

MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Mackenzie Financial Corporation, as Manager of Mackenzie Cundill Canadian Balanced 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 Cundill Canadian Balanced Fund (the "Fund")

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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



Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada
June 7, 2018



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STATEMENTS OF FINANCIAL POSITION

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

	2018	2017		2018	2017
	\$	\$		\$	\$
ASSETS			Net assets attributable to securityholders		
Current assets			per security (note 3)		
Investments at fair value	929,678	1,080,574	Series A	9.35	9.86
Cash and cash equivalents	208	29,483	Series AR	12.65	13.33
Accrued interest receivable	2,259	3,214	Series D	9.48	9.99
Dividends receivable	1,111	863	Series E	10.74	11.33
Accounts receivable for investments sold	3,055	23,587	Series F	15.01	15.83
Accounts receivable for securities issued	34	221	Series F8	8.19	9.25
Due from manager	11	–	Series FB	9.91	10.44
Margin on futures contracts	1,461	846	Series FB5	13.62	14.92
Unrealized gains on derivative contracts	444	842	Series G	12.84	13.54
Total assets	938,261	1,139,630	Series I	9.41	10.01
			Series J	11.48	12.11
			Series O	15.69	16.56
			Series O6	12.37	13.61
			Series PW	10.06	10.60
			Series PWF	9.88	10.41
			Series PWF8	10.81	12.21
			Series PWFB	9.46	–
			Series PWFB5	13.68	–
			Series PWT6	13.42	–
			Series PWT8	10.44	11.89
			Series PWX	9.69	10.22
			Series PWX8	10.98	12.31
			Series R	15.28	16.12
			Series T6	9.72	10.85
			Series T8	6.58	7.50
LIABILITIES					
Current liabilities					
Accounts payable for investments purchased	1,364	20,316			
Accounts payable for securities redeemed	1,759	1,036			
Due to manager	105	–			
Unrealized losses on derivative contracts	3,651	1,167			
Total liabilities	6,879	22,519			
Net assets attributable to securityholders	931,382	1,117,111			
Net assets attributable to securityholders					
per series (note 3)					
Series A	628,430	872,583			
Series AR	34,922	31,821			
Series D	198	214			
Series E	9	11			
Series F	24,035	28,779			
Series F8	1,154	1,436			
Series FB	729	196			
Series FB5	16	16			
Series G	3,839	4,248			
Series I	7,950	8,121			
Series J	811	1,276			
Series O	44,763	49,102			
Series O6	1	593			
Series PW	113,730	42,168			
Series PWF	10,788	4,679			
Series PWF8	3,014	3,161			
Series PWFB	315	–			
Series PWFB5	1	–			
Series PWT6	1,974	–			
Series PWT8	7,456	549			
Series PWX	2,944	4,326			
Series PWX8	174	175			
Series R	14,251	17,520			
Series T6	4,965	8,447			
Series T8	24,913	37,690			

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



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MACKENZIE CUNDILL CANADIAN BALANCED FUND

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STATEMENTS OF COMPREHENSIVE INCOME

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

	2018	2017		2018	2017
	\$	\$		\$	\$
Income			Series PWT8	25	123
Dividends	15,185	18,727	Series PWX	55	763
Interest income	14,075	16,305	Series PWX8	4	32
Other changes in fair value of investments			Series R	278	3,642
Net realized gain (loss)	33,331	48,349	Series T6	(41)	1,618
Net unrealized gain (loss)	(42,436)	142,789	Series T8	(191)	6,992
Securities lending income	422	106	Increase (decrease) in net assets attributable to securityholders from operations per security		
Fee rebate income	2	–	Series A	(0.05)	1.59
Total income (loss)	20,579	226,276	Series AR	(0.07)	2.15
			Series D	(0.01)	1.78
Expenses (note 6)			Series E	0.07	2.08
Management fees	19,160	21,134	Series F	0.12	2.72
Management fee rebates	(71)	(31)	Series F8	0.11	1.69
Administration fees	2,144	2,415	Series FB	0.09	1.65
Interest charges	6	7	Series FB5	0.10	3.14
Commissions and other portfolio transaction costs	428	1,312	Series G	0.01	2.24
Independent Review Committee fees	4	5	Series I	0.03	1.70
Other	4	14	Series J	0.02	1.75
Expenses before amounts absorbed by Manager	21,675	24,856	Series O	0.29	3.02
Expenses absorbed by Manager	–	–	Series O6	1.19	2.54
Net expenses	21,675	24,856	Series PW	0.01	1.72
Increase (decrease) in net assets attributable to securityholders from operations before tax	(1,096)	201,420	Series PWF	0.09	1.73
Foreign withholding taxes	1,312	1,654	Series PWF8	0.12	2.18
Foreign income taxes paid (recovered)	–	–	Series PWF8	(0.04)	–
Increase (decrease) in net assets attributable to securityholders from operations	(2,408)	199,766	Series PWF85	0.12	–
Increase (decrease) in net assets attributable to securityholders from operations per series			Series PWT6	0.10	–
Series A	(3,668)	157,463	Series PWT8	0.03	1.94
Series AR	(172)	4,739	Series PWX	0.15	1.88
Series D	1	48	Series PWX8	0.23	2.31
Series E	–	16	Series R	0.28	2.94
Series F	183	4,464	Series T6	(0.07)	1.79
Series F8	18	282	Series T8	(0.05)	1.26
Series FB	4	8			
Series FB5	2	3			
Series G	3	743			
Series I	23	1,421			
Series J	2	260			
Series O	818	9,599			
Series O6	7	126			
Series PW	104	6,269			
Series PWF	92	556			
Series PWF8	32	599			
Series PWF8	–	–			
Series PWF85	–	–			
Series PWT6	13	–			

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

MACKENZIE CUNDILL CANADIAN BALANCED FUND

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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	
	Series A		Series AR		Series D		Series E		Series F			
	\$		\$		\$		\$		\$			
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS												
Beginning of period	872,583	940,345	31,821	23,664	214	294	11	96	28,779	22,167		
Increase (decrease) in net assets from operations	(3,668)	157,463	(172)	4,739	1	48	–	16	183	4,464		
Distributions paid to securityholders:												
Investment income	(6,605)	(6,308)	(311)	(226)	(3)	(3)	–	(1)	(462)	(430)		
Capital gains	(26,167)	–	(1,298)	–	(8)	–	–	–	(1,032)	–		
Return of capital	–	–	–	–	–	–	–	–	–	–		
Management fee rebates	–	–	–	–	–	–	–	–	–	–		
Total distributions paid to securityholders	(32,772)	(6,308)	(1,609)	(226)	(11)	(3)	–	(1)	(1,494)	(430)		
Security transactions:												
Proceeds from securities issued	67,295	190,323	6,554	7,169	14	57	1	–	8,323	10,847		
Reinvested distributions	32,360	6,226	1,603	224	10	3	–	1	1,329	396		
Value of securities redeemed	(307,368)	(415,466)	(3,275)	(3,749)	(30)	(185)	(3)	(101)	(13,085)	(8,665)		
Total security transactions	(207,713)	(218,917)	4,882	3,644	(6)	(125)	(2)	(100)	(3,433)	2,578		
Total increase (decrease) in net assets	(244,153)	(67,762)	3,101	8,157	(16)	(80)	(2)	(85)	(4,744)	6,612		
End of period	628,430	872,583	34,922	31,821	198	214	9	11	24,035	28,779		

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

	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	88,468	112,874	2,387	2,099	21	35	1	10	1,818	1,660
Issued	6,940	19,964	501	574	2	6	–	–	533	727
Reinvested distributions	3,376	684	124	18	1	–	–	–	87	27
Redeemed	(31,608)	(45,054)	(251)	(304)	(3)	(20)	–	(9)	(837)	(596)
Securities outstanding – end of period	67,176	88,468	2,761	2,387	21	21	1	1	1,601	1,818

	Series F8		Series FB		Series FB5		Series G		Series I	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	1,436	1,293	196	1	16	14	4,248	4,414	8,121	7,355
Increase (decrease) in net assets from operations	18	282	4	8	2	3	3	743	23	1,421
Distributions paid to securityholders:										
Investment income	(24)	(24)	(8)	(1)	–	–	(57)	(51)	(171)	(107)
Capital gains	(52)	–	(16)	–	(1)	–	(159)	–	(318)	–
Return of capital	(88)	(94)	–	–	(1)	(1)	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	(22)	(18)
Total distributions paid to securityholders	(164)	(118)	(24)	(1)	(2)	(1)	(216)	(51)	(511)	(125)
Security transactions:										
Proceeds from securities issued	320	605	696	187	–	68	121	200	589	482
Reinvested distributions	97	55	24	1	1	1	216	51	508	124
Value of securities redeemed	(553)	(681)	(167)	–	(1)	(69)	(533)	(1,109)	(780)	(1,136)
Total security transactions	(136)	(21)	553	188	–	–	(196)	(858)	317	(530)
Total increase (decrease) in net assets	(282)	143	533	195	–	2	(409)	(166)	(171)	766
End of period	1,154	1,436	729	196	16	16	3,839	4,248	7,950	8,121

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

	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	155	156	19	–	1	1	314	386	812	870
Issued	37	69	69	19	–	5	9	16	62	51
Reinvested distributions	11	6	2	–	–	–	16	4	50	12
Redeemed	(62)	(76)	(16)	–	–	(5)	(40)	(92)	(79)	(121)
Securities outstanding – end of period	141	155	74	19	1	1	299	314	845	812

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

MACKENZIE CUNDILL CANADIAN BALANCED 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	
	Series J		Series O		Series O6		Series PW		Series PWF			
	\$		\$		\$		\$		\$			
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS												
Beginning of period	1,276	2,884	49,102	47,654	593	598	42,168	30,885	4,679	2,943		
Increase (decrease) in net assets from operations	2	260	818	9,599	7	126	104	6,269	92	556		
Distributions paid to securityholders:												
Investment income	(13)	(15)	(1,274)	(1,274)	–	(9)	(1,282)	(356)	(205)	(62)		
Capital gains	(46)	–	(1,981)	–	–	–	(4,486)	–	(424)	–		
Return of capital	–	–	–	–	(3)	(29)	–	–	–	–		
Management fee rebates	(1)	–	–	–	–	–	(39)	(10)	(5)	(1)		
Total distributions paid to securityholders	(60)	(15)	(3,255)	(1,274)	(3)	(38)	(5,807)	(366)	(634)	(63)		
Security transactions:												
Proceeds from securities issued	–	–	2,028	2,066	–	–	109,746	13,286	8,568	2,759		
Reinvested distributions	60	15	3,251	1,263	1	13	5,711	362	566	61		
Value of securities redeemed	(467)	(1,868)	(7,181)	(10,206)	(597)	(106)	(38,192)	(8,268)	(2,483)	(1,577)		
Total security transactions	(407)	(1,853)	(1,902)	(6,877)	(596)	(93)	77,265	5,380	6,651	1,243		
Total increase (decrease) in net assets	(465)	(1,608)	(4,339)	1,448	(592)	(5)	71,562	11,283	6,109	1,736		
End of period	811	1,276	44,763	49,102	1	593	113,730	42,168	10,788	4,679		

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

	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	105	282	2,965	3,418	44	50	3,977	3,444	449	335
Issued	–	–	125	136	–	–	10,434	1,351	830	276
Reinvested distributions	5	1	203	84	–	1	554	37	56	6
Redeemed	(39)	(178)	(440)	(673)	(44)	(7)	(3,661)	(855)	(243)	(168)
Securities outstanding – end of period	71	105	2,853	2,965	–	44	11,304	3,977	1,092	449

	Series PWF8		Series PWFB		Series PWFB5		Series PWT6		Series PWT8	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	3,161	3,191	–	–	–	–	–	–	549	765
Increase (decrease) in net assets from operations	32	599	–	–	–	–	13	–	25	123
Distributions paid to securityholders:										
Investment income	(63)	(51)	(3)	–	–	–	(21)	–	(81)	(5)
Capital gains	(125)	–	(4)	–	–	–	(82)	–	(296)	–
Return of capital	(216)	(205)	–	–	–	–	(113)	–	(604)	(53)
Management fee rebates	(1)	(2)	–	–	–	–	(1)	–	(2)	–
Total distributions paid to securityholders	(405)	(258)	(7)	–	–	–	(217)	–	(983)	(58)
Security transactions:										
Proceeds from securities issued	234	1,160	331	–	1	–	2,417	–	8,437	320
Reinvested distributions	318	169	6	–	–	–	139	–	558	30
Value of securities redeemed	(326)	(1,700)	(15)	–	–	–	(378)	–	(1,130)	(631)
Total security transactions	226	(371)	322	–	1	–	2,178	–	7,865	(281)
Total increase (decrease) in net assets	(147)	(30)	315	–	1	–	1,974	–	6,907	(216)
End of period	3,014	3,161	315	–	1	–	1,974	–	7,456	549

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

	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	259	291	–	–	–	–	–	–	46	71
Issued	19	96	34	–	–	–	163	–	717	27
Reinvested distributions	28	15	1	–	–	–	10	–	51	3
Redeemed	(27)	(143)	(2)	–	–	–	(26)	–	(100)	(55)
Securities outstanding – end of period	279	259	33	–	–	–	147	–	714	46

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

MACKENZIE CUNDILL CANADIAN BALANCED 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	
	Series PWX		Series PWX8		Series R			
	\$		\$		\$			
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS								
Beginning of period	4,326	3,539	175	147	17,520	19,221		
Increase (decrease) in net assets from operations	55	763	4	32	278	3,642		
Distributions paid to securityholders:								
Investment income	(101)	(102)	(6)	(3)	(430)	(479)		
Capital gains	(127)	–	(8)	–	(658)	–		
Return of capital	–	–	(9)	(10)	–	–		
Management fee rebates	–	–	–	–	–	–		
Total distributions paid to securityholders	(228)	(102)	(23)	(13)	(1,088)	(479)		
Security transactions:								
Proceeds from securities issued	357	851	10	–	456	425		
Reinvested distributions	228	102	23	13	759	–		
Value of securities redeemed	(1,794)	(827)	(15)	(4)	(3,674)	(5,289)		
Total security transactions	(1,209)	126	18	9	(2,459)	(4,864)		
Total increase (decrease) in net assets	(1,382)	787	(1)	28	(3,269)	(1,701)		
End of period	2,944	4,326	174	175	14,251	17,520		

	Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):						
Securities outstanding – beginning of period	423	411	14	13	1,087	1,416
Issued	36	89	1	–	30	29
Reinvested distributions	23	11	2	1	48	–
Redeemed	(178)	(88)	(1)	–	(232)	(358)
Securities outstanding – end of period	304	423	16	14	933	1,087

	Series T6		Series T8		Total	
	\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS						
Beginning of period	8,447	10,155	37,690	42,347	1,117,111	1,163,972
Increase (decrease) in net assets from operations	(41)	1,618	(191)	6,992	(2,408)	199,766
Distributions paid to securityholders:						
Investment income	(55)	(66)	(262)	(270)	(11,437)	(9,843)
Capital gains	(213)	–	(1,036)	–	(38,537)	–
Return of capital	(332)	(492)	(2,218)	(2,958)	(3,584)	(3,842)
Management fee rebates	–	–	–	–	(71)	(31)
Total distributions paid to securityholders	(600)	(558)	(3,516)	(3,228)	(53,629)	(13,716)
Security transactions:						
Proceeds from securities issued	1,141	3,744	3,906	12,867	221,545	247,416
Reinvested distributions	352	162	2,186	1,201	50,306	10,473
Value of securities redeemed	(4,334)	(6,674)	(15,162)	(22,489)	(401,543)	(490,800)
Total security transactions	(2,841)	(2,768)	(9,070)	(8,421)	(129,692)	(232,911)
Total increase (decrease) in net assets	(3,482)	(1,708)	(12,777)	(4,657)	(185,729)	(46,861)
End of period	4,965	8,447	24,913	37,690	931,382	1,117,111

	Securities		Securities	
Increase (decrease) in fund securities (note 7):				
Securities outstanding – beginning of period	779	1,051	5,025	6,207
Issued	109	354	537	1,734
Reinvested distributions	35	16	314	168
Redeemed	(412)	(642)	(2,087)	(3,084)
Securities outstanding – end of period	511	779	3,789	5,025

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

MACKENZIE CUNDILL CANADIAN BALANCED FUND

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STATEMENTS OF CASH FLOWS

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

	2018	2017
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	(2,408)	199,766
Adjustments for:		
Net realized loss (gain) on investments	(33,331)	(48,349)
Change in net unrealized loss (gain) on investments	42,436	(142,789)
Distributions received in-kind from underlying funds	(768)	(126)
Purchase of investments	(450,298)	(707,892)
Proceeds from sale and maturity of investments	597,307	967,994
Change in accrued interest receivable	955	958
Change in dividends receivable	(248)	(350)
Change in due from manager	(11)	–
Change in due to manager	105	–
Change in margin on futures contracts	(615)	(845)
Net cash from operating activities	153,124	268,367
Cash flows from financing activities		
Proceeds from redeemable securities issued	66,068	95,714
Payments on redemption of redeemable securities	(245,156)	(341,188)
Distributions paid net of reinvestments	(3,323)	(3,244)
Net cash from financing activities	(182,411)	(248,718)
Net increase (decrease) in cash and cash equivalents	(29,287)	19,649
Cash and cash equivalents at beginning of period	29,483	9,837
Effect of exchange rate fluctuations on cash and cash equivalents	12	(3)
Cash and cash equivalents at end of period	208	29,483
Cash	–	5,770
Cash equivalents	460	23,713
Bank indebtedness	(252)	–
Cash and cash equivalents at end of period	208	29,483
Supplementary disclosures on cash flow from operating activities:		
Dividends received	14,921	18,376
Foreign taxes paid	1,312	1,672
Interest received	14,772	17,139
Interest paid	6	7

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



MACKENZIE
Investments

MACKENZIE CUNDILL CANADIAN BALANCED FUND

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BALANCED FUND

SCHEDULE OF INVESTMENTS

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS					
407 International Inc. 3.43% 06-01-2033 MTN	Canada	Corporate - Non Convertible	1,140,000	1,148	1,166
407 International Inc. 3.60% 05-21-2047 Callable	Canada	Corporate - Non Convertible	800,000	801	810
AerCap Ireland Capital Designated Activity Co. 3.30% 01-23-2023 Callable 2022	Netherlands	Corporate - Non Convertible	USD 370,000	459	465
AIMCo Realty Investors LP 2.27% 06-26-2024 Callable 2024	Canada	Corporate - Non Convertible	660,000	662	638
AIMCo Realty Investors LP 3.04% 06-01-2028 Callable 2028	Canada	Corporate - Non Convertible	370,000	370	368
Algonquin Power & Utilities Corp. 4.65% 02-15-2022	Canada	Corporate - Non Convertible	1,130,000	1,153	1,195
Algonquin Power & Utilities Corp. 4.09% 02-17-2027 Callable	Canada	Corporate - Non Convertible	1,010,000	1,011	1,037
Alibaba Group Holding Ltd. 3.40% 12-06-2027 Callable 2027	China	Corporate - Non Convertible	USD 320,000	409	391
Allied Properties Real Estate Investment Trust 3.75% 03-13-2020	Canada	Corporate - Non Convertible	800,000	806	813
Allied Properties Real Estate Investment Trust 3.93% 11-14-2022	Canada	Corporate - Non Convertible	633,000	636	644
Allied Properties Real Estate Investment Trust 3.64% 04-21-2025 Callable 2025	Canada	Corporate - Non Convertible	920,000	921	899
AltaGas Ltd. 3.98% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	380,000	380	384
AltaLink LP 3.72% 12-03-2046 Callable MTN	Canada	Corporate - Non Convertible	415,000	414	430
Anheuser-Busch InBev Finance Inc. 3.30% 02-01-2023 Callable 2022	Belgium	Corporate - Non Convertible	USD 1,150,000	1,643	1,483
Anheuser-Busch InBev Finance Inc. 2.60% 05-15-2024 Callable 2024	Belgium	Corporate - Non Convertible	1,520,000	1,507	1,481
APT Pipelines Ltd. 4.245% 07-24-2019	Australia	Corporate - Non Convertible	800,000	834	817
APT Pipelines Ltd. 4.20% 03-23-2025 Callable 2024 144A	Australia	Corporate - Non Convertible	USD 1,390,000	1,775	1,811
Arch Merger Sub Inc. 8.50% 09-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 480,000	611	573
ASP AMC Merger Sub Inc. 8.00% 05-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 560,000	747	677
Aviva PLC 4.50% 05-10-2021	United Kingdom	Corporate - Non Convertible	760,000	787	793
Bank of America Corp. 3.228% 06-22-2022	United States	Corporate - Non Convertible	440,000	446	446
Bank of America Corp. F/R 03-15-2023 Callable 2022	United States	Corporate - Non Convertible	1,250,000	1,250	1,235
Bank of America Corp. 3.95% 04-21-2025	United States	Corporate - Non Convertible	USD 270,000	328	345
Bank of America Corp. F/R 09-20-2025 Callable 2024	United States	Corporate - Non Convertible	4,580,000	4,580	4,609
Bank of Montreal 2.27% 07-11-2022	Canada	Corporate - Non Convertible	860,000	860	846
Bank of Montreal 2.70% 09-11-2024 DPNT	Canada	Corporate - Non Convertible	150,000	149	149
Bank of Montreal F/R 12-15-2032 Callable 2027	Canada	Corporate - Non Convertible	USD 560,000	720	687
The Bank of Nova Scotia 2.36% 11-08-2022	Canada	Corporate - Non Convertible	1,470,000	1,470	1,448
The Bank of Nova Scotia 2.29% 06-28-2024	Canada	Corporate - Non Convertible	1,280,000	1,259	1,240
The Bank of Nova Scotia F/R 04-12-2066 Callable 2022	Canada	Corporate - Non Convertible	USD 800,000	999	980
bclMC Realty Corp. 3.00% 03-31-2027 Callable 2026	Canada	Corporate - Non Convertible	980,000	998	978
Bell Canada 2.70% 02-27-2024 Callable	Canada	Corporate - Non Convertible	600,000	599	586
Bell Canada 3.60% 09-29-2027 Callable	Canada	Corporate - Non Convertible	1,080,000	1,087	1,090
Bell Canada 4.45% 02-27-2047 Callable	Canada	Corporate - Non Convertible	1,480,000	1,473	1,519
Brookfield Renewable Energy Partners ULC 3.752% 06-02-2025 Callable 2025	Canada	Corporate - Non Convertible	2,650,000	2,648	2,699
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate - Non Convertible	400,000	400	398
Bruce Power LP 3.00% 06-21-2024 Callable 2024	Canada	Corporate - Non Convertible	660,000	663	654
Bruce Power LP 3.97% 06-23-2026	Canada	Corporate - Non Convertible	540,000	556	561
Calpine Corp. 5.25% 06-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 10,000	13	12
Camelot Finance LP Term Loan 1st Lien F/R 10-03-2023	United States	Term Loans	USD 390,484	513	507
Can Am Construction Inc./Canada Term Loan B 1st Lien F/R 07-01-2024	Canada	Term Loans	USD 332,488	419	433
Canada Goose Inc. Term Loan 1st Lien F/R 12-22-2021	Canada	Term Loans	USD 390,000	488	497
Canada Housing Trust No. 1 2.65% 03-15-2028	Canada	Federal Government	370,000	368	375



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Canadian Commercial Mortgage Origination Trust 1 2.768% 11-12-2018	Canada	Mortgage Backed	604,166	604	605
Canadian Imperial Bank of Commerce 2.47% 12-05-2022	Canada	Corporate - Non Convertible	730,000	730	723
Canadian Imperial Bank of Commerce F/R 04-04-2028 Callable 2023	Canada	Corporate - Non Convertible	520,000	520	522
Canadian National Railway Co. 3.60% 08-01-2047 Callable 2047	Canada	Corporate - Non Convertible	130,000	129	131
Canadian Real Estate Investment Trust 2.95% 01-18-2023 Callable 2022	Canada	Corporate - Non Convertible	580,000	581	572
Canadian Western Bank 2.74% 06-16-2022 DPNT	Canada	Corporate - Non Convertible	360,000	360	357
Canadian Western Bank 2.92% 12-15-2022	Canada	Corporate - Non Convertible	600,000	600	597
Capital Power Corp. 4.28% 09-18-2024 Callable 2024	Canada	Corporate - Non Convertible	1,200,000	1,202	1,216
Careerbuilder LLC Term Loan 1st Lien F/R 07-31-2023	United States	Term Loans	USD 438,750	535	565
Central 1 Credit Union F/R 02-05-2021	Canada	Corporate - Non Convertible	260,000	260	259
Chartwell Retirement Residences 3.79% 12-11-2023 Callable 2023	Canada	Corporate - Non Convertible	890,000	887	892
Chassis Inc. Term Loan B 1st Lien F/R 11-10-2023	United States	Term Loans	USD 279,300	347	362
CHIP Mortgage Trust 2.98% 11-15-2021	Canada	Corporate - Non Convertible	380,000	380	372
Choice Properties Real Estate Investment Trust 3.01% 03-21-2022 Callable 2022	Canada	Corporate - Non Convertible	220,000	220	220
Choice Properties Real Estate Investment Trust 3.56% 09-09-2024 Callable 2024	Canada	Corporate - Non Convertible	180,000	180	181
Choice Properties Real Estate Investment Trust 3.55% 01-10-2025 Callable 2024	Canada	Corporate - Non Convertible	380,000	380	380
Choice Properties Real Estate Investment Trust 4.18% 03-08-2028 Callable 2027	Canada	Corporate - Non Convertible	740,000	740	751
Citigroup Inc. 3.39% 11-18-2021	United States	Corporate - Non Convertible	837,000	850	856
Comber Wind Financial Corp. 5.132% 11-15-2030	Canada	Corporate - Non Convertible	1,859,461	1,927	1,998
Comfort Holding LLC Term Loan 1st Lien F/R 02-05-2024	United States	Term Loans	USD 485,100	625	608
Commonwealth of Bahamas 5.75% 01-16-2024	Bahamas	Foreign Governments	USD 550,000	671	735
Commonwealth of Bahamas 6.00% 11-21-2028 Callable 2028	Bahamas	Foreign Governments	USD 340,000	433	457
Commonwealth of Bahamas 6.95% 11-20-2029	Bahamas	Foreign Governments	USD 360,000	541	509
Communications Sales & Leasing Inc. Term Loan B 1st Lien F/R 10-24-2022	United States	Term Loans	USD 617,984	745	770
ConvergeOne Holdings Corp. Term Loan B 1st Lien F/R 06-20-2024	United States	Term Loans	USD 48,633	64	63
Crosslinx Transit Solutions General Partnership 4.651% 09-30-2046	Canada	Corporate - Non Convertible	1,500,000	1,496	1,564
CSC Holdings LLC Term Loan B 1st Lien F/R 01-12-2026	United States	Term Loans	USD 160,000	199	206
CSP Technologies North America LLC Term Loan B 1st Lien F/R 01-29-2022	United States	Term Loans	USD 1,146,075	1,413	1,484
CU Inc. 3.964% 07-27-2045 Callable	Canada	Corporate - Non Convertible	250,000	269	268
CU Inc. 3.76% 11-19-2046 Callable 2046	Canada	Corporate - Non Convertible	550,000	550	571
Danske Bank AS 2.75% 09-17-2020 144A	Denmark	Corporate - Non Convertible	USD 390,000	515	498
Danske Bank AS 2.80% 03-10-2021 144A	Denmark	Corporate - Non Convertible	USD 840,000	1,115	1,071
Daseke Inc. Term Loan 1st Lien F/R 02-27-2024	United States	Term Loans	USD 775,333	996	1,010
Diamond 1 Finance Corp. 4.42% 06-15-2021 Callable 2021 144A	United States	Corporate - Non Convertible	USD 110,000	142	145
Diamond 1 Finance Corp. 5.45% 06-15-2023 Callable 2023 144A	United States	Corporate - Non Convertible	USD 220,000	284	301
Diamond 1 Finance Corp. 6.02% 06-15-2026 Callable 2026 144A	United States	Corporate - Non Convertible	USD 220,000	284	305
Digicert Holdings Inc. Term Loan 1st Lien F/R 09-20-2024	United States	Term Loans	USD 140,000	172	183
Eagle Credit Card Trust 2.63% 10-17-2022	Canada	Corporate - Non Convertible	260,000	260	259



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
EagleTree-Carbite Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	USD 398,000	492	518
Enbridge Gas Distribution Inc. 3.51% 11-29-2047 Callable 2047	Canada	Corporate - Non Convertible	690,000	690	685
Enbridge Inc. 3.20% 06-08-2027 Callable 2027	Canada	Corporate - Non Convertible	500,000	500	480
Enbridge Inc. 4.57% 03-11-2044	Canada	Corporate - Non Convertible	2,350,000	2,384	2,356
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	2,710,000	2,714	2,612
EnerCare Solutions Inc. 3.38% 02-21-2022 Callable 2022	Canada	Corporate - Non Convertible	840,000	840	848
EnerCare Solutions Inc. 3.99% 02-21-2024 Callable 2023	Canada	Corporate - Non Convertible	640,000	640	655
Envigo Holdings Inc. Term Loan B 1st Lien F/R 12-14-2023	United States	Term Loans	USD 270,000	332	342
EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047	Canada	Corporate - Non Convertible	470,000	470	470
Exela Intermediate LLC 10.00% 07-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 900,000	1,172	1,181
Fairfax Financial Holdings Ltd. 8.30% 04-15-2026	Canada	Corporate - Non Convertible	USD 1,700,000	1,843	2,697
Fairfax Financial Holdings Ltd. 7.75% 07-15-2037	Canada	Corporate - Non Convertible	USD 6,130,000	6,371	9,564
Fortified Trust 1.67% 07-23-2021	Canada	Corporate - Non Convertible	1,110,000	1,110	1,078
FXI Holdings Inc. 7.88% 11-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 210,000	269	265
Garda World Security Corp. Term Loan B 1st Lien F/R 05-26-2024	Canada	Term Loans	USD 383,251	520	499
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS	Canada	Corporate - Non Convertible	480,000	480	483
Glacier Credit Card Trust 2.05% 09-20-2022	Canada	Corporate - Non Convertible	1,180,000	1,180	1,145
The Goldman Sachs Group Inc. 2.43% 04-26-2023 Callable Callable 2024	United States	Corporate - Non Convertible	1,410,000	1,410	1,375
The Goldman Sachs Group Inc. 3.31% F/R 10-31-2025	United States	Corporate - Non Convertible	2,810,000	2,811	2,787
Government of Bermuda 3.72% 01-25-2027 Callable 2026	Bermuda	Foreign Governments	USD 2,470,000	3,033	3,112
Government of Canada 1.50% 06-01-2023	Canada	Federal Government	220,000	214	215
Government of Canada 2.50% 06-01-2024	Canada	Federal Government	1,500,000	1,534	1,541
Government of Canada 2.25% 06-01-2025	Canada	Federal Government	1,070,000	1,069	1,083
Government of Canada 1.00% 06-01-2027	Canada	Federal Government	7,730,000	6,969	7,032
Government of Canada 2.00% 06-01-2028	Canada	Federal Government	17,740,000	17,248	17,564
Government of Canada 1.25% 12-01-2047 Real Return	Canada	Federal Government	8,020,000	9,842	10,275
Government of Canada 2.75% 12-01-2048	Canada	Federal Government	12,650,000	13,568	14,114
Granite REIT Holdings LP 3.87% 11-30-2023 Callable 2023	Canada	Corporate - Non Convertible	280,000	282	282
Green Plains Inc. Term Loan B 1st Lien F/R 08-29-2023	United States	Term Loans	USD 258,700	322	335
Greenhill & Co. Inc. Term Loan B 1st Lien F/R 10-12-2022	United States	Term Loans	USD 158,000	197	206
H&R Real Estate Investment Trust 2.92% 05-06-2022	Canada	Corporate - Non Convertible	480,000	480	473
H&R Real Estate Investment Trust 3.42% 01-23-2023 Callable 2022	Canada	Corporate - Non Convertible	300,000	300	300
H&R Real Estate Investment Trust 3.37% 01-30-2024 Callable 2023	Canada	Corporate - Non Convertible	1,150,000	1,147	1,137
HCN Canadian Holdings-1 LP 3.35% 11-25-2020	United States	Corporate - Non Convertible	860,000	858	874
Heathrow Funding Ltd. 3.25% 05-21-2025	United Kingdom	Corporate - Non Convertible	490,000	505	496
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	690,000	689	699
HSBC Bank Canada 2.17% 06-29-2022	Canada	Corporate - Non Convertible	380,000	375	371
HSBC Bank Canada 2.54% 01-31-2023	Canada	Corporate - Non Convertible	770,000	770	759
HSBC Holdings PLC 3.20% 12-05-2023	United Kingdom	Corporate - Non Convertible	1,310,000	1,310	1,316
Hydro One Inc. 3.72% 11-18-2047	Canada	Corporate - Non Convertible	1,950,000	1,971	1,993
Hyster-Yale Group Inc. Term Loan B 1st Lien F/R 05-30-2023	United States	Term Loans	USD 313,950	423	408
Inter Pipeline Ltd. 2.73% 04-18-2024 Callable 2024	Canada	Corporate - Non Convertible	1,060,000	1,068	1,024
Inter Pipeline Ltd. 3.48% 12-16-2026 Callable 2026	Canada	Corporate - Non Convertible	930,000	942	914
Interior Logic Group Inc. Term Loan B 1st Lien F/R 03-01-2024	United States	Term Loans	USD 259,987	335	337
The International Bank for Reconstruction and Development 3.50% 01-22-2021	Supra - National	n/a	NZD 4,610,000	4,264	4,400
International Finance Corp. 3.625% 05-20-2020	Supra - National	n/a	NZD 1,490,000	1,376	1,422



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
iQor US Inc. Term Loan B 1st Lien F/R 04-01-2021	United States	Term Loans	USD 1,088,472	1,188	1,409
Itron Inc. 5.00% 01-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 80,000	102	102
Jane Street Group LLC Term Loan B 1st Lien F/R 08-25-2022	United States	Term Loans	USD 426,375	537	553
KEMET Corp. Term Loan B 1st Lien F/R 04-26-2024	United States	Term Loans	USD 616,000	807	809
Lantheus Medical Imaging Inc. Term Loan B 1st Lien F/R 06-30-2022	United States	Term Loans	USD 373,793	497	485
Laurentian Bank of Canada F/R 10-22-2019	Canada	Corporate - Non Convertible	610,000	610	610
Laurentian Bank of Canada 3.00% 09-12-2022	Canada	Corporate - Non Convertible	1,040,000	1,038	1,031
LBM Borrower LLC Term Loan 1st Lien F/R 08-20-2022	United States	Term Loans	USD 876,174	1,123	1,142
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 224,250	281	296
Manulife Bank of Canada 2.08% 05-26-2022	Canada	Corporate - Non Convertible	1,050,000	1,050	1,023
Manulife Bank of Canada 2.84% 01-12-2023	Canada	Corporate - Non Convertible	450,000	450	450
Manulife Financial Corp. F/R 08-20-2029 Callable 2024	Canada	Corporate - Non Convertible	1,070,000	1,070	1,055
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020	Canada	Corporate - Non Convertible	180,000	183	184
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 120,000	150	156
McAfee LLC Term Loan B 1st Lien F/R 09-30-2024	United States	Term Loans	USD 457,700	565	596
McDonald's Corp. 3.13% 03-04-2025 Callable 2025	United States	Corporate - Non Convertible	1,250,000	1,247	1,248
Meredith Corp. Term Loan B 1st Lien F/R 01-18-2025	United States	Term Loans	USD 440,000	545	571
Metro Inc. 3.39% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	480,000	480	474
Mondelez International Inc. 3.25% 03-07-2025 Callable 2025	United States	Corporate - Non Convertible	600,000	597	599
Morgan Stanley 3.00% 02-07-2024	United States	Corporate - Non Convertible	1,390,000	1,390	1,374
National Bank of Canada 1.96% 06-30-2022	Canada	Corporate - Non Convertible	3,500,000	3,449	3,400
NAV Canada 3.29% 03-30-2048 Callable 2047	Canada	Corporate - Non Convertible	380,000	381	388
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	USD 180,000	229	231
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 40,000	49	49
Newell Brands Inc. 4.20% 04-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 250,000	317	320
North Battleford Power LP 4.958% 12-31-2032	Canada	Corporate - Non Convertible	904,204	904	992
North West Redwater Partnership 2.80% 06-01-2027 Callable 2027	Canada	Corporate - Non Convertible	1,570,000	1,502	1,513
North West Redwater Partnership 3.65% 06-01-2035 Callable 2034	Canada	Corporate - Non Convertible	510,000	510	512
Odebrecht Finance Ltd. 5.25% 06-27-2029	Brazil	Corporate - Non Convertible	USD 740,000	773	303
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	USD 312,000	386	410
Omega Healthcare Investors Inc. 4.50% 01-15-2025 Callable 2024	United States	Corporate - Non Convertible	USD 540,000	582	682
OMERS Realty Corp. 3.24% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	1,250,000	1,250	1,270
Ontario Power Generation Inc. 3.32% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	740,000	740	749
OPB Finance Trust 2.98% 01-25-2027	Canada	Provincial Governments	790,000	792	795
Osteon Merger Sub Inc. Term Loan B 1st Lien F/R 02-06-2025	United States	Term Loans	USD 110,000	137	143
Parkland Fuel Corp. 6.00% 04-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 210,000	275	272
Pembina Pipeline Corp. 2.99% 01-22-2024 Callable 2023	Canada	Corporate - Non Convertible	504,000	506	496
Pembina Pipeline Corp. 4.02% 03-27-2028 Callable 2027	Canada	Corporate - Non Convertible	510,000	510	516
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 616,000	197	216
PetSmart Inc. Term Loan B2 1st Lien F/R 03-10-2022	United States	Term Loans	USD 218,977	235	227
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021	United States	Corporate - Non Convertible	USD 30,000	39	39
PNI Canada Acquireco Corp. Term Loan B 1st Lien F/R 08-23-2022	Canada	Term Loans	USD 179,100	211	230
Province of Newfoundland 3.70% 10-17-2048	Canada	Provincial Governments	2,480,000	2,734	2,680
Province of Ontario 2.60% 06-02-2027	Canada	Provincial Governments	3,540,000	3,512	3,498
Province of Ontario 4.60% 06-02-2039	Canada	Provincial Governments	1,780,000	2,186	2,222
Province of Ontario 2.90% 12-02-2046	Canada	Provincial Governments	9,380,000	9,315	9,140
Province of Ontario 2.80% 06-02-2048	Canada	Provincial Governments	7,053,000	6,581	6,743



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BONDS (cont'd)					
Province of Quebec 2.50% 09-01-2026	Canada	Provincial Governments	1,400,000	1,384	1,384
Province of Quebec 2.75% 09-01-2027	Canada	Provincial Governments	3,030,000	3,087	3,042
Province of Quebec 3.50% 12-01-2045	Canada	Provincial Governments	6,550,000	6,728	7,173
Province of Quebec 3.50% 12-01-2048	Canada	Provincial Governments	1,590,000	1,730	1,756
PSC Industrial Outsourcing LP Term Loan B 1st Lien F/R 10-05-2024	United States	Term Loans	USD 269,325	335	351
Red Ventures LLC Term Loan B 1st Lien F/R 11-08-2024	United States	Term Loans	USD 338,300	417	440
Reliance Intermediate Holdings LP 6.50% 04-01-2023 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 150,000	201	202
Reliance LP 3.84% 03-15-2025 Callable 2025	Canada	Corporate - Non Convertible	530,000	530	529
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	United States	Term Loans	USD 458,850	561	588
Royal Bank of Canada 2.36% 12-05-2022	Canada	Corporate - Non Convertible	500,000	500	493
Royal Bank of Canada 2.33% 12-05-2023 DPNT	Canada	Corporate - Non Convertible	160,000	160	156
Royal Bank of Canada 4.65% 01-27-2026 GMTN	Canada	Corporate - Non Convertible	USD 460,000	651	613
Sea to Sky Highway Investment LP 2.63% 08-31-2030	Canada	Corporate - Non Convertible	999,313	999	968
SmartCentres Real Estate Investment Trust 3.83% 12-21-2027 Callable 2027	Canada	Corporate - Non Convertible	160,000	160	157
SNC-Lavalin Group Inc. 3.24% 03-02-2023 Callable 2023	Canada	Corporate - Non Convertible	380,000	380	382
Sprint Spectrum Co. LLC 4.74% 03-20-2025 144A	United States	Corporate - Non Convertible	USD 290,000	375	376
Spy Hill Power LP 4.14% 03-31-2036	Canada	Corporate - Non Convertible	813,479	773	834
Staples Inc. Term Loan 1st Lien F/R 08-15-2024	United States	Term Loans	USD 389,025	495	497
Sun Life Financial Inc. F/R 02-19-2026 Callable 2021	Canada	Corporate - Non Convertible	1,580,000	1,601	1,595
Sun Life Financial Inc. F/R 11-23-2027 Callable 2022	Canada	Corporate - Non Convertible	450,000	450	446
Sun Life Financial Inc. F/R 09-19-2028 Callable 2023	Canada	Corporate - Non Convertible	1,810,000	1,819	1,810
Sydney Airport Finance Co. Pty. Ltd. 3.625% 04-28-2026 Callable 2026 144A	Australia	Corporate - Non Convertible	USD 1,250,000	1,590	1,575
Syniverse Holdings Inc. Term Loan 1st Lien F/R 02-09-2023	United States	Term Loans	USD 100,000	125	130
Talen Energy Supply LLC 10.50% 01-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 40,000	50	44
TELUS Corp. 3.35% 04-01-2024 Callable	Canada	Corporate - Non Convertible	650,000	669	659
TELUS Corp. 3.63% 03-01-2028 Callable 2027	Canada	Corporate - Non Convertible	370,000	367	372
TELUS Corp. 4.70% 03-06-2048 Callable 2047	Canada	Corporate - Non Convertible	1,070,000	1,063	1,108
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027 144A	United States	Corporate - Non Convertible	USD 190,000	244	234
Teva Pharmaceutical Finance Netherlands III BV 3.15% 10-01-2026 Callable	Israel	Corporate - Non Convertible	USD 149,000	155	154
Titan Acquisition Ltd. 7.75% 04-15-2026 Callable 2021 144A	United Kingdom	Corporate - Non Convertible	USD 190,000	249	245
TMX Group Ltd. 4.46% 10-03-2023 Callable 2023	Canada	Corporate - Non Convertible	1,010,000	1,144	1,085
TMX Group Ltd. 2.30% 12-11-2024 Callable 2024	Canada	Corporate - Non Convertible	470,000	471	466
The Toronto-Dominion Bank F/R 07-25-2029 Callable 2024	Canada	Corporate - Non Convertible	760,000	764	752
TransCanada Pipelines Ltd. 3.39% 03-15-2028 Callable 2027	Canada	Corporate - Non Convertible	870,000	870	879
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	1,120,000	1,120	1,107
Traverse Midstream Partners LLC Term Loan B 1st Lien F/R 09-21-2024	United States	Term Loans	USD 120,000	147	156
Trillium Windpower LP 5.80% 02-15-2033	United States	Corporate - Non Convertible	846,353	846	963
Uber Technologies Inc. Term Loan B 1st Lien F/R 07-13-2023	United States	Term Loans	USD 590,148	779	764
Union Gas Ltd. 3.59% 11-22-2047 Callable 2047	Canada	Corporate - Non Convertible	510,000	509	512
United States Treasury Inflation Indexed 0.89% 02-15-2047	United States	Foreign Governments	USD 5,320,000	6,686	6,982
United States Treasury 2.25% 11-15-2027	United States	Foreign Governments	USD 100,000	126	123
United States Treasury 2.75% 02-15-2028	United States	Foreign Governments	USD 660,000	841	852



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MACKENZIE CUNDILL CANADIAN BALANCED FUND

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SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Ventas Canada Finance Ltd. 2.55% 03-15-2023 Callable 2023	United States	Corporate - Non Convertible	940,000	941	919
Ventas Realty LP 4.00% 03-01-2028 Callable 2027	United States	Corporate - Non Convertible	USD 340,000	422	432
Verizon Communications Inc. 2.63% 08-15-2026 Callable 2026	United States	Corporate - Non Convertible	USD 1,660,000	2,184	1,954
Vistage Worldwide Inc. Term Loan 1st Lien F/R 02-01-2025	United States	Term Loans	USD 180,000	225	234
VW Credit Canada Inc. 3.25% 03-29-2023	Germany	Corporate - Non Convertible	310,000	310	312
W/S Packaging Holdings Inc. 9.00% 04-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 120,000	155	157
Wells Fargo & Co. 2.98% 05-19-2026	United States	Corporate - Non Convertible	923,000	923	893
Williams Scotsman International Inc. 7.88% 12-15-2022 Callable 2019 144A	United States	Corporate - Non Convertible	USD 195,000	250	260
YRC Worldwide Inc. Term Loan 1st Lien F/R 07-21-2022	United States	Term Loans	USD 285,514	354	371
Zotec Partners LLC Term Loan 1st Lien F/R 02-09-2024	United States	Term Loans	USD 270,000	336	348
Total bonds				259,348	265,494
EQUITIES					
Alimentation Couche-Tard Inc. Class B Sub. voting	Canada	Consumer Staples	317,900	18,171	18,333
Allergan PLC	United States	Health Care	14,591	3,412	3,163
AltaGas Ltd. Pfd. Series K	Canada	Energy	12,021	301	305
American International Group Inc.	United States	Financials	264,782	8,461	18,563
Apache Corp.	United States	Energy	46,343	2,989	2,297
Baidu Inc. ADR	China	Information Technology	18,355	4,099	5,277
Bank of America Corp.	United States	Financials	973,357	11,003	37,604
Barclays PLC	United Kingdom	Financials	1,868,266	7,069	7,030
Barrick Gold Corp.	Canada	Materials	186,200	4,362	2,989
Boardwalk Real Estate Investment Trust	Canada	Real Estate	314,508	13,494	13,923
BorgWarner Inc.	United States	Consumer Discretionary	104,368	5,562	6,754
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Real Estate	15,742	394	406
Brookfield Asset Management Inc. Pfd. Series 48	Canada	Real Estate	9,199	230	234
Brookfield Property Partners LP	United States	Real Estate	159,700	4,712	3,949
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Utilities	23,847	596	601
Canadian National Railway Co.	Canada	Industrials	157,800	12,158	14,858
Canadian Pacific Railway Ltd.	Canada	Industrials	74,800	12,573	16,995
Canfor Corp.	Canada	Materials	162,045	1,856	4,756
Celestica Inc. Sub. voting	Canada	Information Technology	1,135,181	8,233	15,132
Cenovus Energy Inc.	Canada	Energy	1,284,089	27,141	14,086
CES Energy Solutions Corp.	Canada	Energy	691,856	2,076	4,068
Chesapeake Energy Corp.	United States	Energy	1,817,757	15,447	7,072
Chesapeake Energy Corp. 5.75% Conv. Pfd. Series A	United States	Energy	53,354	53,195	39,435
Chesapeake Energy Corp. 5.75% Conv. Pfd.	United States	Energy	4,041	2,351	2,959
Citigroup Inc.	United States	Financials	488,562	19,594	42,483
Corus Entertainment Inc. Class B non-voting	Canada	Consumer Discretionary	546,900	4,608	3,309
CVS Health Corp.	United States	Consumer Staples	51,684	6,130	4,142
DAVITA Inc.	United States	Health Care	102,652	8,687	8,720
Discovery Communications Inc. Class C	United States	Consumer Discretionary	143,404	3,416	3,606
Dundee Corp. Class A sub. voting	Canada	Financials	1,173,620	17,966	2,171
ECN Capital Corp.	Canada	Financials	1,723,200	5,850	5,928
E-L Financial Corp. Ltd.	Canada	Financials	21,855	8,637	17,659
Empire Co. Ltd. Class A non-voting	Canada	Consumer Staples	342,013	5,537	8,844
Enbridge Inc.	Canada	Energy	286,500	15,031	11,609



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MACKENZIE CUNDILL CANADIAN BALANCED FUND

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BALANCED FUND

SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
Fairfax Financial Holdings Ltd. Sub. voting	Canada	Financials	9,795	6,073	6,397
Fiat Chrysler Automobiles NV	United Kingdom	Consumer Discretionary	249,833	3,717	6,600
Goldcorp Inc.	Canada	Materials	191,100	4,161	3,400
The Goldman Sachs Group Inc.	United States	Financials	24,780	4,731	8,040
Granite Real Estate Investment Trust	Canada	Real Estate	235,727	9,028	11,977
HCA Holdings Inc.	United States	Health Care	23,982	2,389	2,997
Hitachi Ltd.	Japan	Information Technology	754,000	4,546	7,056
Hudson's Bay Co.	Canada	Consumer Discretionary	913,230	9,539	8,146
Industrial Alliance Insurance and Financial Services Inc.	Canada	Financials	74,800	3,135	3,964
International Business Machines Corp.	United States	Information Technology	32,459	6,426	6,416
Kinross Gold Corp.	Canada	Materials	526,600	2,685	2,680
Liberty Global PLC Class A	United Kingdom	Consumer Discretionary	237,857	10,108	9,594
Linamar Corp.	Canada	Consumer Discretionary	111,700	5,311	7,861
Loblaw Companies Ltd.	Canada	Consumer Staples	154,500	10,619	10,056
Magna International Inc.	Canada	Consumer Discretionary	59,900	2,783	4,347
Novartis AG Reg.	Switzerland	Health Care	54,734	5,508	5,704
Nutrien Ltd.	Canada	Materials	430,039	23,209	26,184
Oracle Corp.	United States	Information Technology	104,345	5,368	6,150
POSCO	South Korea	Materials	15,207	4,384	6,003
Precision Drilling Corp.	Canada	Energy	2,879,780	16,987	10,310
Rowan Companies Inc.	United States	Energy	408,098	10,309	6,067
Samsung Electronics Co. Ltd.	South Korea	Information Technology	2,938	3,876	8,769
Sanofi	France	Health Care	58,923	6,383	6,101
ShawCor Ltd.	Canada	Energy	364,838	9,988	8,902
Source Energy Services Ltd.	Canada	Energy	5,725	54	28
Standard Chartered PLC	United Kingdom	Financials	265,498	3,588	3,425
Teck Resources Ltd. Class B	Canada	Materials	658,386	10,464	21,844
Tenaris SA ADR	Luxembourg	Energy	261,909	8,156	11,698
Tourmaline Oil Corp.	Canada	Energy	106,900	2,124	2,336
TransAlta Corp. Pfd. Series A	Canada	Utilities	29,033	386	431
TransAlta Corp.	Canada	Utilities	917,200	6,463	6,402
TransCanada Corp. Pfd. Series 15	Canada	Energy	33,272	833	867
Twenty-First Century Fox Inc.	United States	Consumer Discretionary	146,176	5,153	6,909
Union Pacific Corp.	United States	Industrials	45,524	5,010	7,884
The Weir Group PLC	United Kingdom	Industrials	229,488	4,517	8,287
Wells Fargo & Co.	United States	Financials	114,013	6,913	7,698
West Fraser Timber Co. Ltd.	Canada	Materials	22,456	509	1,922
WestJet Airlines Ltd.	Canada	Industrials	313,489	7,093	7,430
Total equities				547,867	620,142
OPTIONS					
Options purchased (see schedule of options purchased)				241	125
Total Options				241	125
EXCHANGE-TRADED FUNDS/NOTES					
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	40,051	3,983	3,937
Total exchange-traded funds/notes				3,983	3,937



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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)
MUTUAL FUNDS					
Mackenzie Cundill International Fund Series R	Canada	Mutual Funds	1,116,819	11,171	11,977
Mackenzie Global Credit Opportunities Fund Series R	Canada	Mutual Funds	1,873,562	18,715	17,872
Mackenzie Global Tactical Bond Fund Series R	Canada	Mutual Funds	620,081	6,194	5,935
Mackenzie Unconstrained Fixed Income Fund Series R	Canada	Mutual Funds	418,038	4,137	4,196
Total mutual funds				40,217	39,980
Transaction costs				(848)	—
Total investments				850,808	929,678
Derivative instruments (see schedule of derivative instruments)					(3,207)
Cash and cash equivalents					208
Other assets less liabilities					4,703
Total net assets					931,382



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SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2018	
Portfolio Allocation	% of NAV
Equities	66.7
Bonds	28.4
<i>Bonds</i>	28.5
<i>Purchased options</i>	0.0
<i>Short futures</i>	(0.1)
Mutual funds	4.3
Exchange-traded funds/notes	0.4
Other assets (liabilities)	0.2

Regional Allocation	
Regional Allocation	% of NAV
Canada	57.1
United States	30.9
United Kingdom	4.1
South Korea	1.6
Luxembourg	1.3
Japan	0.8
France	0.7
Switzerland	0.6
China	0.6
New Zealand	0.5
Australia	0.5
Other	0.3
Bermuda	0.3
Belgium	0.3
Bahamas	0.2
Other assets (liabilities)	0.2

Sector Allocation	
Sector Allocation	% of NAV
Financials	17.4
Corporate bonds	14.5
Energy	13.1
Materials	7.5
Consumer discretionary	6.1
Industrials	6.0
Federal bonds	5.6
Information technology	5.2
Consumer staples	4.4
Mutual funds	4.3
Provincial bonds	4.1
Other	3.3
Real estate	3.2
Health care	2.9
Term loans	2.2
Other assets (liabilities)	0.2

March 31, 2017	
Portfolio Allocation	% of NAV
Equities	63.4
Bonds	31.4
<i>Bonds</i>	31.4
<i>Purchased options</i>	0.0
<i>Short futures</i>	0.0
Cash and short-term investments	2.7
Mutual funds	1.9
Other assets (liabilities)	0.6

Regional Allocation	
Regional Allocation	% of NAV
Canada	56.4
United States	30.4
Cash and short-term investments	2.7
Other	2.5
South Korea	2.1
United Kingdom	1.5
Luxembourg	1.1
France	0.7
Other assets (liabilities)	0.6
Japan	0.5
Switzerland	0.5
Denmark	0.5
Australia	0.5

Sector Allocation	
Sector Allocation	% of NAV
Corporate bonds	18.7
Financials	17.2
Energy	13.1
Materials	10.4
Other	6.3
Provincial bonds	6.1
Industrials	5.4
Information technology	5.4
Consumer staples	4.0
Health care	2.9
Cash and short-term investments	2.7
Real estate	2.7
Term loans	2.4
Consumer discretionary	2.1
Other assets (liabilities)	0.6



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SCHEDULE OF OPTIONS PURCHASED

As at March 31, 2018

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000s)	Fair Value (\$ 000s)
iShares iBoxx \$ High Yield Corporate Bond ETF	459	Put	Jun. 15, 2018	USD 85.00	160	66
iShares iBoxx \$ High Yield Corporate Bond ETF	182	Put	Sep. 21, 2018	USD 83.00	46	33
iShares iBoxx \$ High Yield Corporate Bond ETF	95	Put	Sep. 21, 2018	USD 85.00	35	26
Total options					241	125



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SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2018

Schedule of Futures Contracts

Number of Contracts	Type of Contract	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000s)	Unrealized (Losses) (\$ 000s)
(245)	10 Year United States Treasury Note Futures June 2018	Jun. 20, 2018	119.74 USD	(38,234)	(443)
(76)	CME Ultra Term United States Treasury Bond Futures June 2018	Jun. 20, 2018	154.63 USD	(15,711)	(572)
Unrealized (Losses)				(53,945)	(1,015)
Total futures contracts				(53,945)	(1,015)

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

Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)	Sold (\$ 000s)	Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
A	53,885 Mexican peso	(3,562) Canadian dollar	Apr. 6, 2018	3,562	3,815	253
AA	967 Canadian dollar	(740) U.S. dollar	Apr. 13, 2018	(967)	(953)	14
AA	1,892 U.S. dollar	(2,348) Canadian dollar	Apr. 20, 2018	2,348	2,436	88
AA	966 Canadian dollar	(740) U.S. dollar	May 11, 2018	(966)	(952)	14
AA	1,720 U.S. dollar	(2,213) Canadian dollar	May 18, 2018	2,213	2,214	1
AA	966 Canadian dollar	(740) U.S. dollar	May 18, 2018	(966)	(953)	13
AA	5,811 Canadian dollar	(6,226) New Zealand dollar	Jun. 13, 2018	(5,811)	(5,787)	24
A	26,208 Canadian dollar	(20,371) U.S. dollar	Jun. 15, 2018	(26,208)	(26,207)	1
AA	3,596 U.S. dollar	(4,619) Canadian dollar	Jun. 29, 2018	4,619	4,625	6
AA	3,259 Canadian dollar	(2,522) U.S. dollar	Jun. 29, 2018	(3,259)	(3,243)	16
AA	965 Canadian dollar	(740) U.S. dollar	Jun. 29, 2018	(965)	(951)	14
Unrealized Gains						444
A	3,534 Canadian dollar	(53,885) Mexican peso	Apr. 6, 2018	(3,534)	(3,815)	(281)
AA	51,196 Canadian dollar	(39,923) U.S. dollar	Apr. 6, 2018	(51,196)	(51,425)	(229)
AA	1,887 U.S. dollar	(2,467) Canadian dollar	Apr. 13, 2018	2,467	2,431	(36)
AA	24,412 Canadian dollar	(19,500) U.S. dollar	Apr. 13, 2018	(24,412)	(25,115)	(703)
AA	2,403 Canadian dollar	(1,920) U.S. dollar	Apr. 20, 2018	(2,403)	(2,473)	(70)
AA	2,573 Canadian dollar	(1,436) British pound	Apr. 25, 2018	(2,573)	(2,597)	(24)
AA	26,231 Canadian dollar	(20,371) U.S. dollar	Apr. 27, 2018	(26,231)	(26,232)	(1)
A	18,035 Canadian dollar	(14,657) U.S. dollar	Apr. 27, 2018	(18,035)	(18,874)	(839)
AA	1,250 Canadian dollar	(1,000) U.S. dollar	May 11, 2018	(1,250)	(1,287)	(37)
AA	2,782 Canadian dollar	(1,556) British pound	May 16, 2018	(2,782)	(2,815)	(33)
AA	1,169 Canadian dollar	(910) U.S. dollar	May 18, 2018	(1,169)	(1,171)	(2)
AA	2,780 Canadian dollar	(1,559) British pound	Jun. 6, 2018	(2,780)	(2,822)	(42)
AA	1,094 Canadian dollar	(870) U.S. dollar	Jun. 8, 2018	(1,094)	(1,120)	(26)



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SCHEDULE OF DERIVATIVE INSTRUMENTS (cont'd)

As at March 31, 2018

Schedule of Forward Currency Contracts (cont'd)

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized (Losses) (\$ 000s)
AA	1,169	Canadian dollar	(910)	U.S. dollar	Jun. 15, 2018	(1,169)	(1,171)	(2)
AA	8,827	Canadian dollar	(6,880)	U.S. dollar	Jun. 15, 2018	(8,827)	(8,851)	(24)
AA	1,169	Canadian dollar	(910)	U.S. dollar	Jun. 22, 2018	(1,169)	(1,170)	(1)
AA	1,887	U.S. dollar	(2,464)	Canadian dollar	Jun. 29, 2018	2,464	2,427	(37)
AA	51,318	Canadian dollar	(40,087)	U.S. dollar	Jun. 29, 2018	(51,318)	(51,557)	(239)
A	1,166	Canadian dollar	(910)	U.S. dollar	Jul. 13, 2018	(1,166)	(1,170)	(4)
AA	1,168	Canadian dollar	(910)	U.S. dollar	Jul. 13, 2018	(1,168)	(1,170)	(2)
AA	1,169	Canadian dollar	(910)	U.S. dollar	Jul. 20, 2018	(1,169)	(1,170)	(1)
AA	1,167	Canadian dollar	(910)	U.S. dollar	Jul. 27, 2018	(1,167)	(1,170)	(3)
Unrealized (Losses)								(2,636)
Total forward currency contracts								(2,192)
Total derivative instruments at fair value								(3,207)



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NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

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

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

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

2. Basis of Preparation and Presentation

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

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

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

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

3. Significant Accounting Policies

(a) Financial instruments

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

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

(b) Fair value measurement

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

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

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(c) Income recognition

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

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

(d) Commissions and other portfolio transaction costs

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

(e) Securities lending, repurchase and reverse repurchase transactions

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

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

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

(f) Offsetting

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

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

(g) Foreign currency

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

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

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

(h) Net assets attributable to securityholders per security

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

(i) Net asset value per security

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

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

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

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

(k) Mergers

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

4. Critical Accounting Estimates and Judgments

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

Use of Estimates

Fair value of securities not quoted in an active market

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

Use of Judgments

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

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

Functional currency

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

Structured entities and associates

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

5. Income Taxes

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

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

NOTES TO FINANCIAL STATEMENTS

6. Management Fees and Operating Expenses

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

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

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

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

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

7. Fund's Capital

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

8. Financial Instruments Risk

i. Risk exposure and management

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

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

ii. Liquidity risk

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

iii. Currency risk

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

NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

iv. Interest rate risk

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

v. Other price risk

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

vi. Credit risk

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

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

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

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

vii. Underlying funds

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

MACKENZIE CUNDILL CANADIAN BALANCED FUND

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NOTES TO FINANCIAL STATEMENTS

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

(a) Fund Formation and Series Information

Date of Formation September 28, 1998

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

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

Series A, Series T6 and Series T8 securities are offered to retail investors investing a minimum of \$500 (\$5,000 for Series T6 and Series T8). Investors in Series T6 and Series T8 securities also want to receive a regular monthly cash flow of 6% or 8% per year, respectively. Before September 29, 2017, Series A securities were known as Series C.

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 F8 securities are offered to investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$500 (\$5,000 for Series F8); they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie. Investors in Series F8 securities also want to receive a regular monthly cash flow of 8% 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 I securities are offered to retail investors investing a minimum of \$500 in a qualified group plan with a minimum of \$20,000,000 in assets.

Series O and Series O6 securities are offered only to investors investing a minimum of \$500,000 who have an account with Mackenzie Private Wealth Counsel; certain institutional investors; and certain qualifying employees of Mackenzie and its subsidiaries. Investors in Series O6 securities also want to receive a monthly cash flow of 6% per year.

Series PW, Series PWT6 and Series PWT8 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors in Series PWT6 and Series PWT8 securities also want to receive a monthly cash flow of 6% or 8% per year, respectively.

Series PWF and Series PWF8 securities are offered through our Private Wealth Solutions to certain high net worth investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$100,000. Investors in Series PWF8 securities also want to receive a monthly cash flow of 8% per year. Effective June 1, 2018, Series PWF and Series PWF8 securities were consolidated into Series F and Series F8 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 PWX8 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor. Investors in Series PWX8 securities also want to receive a monthly cash flow of 8% per year.

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

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

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

Series J securities are no longer available for sale.

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 ⁽³⁾	October 7, 1998	1.85%	0.21%	9.36	9.86
Series AR	November 15, 2011	1.85%	0.24%	12.65	13.33
Series D	January 21, 2014	1.10%	0.16%	9.48	9.99
Series E	March 29, 2011	0.80%	0.20%	10.75	11.33
Series F	March 2, 2001	0.70% ⁽⁴⁾	0.15% ⁽⁷⁾	15.01	15.83
Series F8	February 14, 2006	0.70% ⁽⁴⁾	0.15% ⁽⁷⁾	8.19	9.25
Series FB	October 26, 2015	0.85%	0.21%	9.91	10.44
Series FB5	October 26, 2015	0.85%	0.21%	13.63	14.92
Series G	April 1, 2005	1.35%	0.21%	12.85	13.54
Series I	October 25, 1999	1.35%	0.21%	9.41	10.01
Series J	January 14, 2011	1.70%	0.20%	11.48	12.11
Series O	November 5, 2002	— ⁽¹⁾	— *	15.69	16.56
Series O6	August 21, 2013	— ⁽¹⁾	— *	12.38	13.61
Series PW	October 28, 2013	1.70% ⁽⁵⁾	0.15%	10.06	10.60
Series PWF	December 2, 2013	0.80%	0.15%	9.88	10.41
Series PWF8	April 4, 2014	0.80%	0.15%	10.82	12.21
Series PWF8	April 3, 2017	0.70% ⁽⁶⁾	0.15%	9.46	—
Series PWF8	April 3, 2017	0.70% ⁽⁶⁾	0.15%	13.69	—
Series PWT6	April 3, 2017	1.70% ⁽⁵⁾	0.15%	13.42	—
Series PWT8	December 23, 2013	1.70% ⁽⁵⁾	0.15%	10.44	11.89
Series PWX	March 13, 2014	— ⁽²⁾	— ⁽²⁾	9.69	10.22
Series PWX8	September 4, 2014	— ⁽²⁾	— ⁽²⁾	10.99	12.31
Series R	December 8, 2008	— *	— *	15.28	16.12
Series T6	July 24, 2007	1.85%	0.21%	9.72	10.85
Series T8	March 6, 2002	1.85%	0.21%	6.58	7.50

* 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) Before September 29, 2017, Series A securities were known as Series C.
- (4) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.85%.
- (5) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 1.80%.
- (6) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.80%.
- (7) Prior to June 1, 2018, the administration fee for this series was charged to the Fund at a rate of 0.16%.

MACKENZIE CUNDILL CANADIAN BALANCED FUND

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NOTES TO FINANCIAL STATEMENTS

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

(b) Investments by Mackenzie and Affiliates

As at March 31, 2018, Mackenzie and other funds managed by Mackenzie had an investment of \$562 and \$14,251 (2017 – \$Nil and \$17,520), respectively, in the Fund.

(c) Loss Carryforwards

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

(d) Securities Lending

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

	March 31, 2018	March 31, 2017
	(\$)	(\$)
Value of securities loaned	68,577	66,221
Value of collateral received	71,758	69,681

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

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

	2018		2017	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	593	100.0	159	100.0
Tax withheld	(31)	(5.2)	(18)	(11.3)
	562	94.8	141	88.7
Payments to Securities Lending Agent	(140)	(23.6)	(35)	(22.0)
Securities lending income	422	71.2	106	66.7

(e) Commissions

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

	(\$)
March 31, 2018	15
March 31, 2017	17

(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 were funded (2017 – \$Nil). The unfunded Commitment Amounts, the Commitment Fee rates and Commitment Period end date are listed below.

	Total Unfunded Commitment Amount (US\$)	Total Number of Commitments	Range of Unfunded Commitment Amounts (US\$)	Range of Commitment Fee Rates (%)	Range of Commitment Period End Date
March 31, 2018	510	3	125 - 215	0.750	June, 18, 2018 - August 21, 2018
March 31, 2017	6,460	5	710 - 1,700	0.375 - 0.500	July 12, 2017 - January 31, 2018



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MACKENZIE CUNDILL CANADIAN BALANCED FUND

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NOTES TO FINANCIAL STATEMENTS

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

(g) Offsetting of Financial Assets and Liabilities

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

	March 31, 2018			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	50	(50)	–	–
Unrealized losses on derivative contracts	(2,295)	50	1,461	(784)
Liability for options written	–	–	–	–
Total	(2,245)	–	1,461	(784)

	March 31, 2017			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	15	(11)	–	4
Unrealized losses on derivative contracts	(956)	11	846	(99)
Liability for options written	–	–	–	–
Total	(941)	–	846	(95)

(h) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks long-term capital growth by investing mainly in Canadian equities and fixed income securities. The Fund's asset mix will generally range between 60%–70% equities and 30%–40% fixed income securities and cash and cash equivalents. The Fund uses a value style of investing and may hold up to 40% of its assets in foreign investments.

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	320,573	1,784	(268,197)	54,160
South Korean won	14,772	–	–	14,772
Euro	12,701	–	–	12,701
British pound	18,742	–	(8,234)	10,508
Japanese yen	7,056	–	–	7,056
Swiss franc	5,704	–	–	5,704
New Zealand dollar	5,822	–	(5,787)	35
Total	385,370	1,784	(282,218)	104,936
% of Net Assets	41.4	0.2	(30.3)	11.3



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

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

ii. Currency risk (cont'd)

Currency	March 31, 2017			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	406,938	9,621	(152,526)	264,033
South Korean won	23,732	–	–	23,732
British pound	13,867	–	–	13,867
Euro	7,079	–	–	7,079
Swiss franc	5,717	–	–	5,717
Japanese yen	5,427	–	–	5,427
Mexican peso	4,890	–	(4,770)	120
New Zealand dollar	5,781	–	(5,700)	81
Danish krone	3,958	–	(4,002)	(44)
Total	477,389	9,621	(166,998)	320,012
% of Net Assets	42.7	0.9	(14.9)	28.7

* 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 \$5,247 or 0.6% of total net assets (2017 – \$16,001 or 1.4%). In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

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

Term to Maturity	March 31, 2018 (\$)		March 31, 2017 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	605	(53,945)	–	(45,029)
1-5 years	44,793	–	94,092	–
5-10 years	99,967	–	144,986	–
Greater than 10 years	120,129	–	111,477	–
Total	265,494	(53,945)	350,555	(45,029)

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 \$21,491 or 2.3% (2017 – 25,176 or 2.3%) 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 \$21,558 or 2.3% (2017 – 25,176 or 2.3%) 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, exchange-traded funds 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 \$66,406 or 7.1% (2017 – \$72,907 or 6.5%) of total net assets. 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 \$66,406 or 7.1% (2017 – \$71,446 or 6.4%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

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

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

v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2018, was 5.6% of the net assets of the Fund (2017 – 4.7%).

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	7.5	3.9
AA	5.4	5.4
A	5.6	8.2
BBB	7.0	10.1
Less than BBB	2.8	3.1
Unrated	0.2	0.7
Total	28.5	31.4

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

(i) Fair Value Classification

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

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

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

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

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

	March 31, 2018				March 31, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	265,494	–	265,494	–	350,555	–	350,555
Equities	582,995	37,147	–	620,142	708,277	–	–	708,277
Options	–	125	–	125	86	–	–	86
Exchange-traded funds/notes	3,937	–	–	3,937	–	–	–	–
Mutual funds	39,980	–	–	39,980	21,656	–	–	21,656
Derivative assets	–	444	–	444	15	827	–	842
Derivative liabilities	(1,015)	(2,636)	–	(3,651)	(11)	(1,156)	–	(1,167)
Short-term investments	–	460	–	460	–	23,713	–	23,713
Total	625,897	301,034	–	926,931	730,023	373,939	–	1,103,962

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

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

(i) Fair Value Classification (cont'd)

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

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

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

(j) Comparative Amounts

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



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