0.33	1.37
Net realized gain (loss)	7,979	3,187	Series F	0.44	1.25
Net unrealized gain (loss)	(2,000)	7,617	Series F5	0.37	1.79
Fee rebate income	236	–	Series FB	0.50	1.21
<b>Total income (loss)</b>	<b>22,944</b>	<b>15,580</b>	Series FB5	0.62	1.71
			Series O	0.57	1.35
<b>Expenses (note 6)</b>			Series PW	0.32	1.38
Management fees	5,081	1,450	Series PWF	0.47	1.40
Management fee rebates	(54)	(1)	Series PWF5	0.17	1.64
Dividend expenses	6	–	Series PWFB	0.59	–
Administration fees	747	213	Series PWFB5	(0.72)	–
Interest charges	2	2	Series PWT5	0.13	1.62
Commissions and other portfolio transaction costs	468	368	Series PWX	0.45	1.30
Independent Review Committee fees	2	–	Series PWX5	0.78	1.47
Other	4	2	Series S	0.31	–
<b>Expenses before amounts absorbed by Manager</b>	<b>6,256</b>	<b>2,034</b>	Series T5	0.38	1.61
Expenses absorbed by Manager	–	–	Series UM	0.24	–
<b>Net expenses</b>	<b>6,256</b>	<b>2,034</b>			
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>16,688</b>	<b>13,546</b>			
Foreign withholding taxes	1,148	396			
Foreign income taxes paid (recovered)	–	–			
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>15,540</b>	<b>13,150</b>			
<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>					
Series A	3,080	3,913			
Series AR	12	5			
Series D	11	4			
Series F	6,434	6,816			
Series F5	70	93			
Series FB	2	2			
Series FB5	–	–			
Series O	464	239			
Series PW	650	327			
Series PWF	4,274	1,555			
Series PWF5	39	56			
Series PWFB	8	–			
Series PWFB5	–	–			
Series PWT5	1	–			
Series PWX	38	44			
Series PWX5	4	4			
Series S	3	–			
Series T5	84	92			
Series UM	366	–			

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



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# MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

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## STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Series A		Series AR		Series D		Series F		Series F5	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	<b>74,006</b>	<b>16,058</b>	<b>191</b>	<b>11</b>	<b>176</b>	<b>12</b>	<b>117,586</b>	<b>24,031</b>	<b>1,569</b>	<b>398</b>
Increase (decrease) in net assets from operations	3,080	3,913	12	5	11	4	6,434	6,816	70	93
Distributions paid to securityholders:										
Investment Income	(1,778)	(414)	(6)	–	(8)	(1)	(4,318)	(1,537)	(79)	(19)
Capital gains	(1,882)	(277)	(7)	–	(7)	–	(3,176)	(589)	(58)	(8)
Return of capital	–	–	–	–	–	–	–	–	(74)	(25)
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(3,660)	(691)	(13)	–	(15)	(1)	(7,494)	(2,126)	(211)	(52)
Security transactions:										
Proceeds from securities issued	80,489	62,573	437	179	370	175	177,827	104,237	5,135	1,315
Reinvested distributions	3,383	617	13	–	14	1	4,796	1,328	104	17
Value of securities redeemed	(32,561)	(8,464)	(85)	(4)	(104)	(15)	(87,633)	(16,700)	(2,665)	(202)
Total security transactions	51,311	54,726	365	175	280	161	94,990	88,865	2,574	1,130
<b>Total increase (decrease) in net assets</b>	<b>50,731</b>	<b>57,948</b>	<b>364</b>	<b>180</b>	<b>276</b>	<b>164</b>	<b>93,930</b>	<b>93,555</b>	<b>2,433</b>	<b>1,171</b>
<b>End of period</b>	<b>124,737</b>	<b>74,006</b>	<b>555</b>	<b>191</b>	<b>452</b>	<b>176</b>	<b>211,516</b>	<b>117,586</b>	<b>4,002</b>	<b>1,569</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>	
<b>Securities outstanding – beginning of period</b>	<b>6,883</b>	<b>1,628</b>	<b>18</b>	<b>1</b>	<b>16</b>	<b>1</b>	<b>10,887</b>	<b>2,410</b>	<b>102</b>	<b>27</b>
Issued	7,475	6,005	40	17	35	16	16,414	9,941	333	87
Reinvested distributions	316	59	1	–	1	–	446	127	7	1
Redeemed	(3,026)	(809)	(8)	–	(10)	(1)	(8,105)	(1,591)	(175)	(13)
<b>Securities outstanding – end of period</b>	<b>11,648</b>	<b>6,883</b>	<b>51</b>	<b>18</b>	<b>42</b>	<b>16</b>	<b>19,642</b>	<b>10,887</b>	<b>267</b>	<b>102</b>
	<b>Series FB</b>		<b>Series FB5</b>		<b>Series O</b>		<b>Series PW</b>		<b>Series PWF</b>	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	<b>25</b>	<b>21</b>	<b>1</b>	<b>1</b>	<b>7,956</b>	<b>900</b>	<b>9,221</b>	<b>374</b>	<b>36,435</b>	<b>1,757</b>
Increase (decrease) in net assets from operations	2	2	–	–	464	239	650	327	4,274	1,555
Distributions paid to securityholders:										
Investment Income	(2)	(1)	–	–	(293)	(102)	(420)	(30)	(2,793)	(305)
Capital gains	(2)	–	–	–	(167)	(19)	(419)	(15)	(2,086)	(102)
Return of capital	–	–	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	(13)	–	(40)	(1)
Total distributions paid to securityholders	(4)	(1)	–	–	(460)	(121)	(852)	(45)	(4,919)	(408)
Security transactions:										
Proceeds from securities issued	146	5	–	–	1,440	6,985	25,120	8,820	117,016	35,222
Reinvested distributions	4	1	–	–	460	121	835	44	3,974	338
Value of securities redeemed	(43)	(3)	–	–	(401)	(168)	(8,065)	(299)	(17,419)	(2,029)
Total security transactions	107	3	–	–	1,499	6,938	17,890	8,565	103,571	33,531
<b>Total increase (decrease) in net assets</b>	<b>105</b>	<b>4</b>	<b>–</b>	<b>–</b>	<b>1,503</b>	<b>7,056</b>	<b>17,688</b>	<b>8,847</b>	<b>102,926</b>	<b>34,678</b>
<b>End of period</b>	<b>130</b>	<b>25</b>	<b>1</b>	<b>1</b>	<b>9,459</b>	<b>7,956</b>	<b>26,909</b>	<b>9,221</b>	<b>139,361</b>	<b>36,435</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>	
<b>Securities outstanding – beginning of period</b>	<b>2</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>747</b>	<b>91</b>	<b>846</b>	<b>38</b>	<b>3,376</b>	<b>177</b>
Issued	14	–	–	–	135	660	2,297	833	10,817	3,362
Reinvested distributions	–	–	–	–	43	12	77	4	370	32
Redeemed	(4)	–	–	–	(38)	(16)	(742)	(29)	(1,620)	(195)
<b>Securities outstanding – end of period</b>	<b>12</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>887</b>	<b>747</b>	<b>2,478</b>	<b>846</b>	<b>12,943</b>	<b>3,376</b>

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

# MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

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

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

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Series PWF5		Series PWFB		Series PWFB5		Series PWT5		Series PWX	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	857	303	–	–	–	–	1	1	883	170
Increase (decrease) in net assets from operations	39	56	8	–	–	–	1	–	38	44
Distributions paid to securityholders:										
Investment Income	(98)	(13)	(4)	–	–	–	(5)	–	(33)	(15)
Capital gains	(54)	(5)	(4)	–	–	–	(3)	–	(15)	(5)
Return of capital	(82)	(16)	–	–	–	–	(8)	–	–	–
Management fee rebates	(1)	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(235)	(34)	(8)	–	–	–	(16)	–	(48)	(20)
Security transactions:										
Proceeds from securities issued	6,513	550	251	–	101	–	761	–	582	747
Reinvested distributions	115	12	8	–	–	–	9	–	48	20
Value of securities redeemed	(2,783)	(30)	(1)	–	(100)	–	(247)	–	(656)	(78)
Total security transactions	3,845	532	258	–	1	–	523	–	(26)	689
<b>Total increase (decrease) in net assets</b>	<b>3,649</b>	<b>554</b>	<b>258</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>508</b>	<b>–</b>	<b>(36)</b>	<b>713</b>
<b>End of period</b>	<b>4,506</b>	<b>857</b>	<b>258</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>509</b>	<b>1</b>	<b>847</b>	<b>883</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>
<b>Securities outstanding – beginning of period</b>	55	21	–	–	–	–	–	–	82	17
Issued	420	35	25	–	7	–	50	–	55	70
Reinvested distributions	8	1	1	–	–	–	1	–	4	2
Redeemed	(183)	(2)	–	–	(7)	–	(17)	–	(62)	(7)
<b>Securities outstanding – end of period</b>	<b>300</b>	<b>55</b>	<b>26</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>34</b>	<b>–</b>	<b>79</b>	<b>82</b>
	<b>Series PWX5</b>	<b>Series S</b>	<b>Series T5</b>	<b>Series UM</b>	<b>Total</b>					
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	68	1	–	–	1,861	120	–	–	250,836	44,158
Increase (decrease) in net assets from operations	4	4	3	–	84	92	366	–	15,540	13,150
Distributions paid to securityholders:										
Investment Income	(2)	(2)	(2)	–	(58)	(7)	(235)	–	(10,134)	(2,446)
Capital gains	(1)	(1)	(2)	–	(63)	(5)	(312)	–	(8,258)	(1,026)
Return of capital	(1)	(1)	–	–	(123)	(40)	–	–	(288)	(82)
Management fee rebates	–	–	–	–	–	–	–	–	(54)	(1)
Total distributions paid to securityholders	(4)	(4)	(4)	–	(244)	(52)	(547)	–	(18,734)	(3,555)
Security transactions:										
Proceeds from securities issued	–	65	120	–	3,776	1,920	24,204	–	444,288	222,793
Reinvested distributions	2	2	4	–	121	21	6	–	13,896	2,522
Value of securities redeemed	(20)	–	(28)	–	(1,470)	(240)	(964)	–	(155,245)	(28,232)
Total security transactions	(18)	67	96	–	2,427	1,701	23,246	–	302,939	197,083
<b>Total increase (decrease) in net assets</b>	<b>(18)</b>	<b>67</b>	<b>95</b>	<b>–</b>	<b>2,267</b>	<b>1,741</b>	<b>23,065</b>	<b>–</b>	<b>299,745</b>	<b>206,678</b>
<b>End of period</b>	<b>50</b>	<b>68</b>	<b>95</b>	<b>–</b>	<b>4,128</b>	<b>1,861</b>	<b>23,065</b>	<b>–</b>	<b>550,581</b>	<b>250,836</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>
<b>Securities outstanding – beginning of period</b>	4	–	–	–	122	8	–	–	–	–
Issued	–	4	13	–	248	129	2,415	–	–	–
Reinvested distributions	–	–	–	–	8	1	1	–	–	–
Redeemed	(1)	–	(3)	–	(98)	(16)	(97)	–	–	–
<b>Securities outstanding – end of period</b>	<b>3</b>	<b>4</b>	<b>10</b>	<b>–</b>	<b>280</b>	<b>122</b>	<b>2,319</b>	<b>–</b>	<b>–</b>	<b>–</b>

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

# MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

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## STATEMENTS OF CASH FLOWS

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

	2018	2017
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	15,540	13,150
Adjustments for:		
Net realized loss (gain) on investments	(7,979)	(3,187)
Change in net unrealized loss (gain) on investments	2,000	(7,617)
Distributions received in-kind from underlying funds	(667)	(46)
Purchase of investments	(456,106)	(240,672)
Proceeds from sale and maturity of investments	205,948	78,387
Change in accrued interest receivable	(396)	(245)
Change in dividends receivable	(692)	(292)
Change in due from manager	(10)	(6)
Change in due to manager	42	–
Change in liability for options written	(4)	(4)
<b>Net cash from operating activities</b>	<b>(242,324)</b>	<b>(160,532)</b>
<b>Cash flows from financing activities</b>		
Proceeds from redeemable securities issued	363,076	217,462
Payments on redemption of redeemable securities	(75,342)	(25,627)
Distributions paid net of reinvestments	(4,838)	(1,033)
<b>Net cash from financing activities</b>	<b>282,896</b>	<b>190,802</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>40,572</b>	<b>30,270</b>
Cash and cash equivalents at beginning of period	38,769	8,456
Effect of exchange rate fluctuations on cash and cash equivalents	–	43
<b>Cash and cash equivalents at end of period</b>	<b>79,341</b>	<b>38,769</b>
Cash	1,210	1,209
Cash equivalents	78,131	37,560
<b>Cash and cash equivalents at end of period</b>	<b>79,341</b>	<b>38,769</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	12,243	3,452
Foreign taxes paid	1,148	396
Interest received	3,264	742
Interest paid	2	2

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



**MACKENZIE**  
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# MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ALTERNATIVE FUND

## SCHEDULE OF INVESTMENTS

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS</b>					
AAC holdings Inc. Term Loan 1st Lien F/R 06-30-2023	United States	Term Loans	USD 157,497	197	206
AMC Entertainment Holdings Inc. 5.88% 11-15-2026 Callable	United States	Corporate - Non Convertible	USD 680,000	834	864
American Teleconferencing Services Ltd. Term Loan 1st Lien F/R 12-08-2021	United States	Term Loans	USD 94,723	126	122
AMS FinCo SARL Term Loan 1st Lien F/R 05-27-2024	Luxembourg	Term Loans	USD 59,550	79	77
Appvion Inc. 9.00% 06-01-2020 Callable 144A	United States	Corporate - Non Convertible	USD 250,000	188	30
Arch Merger Sub Inc. 8.50% 09-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 850,000	1,038	1,014
Asian Development Bank 5.90% 12-20-2022	Supra - National	n/a	INR 3,520,000	68	68
ASP AMC Merger Sub Inc. 8.00% 05-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 300,000	400	363
Atlantic Power Corp. 6.00% 12-31-2019 Conv.	United States	Corporate - Convertible	125,000	121	126
Bellatrix Exploration Ltd. 8.50% 05-15-2020 Callable 144A	Canada	Corporate - Non Convertible	USD 175,000	185	185
BMC Acquisition Inc. Term Loan 1st Lien F/R 12-15-2024	United States	Term Loans	USD 49,875	64	64
Boardriders Inc. Term Loan B 1st Lien F/R 03-21-2024	United States	Term Loans	USD 190,000	240	242
Burger King France SAS F/R 05-01-2023 Callable 2018	France	Corporate - Non Convertible	EUR 100,000	141	161
BWAY Holding Co. 7.25% 04-15-2025 144A	United States	Corporate - Non Convertible	USD 150,000	200	198
Calfrac Well Services Ltd. 7.50% 12-01-2020 Callable 144A	Canada	Corporate - Non Convertible	USD 150,000	170	191
California Resources Corp. 8.00% 12-15-2022 Callable 2018 144A	United States	Corporate - Non Convertible	USD 1,710,000	1,532	1,735
Camelot Finance SA 7.88% 10-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 125,000	168	168
Can Am Construction Inc./Canada Term Loan B 1st Lien F/R 07-01-2024	Canada	Term Loans	USD 218,350	275	284
Canada Goose Inc. Term Loan 1st Lien F/R 12-22-2021	Canada	Term Loans	USD 210,000	263	268
Careerbuilder LLC Term Loan 1st Lien F/R 07-31-2023	United States	Term Loans	USD 390,000	475	502
Carillion Finance (Jersey) Ltd. 2.50% 12-19-2019 Conv.	United Kingdom	Corporate - Convertible	GBP 200,000	224	7
Cequel Communications Holdings I LLC 7.50% 04-01-2028 144A Callable 2023	United States	Corporate - Non Convertible	USD 500,000	646	661
Chloe Ox Parent LLC Term Loan 1st Lien F/R 12-19-2024	United States	Term Loans	USD 90,000	115	117
CHS/Community Health Systems Inc. 5.13% 08-01-2021	United States	Corporate - Non Convertible	USD 200,000	233	240
Cincinnati Bell Inc. 7.00% 07-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 500,000	602	576
Comfort Holding LLC Term Loan 1st Lien F/R 02-05-2024	United States	Term Loans	USD 128,700	166	161
Comfort Holding LLC Term Loan 2nd Lien F/R 02-03-2025	United States	Term Loans	USD 50,000	62	61
Commercial Vehicle Group Inc. Term Loan B 1st Lien F/R 03-30-2023	United States	Term Loans	USD 117,750	154	153
Communications Sales & Leasing Inc. 8.25% 10-15-2023 Callable 2019	United States	Corporate - Non Convertible	USD 40,000	47	49
Communications Sales & Leasing Inc. 7.13% 12-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 450,000	550	526
Conn's Inc. 7.25% 07-15-2022 Callable	United States	Corporate - Non Convertible	USD 180,000	205	231
Coronado Australian Holdings Pty Ltd. Term Loan B 1st Lien F/R 03-21-2025	United States	Term Loans	USD 94,286	118	120
Coronado Australian Holdings Pty Ltd. Term Loan C 1st Lien F/R 03-21-2025	United States	Term Loans	USD 25,714	32	33
Crew Energy Inc. 6.50% 03-14-2024 Callable	Canada	Corporate - Non Convertible	220,000	220	207
CSM Bakery Solutions LLC Term Loan 2nd Lien F/R 07-05-2021	United States	Term Loans	USD 100,000	119	124
CSM NV Term Loan B F/R 07-03-2020	United States	Term Loans	USD 86,549	106	110
CVR Partners LP 9.25% 06-15-2023 Callable 2019 144A	United States	Corporate - Non Convertible	USD 330,000	433	452
Denbury Resources Inc. 9.00% 05-15-2021 Callable 144A	United States	Corporate - Non Convertible	USD 680,000	886	899



**MACKENZIE**  
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## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Denbury Resources Inc. 5.50% 05-01-2022 Callable 2017	United States	Corporate - Non Convertible	USD 330,000	309	338
DHX Media Ltd. 5.88% 09-30-2024 Conv.	Canada	Corporate - Convertible	20,000	19	18
Digicert Holdings Inc. Term Loan 1st Lien F/R 09-20-2024	United States	Term Loans	USD 50,000	61	65
Digicert Holdings Inc. Term Loan 2nd Lien F/R 10-31-2025	United States	Term Loans	USD 50,000	61	65
DISH DBS Corp. 5.875% 11-15-2024	United States	Corporate - Non Convertible	USD 500,000	593	576
Drive DeVilbiss Healthcare Ltd. Term Loan 1st Lien F/R 01-03-2023	United States	Term Loans	USD 537,729	637	643
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	USD 179,300	223	233
Elo Touch Solutions Inc. Term Loan B 1st Lien F/R 10-25-2023	United States	Term Loans	USD 84,300	107	110
Envigo Holdings Inc. Term Loan B 1st Lien F/R 12-14-2023	United States	Term Loans	USD 120,000	148	152
Exela Intermediate LLC 10.00% 07-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 600,000	777	788
FAGE International SA/FAGE USA Dairy Industry Inc. 5.625% 08-15-2026 Callable 2021 144A	Luxembourg	Corporate - Non Convertible	USD 250,000	302	302
Fairmount Santrol Term Loan B 1st Lien F/R 11-01-2022	United States	Term Loans	USD 544,796	688	711
First Quantum Minerals Ltd. 6.88% 03-01-2026 Callable 2021 144A	Zambia	Corporate - Non Convertible	USD 200,000	253	245
FXI Holdings Inc. 7.88% 11-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 200,000	257	252
Gateway Casinos & Entertainment Ltd. Term Loan B 1st Lien F/R 03-13-2025	Canada	Term Loans	USD 70,000	90	91
Gateway Casinos & Entertainment Ltd. 8.25% 03-01-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 300,000	397	411
Gavilan Resources LLC Term Loan 2nd Lien F/R 02-23-2024	United States	Term Loans	USD 310,000	383	401
Government of Turkey 11.00% 02-24-2027	Turkey	Foreign Governments	TRL 870,000	318	264
Green Plains Inc. Term Loan B 1st Lien F/R 08-29-2023	United States	Term Loans	USD 139,300	173	180
Hardwoods Acquisition Inc. 7.50% 08-01-2021 Callable 144A	United States	Corporate - Non Convertible	USD 95,000	83	112
Hudson River Trading LLC Term Loan 1st Lien F/R 03-20-2025	United States	Term Loans	USD 110,000	142	142
IDB Development Corp. Inflation-Linked Bond 4.95% 12-18-2025	Israel	Corporate - Non Convertible	ILS 2,969	1	1
Imagine! Print Solutions Inc. Term Loan 1st Lien F/R 06-21-2022	United States	Term Loans	USD 299,244	364	362
Interior Logic Group Inc. Term Loan B 1st Lien F/R 03-01-2024	United States	Term Loans	USD 123,500	159	160
International Finance Corp. 6.30% 11-25-2024	Supra - National	n/a	INR 6,480,000	137	127
Invesque Inc. 5.00% 01-31-2022 Callable 2021	Canada	Corporate - Convertible	USD 1,600,000	1,970	1,997
iQor US Inc. Term Loan 2nd Lien F/R 04-01-2022	United States	Term Loans	USD 250,000	301	311
iQor US Inc. Term Loan B 1st Lien F/R 04-01-2021	United States	Term Loans	USD 68,126	75	88
Itron Inc. 5.00% 01-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 110,000	140	140
Just Energy Group Inc. 6.50% 07-29-2019 Conv.	Canada	Corporate - Convertible	USD 400,000	504	508
KEMET Corp. Term Loan B 1st Lien F/R 04-26-2024	United States	Term Loans	USD 221,375	290	291
Keystone Peer Review Organization Holdings Inc. Term Loan 1st Lien F/R 05-01-2024	United States	Term Loans	USD 59,700	80	77
Kronos Acquisition Holdings Inc. 9.00% 08-15-2023 144A	Canada	Corporate - Non Convertible	USD 500,000	591	618
L Brands Inc. 6.95% 03-01-2033	United States	Corporate - Non Convertible	USD 200,000	251	251
LD Intermediate Holdings Inc. Term Loan B 1st Lien F/R 12-09-2022	United States	Term Loans	USD 740,922	837	859
Lee Enterprises Inc. 9.50% 03-15-2022 Callable 2018 144A	United States	Corporate - Non Convertible	USD 290,000	378	391
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 167,000	212	221
Livingston International Inc. Term Loan 1st Lien F/R 03-18-2020	Canada	Term Loans	49,354	46	47
Logibec Groupe Informatique Ltd. Term Loan 1st Lien F/R 12-31-2018	Canada	Term Loans	99,105	94	94



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## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
McAfee LLC Term Loan 2nd Lien F/R 09-29-2025	United States	Term Loans	USD 500,000	614	654
McAfee LLC Term Loan B 1st Lien F/R 09-30-2024	United States	Term Loans	USD 169,150	209	220
McGraw-Hill Global Education Holdings LLC 7.88% 05-15-2024 Callable 144A	United States	Corporate - Non Convertible	USD 260,000	333	320
MEG Energy Corp. 7.00% 03-31-2024 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 500,000	565	535
Meredith Corp. 6.88% 02-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 120,000	150	159
Mountain Province Diamonds Inc. 8.00% 12-15-2022 Callable 2019 144A	Canada	Corporate - Non Convertible	USD 250,000	311	322
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	USD 80,000	102	103
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 110,000	135	135
Numericable-SFR 6.00% 05-15-2022 Callable 144A	France	Corporate - Non Convertible	USD 450,000	590	568
NVA Holdings Inc. 6.88% 04-01-2026 Callable 2021	United States	Corporate - Non Convertible	USD 80,000	104	104
NWH Escrow Corp. 7.50% 08-01-2021 Callable 144A	United States	Corporate - Non Convertible	USD 200,000	220	236
Ocean Bidco Inc. Term Loan B 1st Lien F/R 03-02-2025	United States	Term Loans	USD 60,000	77	78
Odebrecht Finance Ltd. 5.25% 06-27-2029	Brazil	Corporate - Non Convertible	USD 100,000	44	41
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	USD 117,000	145	154
The Pasha Group Term Loan B 1st Lien F/R 12-13-2022	United States	Term Loans	USD 116,250	145	151
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 332,000	107	116
PetSmart Inc. Term Loan B2 1st Lien F/R 03-10-2022	United States	Term Loans	USD 628,592	671	652
PetSmart Inc. 5.88% 06-01-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 300,000	345	280
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021 [144A]	United States	Corporate - Non Convertible	USD 110,000	142	142
PNI Canada Acquireco Corp. Term Loan B 1st Lien F/R 08-23-2022	Canada	Term Loans	USD 99,500	117	128
Polycom Inc. Term Loan 1st Lien F/R 09-27-2023	United States	Term Loans	USD 625	1	1
Prospect Medical Holdings Inc. Term Loan B 1st Lien F/R 02-15-2024	United States	Term Loans	USD 220,000	271	284
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	USD 50,000	64	65
PSC Industrial Outsourcing LP Term Loan 2nd Lien F/R 10-05-2025	United States	Term Loans	USD 50,000	62	64
Q Holding Co. Term Loan B 1st Lien F/R 12-17-2021	United States	Term Loans	USD 30,775	41	40
QCP SNF West 8.13% 11-01-2023 Callable 2019 144A	United States	Corporate - Non Convertible	USD 450,000	599	604
Quad Graphics Inc. 7.00% 05-01-2022	United States	Corporate - Non Convertible	USD 40,000	45	53
Quest Software US Holdings Inc. Term Loan 1st Lien F/R 10-31-2022	United States	Term Loans	USD 128,991	167	169
Quinpario Acquisition Corp. 2 B Term Loan 1st Lien F/R 06-30-2023	United States	Term Loans	USD 118,500	150	154
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 900,000	1,183	1,149
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	United States	Term Loans	USD 189,525	232	243
Research Now Group Inc. Term Loan 2nd Lien F/R 12-20-2025	United States	Term Loans	USD 30,000	36	36
Rite Aid Corp. 7.70% 02-15-2027	United States	Corporate - Non Convertible	USD 820,000	993	898
Russel Metals Inc. 6.00% 03-16-2026 Callable 2021	Canada	Corporate - Non Convertible	190,000	190	191
Sanchez Energy Corp. 6.125% 01-15-2023	United States	Corporate - Non Convertible	USD 300,000	321	283
Scientific Games International Inc. 6.25% 09-01-2020 Callable	United States	Corporate - Non Convertible	USD 235,000	286	305
Solenis International LP Term Loan 2nd Lien F/R 07-31-2022	United States	Term Loans	USD 20,000	25	25
Source Energy Services Canada LP 10.50% 12-15-2021 Callable 2018 144A	Canada	Corporate - Non Convertible	331,000	331	361
Sprint Capital Corp. 6.875% 11-15-2028	United States	Corporate - Non Convertible	USD 390,000	518	470
Sprint Corp. 7.63% 02-15-2025 Callable 2024	United States	Corporate - Non Convertible	USD 360,000	465	458
Star West Generation LLC Term Loan B 1st Lien F/R 03-13-2020	United States	Term Loans	USD 657,071	720	772



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## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Talen Energy Supply LLC 9.50% 07-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 400,000	503	501
Talen Energy Supply LLC 10.50% 01-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 90,000	112	100
Team Health Holdings Inc. 6.38% 02-01-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 510,000	578	565
Tenet Healthcare Corp. 6.75% 06-15-2023	United States	Corporate - Non Convertible	USD 555,000	696	702
Teva Pharmaceutical Finance Netherlands III BV 3.15% 10-01-2026 Callable	Israel	Corporate - Non Convertible	USD 331,000	344	343
Titan Acquisition Ltd. 7.75% 04-15-2026 Callable 2021 144A	United Kingdom	Corporate - Non Convertible	USD 590,000	772	760
Traverse Midstream Partners LLC Term Loan B 1st Lien F/R 09-21-2024	United States	Term Loans	USD 50,000	61	65
Trico Products Corp. Term Loan 1st Lien F/R 02-02-2024	United States	Term Loans	USD 110,000	132	143
Trilogy International Partners LLC 8.88% 05-01-2022 Callable 2019 144A	United States	Corporate - Non Convertible	USD 180,000	242	239
Uber Technologies Inc. Term Loan 1st Lien F/R 03-21-2025	United States	Term Loans	USD 170,000	219	220
Valeant Pharmaceuticals International Inc. 5.63% 12-01-2021 Callable 144A	United States	Corporate - Non Convertible	USD 757,000	884	934
Valeant Pharmaceuticals International Inc. 9.00% 12-15-2025 Callable 2021	United States	Corporate - Non Convertible	USD 440,000	556	565
W/S Packaging Holdings Inc. 9.00% 04-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 370,000	478	485
WellDyneDx Inc. Term Loan 1st Lien F/R 08-16-2022	United States	Term Loans	USD 107,250	134	136
Werner FinCo LP Term Loan 1st Lien F/R 06-23-2024	United States	Term Loans	USD 149,725	195	194
Western Dental Services Inc. Term Loan B 1st Lien F/R 06-23-2023	United States	Term Loans	USD 615,350	774	802
Williams Scotsman International Inc. 7.88% 12-15-2022 Callable 2019 144A	United States	Corporate - Non Convertible	USD 595,000	776	793
Wind Tre SPA 5.00% 01-20-2026 Callable 2020	Italy	Corporate - Non Convertible	USD 530,000	593	581
Xplornet Communications Inc. 9.63% 06-01-2022 Callable 2019 144A	Canada	Corporate - Non Convertible	USD 158,013	209	209
YRC Worldwide Inc. Term Loan 1st Lien F/R 07-21-2022	United States	Term Loans	USD 393,812	489	512
Zotec Partners LLC Term Loan 1st Lien F/R 02-09-2024	United States	Term Loans	USD 130,000	162	167
<b>Total bonds</b>				<b>44,868</b>	<b>44,976</b>
<b>EQUITIES</b>					
Aalberts Industries NV	Netherlands	Industrials	4,341	212	286
Abertis Infraestructuras SA	Spain	Industrials	2,993	68	86
Absolute Software Corp.	Canada	Information Technology	20,996	157	139
Advanced Metallurgical Group NV	Netherlands	Materials	14,601	641	841
Aegon NV 6.38% Pfd.	Netherlands	Financials	3,222	110	107
Aegon NV 8.00% Pfd.	Netherlands	Financials	921	33	31
Aegon NV 6.50% Pfd.	Netherlands	Financials	3,000	101	101
Aerojet Rocketdyne Holdings Inc.	United States	Industrials	30,000	1,092	1,081
Aeroports de Paris	France	Industrials	400	69	112
AG Mortgage Investment Trust Inc.	United States	Financials	11,504	262	257
AGNC Investment Corp. Perpetual 7.00% Preferred Series C Callable 2022	United States	Financials	15,000	484	492
AGNC Investment Corp.	United States	Financials	83,588	2,268	2,037
AirBoss of America Corp.	Canada	Materials	31,466	386	402



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## SCHEDULE OF INVESTMENTS (cont'd)

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Akelius Residential Property AB Pfd.	Sweden	Real Estate	7,500	371	388
Alcentra Capital Corp.	United States	Financials	40,286	674	361
Allergan PLC	United States	Health Care	706	217	153
Alliance Data Systems Corp.	United States	Information Technology	5,000	1,423	1,371
Alliant Energy Corp.	United States	Utilities	2,553	129	134
The Allstate Corp. 6.75% Pfd. Series C	United States	Financials	2,666	97	88
American Capital Mortgage Investment Corp.	United States	Financials	5,534	126	128
Amiyaki Tei Co. Ltd.	Japan	Consumer Discretionary	1,800	98	124
Andritz AG	Austria	Industrials	19,371	1,360	1,396
Anhui Expressway Co. Ltd.	China	Industrials	265,863	276	262
Annaly Capital Management Inc.	United States	Financials	151,000	2,211	2,029
Annaly Capital Management Inc. 7.625% Pfd. Series C	United States	Financials	586	19	19
Annaly Capital Management Inc. 7.50% Pfd. Series D	United States	Financials	9,673	319	315
Ansaldo STS SPA	Italy	Industrials	9,163	147	182
Anworth Mortgage Asset Corp.	United States	Financials	28,754	211	178
Apollo Commercial Real Estate Finance Inc.	United States	Financials	35,588	831	824
Apollo Investment Corp.	United States	Financials	119,109	968	801
Arbor Realty Trust Inc.	United States	Financials	190,000	1,975	2,159
Ares Capital Corp.	United States	Financials	132,592	2,985	2,711
Ares Commercial Real Estate Corp.	United States	Financials	53,530	908	852
Aritzia Inc.	Canada	Consumer Discretionary	1,000	18	12
ARMOUR Residential REIT Inc. Pfd. Series A	United States	Financials	13,453	420	437
ARMOUR Residential REIT Inc.	United States	Financials	15,853	492	475
Asia Pile Holdings Corp.	Japan	Materials	50,600	382	404
Assured Guaranty Ltd.	United States	Financials	10,549	517	492
Atlantia SPA	Italy	Industrials	17,746	614	709
Atlantic Power Preferred Equity Ltd. 4.85% Pfd. Series 1	Canada	Utilities	14,500	200	215
Atlantic Power Preferred Equity Ltd. F/R Pfd. Series 2	Canada	Utilities	5,900	79	110
Atmos Energy Corp.	United States	Utilities	895	85	97
Auckland International Airport Ltd.	New Zealand	Industrials	53,239	310	304
Axis Capital Holdings Ltd. 5.50% Pfd. Series D	United States	Financials	2,921	100	93
Ayala Land Inc.	Philippines	Real Estate	500,000	553	509
Bank of Philippine Islands	Philippines	Financials	100,000	260	290
Baoye Group Co. Ltd.	China	Industrials	231,400	219	192
Bapcor Ltd.	Australia	Consumer Discretionary	95,342	522	539
BB&T Corp. 5.20% Pfd. Series F	United States	Financials	3,408	107	110
BB&T Corp. 5.20% Pfd. Series G	United States	Financials	4,000	131	129
BBA Aviation PLC	United Kingdom	Industrials	15,971	72	93
BCE Inc. 4.54% Cum. Red. First Pfd. Series R Callable	Canada	Telecommunication Services	19,675	334	409
BlackRock Kelso Capital Corp.	United States	Financials	85,582	889	665
Blackstone Mortgage Trust Inc.	United States	Financials	16,000	645	648
Bovis Homes Group PLC	United Kingdom	Consumer Discretionary	13,187	215	272
BP PLC	United Kingdom	Energy	210,000	1,646	1,822
The British Land Co. PLC	United Kingdom	Real Estate	40,522	465	471
Brookfield Business Partners LP	Canada	Industrials	23,300	1,046	1,082
Brunswick Corp.	United States	Consumer Discretionary	18,000	1,360	1,377
Bulten AB	Sweden	Consumer Discretionary	43,564	754	764
Canadian Utilities Ltd. 4.90% Cum. Pfd. Callable	Canada	Utilities	7,043	153	166



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As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Canadian Utilities Ltd. 5.25% Cum. Red. Pfd. Series EE	Canada	Utilities	10,599	255	264
Capital One Financial Corp. 6.00% Pfd. Series B	United States	Financials	2,640	90	86
Capital One Financial Corp. 6.25% Pfd. Series C	United States	Financials	1,764	62	59
Capital One Financial Corp. 6.20% Pfd. Series F	United States	Financials	6,843	233	234
Capitec Bank Holdings Ltd. F/R Pfd.	South Africa	Financials	7,572	62	67
Capstead Mortgage Corp.	United States	Financials	37,810	515	421
Carlisle Companies Inc.	United States	Industrials	10,000	1,338	1,345
Catena AB	Sweden	Real Estate	8,549	185	218
CBL & Associates Properties Inc. 7.375% Pfd. Series D	United States	Real Estate	3,773	123	84
CD Projekt SA	Poland	Information Technology	22,000	871	914
Centuria Industrial REIT	Australia	Real Estate	68,743	173	167
The Charles Schwab Corp. 6.00% Pfd. Series C	United States	Financials	1,264	44	42
Charter Financial Corp. (MD)	United States	Financials	24,466	556	643
Cheniere Energy Partners LP Holdings LLC	United States	Energy	1,800	51	64
Chicago Bridge & Iron Co. NV	United States	Industrials	54,500	1,379	1,011
Chimera Investment Corp.	United States	Financials	38,104	878	855
China Everbright Greentech Ltd.	China	Utilities	1,518	2	2
China Everbright International Ltd.	China	Industrials	131,600	204	239
Citigroup Inc. 5.80% Pfd. Series C	United States	Financials	1,153	39	38
Citigroup Inc. 7.875% Pfd.	United States	Financials	531	18	19
City of London Investment Group PLC	United Kingdom	Financials	90,800	628	728
Cohort PLC	United Kingdom	Industrials	141,197	976	900
Colony NorthStar Inc. Class A	United States	Real Estate	18,849	315	136
Companhia de Saneamento Basico do Estado de Sao Paulo ADR (SABESP)	Brazil	Utilities	16,936	200	231
Cortland Credit Institutional LP Unit	Canada	Financials	2,768,549	27,609	27,736
Countrywide Capital V 7.00% Perpetual Pfd. Callable	United States	Financials	985	34	33
Crown Castle International Corp.	United States	Real Estate	8,368	1,043	1,182
CryoLife Inc.	United States	Health Care	29,503	711	762
Curis Inc.	United States	Health Care	36,008	84	30
CYS Investments Inc.	United States	Financials	42,418	461	367
Daido Kogyo Co. Ltd.	Japan	Industrials	49,900	941	879
Danaher Corp.	United States	Health Care	5,789	678	730
DDR Corp. 6.50% Pfd. Series J	United States	Real Estate	1,228	42	37
DDR Corp. 6.25% Pfd. Series K	United States	Real Estate	659	23	19
Dexus Property Group	Australia	Real Estate	16,653	136	154
Digi International Inc.	United States	Information Technology	22,112	300	293
Digital Realty Trust Inc. 5.875% Pfd. Series G	United States	Real Estate	2,927	99	94
Digital Realty Trust Inc. 6.35% Pfd. Series I	United States	Real Estate	7,433	259	254
Dominion Resources Inc.	United States	Utilities	1,110	110	96
Dream Office Real Estate Investment Trust	Canada	Real Estate	142,924	2,928	3,337
DTE Energy Co.	United States	Utilities	1,103	140	148
Ducommun Inc.	United States	Industrials	12,252	473	480
Duke Energy Corp. 5.125% Pfd.	United States	Utilities	3,856	131	126
Dynex Capital Inc.	United States	Financials	67,947	612	580
Ebara Corp.	Japan	Industrials	20,200	837	948
Edison International	United States	Utilities	1,116	108	92
Ei Towers SPA	Italy	Information Technology	598	45	43



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## SCHEDULE OF INVESTMENTS (cont'd)

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Elders Ltd.	Australia	Consumer Staples	95,342	520	708
Eli Lilly and Co.	United States	Health Care	15,000	1,473	1,495
Ellington Residential Mortgage REIT	United States	Financials	79,005	1,379	1,115
Emperor Capital Group Ltd.	Hong Kong	Financials	986,350	113	98
Enbridge Inc.	Canada	Energy	113,000	5,159	4,579
Enbridge Inc. 4.40% Cum. Pfd. Series 15 Callable	Canada	Energy	7,472	133	153
Enbridge Inc. 4.40% Cum. Red. Pfd. Series 5	Canada	Energy	7,377	177	209
Enbridge Inc. 4.00% Cum. Red. Pfd. Series P	Canada	Energy	8,631	120	172
Encore Capital Group Inc.	United States	Financials	13,615	677	793
Enplas Corp.	Japan	Information Technology	49,900	2,288	2,154
ESPEC Corp.	Japan	Information Technology	22,700	530	700
Exchange Income Corp.	Canada	Industrials	48,442	1,639	1,495
Ferrovial SA	Spain	Industrials	2,571	68	69
Fidus Investment Corp.	United States	Financials	31,381	687	521
Financial Institutions Inc.	United States	Financials	36,317	1,491	1,385
First Republic Bank (San Francisco CA) 5.50% Pfd.	United States	Financials	924	31	30
Five Oaks Investment Corp.	United States	Financials	167,225	1,152	627
Flughafen Wien AG	Austria	Industrials	4,503	178	238
Flughafen Zuerich AG	Switzerland	Industrials	797	194	227
Fortum OYJ	Finland	Utilities	26,067	564	722
Fortuna Silver Mines Inc.	Canada	Materials	129,640	802	871
Foxconn Technology Co. Ltd.	Taiwan	Information Technology	122,000	452	422
Fraport AG	Germany	Industrials	862	81	110
Frontline Ltd.	Norway	Energy	68,097	529	389
FS Investment Corp.	United States	Financials	77,826	1,032	727
Fuji Oil Co. Ltd.	Japan	Consumer Staples	1,800	58	70
Fuji Pharma Co. Ltd.	Japan	Health Care	2,973	127	179
Fujitsu Frontech Ltd.	Japan	Information Technology	8,932	178	186
The Fukushima Bank Ltd.	Japan	Financials	12,395	130	116
Fusion Partners Co.	Japan	Information Technology	36,000	338	351
Geberit AG	Switzerland	Industrials	1,736	1,007	989
George Weston Ltd. 5.80% Cum. Red. Pfd. Shares Series I	Canada	Consumer Staples	11,646	296	298
GGP Inc.	United States	Real Estate	12,500	324	329
Gilead Sciences Inc.	United States	Health Care	4,300	453	418
GLP J-REIT	Japan	Real Estate	157	220	221
Goldman Sachs BDC Inc.	United States	Financials	32,545	1,023	802
The Goldman Sachs Group Inc. 6.20% Pfd. Series B	United States	Financials	604	21	20
The Goldman Sachs Group Inc. 5.50% Pfd. Series J	United States	Financials	2,281	78	78
The Goldman Sachs Group Inc. 6.375% Pfd. Series K	United States	Financials	4,721	169	174
Goodman Group	Australia	Real Estate	11,466	78	96
GPT Group Stapled Securities	Australia	Real Estate	22,504	106	106
Granite Point Mortgage Trust Inc.	United States	Financials	20,875	487	445
Groupe Eurotunnel SA	France	Industrials	28,571	403	526
Grupo Aeroportuario del Centro Norte SAB de CV (OMA)	Mexico	Industrials	7,453	50	47
Grupo Aeroportuario del Pacifico SAB de CV	Mexico	Industrials	10,354	126	133
Halma PLC	United Kingdom	Information Technology	33,295	583	711
HCP Inc.	United States	Real Estate	15,002	592	449
Heartland Bank Ltd.	New Zealand	Financials	230,923	383	379



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<b>EQUITIES (cont'd)</b>					
Hera SPA	Italy	Utilities	167,093	652	789
High Arctic Energy Services Inc.	Canada	Energy	99,882	458	375
Highland Gold Mining Ltd.	Jersey	Materials	62,196	165	172
Hirano Tecseed Co. Ltd.	Japan	Industrials	18,600	392	610
Hopewell Highway Infrastructure Ltd.	Hong Kong	Industrials	259,219	188	204
HSBC Holdings PLC 8.00% Pfd. Series 2	United Kingdom	Financials	4,325	150	146
HSBC Holdings PLC 6.20% Pfd. Series A	United Kingdom	Financials	1,739	59	58
Husky Energy Inc. 4.45% 12-31-2049 Pfd. Series 1	Canada	Energy	14,535	240	259
Iberdrola SA	Spain	Utilities	7,396	69	70
IDEX ASA	Norway	Information Technology	142,020	148	95
IG Design Group PLC	United Kingdom	Consumer Discretionary	99,882	598	720
IMF Bentham Ltd.	Australia	Financials	208,848	450	540
ING Groep NV 6.125% Pfd.	Netherlands	Financials	4,773	161	157
Ingersoll-Rand PLC	United States	Industrials	12,000	1,332	1,322
Inland Homes PLC	United Kingdom	Real Estate	73,780	80	82
Integrated Research Ltd.	Australia	Information Technology	38,099	120	148
International Container Terminal Services Inc.	Philippines	Industrials	111,825	249	277
Invesco Mortgage Capital Inc.	United States	Financials	19,291	389	407
iomart Group PLC	United Kingdom	Information Technology	49,429	279	327
Israel Chemicals Ltd.	Israel	Materials	55,009	305	301
JCU Corp.	Japan	Materials	8,000	212	246
Jiangsu Expressway Co. Ltd. H	China	Industrials	62,085	115	114
Johnson Controls International PLC	United States	Industrials	32,000	1,431	1,453
Johnson Service Group PLC	United Kingdom	Industrials	55,651	123	136
JPMorgan Chase & Co. 6.10% Pfd. Series AA	United States	Financials	9,375	315	319
JPMorgan Chase & Co. 6.15% Pfd. Series BB	United States	Financials	2,171	74	74
JPMorgan Chase & Co. 5.45% Pfd. Series P	United States	Financials	755	26	25
JPMorgan Chase & Co. 6.70% Pfd. Series T	United States	Financials	900	33	30
JPMorgan Chase & Co. 6.30% Pfd. Series W	United States	Financials	911	32	31
JPMorgan Chase & Co. 6.125% Pfd. Series Y	United States	Financials	2,764	95	93
Just Energy Group Inc.	Canada	Utilities	85,124	594	484
Kamigumi Co. Ltd.	Japan	Industrials	5,191	132	150
Kansas City Southern	United States	Industrials	6,593	806	933
Kimco Realty Corp. 6.00% Pfd. Series I	United States	Real Estate	1,568	54	50
Kimco Realty Corp. 5.50% Pfd. Series J	United States	Real Estate	766	26	23
Kimco Realty Corp. 5.625% Pfd. Series K	United States	Real Estate	909	31	27
Kinder Morgan Inc.	United States	Energy	32,968	840	640
Kito Corp.	Japan	Industrials	7,920	122	191
Klepierre	France	Real Estate	2,864	165	149
Klovern AB Pfd.	Sweden	Real Estate	6,000	287	295
Kotobuki Spirits Co. Ltd.	Japan	Consumer Staples	32,600	1,587	2,217
Kvaerner ASA	Norway	Energy	130,946	261	280
Land Securities Group PLC	United Kingdom	Real Estate	4,330	97	73
Lectra	France	Information Technology	22,695	799	827
LHC Group Inc.	United States	Health Care	2,654	199	210
Macquarie Mexico Real Estate Management SA de CV	Mexico	Real Estate	127,329	197	185
Malibu Boats Inc. Class A	United States	Consumer Discretionary	77,181	2,553	3,302
Mazor Robotics Ltd.	Israel	Health Care	20,552	574	802



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## SCHEDULE OF INVESTMENTS (cont'd)

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
McBride PLC	United Kingdom	Consumer Staples	227,012	745	649
MCJ Co. Ltd.	Japan	Information Technology	48,200	711	806
Medley Capital Corp.	United States	Financials	78,470	788	402
Meredith Corp.	United States	Consumer Discretionary	18,000	1,252	1,248
MetLife Inc. 4.00% Pfd. Series A	United States	Financials	1,133	38	37
MFA Financial Inc.	United States	Financials	84,018	879	815
Mirvac Group Stapled Securities	Australia	Real Estate	73,513	154	157
Monroe Capital Corp.	United States	Financials	21,018	429	333
National Grid PLC	United Kingdom	Utilities	99,071	1,710	1,436
National Retail Properties Inc. 5.70% Pfd. Series E	United States	Real Estate	2,917	100	94
National Storage REIT	Australia	Real Estate	127,674	191	199
New Residential Investment Corp.	United States	Financials	31,590	621	669
New York Mortgage Trust Inc.	United States	Financials	10,481	86	80
NextEra Energy Inc.	United States	Utilities	978	161	206
Nexus AG	Germany	Health Care	19,072	659	769
NicOx SA	France	Health Care	86,259	1,241	1,242
Nippon Systemware Co. Ltd.	Japan	Information Technology	34,800	842	1,231
Nissei ASB Machine Co. Ltd.	Japan	Industrials	23,000	1,173	2,064
Nittoc Construction Co. Ltd.	Japan	Industrials	41,676	281	312
Nomura Real Estate Master Fund Inc.	Japan	Real Estate	146	260	260
Norfolk Southern Corp.	United States	Industrials	2,109	328	369
NorthWestern Corp.	United States	Utilities	4,436	346	307
NZX Ltd.	New Zealand	Financials	144,041	146	144
Oaktree Capital Group LLC	United States	Financials	13,475	801	687
Oeneo SA	France	Materials	7,039	97	114
Oenon Holdings Inc.	Japan	Consumer Staples	212,200	761	1,234
Orchid Island Capital Inc.	United States	Financials	8,929	120	85
Oxford Square Capital Corp.	United States	Financials	34,334	315	270
Oxford Square Capital Corp. 6.50% Pfd.	United States	Financials	300	10	10
Park-Ohio Holdings Corp.	United States	Industrials	49,938	2,690	2,499
Peab AB	Sweden	Industrials	36,958	441	429
Pembina Pipeline Corp.	Canada	Energy	8,205	322	330
PennantPark Investment Corp.	United States	Financials	120,539	1,292	1,037
PennyMac Mortgage Investment Trust	United States	Financials	17,741	392	412
Pentair PLC	United Kingdom	Industrials	23,161	1,923	2,033
Pitney Bowes Inc. 6.70% Pfd.	United States	Industrials	8,618	304	276
PNC Financial Services Group Inc. 6.125% Pfd. Series P	United States	Financials	1,027	39	37
PNC Financial Services Group Inc. 5.375% Pfd. Series Q	United States	Financials	1,446	49	47
Poly Culture Group Corp. Ltd.	China	Consumer Discretionary	127,932	387	294
Polymetal International PLC	Russia	Materials	50,000	881	664
POLYTEC Holding AG	Austria	Consumer Discretionary	12,781	295	319
Prospect Capital Corp.	United States	Financials	185,340	2,118	1,564
Prudential Financial Inc. 5.70% Pfd.	United States	Financials	12,000	399	388
Prudential Financial Inc. 5.75% Pfd.	United States	Financials	1,708	59	55
Prudential PLC 6.75% Pfd.	United Kingdom	Financials	916	32	31
Public Storage 5.875% Pfd. Series A	United States	Real Estate	2,490	87	83
Public Storage 5.625% Pfd. Series U	United States	Real Estate	4,665	150	151
Public Storage 5.375% Pfd. Series V	United States	Real Estate	3,629	121	116



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Public Storage 5.20% Pfd. Series W	United States	Real Estate	4,890	148	152
Public Storage 5.20% Pfd. Series X	United States	Real Estate	3,618	121	114
Qube Holdings Ltd.	Australia	Industrials	113,579	279	247
Redwood Trust Inc.	United States	Financials	35,805	782	714
Regional Management Corp.	United States	Financials	6,960	215	285
Resource Capital Corp.	United States	Financials	18,638	257	228
Restaurant Brands New Zealand Ltd.	New Zealand	Consumer Discretionary	31,169	177	209
Rexnord Corp.	United States	Industrials	36,044	1,036	1,378
Rigel Pharmaceuticals Inc.	United States	Health Care	77,181	323	352
RioCan Real Estate Investment Trust	Canada	Real Estate	30,005	771	709
Rnb Retail and Brands AB	Sweden	Consumer Discretionary	170,368	331	209
RTI Biologics Inc.	United States	Health Care	17,627	103	104
Rural Funds Group	Australia	Real Estate	238,615	476	534
S IMMO AG	Austria	Real Estate	45,008	843	1,150
Safestyle UK PLC	United Kingdom	Industrials	117,589	486	177
Santander Finance SAU Pfd.	Spain	Financials	5,694	190	191
Satori Electric Co. Ltd.	Japan	Information Technology	10,573	111	141
SBS Holdings Inc.	Japan	Industrials	41,300	446	693
Scentre Group	Australia	Real Estate	22,292	89	85
Seikitokyo Kogyo Co. Ltd.	Japan	Industrials	140,200	1,011	1,171
Severn Trent PLC	United Kingdom	Utilities	43,033	1,637	1,436
Shaw Communications Inc. Pfd Series A	Canada	Consumer Discretionary	15,000	253	275
Shinnihon Corp.	Japan	Industrials	48,300	552	678
SIAS SPA	Italy	Industrials	18,315	275	441
SL Green Realty Corp.	United States	Real Estate	5,000	615	624
Solar Senior Capital Ltd.	United States	Financials	40,000	902	866
Source Energy Services Ltd.	Canada	Energy	3,094	29	15
Southern Co.	United States	Utilities	1,589	103	91
Spectrum ASA	Norway	Energy	22,912	133	168
St. Barbara Ltd.	Australia	Materials	91,659	273	363
Standard Bank Group Ltd. F/R Pfd.	South Africa	Financials	11,983	91	104
Stanley Black & Decker Inc. 5.75% Pfd.	United States	Industrials	12,564	415	408
Starwood Property Trust Inc.	United States	Financials	46,809	1,331	1,263
State Street Corp. 6.00% Pfd.	United States	Financials	9,148	312	310
State Street Corp. 5.25% Pfd. Series C	United States	Financials	8,568	292	277
Stericycle Inc.	United States	Industrials	14,000	1,227	1,056
Stockland Stapled Securities	Australia	Real Estate	35,642	152	142
Sunningdale Tech Ltd.	Singapore	Industrials	161,166	290	300
Tahoe Resources Inc.	United States	Materials	241,995	1,990	1,464
Taiko Pharmaceutical Co. Ltd.	Japan	Health Care	5,934	142	146
Tama Home Co. Ltd.	Japan	Consumer Discretionary	19,100	160	341
TCP Capital Corp.	United States	Financials	24,107	540	442
Technics Oil & Gas Ltd.	Singapore	Energy	7,762	5	—
Teck Resources Ltd. Class B	Canada	Materials	40,000	1,452	1,327
Telephone & Data Systems Inc. 7.00% Pfd.	United States	Telecommunication Services	1,729	58	56
Telephone & Data Systems Inc. 5.875% Pfd.	United States	Telecommunication Services	2,200	72	70
Terna SPA	Italy	Utilities	10,130	68	76
Teva Pharmaceutical Industries Ltd. Pfd.	Israel	Health Care	1,100	904	466



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
TFI International Inc.	Canada	Industrials	50,000	1,643	1,656
THL Credit Inc.	United States	Financials	55,939	745	560
Tohoku Electric Power Co. Inc.	Japan	Utilities	17,592	305	304
The Toronto-Dominion Bank Pfd. Series 14	Canada	Financials	6,000	157	157
Toto Ltd.	Japan	Industrials	4,600	245	313
Tourism Holdings Ltd.	New Zealand	Industrials	138,014	558	787
TPG Specialty Lending Inc.	United States	Financials	66,000	1,707	1,519
TransAlta Corp. Pfd. Series A	Canada	Utilities	45,455	600	675
TransCanada Corp.	Canada	Energy	1,412	73	75
Two Harbors Investment Corp.	United States	Financials	4,618	115	91
U.S. Bancorp Pfd. Perpetual/Callable 2022	United States	Financials	2,000	75	72
Unibail-Rodamco	France	Real Estate	583	203	172
Union Pacific Corp.	United States	Industrials	104	14	18
United Utilities Group PLC	United Kingdom	Utilities	36,190	585	469
Universal Robina Corp.	Philippines	Consumer Staples	90,000	310	339
US BanCorp 3.50% Pfd. Series B	United States	Financials	4,748	143	142
Utilitywise PLC	United Kingdom	Industrials	48,821	89	–
Veolia Environnement	France	Utilities	56,904	1,563	1,739
VEREIT Inc. 6.70% Pfd. Series F	United States	Real Estate	7,337	252	240
Vertu Motors PLC	United Kingdom	Consumer Discretionary	454,031	359	358
Vinci SA	France	Industrials	1,651	173	209
Vitrolife AB	Sweden	Health Care	4,252	361	388
Vornado Realty Trust	United States	Real Estate	6,001	579	520
Vornado Realty Trust 5.70% Pfd. Series K	United States	Real Estate	2,094	69	67
Vornado Realty Trust 5.40% Pfd. Series L	United States	Real Estate	2,369	78	73
Wakachiku Construction Co. Ltd.	Japan	Industrials	25,800	512	517
WashTec AG	Germany	Industrials	13,011	1,270	1,598
Webjet Ltd.	Australia	Consumer Discretionary	49,938	557	550
Wells Fargo & Co. 12-31-2049 Callable 2024 Pfd.	United States	Financials	3,000	112	108
Wells Fargo & Co. 12-31-2049 Pfd. Callable 2023	United States	Financials	2,672	93	90
Wells Fargo & Co. 7.50% Non-cum. Class A Conv. Pfd. Series L	United States	Financials	1,000	1,660	1,662
Wells Fargo & Co. 6.375% Pfd. Series A	United States	Financials	2,851	98	95
Wells Fargo & Co. 8.00% Pfd. Series J	United States	Financials	5,310	193	176
Wells Fargo & Co. 5.125% Pfd. Series O	United States	Financials	1,358	46	43
Wells Fargo & Co. 5.25% Pfd. Series P	United States	Financials	1,686	57	53
Wells Fargo & Co. 5.20% Pfd.	United States	Financials	3,394	107	107
Welltower Inc.	United States	Real Estate	5,555	500	390
Wereldhave NV	Netherlands	Real Estate	3,750	245	185
Wesco Aircraft Holdings Inc.	United States	Industrials	6,742	106	89
Western Asset Mortgage Capital Corp.	United States	Financials	8,619	115	108
Westfield Corp.	Australia	Real Estate	15,403	138	130
Westports Holdings BHD	Malaysia	Industrials	106,019	135	127
Westshore Terminals Investment Corp.	Canada	Industrials	3,956	101	88
Whitestone REIT	United States	Real Estate	15,002	266	201
The Williams Companies Inc.	United States	Energy	14,076	502	451
Wincanton PLC	United Kingdom	Industrials	36,662	164	145
Xcel Energy Inc.	United States	Utilities	1,920	109	112
Xylem Inc.	United States	Industrials	11,580	812	1,147



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<b>EQUITIES (cont'd)</b>					
Yamana Gold Inc.	Canada	Materials	216,067	821	769
Yuexiu Transport Infrastructure Ltd.	China	Industrials	218,814	206	217
Zhejiang Expressway Co. Ltd. H	China	Industrials	54,151	80	72
<b>Total equities</b>				<b>197,480</b>	<b>197,285</b>
<b>OPTIONS</b>					
Options purchased (see schedule of options purchased)				125	91
<b>Total Options</b>				<b>125</b>	<b>91</b>
<b>EXCHANGE-TRADED FUNDS/NOTES</b>					
BMO Emerging Markets Bond Hedged to CAD Index ETF	Canada	Exchange-Traded Funds/Notes	160,000	2,707	2,589
BMO Junior Gold Index ETF	Canada	Exchange-Traded Funds/Notes	470,000	4,176	4,197
iShares J.P. Morgan USD Emerging Markets Bond ETF	Multi-Country Index Funds	Exchange-Traded Funds/Notes	20,000	3,024	2,907
iShares MSCI EAFE Small Cap Index Fund ETF	Multi-Country Index Funds	Exchange-Traded Funds/Notes	450,000	35,534	37,792
ishares S&P GSCI Commodity Indexed Trust	United States	Exchange-Traded Funds/Notes	100,000	2,042	2,145
iShares Silver Trust ETF	United States	Exchange-Traded Funds/Notes	550,000	11,571	10,919
iShares TIPS Bond ETF	United States	Exchange-Traded Funds/Notes	51,000	7,752	7,427
iShares U.S. Preferred Stock ETF	United States	Exchange-Traded Funds/Notes	100,000	4,872	4,841
Mackenzie Floating Rate Income ETF	Canada	Exchange-Traded Funds/Notes	2,514,713	53,743	54,143
Mackenzie Maximum Diversification Emerging Markets Index ETF	Canada	Exchange-Traded Funds/Notes	560,446	14,562	14,437
<b>EXCHANGE-TRADED FUNDS/NOTES (cont'd)</b>					
PowerShares DB Agriculture Fund	United States	Exchange-Traded Funds/Notes	81,000	2,211	1,963
SPDR Barclays Convertible Securities ETF	United States	Exchange-Traded Funds/Notes	100,000	6,501	6,655
VanEck Vectors Vietnam ETF	United States	Exchange-Traded Funds/Notes	360,000	7,374	9,071
Vanguard FTSE Emerging Markets ETF	Multi-Country Index Funds	Exchange-Traded Funds/Notes	438,403	23,962	26,534
Vanguard Global ex-U.S. Real Estate ETF	United States	Exchange-Traded Funds/Notes	200,000	15,221	15,697
Vanguard REIT ETF	United States	Exchange-Traded Funds/Notes	50,000	5,371	4,861
Vanguard Small-Cap Value ETF	United States	Exchange-Traded Funds/Notes	18,000	3,060	3,001
<b>Total exchange-traded funds/notes</b>				<b>203,683</b>	<b>209,179</b>
<b>MUTUAL FUNDS</b>					
Mackenzie Gold Bullion Class Series R	Canada	Mutual Funds	781,392	10,502	11,064
Mackenzie Unconstrained Fixed Income Fund Series R	Canada	Mutual Funds	1,440,962	14,534	14,464
<b>Total mutual funds</b>				<b>25,036</b>	<b>25,528</b>
Transaction costs				(475)	—
<b>Total investments</b>				<b>470,717</b>	<b>477,059</b>
Derivative instruments (see schedule of derivative instruments)					(539)
Cash and cash equivalents					79,341
Other assets less liabilities					(5,280)
<b>Total net assets</b>					<b>550,581</b>



**MACKENZIE**  
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# MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ALTERNATIVE FUND

## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2018		March 31, 2017	
<b>Effective Portfolio Allocation</b>	<b>% of NAV</b>	<b>Effective Portfolio Allocation</b>	<b>% of NAV</b>
Equities	66.8	Equities	51.6
Cash and short-term investments	16.5	<i>Equities</i>	51.5
Bonds	14.2	<i>Purchased options</i>	0.1
<i>Bonds</i>	14.2	<i>Written options</i>	(0.0)
<i>Purchased options</i>	0.0	Bonds	30.3
Commodities	4.7	Cash and short-term investments	17.5
Other assets (liabilities)	(2.2)	Commodities	2.2
		Mutual funds	0.1
		Other assets (liabilities)	(1.7)
<b>Effective Regional Allocation</b>	<b>% of NAV</b>	<b>Effective Regional Allocation</b>	<b>% of NAV</b>
United States	39.4	United States	47.7
Cash and short-term investments	16.5	Cash and short-term investments	17.5
Canada	12.7	Other	13.2
Other	10.4	Canada	5.9
Japan	6.4	United Kingdom	3.3
United Kingdom	4.2	Japan	2.4
China	2.6	China	1.7
Australia	1.6	South Korea	1.7
France	1.5	Turkey	1.5
Taiwan	1.2	Australia	1.3
Vietnam	1.2	France	1.3
Germany	1.0	Brazil	1.1
India	1.0	Mexico	0.9
Sweden	0.9	Netherlands	0.8
Netherlands	0.8	South Africa	0.7
Italy	0.8	Taiwan	0.7
Other assets (liabilities)	(2.2)	Other assets (liabilities)	(1.7)
<b>Effective Sector Allocation</b>	<b>% of NAV</b>	<b>Effective Sector Allocation</b>	<b>% of NAV</b>
Financials	16.8	Financials	18.4
Cash and short-term investments	16.5	Cash and short-term investments	17.5
Term loans	12.2	Corporate bonds	9.5
Industrials	9.9	Real estate	7.6
Real estate	7.8	Other	7.3
Corporate bonds	7.8	Industrials	7.2
Other	6.9	Term loans	6.9
Commodities	4.7	Foreign government bonds	6.7
Information technology	4.3	Mortgage backed	6.5
Consumer discretionary	4.2	Utilities	3.6
Materials	3.6	Information technology	3.2
Health care	2.6	Materials	2.7
Energy	2.5	Consumer discretionary	2.4
Consumer staples	2.4	Commodities	2.2
Other assets (liabilities)	(2.2)	Other assets (liabilities)	(1.7)

The effective allocation shows the portfolio, regional or sector exposure of the Fund calculated by combining its direct and indirect investments.

# MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ALTERNATIVE FUND

## SCHEDULE OF OPTIONS PURCHASED

*As at March 31, 2018*

<b>Underlying Interest</b>	<b>Number of Contracts</b>	<b>Option Type</b>	<b>Expiration Date</b>	<b>Strike Price \$</b>	<b>Premium Paid (\$ 000s)</b>	<b>Fair Value (\$ 000s)</b>
iShares iBoxx \$ High Yield Corporate Bond ETF	285	Put	Sep. 21, 2018	USD 83.00	71	51
iShares iBoxx \$ High Yield Corporate Bond ETF	148	Put	Sep. 21, 2018	USD 85.00	54	40
<b>Total options</b>					<b>125</b>	<b>91</b>



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# MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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ALTERNATIVE FUND

## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2018

### Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
AA	214	Canadian dollar	(215)	Australian dollar	Apr. 11, 2018	(214)	(213)	1
AA	43	British pound	(73)	Canadian dollar	Apr. 11, 2018	73	77	4
AA	11,250	Swiss franc	(15,070)	Canadian dollar	Apr. 11, 2018	15,070	15,170	100
AA	4,825	Euro	(7,451)	Canadian dollar	Apr. 20, 2018	7,451	7,657	206
AA	160,194,255	Indonesian rupiah	(14,917)	Canadian dollar	Apr. 27, 2018	14,917	14,994	77
AA	1,996	Canadian dollar	(1,980)	Australian dollar	Jun. 6, 2018	(1,996)	(1,957)	39
AA	16	Singapore dollar	(16)	Canadian dollar	Jun. 6, 2018	16	16	–
AA	27,198	Canadian dollar	(21,108)	U.S. dollar	Jun. 8, 2018	(27,198)	(27,160)	38
AA	26,203	Canadian dollar	(20,300)	U.S. dollar	Jun. 8, 2018	(26,203)	(26,120)	83
AA	7,220	Canadian dollar	(5,605)	U.S. dollar	Jun. 22, 2018	(7,220)	(7,210)	10
AA	27,186	Canadian dollar	(21,108)	U.S. dollar	Jun. 29, 2018	(27,186)	(27,148)	38
AA	5,149	Canadian dollar	(3,957)	U.S. dollar	Jun. 29, 2018	(5,149)	(5,089)	60
<b>Unrealized Gains</b>								<b>656</b>
AA	2,570	Canadian dollar	(2,645)	Australian dollar	Apr. 11, 2018	(2,570)	(2,617)	(47)
AA	72	Canadian dollar	(43)	British pound	Apr. 11, 2018	(72)	(77)	(5)
AA	250	Canadian dollar	(1,560)	Norwegian krone	Apr. 13, 2018	(250)	(256)	(6)
AA	220	Canadian dollar	(1,420)	Norwegian krone	Apr. 13, 2018	(220)	(233)	(13)
AA	49	Canadian dollar	(320)	Norwegian krone	Apr. 13, 2018	(49)	(52)	(3)
AA	3,080	Canadian dollar	(2,460)	U.S. dollar	Apr. 13, 2018	(3,080)	(3,169)	(89)
AA	4,080	Canadian dollar	(3,260)	U.S. dollar	Apr. 20, 2018	(4,080)	(4,199)	(119)
AA	878	Canadian dollar	(690)	U.S. dollar	Apr. 20, 2018	(878)	(889)	(11)
AA	84	Canadian dollar	(54)	Euro	Apr. 20, 2018	(84)	(85)	(1)
AA	77	Canadian dollar	(50)	Euro	Apr. 20, 2018	(77)	(79)	(2)
AA	7,242	Canadian dollar	(4,825)	Euro	Apr. 20, 2018	(7,242)	(7,656)	(414)
A	2,953	Canadian dollar	(2,400)	U.S. dollar	Apr. 27, 2018	(2,953)	(3,090)	(137)
AA	250	U.S. dollar	(322)	Canadian dollar	May 11, 2018	322	322	–
AA	3,995	Canadian dollar	(3,195)	U.S. dollar	May 11, 2018	(3,995)	(4,113)	(118)
AA	878	Canadian dollar	(690)	U.S. dollar	May 11, 2018	(878)	(889)	(11)
AA	10,830	Swiss franc	(14,654)	Canadian dollar	May 16, 2018	14,654	14,637	(17)
AA	1,962	Canadian dollar	(1,600)	U.S. dollar	May 18, 2018	(1,962)	(2,060)	(98)
AA	270,000	Indian rupee	(5,341)	Canadian dollar	May 18, 2018	5,341	5,304	(37)
AA	310	Canadian dollar	(318)	Singapore dollar	Jun. 6, 2018	(310)	(312)	(2)
AA	2,514	Canadian dollar	(2,000)	U.S. dollar	Jun. 8, 2018	(2,514)	(2,573)	(59)
AA	171	Canadian dollar	(1,600)	South African rand	Jun. 13, 2018	(171)	(172)	(1)
AA	1,841	Canadian dollar	(1,435)	U.S. dollar	Jun. 15, 2018	(1,841)	(1,846)	(5)
<b>Unrealized (Losses)</b>								<b>(1,195)</b>
<b>Total forward currency contracts</b>								<b>(539)</b>
<b>Total derivative instruments at fair value</b>								<b>(539)</b>



**MACKENZIE**  
Investments

# MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ALTERNATIVE FUND

## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

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

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

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

### 2. Basis of Preparation and Presentation

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

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

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

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

### 3. Significant Accounting Policies

#### (a) Financial instruments

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

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

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

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

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

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



## NOTES TO FINANCIAL STATEMENTS

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

#### (a) Financial instruments (cont'd)

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

#### (b) Fair value measurement

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

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

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

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

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

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

(c) Income recognition

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

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

(d) Commissions and other portfolio transaction costs

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

(e) Securities lending, repurchase and reverse repurchase transactions

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

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

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

(f) Offsetting

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

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

(g) Foreign currency

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

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

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

(h) Net assets attributable to securityholders per security

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

(i) Net asset value per security

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

## NOTES TO FINANCIAL STATEMENTS

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

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

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

(k) Mergers

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

### 4. Critical Accounting Estimates and Judgments

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

#### Use of Estimates

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

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

#### Use of Judgments

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

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

##### *Functional currency*

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

##### *Structured entities and associates*

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

### 5. Income Taxes

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

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

## NOTES TO FINANCIAL STATEMENTS

### 6. Management Fees and Operating Expenses

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

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

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

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

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

### 7. Fund's Capital

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

### 8. Financial Instruments Risk

#### i. Risk exposure and management

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

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

#### ii. Liquidity risk

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

#### iii. Currency risk

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

## NOTES TO FINANCIAL STATEMENTS

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

#### iv. Interest rate risk

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

#### v. Other price risk

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

#### vi. Credit risk

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

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

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

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

#### vii. Underlying funds

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

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## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation      September 29, 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)*

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

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

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

Series F and Series F5 securities are offered to investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$500 (\$5,000 for Series F5); they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie. Investors in Series F5 securities also want to receive a regular monthly cash flow of 5% 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 O securities are offered only to investors investing a minimum of \$500,000 who have an account with Mackenzie Private Wealth Counsel; certain institutional investors; and certain qualifying employees of Mackenzie and its subsidiaries.

Series PW and Series PWT5 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors in Series PWT5 securities also want to receive a monthly cash flow of 5% per year.

Series PWF and Series PWF5 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 PWF5 securities also want to receive a monthly cash flow of 5% per year. Effective June 1, 2018, Series PWF and Series PWF5 securities were consolidated into Series F and Series F5 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 and Series PWX5 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 PWX5 securities also want to receive a monthly cash flow of 5% per year.

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

Series UM securities are offered exclusively to National Bank Financial Inc.

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



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## NOTES TO FINANCIAL STATEMENTS

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Mar. 31, 2018	Mar. 31, 2017
Series A	October 26, 2015	1.85%	0.21%	10.71	10.75
Series AR	October 26, 2015	1.85%	0.24%	10.87	10.90
Series D	October 26, 2015	1.10%	0.16%	10.71	10.74
Series F	October 26, 2015	0.70% <sup>(3)</sup>	0.15% <sup>(6)</sup>	10.76	10.80
Series F5	October 26, 2015	0.70% <sup>(3)</sup>	0.15% <sup>(6)</sup>	15.00	15.44
Series FB	October 26, 2015	0.85%	0.21%	10.55	10.70
Series FB5	October 26, 2015	0.85%	0.21%	14.91	15.38
Series O	October 26, 2015	— <sup>(1)</sup>	— *	10.66	10.65
Series PW	October 26, 2015	1.70% <sup>(4)</sup>	0.15%	10.85	10.90
Series PWF	October 26, 2015	0.80%	0.15%	10.76	10.79
Series PWF5	October 26, 2015	0.80%	0.15%	15.02	15.47
Series PWFB	April 3, 2017	0.70% <sup>(5)</sup>	0.15%	9.97	—
Series PWFB5	April 3, 2017	0.70% <sup>(5)</sup>	0.15%	14.55	—
Series PWT5	October 26, 2015	1.70% <sup>(4)</sup>	0.15%	14.81	15.28
Series PWX	October 26, 2015	— <sup>(2)</sup>	— <sup>(2)</sup>	10.72	10.75
Series PWX5	October 26, 2015	— <sup>(2)</sup>	— <sup>(2)</sup>	15.26	15.56
Series S	October 2, 2017	— <sup>(1)</sup>	0.025%	9.99	—
Series T5	October 26, 2015	1.85%	0.21%	14.72	15.30
Series UM	October 16, 2017	0.50%	0.15%	9.94	—

\* Not applicable.

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

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

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

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

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

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

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

As at March 31, 2018, Mackenzie and Related Insurance Companies had an investment of \$11 and \$95 (2017 – \$11 and \$Nil), respectively, in the Fund.

#### (c) Loss Carryforwards

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

#### (d) Securities Lending

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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## NOTES TO FINANCIAL STATEMENTS

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

#### (e) Commissions

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

	(\$)
March 31, 2018	58
March 31, 2017	65

#### (f) Unfunded Credit Agreements

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

	Total Unfunded Commitment Amount (US\$)	Total Number of Commitments	Range of Unfunded Commitment Amounts (US\$)	Range of Commitment Fee Rates (%)	Range of Commitment Period End Date
March 31, 2018	1,600	3	392 - 678	0.750	June 18, 2018 - August 21, 2018
March 31, 2017	1,860	3	620	0.375 - 0.500	July 12, 2017 - August 16, 2017

#### (g) Investments Pledged as Collateral

Investments in United States Treasury Bills with fair values of \$Nil (March 31, 2017 – \$1,460) have been pledged as collateral against written options.

#### (h) Offsetting of Financial Assets and Liabilities

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

	March 31, 2018			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	506	(494)	–	12
Unrealized losses on derivative contracts	(624)	494	–	(130)
Liability for options written	–	–	–	–
Total	(118)	–	–	(118)
	March 31, 2017			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	257	(256)	–	1
Unrealized losses on derivative contracts	(450)	256	–	(194)
Liability for options written	(4)	–	–	(4)
Total	(197)	–	–	(197)



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## NOTES TO FINANCIAL STATEMENTS

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

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

##### *i. Risk exposure and management*

The Fund seeks long-term capital appreciation and the potential for income by investing directly or indirectly, including through the use of derivatives, in a diversified portfolio of alternative asset classes, including real estate, infrastructure, currencies, non-traditional equities and fixed income, and/or other asset classes of issuers located anywhere in the world.

##### *ii. Currency risk*

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

Currency	March 31, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	259,779	56,404	(115,233)	200,950
Swiss franc	1,216	–	29,807	31,023
Japanese yen	19,957	3	–	19,960
Euro	15,330	5	(163)	15,172
Indonesian rupiah	–	–	14,994	14,994
British pound	11,848	13	–	11,861
Indian rupee	195	–	5,304	5,499
Swedish krona	2,691	–	–	2,691
New Zealand dollar	1,823	4	–	1,827
Hong Kong dollar	1,694	–	–	1,694
Philippine peso	1,415	–	–	1,415
Israeli shekel	1,104	4	–	1,108
Polish zloty	914	–	–	914
Taiwanese dollar	422	–	–	422
Mexican peso	365	–	–	365
Turkish lira	264	–	–	264
Malaysian ringgit	127	–	–	127
Australian dollar	4,865	1	(4,787)	79
Singapore dollar	300	–	(296)	4
Norwegian krone	543	–	(541)	2
South African rand	171	3	(172)	2
<b>Total</b>	<b>325,023</b>	<b>56,437</b>	<b>(71,087)</b>	<b>310,373</b>
<b>% of Net Assets</b>	<b>59.0</b>	<b>10.3</b>	<b>(12.9)</b>	<b>56.4</b>



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## NOTES TO FINANCIAL STATEMENTS

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

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

ii. Currency risk (cont'd)

Currency	March 31, 2017			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure*
U.S. dollar	165,872	13,508	(50,108)	129,272
British pound	5,080	12	–	5,092
Japanese yen	3,841	–	–	3,841
Hong Kong dollar	863	–	–	863
Swiss franc	816	–	–	816
Swedish krona	559	–	–	559
New Zealand dollar	392	1	–	393
Taiwanese dollar	324	–	–	324
Mexican peso	232	–	–	232
Philippine peso	150	–	–	150
Malaysian ringgit	73	–	–	73
Euro	5,034	2	(5,029)	7
Singapore dollar	88	2	(88)	2
Israeli shekel	385	–	(387)	(2)
Norwegian krone	1,184	–	(1,187)	(3)
South African rand	168	6	(261)	(87)
Australian dollar	2,016	9	(5,046)	(3,021)
Total	187,077	13,540	(62,106)	138,511
% of Net Assets	74.6	5.4	(24.8)	55.2

\* Includes both monetary and non-monetary financial instruments

As at March 31, 2018, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$17,227 or 3.1% of total net assets (2017 – \$7,234 or 2.9%). 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 by term to maturity.

	March 31, 2018	March 31, 2017
Bonds	(\$)	(\$)
Less than 1 year	94	–
1-5 years	18,570	8,753
5-10 years	24,889	11,107
Greater than 10 years	1,423	304
Total	44,976	20,164



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## NOTES TO FINANCIAL STATEMENTS

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

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

##### iii. Interest rate risk (cont'd)

As at March 31, 2018, had prevailing interest rates increased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased by approximately \$2,160 or 0.4% (2017 – \$1,175 or 0.5%) of total net assets. Similarly, had prevailing interest rates decreased by 1%, with all other variables held constant, net assets would have increased by approximately \$2,148 or 0.4% (2017 – \$1,175 or 0.5%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

##### iv. Other price risk

The Fund's most significant exposure to price risk arises from its investment in equity securities, options on equities, exchange-traded funds/notes and mutual funds. As at March 31, 2018, had the prices on the respective stock exchanges for these securities increased by 10%, with all other variables held constant, net assets would have increased by approximately \$36,385 or 6.6% of total net assets (2017 – \$19,457 or 7.8%).

Similarly, had the prices on the respective stock exchanges for these securities decreased by 10%, with all other variables held constant, net assets would have decreased by approximately \$36,385 or 6.6% of total net assets (2017 – \$18,746 or 7.5%). In practice, the actual trading results may differ and the difference could be material.

##### v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2018, was 0.4% of the net assets of the Fund (2017 – 0.3%).

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	–	–
AA	–	–
A	–	–
BBB	–	0.1
Less than BBB	7.5	6.8
Unrated	0.7	1.2
Total	8.2	8.1

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

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## NOTES TO FINANCIAL STATEMENTS

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

#### (j) Fair Value Classification

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

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

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

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

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

	March 31, 2018				March 31, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	2,124	42,852	–	44,976	1,974	18,190	–	20,164
Equities	125,610	71,675	–	197,285	86,569	–	–	86,569
Options	–	91	–	91	90	–	–	90
Exchange-traded funds/notes	209,179	–	–	209,179	90,386	–	–	90,386
Mutual funds	25,528	–	–	25,528	18,174	–	–	18,174
Derivative assets	–	656	–	656	–	309	–	309
Derivative liabilities	–	(1,195)	–	(1,195)	(4)	(486)	–	(490)
Short-term investments	–	78,131	–	78,131	–	37,560	–	37,560
<b>Total</b>	<b>362,441</b>	<b>192,210</b>	<b>–</b>	<b>554,651</b>	<b>197,189</b>	<b>55,573</b>	<b>–</b>	<b>252,762</b>

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

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

As at March 31, 2018, fair value adjustments were applied to the majority of securities in non-North American markets (Level 2) that were closed on the last business day. The remaining non-North American securities were classified as Level 1. As at March 31, 2017, all non-North American equities were classified as Level 1. Other than as described above, there were no significant transfers between Level 1 and Level 2. Equities classified as Level 2 investments are valued based on the prices provided by a third party administrator who prices the securities by incorporating observable market data and using standard market convention practices.

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



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