

MACKENZIE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

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

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

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

On behalf of Mackenzie Financial Corporation,
Manager of the Fund



Barry McInerney
President and Chief Executive Officer



Terry Rountes
Chief Financial Officer, Funds

June 7, 2018

INDEPENDENT AUDITOR'S REPORT

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

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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



Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

June 7, 2018



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STATEMENTS OF FINANCIAL POSITION

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

	2018	2017		2018	2017
	\$	\$		\$	\$
ASSETS			Net assets attributable to securityholders		
Current assets			per security (note 3)		
Investments at fair value	1,158,375	1,157,486	Series A	1.92	2.01
Cash and cash equivalents	11,897	21,484	Series AR	10.69	10.74
Accrued interest receivable	5,438	5,303	Series B	–	6.95
Dividends receivable	759	924	Series C	–	3.99
Accounts receivable for investments sold	3,104	23,853	Series D	14.10	14.62
Accounts receivable for securities issued	284	2,023	Series F	9.89	10.24
Due from manager	8	–	Series FB	9.98	10.19
Margin on futures contracts	3,012	1,641	Series G	7.49	7.80
Unrealized gains on derivative contracts	960	939	Series I	2.97	3.08
Total assets	1,183,837	1,213,653	Series J	8.64	8.98
			Series O	10.14	10.39
			Series PW	13.77	14.33
			Series PWF	14.10	14.59
			Series PWF8	12.69	13.55
			Series PWFB	9.77	–
			Series PWX	14.06	14.42
			Series R	9.60	9.55
			Series S	9.13	9.37
			Series LB	8.20	8.57
			Series LW	14.49	–
LIABILITIES					
Current liabilities					
Accounts payable for investments purchased	13,497	26,527			
Accounts payable for securities redeemed	2,077	1,443			
Distribution payable	2	–			
Due to manager	105	–			
Unrealized losses on derivative contracts	3,518	387			
Total liabilities	19,199	28,357			
Net assets attributable to securityholders	1,164,638	1,185,296			
Net assets attributable to securityholders					
per series (note 3)					
Series A	796,828	417,880			
Series AR	12,877	9,218			
Series B	–	524,596			
Series C	–	48,811			
Series D	889	592			
Series F	36,075	35,143			
Series FB	1,132	333			
Series G	1,996	2,690			
Series I	641	692			
Series J	1,337	1,341			
Series O	33,256	31,498			
Series PW	185,097	44,249			
Series PWF	23,560	11,061			
Series PWF8	503	111			
Series PWFB	676	–			
Series PWX	2,366	2,435			
Series R	13,514	15,070			
Series S	43,378	28,677			
Series LB	7,210	10,899			
Series LW	3,303	–			

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



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STATEMENTS OF COMPREHENSIVE INCOME

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

	2018	2017
	\$	\$
Income		
Dividends	11,179	11,010
Interest income	28,972	28,474
Other changes in fair value of investments		
Net realized gain (loss)	29,275	44,514
Net unrealized gain (loss)	(27,231)	18,623
Securities lending income	84	124
Fee rebate income	6	–
Total income (loss)	42,285	102,745
Expenses (note 6)		
Management fees	17,415	17,583
Management fee rebates	(33)	(7)
Administration fees	2,439	2,482
Administration fee rebates	(1)	(1)
Interest charges	5	3
Commissions and other portfolio transaction costs	355	357
Independent Review Committee fees	3	6
Other	4	3
Expenses before amounts absorbed by Manager	20,187	20,426
Expenses absorbed by Manager	–	–
Net expenses	20,187	20,426
Increase (decrease) in net assets attributable to securityholders from operations before tax	22,098	82,319
Foreign withholding taxes	614	631
Foreign income taxes paid (recovered)	67	–
Increase (decrease) in net assets attributable to securityholders from operations	21,417	81,688
Increase (decrease) in net assets attributable to securityholders from operations per series		
Series A	6,840	28,185
Series AR	158	460
Series B	6,800	37,371
Series C	632	3,536
Series D	11	25
Series F	826	1,864
Series FB	19	21
Series G	43	189
Series I	15	67
Series J	24	100
Series O	1,136	2,490
Series PW	2,480	2,442
Series PWF	408	478
Series PWF8	8	8
Series PWFB	11	–
Series PWX	77	147

	2018	2017
	\$	\$
Series R	504	1,389
Series S	1,246	2,309
Series LB	212	607
Series LW	(33)	–
Increase (decrease) in net assets attributable to securityholders from operations per security		
Series A	0.02	0.14
Series AR	0.15	0.73
Series B	0.10	0.49
Series C	0.06	0.28
Series D	0.19	1.10
Series F	0.24	0.79
Series FB	0.23	0.79
Series G	0.16	0.57
Series I	0.07	0.23
Series J	0.18	0.67
Series O	0.36	0.91
Series PW	0.21	1.03
Series PWF	0.28	1.10
Series PWF8	0.37	1.09
Series PWFB	0.33	–
Series PWX	0.47	1.27
Series R	0.34	0.85
Series S	0.31	0.82
Series LB	0.17	0.61
Series LW	(0.17)	–

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



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STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Series A		Series AR		Series B		Series C		Series D	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	417,880	392,822	9,218	4,955	524,596	547,237	48,811	52,594	592	211
Increase (decrease) in net assets from operations	6,840	28,185	158	460	6,800	37,371	632	3,536	11	25
Distributions paid to securityholders:										
Investment income	(8,815)	(6,660)	(166)	(92)	(3,866)	(8,902)	(353)	(840)	(17)	(7)
Capital gains	(4,842)	(7,816)	(68)	(134)	–	(10,152)	–	(952)	(6)	(7)
Return of capital	(21,179)	(14,625)	–	–	(9,313)	(19,083)	(871)	(1,801)	(25)	(11)
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Administration fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(34,836)	(29,101)	(234)	(226)	(13,179)	(38,137)	(1,224)	(3,593)	(48)	(25)
Security transactions:										
Proceeds from securities issued	600,542	126,429	4,316	4,198	41,709	150,941	4,124	14,201	643	404
Reinvested distributions	32,694	27,649	233	223	12,075	35,622	1,076	3,275	39	22
Value of securities redeemed	(226,292)	(128,104)	(814)	(392)	(572,001)	(208,438)	(53,419)	(21,202)	(348)	(45)
Total security transactions	406,944	25,974	3,735	4,029	(518,217)	(21,875)	(48,219)	(3,726)	334	381
Total increase (decrease) in net assets	378,948	25,058	3,659	4,263	(524,596)	(22,641)	(48,811)	(3,783)	297	381
End of period	796,828	417,880	12,877	9,218	–	524,596	–	48,811	889	592

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	208,350	195,446	858	479	75,449	78,528	12,248	13,166	41	15
Issued	304,052	62,859	401	395	6,032	21,746	1,041	3,579	43	28
Reinvested distributions	16,656	13,747	22	21	1,755	5,109	273	820	3	1
Redeemed	(114,381)	(63,702)	(76)	(37)	(83,236)	(29,934)	(13,562)	(5,317)	(24)	(3)
Securities outstanding – end of period	414,677	208,350	1,205	858	–	75,449	–	12,248	63	41

	Series F		Series FB		Series G		Series I		Series J	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	35,143	18,041	333	227	2,690	2,612	692	925	1,341	1,327
Increase (decrease) in net assets from operations	826	1,864	19	21	43	189	15	67	24	100
Distributions paid to securityholders:										
Investment income	(798)	(590)	(19)	(6)	(39)	(50)	(14)	(20)	(26)	(27)
Capital gains	(229)	(544)	(7)	(6)	(12)	(50)	(4)	(19)	(8)	(27)
Return of capital	(1,000)	(696)	(16)	–	(73)	(84)	(21)	(26)	(44)	(43)
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Administration fee rebates	–	–	–	–	–	–	(1)	(1)	–	–
Total distributions paid to securityholders	(2,027)	(1,830)	(42)	(12)	(124)	(184)	(40)	(66)	(78)	(97)
Security transactions:										
Proceeds from securities issued	23,386	21,581	1,554	152	38	225	–	–	1	–
Reinvested distributions	1,483	1,549	41	11	104	162	21	47	78	97
Value of securities redeemed	(22,736)	(6,062)	(773)	(66)	(755)	(314)	(47)	(281)	(29)	(86)
Total security transactions	2,133	17,068	822	97	(613)	73	(26)	(234)	50	11
Total increase (decrease) in net assets	932	17,102	799	106	(694)	78	(51)	(233)	(4)	14
End of period	36,075	35,143	1,132	333	1,996	2,690	641	692	1,337	1,341

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	3,432	1,774	33	23	345	335	224	299	149	148
Issued	2,302	2,097	153	15	5	29	–	–	–	–
Reinvested distributions	147	152	4	1	13	21	7	15	9	11
Redeemed	(2,234)	(591)	(76)	(6)	(97)	(40)	(15)	(90)	(3)	(10)
Securities outstanding – end of period	3,647	3,432	114	33	266	345	216	224	155	149

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

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STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2018	2017	2018	2017	2018	2017	2018	2017
	Series O		Series PW		Series PWF		Series PWF8	
	\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS								
Beginning of period	31,498	25,165	44,249	24,348	11,061	2,736	111	111
Increase (decrease) in net assets from operations	1,136	2,490	2,480	2,442	408	478	8	8
Distributions paid to securityholders:								
Investment income	(1,076)	(969)	(3,276)	(623)	(517)	(143)	(8)	(3)
Capital gains	(242)	(634)	(1,110)	(721)	(138)	(140)	(3)	(2)
Return of capital	(652)	(517)	(5,944)	(1,192)	(613)	(203)	(22)	(6)
Management fee rebates	–	–	(27)	(6)	(6)	(1)	–	–
Administration fee rebates	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(1,970)	(2,120)	(10,357)	(2,542)	(1,274)	(487)	(33)	(11)
Security transactions:								
Proceeds from securities issued	4,883	6,504	171,952	23,158	20,680	9,337	488	–
Reinvested distributions	1,945	2,115	9,511	2,364	945	402	13	3
Value of securities redeemed	(4,236)	(2,656)	(32,738)	(5,521)	(8,260)	(1,405)	(84)	–
Total security transactions	2,592	5,963	148,725	20,001	13,365	8,334	417	3
Total increase (decrease) in net assets	1,758	6,333	140,848	19,901	12,499	8,325	392	–
End of period	33,256	31,498	185,097	44,249	23,560	11,061	503	111

	Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):								
Securities outstanding – beginning of period	3,030	2,457	3,088	1,702	758	189	8	8
Issued	472	623	11,996	1,604	1,422	637	37	–
Reinvested distributions	189	204	675	165	66	28	1	–
Redeemed	(410)	(254)	(2,321)	(383)	(575)	(96)	(6)	–
Securities outstanding – end of period	3,281	3,030	13,438	3,088	1,671	758	40	8

	Series PWF8		Series PWX		Series R		Series S	
	\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS								
Beginning of period	–	–	2,435	1,281	15,070	16,056	28,677	25,454
Increase (decrease) in net assets from operations	11	–	77	147	504	1,389	1,246	2,309
Distributions paid to securityholders:								
Investment income	(8)	–	(75)	(59)	(318)	(706)	(1,204)	(893)
Capital gains	(3)	–	(17)	(41)	(100)	(332)	(291)	(572)
Return of capital	(9)	–	(47)	(30)	–	(96)	(767)	(479)
Management fee rebates	–	–	–	–	–	–	–	–
Administration fee rebates	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(20)	–	(139)	(130)	(418)	(1,134)	(2,262)	(1,944)
Security transactions:								
Proceeds from securities issued	723	–	497	1,063	1,261	1,353	17,411	7,321
Reinvested distributions	20	–	139	130	142	381	2,262	1,944
Value of securities redeemed	(58)	–	(643)	(56)	(3,045)	(2,975)	(3,956)	(6,407)
Total security transactions	685	–	(7)	1,137	(1,642)	(1,241)	15,717	2,858
Total increase (decrease) in net assets	676	–	(69)	1,154	(1,556)	(986)	14,701	3,223
End of period	676	–	2,366	2,435	13,514	15,070	43,378	28,677

	Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):								
Securities outstanding – beginning of period	–	–	169	90	1,578	1,707	3,061	2,757
Issued	73	–	34	74	130	142	1,868	777
Reinvested distributions	2	–	10	9	15	40	244	208
Redeemed	(6)	–	(45)	(4)	(315)	(311)	(424)	(681)
Securities outstanding – end of period	69	–	168	169	1,408	1,578	4,749	3,061

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

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STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2018	2017	2018	2017	2018	2017
	Series LB		Series LW		Total	
	\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS						
Beginning of period	10,899	8,203	–	–	1,185,296	1,124,305
Increase (decrease) in net assets from operations	212	607	(33)	–	21,417	81,688
Distributions paid to securityholders:						
Investment income	(150)	(138)	(21)	–	(20,766)	(20,728)
Capital gains	(49)	(163)	(20)	–	(7,149)	(22,312)
Return of capital	(406)	(314)	(36)	–	(41,038)	(39,206)
Management fee rebates	–	–	–	–	(33)	(7)
Administration fee rebates	–	–	–	–	(1)	(1)
Total distributions paid to securityholders	(605)	(615)	(77)	–	(68,987)	(82,254)
Security transactions:						
Proceeds from securities issued	2,531	4,817	4,036	–	900,775	371,684
Reinvested distributions	596	608	75	–	63,492	76,604
Value of securities redeemed	(6,423)	(2,721)	(698)	–	(937,355)	(386,731)
Total security transactions	(3,296)	2,704	3,413	–	26,912	61,557
Total increase (decrease) in net assets	(3,689)	2,696	3,303	–	(20,658)	60,991
End of period	7,210	10,899	3,303	–	1,164,638	1,185,296
Increase (decrease) in fund securities (note 7):						
Securities outstanding – beginning of period	1,272	956	–	–		
Issued	297	560	271	–		
Reinvested distributions	71	71	5	–		
Redeemed	(761)	(315)	(48)	–		
Securities outstanding – end of period	879	1,272	228	–		

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



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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	21,417	81,688
Adjustments for:		
Net realized loss (gain) on investments	(29,275)	(44,514)
Change in net unrealized loss (gain) on investments	27,231	(18,623)
Distributions received in-kind from underlying funds	(1,809)	(174)
Purchase of investments	(977,207)	(1,113,565)
Proceeds from sale and maturity of investments	990,976	1,132,377
Change in accrued interest receivable	(135)	637
Change in dividends receivable	165	(57)
Change in due from manager	(8)	–
Change in due to manager	105	–
Change in margin on futures contracts	(1,371)	(877)
Net cash from operating activities	30,089	36,892
Cash flows from financing activities		
Proceeds from redeemable securities issued	685,020	220,426
Payments on redemption of redeemable securities	(719,227)	(236,698)
Distributions paid net of reinvestments	(5,493)	(5,650)
Net cash from financing activities	(39,700)	(21,922)
Net increase (decrease) in cash and cash equivalents	(9,611)	14,970
Cash and cash equivalents at beginning of period	21,484	6,519
Effect of exchange rate fluctuations on cash and cash equivalents	24	(5)
Cash and cash equivalents at end of period	11,897	21,484
Cash	1,119	5,635
Cash equivalents	10,778	15,849
Cash and cash equivalents at end of period	11,897	21,484
Supplementary disclosures on cash flow from operating activities:		
Dividends received	11,303	10,952
Foreign taxes paid	681	636
Interest received	28,276	28,939
Interest paid	5	3

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



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SCHEDULE OF INVESTMENTS

As at March 31, 2018

	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	3,180,000	3,235	3,252
407 International Inc. 3.60% 05-21-2047 Callable	Canada	Corporate - Non Convertible	1,590,000	1,592	1,610
Access Justice Durham 5.015% 08-31-2039	Canada	Asset Backed	3,501,853	3,518	3,932
AerCap Ireland Capital Designated Activity Co. 3.30% 01-23-2023 Callable 2022	Netherlands	Corporate - Non Convertible	USD 900,000	1,115	1,130
AIMCo Realty Investors LP 2.27% 06-26-2024 Callable 2024	Canada	Corporate - Non Convertible	1,570,000	1,574	1,517
AIMCo Realty Investors LP 3.04% 06-01-2028 Callable 2028	Canada	Corporate - Non Convertible	910,000	910	904
Algonquin Power & Utilities Corp. 4.65% 02-15-2022	Canada	Corporate - Non Convertible	570,000	622	603
Algonquin Power & Utilities Corp. 4.09% 02-17-2027 Callable	Canada	Corporate - Non Convertible	1,810,000	1,809	1,858
Alibaba Group Holding Ltd. 3.40% 12-06-2027 Callable 2027	China	Corporate - Non Convertible	USD 820,000	1,048	1,003
Allied Properties Real Estate Investment Trust 3.75% 03-13-2020	Canada	Corporate - Non Convertible	1,310,000	1,319	1,331
Allied Properties Real Estate Investment Trust 3.93% 11-14-2022	Canada	Corporate - Non Convertible	1,179,000	1,184	1,199
Allied Properties Real Estate Investment Trust 3.64% 04-21-2025 Callable 2025	Canada	Corporate - Non Convertible	2,080,000	2,083	2,033
AltaGas Ltd. 3.72% 09-28-2021 Callable	Canada	Corporate - Non Convertible	2,100,000	2,150	2,151
AltaGas Ltd. 3.98% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	920,000	920	929
AltaLink LP 3.72% 12-03-2046 Callable MTN	Canada	Corporate - Non Convertible	1,665,000	1,658	1,727
Amneal Pharmaceuticals LLC Term loan B 1st Lien F/R 03-23-2025	United States	Term Loans	USD 740,000	947	955
Anheuser-Busch InBev Finance Inc. 3.30% 02-01-2023 Callable 2022	Belgium	Corporate - Non Convertible	USD 2,010,000	2,872	2,592
Anheuser-Busch InBev Finance Inc. 2.60% 05-15-2024 Callable 2024	Belgium	Corporate - Non Convertible	3,470,000	3,441	3,380
APT Pipelines Ltd. 4.245% 07-24-2019	Australia	Corporate - Non Convertible	1,600,000	1,600	1,634
APT Pipelines Ltd. 4.20% 03-23-2025 Callable 2024 144A	Australia	Corporate - Non Convertible	USD 1,990,000	2,541	2,592
Arch Merger Sub Inc. 8.50% 09-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,140,000	1,450	1,360
Artis Real Estate Investment Trust 3.753% 03-27-2019	Canada	Corporate - Non Convertible	1,310,000	1,316	1,323
ASP AMC Merger Sub Inc. 8.00% 05-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,230,000	1,640	1,487
ATS Consolidated Inc. Term Loan B 1st Lien F/R 02-23-2025	United States	Term Loans	USD 320,000	403	418
Aviva PLC 4.50% 05-10-2021	United Kingdom	Corporate - Non Convertible	1,860,000	1,901	1,940
Bank of America Corp. 3.228% 06-22-2022	United States	Corporate - Non Convertible	950,000	962	964
Bank of America Corp. F/R 03-15-2023 Callable 2022	United States	Corporate - Non Convertible	2,720,000	2,720	2,687
Bank of America Corp. 3.95% 04-21-2025	United States	Corporate - Non Convertible	USD 390,000	474	499
Bank of America Corp. F/R 09-20-2025 Callable 2024	United States	Corporate - Non Convertible	2,090,000	2,090	2,103
Bank of Montreal 2.27% 07-11-2022	Canada	Corporate - Non Convertible	3,370,000	3,355	3,316
Bank of Montreal 2.70% 09-11-2024 DPNT	Canada	Corporate - Non Convertible	4,110,000	4,104	4,075
Bank of Montreal 3.32% 06-01-2026	Canada	Corporate - Non Convertible	2,690,000	2,729	2,720
Bank of Montreal F/R 12-15-2032 Callable 2027	Canada	Corporate - Non Convertible	USD 1,390,000	1,786	1,705
The Bank of Nova Scotia 2.36% 11-08-2022	Canada	Corporate - Non Convertible	3,580,000	3,580	3,527
The Bank of Nova Scotia 2.29% 06-28-2024	Canada	Corporate - Non Convertible	7,420,000	7,374	7,190
The Bank of Nova Scotia 6.45% 01-01-2025	Canada	Mortgage Backed	6,145,755	5,914	7,247
The Bank of Nova Scotia F/R 04-12-2066 Callable 2022	Canada	Corporate - Non Convertible	USD 1,910,000	2,384	2,339
bcIMC Realty Corp. 3.00% 03-31-2027 Callable 2026	Canada	Corporate - Non Convertible	2,040,000	2,073	2,037
Bell Canada 2.70% 02-27-2024 Callable	Canada	Corporate - Non Convertible	2,890,000	2,922	2,824
Bell Canada 3.60% 09-29-2027 Callable	Canada	Corporate - Non Convertible	2,700,000	2,719	2,726
Bell Canada 4.45% 02-27-2047 Callable	Canada	Corporate - Non Convertible	3,210,000	3,196	3,295
Boardriders Inc. Term Loan B 1st Lien F/R 03-21-2024	United States	Term Loans	USD 920,000	1,162	1,173
Brookfield Renewable Energy Partners ULC 3.752% 06-02-2025 Callable 2025	Canada	Corporate - Non Convertible	4,620,000	4,621	4,706



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BONDS (cont'd)					
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate - Non Convertible	1,780,000	1,779	1,771
Bruce Power LP 2.84% 06-23-2021	Canada	Corporate - Non Convertible	4,310,000	4,371	4,315
Bruce Power LP 3.00% 06-21-2024 Callable 2024	Canada	Corporate - Non Convertible	3,320,000	3,369	3,289
Bruce Power LP 3.97% 06-23-2026	Canada	Corporate - Non Convertible	1,370,000	1,409	1,424
Calpine Corp. 5.25% 06-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 30,000	38	37
Cameco Corp. 5.67% 09-02-2019	Canada	Corporate - Non Convertible	2,600,000	2,611	2,693
Camelot Finance LP Term Loan 1st Lien F/R 10-03-2023	United States	Term Loans	USD 819,231	1,077	1,063
Can Am Construction Inc./Canada Term Loan B 1st Lien F/R 07-01-2024	Canada	Term Loans	USD 792,015	999	1,031
Canada Goose Inc. Term Loan 1st Lien F/R 12-22-2021	Canada	Term Loans	USD 950,000	1,190	1,212
Canada Housing Trust No. 1 2.65% 03-15-2028	Canada	Federal Government	470,000	467	476
Canadian Commercial Mortgage Origination Trust 1 2.768% 11-12-2018	Canada	Mortgage Backed	839,688	840	841
Canadian Imperial Bank of Commerce 2.30% 07-11-2022 DPNT	Canada	Corporate - Non Convertible	2,830,000	2,828	2,788
Canadian Imperial Bank of Commerce 2.47% 12-05-2022	Canada	Corporate - Non Convertible	3,310,000	3,315	3,279
Canadian Imperial Bank of Commerce 3.00% 10-28-2024 Callable 2019	Canada	Corporate - Non Convertible	750,000	761	755
Canadian Imperial Bank of Commerce 3.42% 01-26-2026 Callable 2021	Canada	Corporate - Non Convertible	4,330,000	4,439	4,383
Canadian Imperial Bank of Commerce F/R 04-04-2028 Callable 2023	Canada	Corporate - Non Convertible	1,360,000	1,360	1,365
Canadian National Railway Co. 3.60% 08-01-2047 Callable 2047	Canada	Corporate - Non Convertible	1,010,000	1,003	1,016
Canadian Real Estate Investment Trust 2.95% 01-18-2023 Callable 2022	Canada	Corporate - Non Convertible	1,280,000	1,282	1,263
Canadian Western Bank 2.74% 06-16-2022 DPNT	Canada	Corporate - Non Convertible	860,000	860	852
Canadian Western Bank 2.92% 12-15-2022	Canada	Corporate - Non Convertible	1,490,000	1,490	1,481
Capital Power Corp. 4.28% 09-18-2024 Callable 2024	Canada	Corporate - Non Convertible	2,910,000	2,916	2,949
Careerbuilder LLC Term Loan 1st Lien F/R 07-31-2023	United States	Term Loans	USD 1,053,000	1,283	1,355
Central 1 Credit Union F/R 02-05-2021	Canada	Corporate - Non Convertible	630,000	630	628
Chartwell Retirement Residences 3.79% 12-11-2023 Callable 2023	Canada	Corporate - Non Convertible	1,440,000	1,438	1,443
Chassis Inc. Term Loan B 1st Lien F/R 11-10-2023	United States	Term Loans	USD 698,250	868	905
CHIP Mortgage Trust 2.98% 11-15-2021	Canada	Corporate - Non Convertible	840,000	840	822
Choice Properties Real Estate Investment Trust 3.01% 03-21-2022 Callable 2022	Canada	Corporate - Non Convertible	560,000	560	560
Choice Properties Real Estate Investment Trust 3.56% 09-09-2024 Callable 2024	Canada	Corporate - Non Convertible	470,000	470	472
Choice Properties Real Estate Investment Trust 3.55% 01-10-2025 Callable 2024	Canada	Corporate - Non Convertible	950,000	950	950
Choice Properties Real Estate Investment Trust 4.055% 11-24-2025 Callable	Canada	Corporate - Non Convertible	4,240,000	4,560	4,348
Choice Properties Real Estate Investment Trust 4.18% 03-08-2028 Callable 2027	Canada	Corporate - Non Convertible	1,910,000	1,910	1,939
Citigroup Inc. 3.39% 11-18-2021	United States	Corporate - Non Convertible	1,757,000	1,809	1,796
Comber Wind Financial Corp. 5.132% 11-15-2030	Canada	Corporate - Non Convertible	3,363,201	3,363	3,613
Comfort Holding LLC Term Loan 1st Lien F/R 02-05-2024	United States	Term Loans	USD 1,059,300	1,365	1,327
Commonwealth of Bahamas 5.75% 01-16-2024	Bahamas	Foreign Governments	USD 740,000	898	989
Commonwealth of Bahamas 6.00% 11-21-2028 Callable 2028	Bahamas	Foreign Governments	USD 1,100,000	1,400	1,480
Commonwealth of Bahamas 6.95% 11-20-2029	Bahamas	Foreign Governments	USD 490,000	737	693



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BONDS (cont'd)					
Communications Sales & Leasing Inc. Term Loan B 1st Lien F/R 10-24-2022	United States	Term Loans	USD 888,252	1,071	1,107
ConvergeOne Holdings Corp. Term Loan B 1st Lien F/R 06-20-2024	United States	Term Loans	USD 84,362	111	109
Coronado Australian Holdings Pty Ltd. Term Loan B 1st Lien F/R 03-21-2025	United States	Term Loans	USD 432,143	540	551
Coronado Australian Holdings Pty Ltd. Term Loan C 1st Lien F/R 03-21-2025	United States	Term Loans	USD 117,857	147	150
Crosslinx Transit Solutions General Partnership 4.651% 09-30-2046	Canada	Corporate - Non Convertible	2,230,000	2,224	2,326
CSC Holdings LLC Term Loan B 1st Lien F/R 01-12-2026	United States	Term Loans	USD 380,000	471	490
CSP Technologies North America LLC Term Loan B 1st Lien F/R 01-29-2022	United States	Term Loans	USD 1,598,726	1,971	2,070
CU Inc. 3.964% 07-27-2045 Callable	Canada	Corporate - Non Convertible	490,000	527	526
CU Inc. 3.76% 11-19-2046 Callable 2046	Canada	Corporate - Non Convertible	1,130,000	1,130	1,172
Danske Bank AS 2.75% 09-17-2020 144A	Denmark	Corporate - Non Convertible	USD 620,000	819	792
Danske Bank AS 2.80% 03-10-2021 144A	Denmark	Corporate - Non Convertible	USD 1,540,000	2,044	1,963
Daseke Inc. Term Loan 1st Lien F/R 02-27-2024	United States	Term Loans	USD 1,689,834	2,171	2,201
Diamond 1 Finance Corp. 4.42% 06-15-2021 Callable 2021 144A	United States	Corporate - Non Convertible	USD 220,000	284	291
Diamond 1 Finance Corp. 5.45% 06-15-2023 Callable 2023 144A	United States	Corporate - Non Convertible	USD 440,000	568	601
Diamond 1 Finance Corp. 6.02% 06-15-2026 Callable 2026 144A	United States	Corporate - Non Convertible	USD 440,000	568	611
Digicert Holdings Inc. Term Loan 1st Lien F/R 09-20-2024	United States	Term Loans	USD 350,000	429	457
Eagle Credit Card Trust 2.63% 10-17-2022	Canada	Corporate - Non Convertible	620,000	620	617
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	USD 1,185,250	1,474	1,541
Enbridge Gas Distribution Inc. 3.51% 11-29-2047 Callable 2047	Canada	Corporate - Non Convertible	1,720,000	1,720	1,707
Enbridge Inc. 3.20% 06-08-2027 Callable 2027	Canada	Corporate - Non Convertible	1,160,000	1,160	1,113
Enbridge Inc. 4.57% 03-11-2044	Canada	Corporate - Non Convertible	5,920,000	6,025	5,934
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	6,510,000	6,520	6,275
EnerCare Solutions Inc. 3.38% 02-21-2022 Callable 2022	Canada	Corporate - Non Convertible	1,820,000	1,820	1,836
EnerCare Solutions Inc. 3.99% 02-21-2024 Callable 2023	Canada	Corporate - Non Convertible	1,370,000	1,370	1,402
Envigo Holdings Inc. Term Loan B 1st Lien F/R 12-14-2023	United States	Term Loans	USD 680,000	837	861
EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047	Canada	Corporate - Non Convertible	1,170,000	1,170	1,171
Exela Intermediate LLC 10.00% 07-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,900,000	2,475	2,494
Fairfax Financial Holdings Ltd. 4.50% 03-22-2023	Canada	Corporate - Non Convertible	1,140,000	1,134	1,189
Fairfax Financial Holdings Ltd. 8.30% 04-15-2026	Canada	Corporate - Non Convertible	USD 1,900,000	2,871	3,014
Fairfax Financial Holdings Ltd. 4.25% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	520,000	520	516
Federation des Caisses Desjardins du Quebec 2.09% 01-17-2022	Canada	Corporate - Non Convertible	6,000,000	5,999	5,880
Fortified Trust 1.67% 07-23-2021	Canada	Corporate - Non Convertible	2,350,000	2,350	2,283
FortisAlberta Inc. 3.67% 09-09-2047 Callable 2047	Canada	Corporate - Non Convertible	480,000	470	489
FXI Holdings Inc. 7.88% 11-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 500,000	641	631
Garda World Security Corp. Term Loan B 1st Lien F/R 05-26-2024	Canada	Term Loans	USD 121,451	165	158
General Motors Financial of Canada Ltd. 2.60% 06-01-2022	United States	Corporate - Non Convertible	1,600,000	1,598	1,561
Genesis Trust II 1.699% 04-15-2020	Canada	Corporate - Non Convertible	1,000,000	1,000	987
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS	Canada	Corporate - Non Convertible	1,160,000	1,160	1,168
Glacier Credit Card Trust 2.05% 09-20-2022	Canada	Corporate - Non Convertible	2,710,000	2,710	2,630
The Goldman Sachs Group Inc. 2.43% 04-26-2023 Callable	United States	Corporate - Non Convertible	3,170,000	3,170	3,092
The Goldman Sachs Group Inc. 3.31% F/R 10-31-2025 Callable 2024	United States	Corporate - Non Convertible	4,530,000	4,531	4,493



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BONDS (cont'd)					
Government of Bermuda 3.72% 01-25-2027 Callable 2026	Bermuda	Foreign Governments	USD 6,175,000	7,582	7,781
Government of Canada 3.25% 06-01-2021	Canada	Federal Government	2,510,000	2,612	2,613
Government of Canada 1.50% 06-01-2023	Canada	Federal Government	480,000	467	469
Government of Canada 2.50% 06-01-2024	Canada	Federal Government	4,980,000	5,094	5,117
Government of Canada 2.25% 06-01-2025	Canada	Federal Government	2,510,000	2,509	2,542
Government of Canada 2.00% 06-01-2028	Canada	Federal Government	84,580,000	82,249	83,740
Government of Canada 1.25% 12-01-2047 Real Return	Canada	Federal Government	16,400,000	20,182	21,011
Government of Canada 2.75% 12-01-2048	Canada	Federal Government	27,440,000	29,499	30,616
Green Plains Inc. Term Loan B 1st Lien F/R 08-29-2023	United States	Term Loans	USD 626,850	780	812
Greenhill & Co. Inc. Term Loan B 1st Lien F/R 10-12-2022	United States	Term Loans	USD 375,250	468	488
H&R Real Estate Investment Trust 2.92% 05-06-2022	Canada	Corporate - Non Convertible	1,070,000	1,071	1,054
H&R Real Estate Investment Trust 3.42% 01-23-2023 Callable 2022	Canada	Corporate - Non Convertible	740,000	740	740
H&R Real Estate Investment Trust 3.37% 01-30-2024 Callable 2023	Canada	Corporate - Non Convertible	2,510,000	2,503	2,482
HGN Canadian Holdings-1 LP 3.35% 11-25-2020	United States	Corporate - Non Convertible	1,390,000	1,386	1,412
Heathrow Funding Ltd. 3.25% 05-21-2025	United Kingdom	Corporate - Non Convertible	2,190,000	2,242	2,218
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	1,740,000	1,738	1,763
Hornblower Sub LLC Term Loan 1st Lien F/R 04-28-2025	United States	Term Loans	USD 610,000	784	788
HSBC Bank Canada 2.17% 06-29-2022	Canada	Corporate - Non Convertible	3,190,000	3,154	3,111
HSBC Bank Canada 2.54% 01-31-2023	Canada	Corporate - Non Convertible	1,860,000	1,860	1,833
HSBC Holdings PLC 3.20% 12-05-2023	United Kingdom	Corporate - Non Convertible	2,680,000	2,680	2,692
Hudson River Trading LLC Term Loan 1st Lien F/R 03-20-2025	United States	Term Loans	USD 510,000	661	659
Hydro One Inc. 3.72% 11-18-2047	Canada	Corporate - Non Convertible	3,730,000	3,770	3,813
Hydro-Quebec Interest Strip 0% 02-15-2025	Canada	Provincial Governments	2,300,000	1,907	1,906
Hyster-Yale Group Inc. Term Loan B 1st Lien F/R 05-30-2023	United States	Term Loans	USD 730,275	985	949
Industrial Alliance Insurance and Financial Services Inc. 2.80% 05-16-2024 Callable 2019	Canada	Corporate - Non Convertible	940,000	950	943
Inter Pipeline Ltd. 2.73% 04-18-2024 Callable 2024	Canada	Corporate - Non Convertible	3,870,000	3,908	3,739
Inter Pipeline Ltd. 3.173% 03-24-2025 Callable 2024 MTN	Canada	Corporate - Non Convertible	2,860,000	2,892	2,799
Inter Pipeline Ltd. 3.48% 12-16-2026 Callable 2026	Canada	Corporate - Non Convertible	2,090,000	2,119	2,055
Interior Logic Group Inc. Term Loan B 1st Lien F/R 03-01-2024	United States	Term Loans	USD 565,190	728	734
The International Bank for Reconstruction and Development 3.50% 01-22-2021	Supra - National	n/a	NZD 6,460,000	5,975	6,166
International Finance Corp. 3.625% 05-20-2020	Supra - National	n/a	NZD 2,100,000	1,939	2,004
iQor US Inc. Term Loan B 1st Lien F/R 04-01-2021	United States	Term Loans	USD 1,569,942	1,729	2,032
Itron Inc. 5.00% 01-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 200,000	255	254
Jane Street Group LLC Term Loan B 1st Lien F/R 08-25-2022	United States	Term Loans	USD 1,041,250	1,312	1,352
JPMorgan Chase & Co. 3.19% 03-05-2021	United States	Corporate - Non Convertible	2,050,000	2,097	2,085
KEMET Corp. Term Loan B 1st Lien F/R 04-26-2024	United States	Term Loans	USD 1,386,000	1,815	1,821
Lantheus Medical Imaging Inc. Term Loan B 1st Lien F/R 06-30-2022	United States	Term Loans	USD 763,020	1,014	991
Laurentian Bank of Canada F/R 10-22-2019	Canada	Corporate - Non Convertible	1,490,000	1,490	1,491
Laurentian Bank of Canada 3.00% 09-12-2022	Canada	Corporate - Non Convertible	2,560,000	2,555	2,537
LBM Borrower LLC Term Loan 1st Lien F/R 08-20-2022	United States	Term Loans	USD 1,560,005	2,003	2,033
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 766,250	974	1,012
The Manufacturers Life Insurance Co. 2.81% 02-21-2024 Callable 2019	Canada	Corporate - Non Convertible	4,700,000	4,796	4,726



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BONDS (cont'd)					
The Manufacturers Life Insurance Co. 2.389% 01-05-2026 Callable 2021	Canada	Corporate - Non Convertible	2,700,000	2,705	2,680
Manulife Bank of Canada 2.08% 05-26-2022	Canada	Corporate - Non Convertible	2,420,000	2,420	2,357
Manulife Bank of Canada 2.84% 01-12-2023	Canada	Corporate - Non Convertible	1,110,000	1,110	1,111
Manulife Financial Corp. F/R 08-20-2029 Callable 2024	Canada	Corporate - Non Convertible	2,590,000	2,590	2,554
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020	Canada	Corporate - Non Convertible	440,000	446	449
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 310,000	387	404
McAfee LLC Term Loan B 1st Lien F/R 09-30-2024	United States	Term Loans	USD 1,104,450	1,364	1,439
McDonald's Corp. 3.13% 03-04-2025 Callable 2025	United States	Corporate - Non Convertible	2,990,000	2,983	2,985
Meredith Corp. Term Loan B 1st Lien F/R 01-18-2025	United States	Term Loans	USD 1,070,000	1,326	1,388
Metro Inc. 3.39% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	1,190,000	1,189	1,174
Mondelez International Inc. 3.25% 03-07-2025 Callable 2025	United States	Corporate - Non Convertible	1,550,000	1,543	1,546
Morgan Stanley 3.00% 02-07-2024	United States	Corporate - Non Convertible	3,000,000	2,999	2,965
National Bank of Canada 1.96% 06-30-2022	Canada	Corporate - Non Convertible	9,480,000	9,372	9,209
NAV Canada 3.29% 03-30-2048 Callable 2047	Canada	Corporate - Non Convertible	980,000	981	1,000
NBC Asset Trust 7.447% Perpetual (F/R @ 06-30-2020) Callable 2020	Canada	Corporate - Non Convertible	3,000,000	3,000	3,266
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	USD 450,000	573	577
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 100,000	123	123
Newell Brands Inc. 4.20% 04-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 640,000	812	818
North Battleford Power LP 4.958% 12-31-2032	Canada	Corporate - Non Convertible	1,453,818	1,454	1,594
North West Redwater Partnership 2.80% 06-01-2027 Callable 2027	Canada	Corporate - Non Convertible	2,320,000	2,238	2,236
North West Redwater Partnership 3.65% 06-01-2035 Callable 2034	Canada	Corporate - Non Convertible	1,170,000	1,169	1,174
Ocean Bidco Inc. Term Loan B 1st Lien F/R 03-02-2025	United States	Term Loans	USD 280,000	359	362
OCI Beaumont LLC Term Loan B 1st Lien F/R 02-16-2025	United States	Term Loans	USD 430,000	539	558
Odebrecht Finance Ltd. 5.25% 06-27-2029	Brazil	Corporate - Non Convertible	USD 1,050,000	1,097	430
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	USD 750,750	929	987
Omega Healthcare Investors Inc. 4.50% 01-15-2025 Callable 2024	United States	Corporate - Non Convertible	USD 750,000	809	947
OMERS Realty Corp. 3.24% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	4,120,000	4,116	4,185
Ontario Hydro 0% 05-26-2025	Canada	Provincial Governments	2,060,000	1,671	1,672
Ontario Power Generation Inc. 3.32% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	1,790,000	1,790	1,811
OPB Finance Trust 2.98% 01-25-2027	Canada	Provincial Governments	1,710,000	1,714	1,720
Osteon Merger Sub Inc. Term Loan B 1st Lien F/R 02-06-2025	United States	Term Loans	USD 280,000	349	364
Parkland Fuel Corp. 6.00% 04-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 520,000	681	674
Pembina Pipeline Corp. 2.99% 01-22-2024 Callable 2023	Canada	Corporate - Non Convertible	2,900,000	2,917	2,855
Pembina Pipeline Corp. 4.02% 03-27-2028 Callable 2027	Canada	Corporate - Non Convertible	1,300,000	1,301	1,316
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 1,495,000	478	524
PetSmart Inc. Term Loan B2 1st Lien F/R 03-10-2022	United States	Term Loans	USD 487,698	523	506
Pisces Midco Inc. Term Loan B 1st Lien F/R 03-29-2025	United States	Term Loans	USD 640,000	820	820
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021	United States	Corporate - Non Convertible	USD 90,000	116	116
PNI Canada Acquireco Corp. Term Loan B 1st Lien F/R 08-23-2022	Canada	Term Loans	USD 447,750	528	575
Prospect Medical Holdings Inc. Term Loan B 1st Lien F/R 02-15-2024	United States	Term Loans	USD 1,070,000	1,316	1,382
Province of Newfoundland 3.70% 10-17-2048	Canada	Provincial Governments	6,130,000	6,765	6,623
Province of Ontario 2.60% 09-08-2023	Canada	Provincial Governments	11,940,000	11,941	12,021
Province of Ontario 2.40% 06-02-2026	Canada	Provincial Governments	17,900,000	17,700	17,521
Province of Ontario 2.60% 06-02-2027	Canada	Provincial Governments	17,740,000	17,678	17,528
Province of Ontario 4.60% 06-02-2039	Canada	Provincial Governments	2,930,000	3,598	3,658



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BONDS (cont'd)					
Province of Ontario 2.90% 12-02-2046	Canada	Provincial Governments	8,370,000	8,161	8,156
Province of Ontario 2.80% 06-02-2048	Canada	Provincial Governments	9,200,000	8,617	8,795
Province of Quebec 0% 04-01-2026 Generic Strip	Canada	Provincial Governments	2,720,000	2,226	2,151
Province of Quebec 2.50% 09-01-2026	Canada	Provincial Governments	4,790,000	4,737	4,734
Province of Quebec 2.75% 09-01-2027	Canada	Provincial Governments	5,890,000	6,014	5,913
Province of Quebec 3.50% 12-01-2045	Canada	Provincial Governments	30,510,000	30,659	33,414
Province of Quebec 3.50% 12-01-2048	Canada	Provincial Governments	160,000	175	177
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	USD 220,000	282	286
PSC Industrial Outsourcing LP Term Loan B 1st Lien F/R 10-05-2024	United States	Term Loans	USD 638,400	795	831
Red Ventures LLC Term Loan B 1st Lien F/R 11-08-2024	United States	Term Loans	USD 825,850	1,019	1,075
Reliance Intermediate Holdings LP 6.50% 04-01-2023 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 385,000	516	517
Reliance LP 3.813% 09-15-2020	Canada	Corporate - Non Convertible	1,240,000	1,240	1,265
Reliance LP 3.84% 03-15-2025 Callable 2025	Canada	Corporate - Non Convertible	1,310,000	1,310	1,306
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	United States	Term Loans	USD 1,137,150	1,390	1,458
Royal Bank of Canada 2.00% 03-21-2022	Canada	Corporate - Non Convertible	2,960,000	2,960	2,890
Royal Bank of Canada 2.36% 12-05-2022	Canada	Corporate - Non Convertible	1,240,000	1,240	1,222
Royal Bank of Canada 2.33% 12-05-2023 DPNT	Canada	Corporate - Non Convertible	2,110,000	2,110	2,062
Royal Bank of Canada 4.65% 01-27-2026 GMTN	Canada	Corporate - Non Convertible	USD 1,000,000	1,414	1,333
Sea to Sky Highway Investment LP 2.63% 08-31-2030	Canada	Corporate - Non Convertible	2,052,643	2,053	1,988
Sigma Bidco BV Term Loan B 1st Lien F/R 03-07-2025	Netherlands	Term Loans	EUR 560,000	892	880
Sigma US Corp. Term Loan B 1st Lien F/R 03-06-2025	Netherlands	Term Loans	USD 560,000	721	722
SmartCentres Real Estate Investment Trust 3.83% 12-21-2027 Callable 2027	Canada	Corporate - Non Convertible	390,000	390	383
SNC-Lavalin Group Inc. 3.24% 03-02-2023 Callable 2023	Canada	Corporate - Non Convertible	960,000	961	966
Sprint Spectrum Co. LLC 4.74% 03-20-2025 144A	United States	Corporate - Non Convertible	USD 750,000	971	972
Spy Hill Power LP 4.14% 03-31-2036	Canada	Corporate - Non Convertible	1,160,806	1,157	1,190
Staples Inc. Term Loan 1st Lien F/R 08-15-2024	United States	Term Loans	USD 947,625	1,205	1,211
Stepstone Group LP Term Loan B 1st Lien F/R 03-19-2025	United States	Term Loans	USD 280,000	361	363
Sun Life Financial Inc. F/R 02-19-2026 Callable 2021	Canada	Corporate - Non Convertible	2,770,000	2,803	2,796
Sun Life Financial Inc. F/R 11-23-2027 Callable 2022	Canada	Corporate - Non Convertible	1,120,000	1,120	1,110
Sun Life Financial Inc. F/R 09-19-2028 Callable 2023	Canada	Corporate - Non Convertible	3,210,000	3,221	3,209
Sydney Airport Finance Co. Pty. Ltd. 3.625% 04-28-2026 Callable 2026 144A	Australia	Corporate - Non Convertible	USD 2,400,000	3,053	3,023
Syniverse Holdings Inc. Term Loan 1st Lien F/R 02-09-2023	United States	Term Loans	USD 250,000	311	326
Talen Energy Supply LLC 10.50% 01-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 100,000	125	111
TELUS Corp. 3.35% 04-01-2024 Callable	Canada	Corporate - Non Convertible	1,600,000	1,647	1,622
TELUS Corp. 3.63% 03-01-2028 Callable 2027	Canada	Corporate - Non Convertible	920,000	913	924
TELUS Corp. 4.70% 03-06-2048 Callable 2047	Canada	Corporate - Non Convertible	2,330,000	2,316	2,412
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027 144A	United States	Corporate - Non Convertible	USD 490,000	629	603
Teva Pharmaceutical Finance Netherlands III BV 3.15% 10-01-2026 Callable	Israel	Corporate - Non Convertible	USD 376,000	390	389
Titan Acquisition Ltd. Term Loan 1st Lien F/R 03-16-2025	United Kingdom	Term Loans	USD 660,000	862	850
Titan Acquisition Ltd. 7.75% 04-15-2026 Callable 2021 144A	United Kingdom	Corporate - Non Convertible	USD 480,000	628	618
TMX Group Ltd. 4.46% 10-03-2023 Callable 2023	Canada	Corporate - Non Convertible	2,050,000	2,321	2,201
TMX Group Ltd. 2.30% 12-11-2024 Callable 2024	Canada	Corporate - Non Convertible	1,170,000	1,173	1,161
The Toronto-Dominion Bank 2.05% 12-01-2022	Canada	Mortgage Backed	1,163,028	1,127	1,145



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BONDS (cont'd)					
The Toronto-Dominion Bank 6.125% 12-01-2024	Canada	Mortgage Backed	3,197,143	3,617	3,721
The Toronto-Dominion Bank 5.38% 07-01-2028	Canada	Mortgage Backed	1,755,548	1,856	2,005
The Toronto-Dominion Bank F/R 07-25-2029 Callable 2024	Canada	Corporate - Non Convertible	1,610,000	1,615	1,593
TransCanada Pipelines Ltd. 3.39% 03-15-2028 Callable 2027	Canada	Corporate - Non Convertible	2,130,000	2,129	2,151
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	2,550,000	2,550	2,520
Transurban Finance Co. Pty Ltd. 3.368% 03-06-2019	Australia	Asset Backed	1,950,000	1,950	1,974
Traverse Midstream Partners LLC Term Loan B 1st Lien F/R 09-21-2024	United States	Term Loans	USD 300,000	368	389
Trico Products Corp. Term Loan 1st Lien F/R 02-02-2024	United States	Term Loans	USD 550,000	661	714
Trillium Windpower LP 5.80% 02-15-2033	United States	Corporate - Non Convertible	1,160,463	1,160	1,321
Uber Technologies Inc. Term Loan 1st Lien F/R 03-21-2025	United States	Term Loans	USD 830,000	1,067	1,075
Uber Technologies Inc. Term Loan B 1st Lien F/R 07-13-2023	United States	Term Loans	USD 1,199,796	1,584	1,553
Union Gas Ltd. 3.59% 11-22-2047 Callable 2047	Canada	Corporate - Non Convertible	1,280,000	1,278	1,284
United States Treasury Inflation Indexed 0.89% 02-15-2047	United States	Foreign Governments	USD 13,040,000	16,389	17,114
United States Treasury 2.25% 11-15-2027	United States	Foreign Governments	USD 310,000	391	383
United States Treasury 2.75% 02-15-2028	United States	Foreign Governments	USD 1,450,000	1,848	1,872
Ventas Canada Finance Ltd. 2.55% 03-15-2023 Callable 2023	United States	Corporate - Non Convertible	2,160,000	2,161	2,113
Ventas Realty LP 4.00% 03-01-2028 Callable 2027	United States	Corporate - Non Convertible	USD 850,000	1,054	1,080
Verizon Communications Inc. 2.63% 08-15-2026 Callable 2026	United States	Corporate - Non Convertible	USD 3,440,000	4,525	4,049
Vistage Worldwide Inc. Term Loan 1st Lien F/R 02-01-2025	United States	Term Loans	USD 450,000	562	584
VW Credit Canada Inc. 3.25% 03-29-2023	Germany	Corporate - Non Convertible	800,000	799	805
W/S Packaging Holdings Inc. 9.00% 04-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 310,000	401	406
Wells Fargo & Co. 2.222% 03-15-2021	United States	Corporate - Non Convertible	2,290,000	2,299	2,258
Wells Fargo & Co. 2.98% 05-19-2026	United States	Corporate - Non Convertible	1,823,000	1,823	1,763
Westcoast Energy Inc. 4.79% 10-28-2041	Canada	Corporate - Non Convertible	2,070,000	2,189	2,283
Williams Scotsman International Inc. 7.88% 12-15-2022 Callable 2019 144A	United States	Corporate - Non Convertible	USD 475,000	609	633
YRC Worldwide Inc. Term Loan 1st Lien F/R 07-21-2022	United States	Term Loans	USD 699,016	868	909
Zotec Partners LLC Term Loan 1st Lien F/R 02-09-2024	United States	Term Loans	USD 660,000	822	850
Total bonds				725,866	733,804
EQUITIES					
AbbVie Inc.	United States	Health Care	12,400	931	1,512
Admiral Group PLC	United Kingdom	Financials	56,037	1,416	1,870
Aena SA	Spain	Industrials	9,600	2,460	2,493
Air Liquide SA	France	Materials	21,799	2,836	3,444
Alimentation Couche-Tard Inc. Class B Sub. voting	Canada	Consumer Staples	74,000	2,979	4,268
Allergan PLC	United States	Health Care	15,500	4,003	3,360
Allied Properties Real Estate Investment Trust	Canada	Real Estate	49,014	1,642	1,988
AltaGas Ltd. Pfd. Series K	Canada	Energy	29,198	730	741
Altria Group Inc.	United States	Consumer Staples	26,029	1,302	2,090
Apple Inc.	United States	Information Technology	9,700	844	2,097
ARC Resources Ltd.	Canada	Energy	219,467	4,232	3,081
Atlantia SPA	Italy	Industrials	66,100	1,931	2,640
Atlas Copco AB A	Sweden	Industrials	38,200	1,165	2,132
B3 SA- Brasil Bolsa Balcao	Brazil	Financials	188,839	1,548	1,967
Bank of Montreal	Canada	Financials	91,522	5,964	8,907
The Bank of Nova Scotia	Canada	Financials	172,217	9,432	13,667



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
Bayer AG	Germany	Health Care	21,300	2,930	3,103
Becton, Dickinson and Co.	United States	Health Care	13,155	1,691	3,672
Brenntag AG	Germany	Industrials	22,400	1,510	1,718
British American Tobacco PLC	United Kingdom	Consumer Staples	40,800	2,472	3,052
Broadcom Ltd.	United States	Information Technology	11,600	2,122	3,521
Brookfield Asset Management Inc. Class A limited voting	Canada	Financials	91,084	2,942	4,574
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Real Estate	32,148	805	829
Brookfield Asset Management Inc. Pfd. Series 48	Canada	Real Estate	26,335	658	669
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Utilities	55,299	1,382	1,393
Canadian National Railway Co.	Canada	Industrials	30,400	3,102	2,862
Canadian Natural Resources Ltd.	Canada	Energy	161,074	6,064	6,523
Canadian Pacific Railway Ltd.	Canada	Industrials	28,268	5,443	6,422
Chemtrade Logistics Income Fund	Canada	Materials	152,627	2,767	2,349
China Mobile Ltd.	China	Telecommunication Services	114,300	1,574	1,347
Cielo SA	Brazil	Information Technology	112,171	1,244	906
Cisco Systems Inc.	United States	Information Technology	40,700	1,938	2,249
CME Group Inc.	United States	Financials	14,900	1,523	3,105
Compagnie Financiere Richemont SA	Switzerland	Consumer Discretionary	18,500	1,901	2,141
Crescent Point Energy Corp.	Canada	Energy	280,068	5,445	2,453
Deutsche Boerse AG	Germany	Financials	23,300	2,122	4,090
Diageo PLC	United Kingdom	Consumer Staples	28,900	880	1,260
Emera Inc.	Canada	Utilities	104,158	4,814	4,245
Enbridge Inc.	Canada	Energy	164,153	8,111	6,651
Equifax Inc.	United States	Industrials	13,700	1,617	2,079
Fanuc Corp.	Japan	Industrials	6,100	1,291	1,997
Fortis Inc.	Canada	Utilities	97,383	3,510	4,235
General Electric Co.	United States	Industrials	88,200	2,934	1,532
Goldcorp Inc.	Canada	Materials	131,076	3,172	2,332
The Goldman Sachs Group Inc.	United States	Financials	5,500	1,829	1,785
H&R Real Estate Investment Trust	Canada	Real Estate	79,187	1,740	1,665
Harley-Davidson Inc.	United States	Consumer Discretionary	30,300	1,937	1,674
Heineken Holding NV A	Netherlands	Consumer Staples	20,000	2,091	2,657
Honeywell International Inc.	United States	Industrials	10,100	1,016	1,880
HSBC Holdings PLC	United Kingdom	Financials	222,500	2,471	2,680
Industrial Alliance Insurance and Financial Services Inc.	Canada	Financials	50,385	2,678	2,670
Intact Financial Corp.	Canada	Financials	25,521	2,105	2,471
Japan Exchange Group Inc.	Japan	Financials	100,800	1,969	2,411
Jardine Matheson Holdings Ltd.	Hong Kong	Industrials	16,400	1,130	1,303
Johnson & Johnson	United States	Health Care	17,000	1,773	2,807
Johnson Controls International PLC	United States	Industrials	45,300	2,553	2,057
JPMorgan Chase & Co.	United States	Financials	26,300	2,360	3,726
Kao Corp.	Japan	Consumer Staples	17,800	1,356	1,725
Keyera Corp.	Canada	Energy	37,785	1,439	1,266
Killam Apartment Real Estate Investment Trust	Canada	Real Estate	111,607	1,361	1,549
Kinder Morgan Canada Ltd.	Canada	Energy	13,349	231	247
Kinder Morgan Inc.	United States	Energy	134,000	3,428	2,600
Koninklijke Philips NV	Netherlands	Health Care	64,594	2,642	3,198
The Kraft Heinz Co.	United States	Consumer Staples	16,700	1,501	1,340
Kweichow Moutai Co. Ltd.	China	Consumer Staples	13,374	449	1,873



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
Loblaw Companies Ltd.	Canada	Consumer Staples	54,558	2,981	3,551
Lockheed Martin Corp.	United States	Industrials	5,800	924	2,525
LogMeIn Inc.	United States	Information Technology	4,800	746	715
Magna International Inc.	Canada	Consumer Discretionary	24,906	1,294	1,807
Manulife Financial Corp.	Canada	Financials	344,462	7,385	8,240
Marine Harvest ASA	Norway	Consumer Staples	70,700	1,644	1,830
McDonald's Corp.	United States	Consumer Discretionary	10,460	1,039	2,107
Micro Focus International PLC	United Kingdom	Information Technology	126,906	3,968	2,288
Microsoft Corp.	United States	Information Technology	36,600	1,680	4,303
Moody's Corp.	United States	Financials	12,100	1,493	2,514
Nasdaq Inc.	United States	Financials	18,700	1,720	2,077
Nestlé SA Reg.	Switzerland	Consumer Staples	34,500	2,866	3,518
New Oriental Education & Technology Group Inc. ADR	China	Consumer Discretionary	11,300	1,209	1,276
Nidec Corp.	Japan	Industrials	7,200	1,044	1,433
Nike Inc. Class B	United States	Consumer Discretionary	20,104	1,372	1,721
Northland Power Inc.	Canada	Utilities	76,008	1,506	1,749
Novo Nordisk AS B	Denmark	Health Care	38,800	1,812	2,460
Nutrien Ltd.	Canada	Materials	38,913	1,830	2,369
Oaktree Capital Group LLC	United States	Financials	44,891	2,829	2,290
Occidental Petroleum Corp.	United States	Energy	27,900	2,513	2,335
Open Text Corp.	Canada	Information Technology	46,400	1,950	2,080
Oracle Corp.	United States	Information Technology	49,300	2,023	2,906
Pembina Pipeline Corp.	Canada	Energy	103,323	3,552	4,154
Pernod Ricard SA	France	Consumer Staples	5,700	730	1,223
Philip Morris International Inc.	United States	Consumer Staples	22,700	2,175	2,907
Pure Multi-Family REIT LP	Canada	Real Estate	132,647	1,168	1,069
RioCan Real Estate Investment Trust	Canada	Real Estate	69,558	1,401	1,644
Roche Holding AG Genussscheine	Switzerland	Health Care	7,800	2,431	2,305
Rogers Communications Inc. Class B non-voting	Canada	Telecommunication Services	59,985	2,141	3,452
Royal Bank of Canada	Canada	Financials	110,618	6,165	11,009
Sabre Corp.	United States	Information Technology	120,591	3,287	3,332
Safran SA	France	Industrials	29,400	2,558	4,014
Sands China Ltd.	Hong Kong	Consumer Discretionary	327,500	2,316	2,291
SAP AG	Germany	Information Technology	17,900	1,540	2,414
Schindler Holding AG PC	Switzerland	Industrials	7,400	1,236	2,056
Schlumberger Ltd.	United States	Energy	23,000	2,052	1,919
Shaw Communications Inc. Class B non-voting	Canada	Consumer Discretionary	269,715	6,960	6,694
The Sherwin-Williams Co.	United States	Materials	4,700	1,699	2,374
SNC-Lavalin Group Inc.	Canada	Industrials	55,945	2,720	3,165
Starbucks Corp.	United States	Consumer Discretionary	30,100	2,138	2,245
Suncor Energy Inc.	Canada	Energy	43,824	1,423	1,950
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	Information Technology	226,700	2,068	2,448
TELUS Corp.	Canada	Telecommunication Services	70,719	3,259	3,199
Tencent Holdings Ltd.	China	Information Technology	25,800	884	1,769
Texas Instruments Inc.	United States	Information Technology	14,600	1,804	1,954
Thomson Reuters Corp.	Canada	Financials	130,631	7,292	6,504
The Toronto-Dominion Bank	Canada	Financials	179,508	6,660	13,124
TransAlta Corp. Pfd. Series A	Canada	Utilities	66,749	888	992
TransCanada Corp. Pfd. Series 15	Canada	Energy	68,697	1,720	1,790



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EQUITIES (cont'd)					
TransCanada Corp.	Canada	Energy	124,849	6,765	6,652
Unilever NV CVA	United Kingdom	Consumer Staples	28,500	1,253	2,076
Visa Inc. Class A	United States	Information Technology	14,300	1,088	2,204
Wells Fargo & Co.	United States	Financials	46,900	2,545	3,167
Total equities				287,184	343,340
OPTIONS					
Options purchased (see schedule of options purchased)				645	352
Total options				645	352
EXCHANGE-TRADED FUNDS/NOTES					
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	143,739	14,296	14,128
Total exchange-traded funds/notes				14,296	14,128
MUTUAL FUNDS					
Mackenzie Global Credit Opportunities Fund Series R	Canada	Mutual Funds	5,279,218	52,734	50,361
Mackenzie Global Tactical Bond Fund Series R	Canada	Mutual Funds	805,273	8,043	7,708
Mackenzie International Dividend Fund Series R	Canada	Mutual Funds	181,686	1,822	2,156
Mackenzie Unconstrained Fixed Income Fund Series R	Canada	Mutual Funds	650,190	6,434	6,526
Total mutual funds				69,033	66,751
Transaction costs				(419)	—
Total investments				1,096,605	1,158,375
Derivative instruments (see schedule of derivative instruments)					(2,558)
Cash and cash equivalents					11,897
Other assets less liabilities					(3,076)
Total net assets					1,164,638



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SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2018		March 31, 2017	
Effective Portfolio Allocation	% of NAV	Portfolio Allocation	% of NAV
Bonds	67.8	Bonds	64.7
<i>Bonds</i>	68.0	<i>Bonds</i>	64.7
<i>Purchased options</i>	0.0	<i>Purchased options</i>	0.0
<i>Short futures</i>	(0.2)	<i>Short futures</i>	(0.0)
Equities	29.8	Equities	31.5
Cash and short-term investments	1.4	Cash and short-term investments	1.9
Exchange-traded funds/notes	1.3	Mutual funds	1.4
Other assets (liabilities)	(0.3)	Other assets (liabilities)	0.5
Effective Regional Allocation	% of NAV	Regional Allocation	% of NAV
Canada	65.2	Canada	68.0
United States	20.3	United States	17.1
Other	4.4	Other	3.7
United Kingdom	2.4	United Kingdom	2.0
Cash and short-term investments	1.4	Cash and short-term investments	1.9
Germany	1.1	Denmark	1.1
Switzerland	0.9	Germany	1.0
France	0.9	Switzerland	1.0
Australia	0.9	Australia	0.9
Netherlands	0.8	France	0.9
Japan	0.7	Japan	0.8
Bermuda	0.7	Mexico	0.6
China	0.6	New Zealand	0.5
Other assets (liabilities)	(0.3)	Other assets (liabilities)	0.5
Effective Sector Allocation	% of NAV	Sector Allocation	% of NAV
Corporate bonds	32.7	Corporate bonds	34.7
Federal bonds	12.7	Provincial bonds	13.7
Provincial bonds	11.2	Financials	8.6
Financials	9.0	Federal bonds	5.4
Term loans	5.8	Other	5.1
Other	4.4	Term loans	4.4
Energy	3.7	Energy	4.2
Industrials	3.7	Industrials	4.0
Foreign government bonds	3.3	Mortgage backed	3.6
Information technology	3.1	Consumer staples	3.1
Consumer staples	2.9	Information technology	2.9
Health care	1.9	Health care	2.2
Consumer discretionary	1.9	Materials	2.1
Cash and short-term investments	1.4	Cash and short-term investments	1.9
Mortgage backed	1.3	Foreign government bonds	1.8
Exchange-traded funds/notes	1.3	Consumer discretionary	1.8
Other assets (liabilities)	(0.3)	Other assets (liabilities)	0.5

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

MACKENZIE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

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	1,047	Put	Jun. 15, 2018	USD 85.00	366	150
iShares iBoxx \$ High Yield Corporate Bond ETF	632	Put	Sep. 21, 2018	USD 83.00	158	113
iShares iBoxx \$ High Yield Corporate Bond ETF	328	Put	Sep. 21, 2018	USD 85.00	121	89
Total options					645	352



MACKENZIE
Investments

MACKENZIE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

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)
(281)	10 Year United States Treasury Note Futures June 2018	Jun. 20, 2018	119.74 USD	(43,853)	(509)
(195)	CME Ultra Term United States Treasury Bond Futures June 2018	Jun. 20, 2018	154.63 USD	(40,311)	(1,467)
Unrealized (Losses)				(84,164)	(1,976)
Total futures contracts				(84,164)	(1,976)

*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	66,355	Mexican peso (4,387)	Canadian dollar	Apr. 6, 2018	4,387	4,698	311
AA	2,666	Canadian dollar (2,040)	U.S. dollar	Apr. 13, 2018	(2,666)	(2,627)	39
AA	2,664	Canadian dollar (2,040)	U.S. dollar	May 11, 2018	(2,664)	(2,626)	38
AA	6,610	U.S. dollar (8,504)	Canadian dollar	May 18, 2018	8,504	8,509	5
AA	2,663	Canadian dollar (2,040)	U.S. dollar	May 18, 2018	(2,663)	(2,626)	37
AA	8,114	Canadian dollar (8,693)	New Zealand dollar	Jun. 13, 2018	(8,114)	(8,081)	33
AA	39,842	Canadian dollar (30,620)	U.S. dollar	Jun. 29, 2018	(39,842)	(39,382)	460
AA	2,661	Canadian dollar (2,040)	U.S. dollar	Jun. 29, 2018	(2,661)	(2,624)	37
Unrealized Gains						960	
A	4,352	Canadian dollar (66,355)	Mexican peso	Apr. 6, 2018	(4,352)	(4,698)	(346)
AA	407	Canadian dollar (325)	U.S. dollar	Apr. 13, 2018	(407)	(419)	(12)
AA	288	Canadian dollar (230)	U.S. dollar	Apr. 20, 2018	(288)	(296)	(8)
AA	5,548	Canadian dollar (4,360)	U.S. dollar	Apr. 20, 2018	(5,548)	(5,615)	(67)
A	11,982	Canadian dollar (9,738)	U.S. dollar	Apr. 27, 2018	(11,982)	(12,539)	(557)
AA	5,545	Canadian dollar (4,360)	U.S. dollar	May 11, 2018	(5,545)	(5,613)	(68)
AA	3,328	Canadian dollar (2,590)	U.S. dollar	May 18, 2018	(3,328)	(3,334)	(6)
AA	16,852	Canadian dollar (13,405)	U.S. dollar	Jun. 8, 2018	(16,852)	(17,248)	(396)
AA	3,326	Canadian dollar (2,590)	U.S. dollar	Jun. 15, 2018	(3,326)	(3,332)	(6)
AA	15,948	Canadian dollar (12,430)	U.S. dollar	Jun. 15, 2018	(15,948)	(15,991)	(43)
AA	3,328	Canadian dollar (2,590)	U.S. dollar	Jun. 22, 2018	(3,328)	(3,331)	(3)
A	3,319	Canadian dollar (2,590)	U.S. dollar	Jul. 13, 2018	(3,319)	(3,330)	(11)
AA	3,324	Canadian dollar (2,590)	U.S. dollar	Jul. 13, 2018	(3,324)	(3,330)	(6)
AA	3,326	Canadian dollar (2,590)	U.S. dollar	Jul. 20, 2018	(3,326)	(3,330)	(4)
AA	3,320	Canadian dollar (2,590)	U.S. dollar	Jul. 27, 2018	(3,320)	(3,329)	(9)
Unrealized (Losses)						(1,542)	
Total forward currency contracts						(582)	
Total derivative instruments at fair value						(2,558)	

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.

NOTES TO FINANCIAL STATEMENTS

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

(a) Fund Formation and Series Information

Date of Formation July 12, 1974

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

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

Series A, Series B and Series C securities are offered to retail investors investing a minimum of \$500. Investors in Series A, Series B and Series C securities also want to receive a regular monthly cash flow of 5% per year. Effective October 27, 2017, Series B and Series C securities were consolidated into Series A.

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

Series D securities are offered to retail investors investing a minimum of \$500 through a discount brokerage or other account approved by Mackenzie. Investors in Series D securities also want to receive a regular monthly cash flow of 5% per year.

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

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

Series O securities are offered only to investors investing a minimum of \$500,000 who have an account with Mackenzie Private Wealth Counsel; certain institutional investors; and certain qualifying employees of Mackenzie and its subsidiaries. Investors in Series O securities also want to receive a monthly cash flow of 5% per year.

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

Series PWF and Series PWF8 securities are offered through our Private Wealth Solutions to certain high net worth investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$100,000. Investors in Series PWF and Series PWF8 securities also want to receive a monthly cash flow of 5% and 8% per year, respectively. Effective June 1, 2018, Series PWF and Series PWF8 securities were consolidated into Series F and Series F8 securities, respectively.

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

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

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

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

Series G securities are no longer available for sale, except for additional purchases by investors who have held these securities since December 11, 2017. Investors in Series G securities also want to receive a regular monthly cash flow of 5% per year.

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

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

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

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

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Mar. 31, 2018	Mar. 31, 2017
Series A	July 12, 1974	1.50%	0.21%	1.92	2.01
Series AR	November 27, 2013	1.50%	0.24%	10.69	10.74
Series B ⁽⁶⁾	January 30, 1998	1.50%	0.21%	—	6.95
Series C ⁽⁶⁾	July 20, 2014	1.50%	0.21%	—	3.99
Series D	February 10, 2014	1.00%	0.16%	14.10	14.62
Series F	October 22, 2001	0.65% ⁽³⁾	0.15% ⁽⁵⁾	9.89	10.24
Series F8	None issued	0.65%	0.15%	—	—
Series FB	October 26, 2015	0.75%	0.21%	9.98	10.19
Series G	April 1, 2005	1.25%	0.21%	7.49	7.80
Series I	October 25, 1999	0.95%	0.21%	2.97	3.08
Series J	March 5, 2012	1.15%	0.20%	8.64	8.98
Series O	October 30, 2002	— ⁽¹⁾	— *	10.13	10.39
Series PW	October 11, 2013	1.15% ⁽⁴⁾	0.15%	13.77	14.33
Series PWF	December 5, 2013	0.75%	0.15%	14.10	14.59
Series PWF8	December 23, 2014	0.75%	0.15%	12.69	13.55
Series PWFB	April 3, 2017	0.65% ⁽³⁾	0.15%	9.77	—
Series PWX	January 3, 2014	— ⁽²⁾	— ⁽²⁾	14.06	14.42
Series R	December 8, 2008	— *	— *	9.59	9.55
Series S	January 7, 2011	— ⁽¹⁾	0.025%	9.13	9.37
Series LB	January 23, 2012	1.50%	0.21%	8.20	8.57
Series LW	December 1, 2017	1.25%	0.15%	14.49	—

* Not applicable.

- (1) This fee is negotiable and payable directly to Mackenzie by investors in this series.
- (2) This fee is payable directly to Mackenzie by investors in this series through redemptions of their securities.
- (3) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.75%.
- (4) Prior to June 1, 2018, the management fee for Series PW was charged to the Fund at a rate of 1.25%.
- (5) Prior to June 1, 2018, the administration fee for Series F was charged to the Fund at a rate of 0.16%.
- (6) Effective October 27, 2017, Series B and C securities were consolidated into Series A.

(b) Investments by Mackenzie and Affiliates

As at March 31, 2018, other funds managed by Mackenzie and Related Insurance Companies had an investment of \$13,514 and \$43,378 (2017 – \$15,070 and \$28,677), respectively, in the Fund.

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

(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	165,899	84,348
Value of collateral received	174,289	88,932

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	114	100.0	170	100.0
Tax withheld	(1)	(0.9)	(5)	(2.9)
	113	99.1	165	97.1
Payments to Securities Lending Agent	(29)	(25.4)	(41)	(24.1)
Securities lending income	84	73.7	124	73.0

(e) Commissions

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

	(\$)
March 31, 2018	14
March 31, 2017	16

(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	1,300	3	319 - 551	0.750	June 18, 2018 - August 21, 2018
March 31, 2017	14,090	5	1,540 - 3,720	0.375 - 0.500	July 12, 2017 - January 31, 2018

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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	81	(24)	–	57
Unrealized losses on derivative contracts	(2,049)	24	3,012	987
Liability for options written	–	–	–	–
Total	(1,968)	–	3,012	1,044

	March 31, 2017			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	19	(19)	–	–
Unrealized losses on derivative contracts	(65)	19	1,641	1,595
Liability for options written	–	–	–	–
Total	(46)	–	1,641	1,595

(h) Subsequent Event

A meeting of Fund investors will be held on or about June 22, 2018, to consider and approve proposed changes to the investment objectives of the Fund. These proposed changes will provide the Fund with additional flexibility to invest in foreign securities. If all the requisite approvals are obtained, the changes will be effective on or about July 1, 2018.

(i) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks income while trying to preserve capital by investing primarily in Canadian fixed income securities. The Fund's asset mix will generally range between 10%–40% equities and 60%–90% fixed income securities and cash and cash equivalents. It may hold up to 40% of its assets in foreign investments.



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

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

ii. Currency risk

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* (\$)
Euro	33,950	14	–	33,964
U.S. dollar	218,048	3,809	(206,577)	15,280
British pound	11,150	–	–	11,150
Swiss franc	10,020	–	–	10,020
Japanese yen	7,566	74	–	7,640
Hong Kong dollar	5,407	–	–	5,407
Brazilian real	2,873	–	–	2,873
Danish krone	2,460	29	–	2,489
Taiwanese dollar	2,448	–	–	2,448
Swedish krona	2,132	–	–	2,132
Chinese yuan	1,873	–	–	1,873
Norwegian krone	1,830	–	–	1,830
New Zealand dollar	8,170	–	(8,081)	89
Total	307,927	3,926	(214,658)	97,195
% of Net Assets	26.4	0.3	(18.4)	8.3

Currency	March 31, 2017			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	206,831	16,459	(180,102)	43,188
Euro	31,815	–	–	31,815
British pound	12,293	–	–	12,293
Swiss franc	11,437	–	–	11,437
Hong Kong dollar	9,781	–	–	9,781
Japanese yen	6,670	–	–	6,670
Brazilian real	2,027	1,490	–	3,517
Danish krone	10,600	–	(8,288)	2,312
Swedish krona	2,193	–	–	2,193
Chinese yuan	1,760	–	–	1,760
Mexican peso	7,066	–	(6,916)	150
New Zealand dollar	8,113	–	(7,995)	118
Total	310,586	17,949	(203,301)	125,234
% of Net Assets	26.2	1.5	(17.2)	10.5

* Includes both monetary and non-monetary financial instruments



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

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

ii. Currency risk (cont'd)

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 \$5,984 or 0.5% of total net assets (2017 – \$6,262 or 0.5%). 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	4,138	(84,164)	2,809	(77,997)
1-5 years	133,238	–	235,189	–
5-10 years	304,907	–	272,038	–
Greater than 10 years	291,521	–	257,049	–
Total	733,804	(84,164)	767,085	(77,997)

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 \$59,194 or 5.1% (2017 – \$56,716 or 4.8%) 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 \$59,338 or 5.1% (2017 – \$56,716 or 4.8%) 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/notes and mutual funds. As at March 31, 2018, had the prices on the respective stock exchanges for these securities increased by 10%, with all other variables held constant, net assets would have increased by approximately \$34,769 or 3.0% (2017 – \$38,838 or 3.3%) 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 \$34,769 or 3.0% (2017 – \$35,694 or 3.0%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2018, was 12.6% of the net assets of the Fund (2017 – 5.6%).

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

Bond Rating*	March 31, 2018	March 31, 2017
	% of Net Assets	% of Net Assets
AAA	17.0	13.4
AA	15.4	12.7
A	11.6	19.0
BBB	12.7	12.7
Less than BBB	5.7	5.6
Unrated	0.6	1.3
Total	63.0	64.7

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

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

(j) Fair Value Classification

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

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

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

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

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

	March 31, 2018				March 31, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	733,804	–	733,804	–	767,085	–	767,085
Equities	275,968	67,372	–	343,340	373,948	–	–	373,948
Options	–	352	–	352	184	–	–	184
Exchange-traded funds/notes	14,128	–	–	14,128	–	–	–	–
Mutual funds	66,751	–	–	66,751	16,269	–	–	16,269
Derivative assets	–	960	–	960	19	920	–	939
Derivative liabilities	(1,976)	(1,542)	–	(3,518)	(31)	(356)	–	(387)
Short-term investments	–	10,778	–	10,778	–	15,849	–	15,849
Total	354,871	811,724	–	1,166,595	390,389	783,498	–	1,173,887

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

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

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

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.

(k) Comparative Amounts

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