

# MACKENZIE CORPORATE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

FIXED INCOME FUND

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

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

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

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

On behalf of Mackenzie Financial Corporation,  
Manager of the Fund



Barry McInerney  
President and Chief Executive Officer



Terry Rountes  
Chief Financial Officer, Funds

June 7, 2018

## INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Corporate Bond Fund (the "Fund")

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

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



Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada  
June 7, 2018



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# MACKENZIE CORPORATE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

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## STATEMENTS OF FINANCIAL POSITION

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

	2018	2017		2018	2017
	\$	\$		\$	\$
<b>ASSETS</b>					
<b>Current assets</b>			<b>Net assets attributable to securityholders per security (note 3)</b>		
Investments at fair value	777,253	915,710	Series A	4.35	4.47
Cash and cash equivalents	47,130	48,272	Series AR	9.31	9.56
Accrued interest receivable	13,104	13,992	Series D	9.22	9.47
Dividends receivable	28	49	Series E	11.67	12.03
Accounts receivable for investments sold	4,020	6,089	Series F	4.58	4.70
Accounts receivable for securities issued	23	319	Series FB	10.02	10.29
Due from manager	7	–	Series G	8.56	8.79
Unrealized gains on derivative contracts	1,259	7,630	Series I	4.24	4.35
<b>Total assets</b>	<b>842,824</b>	<b>992,061</b>	Series J	10.83	11.13
			Series O	8.81	9.04
			Series PW	9.42	9.68
<b>LIABILITIES</b>			Series PWF	9.44	9.69
<b>Current liabilities</b>			Series PWFB	9.74	–
Accounts payable for investments purchased	1,747	10,311	Series PWT8	11.71	12.56
Accounts payable for securities redeemed	2,167	1,235	Series PWX	9.31	9.54
Due to manager	49	–	Series PWX8	12.38	13.11
Unrealized losses on derivative contracts	22,182	870	Series R	8.88	9.11
<b>Total liabilities</b>	<b>26,145</b>	<b>12,416</b>	Series S	8.63	8.86
<b>Net assets attributable to securityholders</b>	<b>816,679</b>	<b>979,645</b>	Series LB	9.75	10.02
<b>Net assets attributable to securityholders per series (note 3)</b>			Series LW	9.77	–
Series A	396,829	586,084			
Series AR	1,504	1,173			
Series D	582	597			
Series E	47	50			
Series F	53,201	66,107			
Series FB	851	947			
Series G	513	669			
Series I	306	415			
Series J	427	3,104			
Series O	28,251	30,018			
Series PW	89,397	24,899			
Series PWF	29,614	14,782			
Series PWFB	593	–			
Series PWT8	54	52			
Series PWX	2,314	2,540			
Series PWX8	46	54			
Series R	175,996	206,493			
Series S	19,037	18,487			
Series LB	10,550	23,174			
Series LW	6,567	–			

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



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# MACKENZIE CORPORATE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

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## STATEMENTS OF COMPREHENSIVE INCOME

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

	2018	2017		2018	2017
	\$	\$		\$	\$
<b>Income</b>			<b>Increase (decrease) in net assets attributable to securityholders from operations per security</b>		
Dividends	435	649	Series A	0.07	0.46
Interest income	50,556	57,477	Series AR	0.10	0.91
Other changes in fair value of investments			Series D	0.17	0.95
Net realized gain (loss)	78,544	43,829	Series E	0.24	1.28
Net unrealized gain (loss)	(101,681)	23,317	Series F	0.10	0.50
Securities lending income	345	310	Series FB	0.20	1.07
<b>Total income (loss)</b>	<b>28,199</b>	<b>125,582</b>	Series G	0.14	0.91
			Series I	0.09	0.49
<b>Expenses (note 6)</b>			Series J	0.22	1.19
Management fees	8,968	11,085	Series O	0.28	1.05
Management fee rebates	(26)	(6)	Series PW	0.16	0.99
Administration fees	1,266	1,533	Series PWF	0.20	1.02
Interest charges	78	3	Series PWFB	0.02	–
Commissions and other portfolio transaction costs	43	52	Series PWT8	0.20	1.38
Independent Review Committee fees	4	5	Series PWX	0.30	1.08
Other	4	2	Series PWX8	0.39	1.56
<b>Expenses before amounts absorbed by Manager</b>	<b>10,337</b>	<b>12,674</b>	Series R	0.27	1.05
Expenses absorbed by Manager	–	–	Series S	0.25	1.03
<b>Net expenses</b>	<b>10,337</b>	<b>12,674</b>	Series LB	0.19	1.02
			Series LW	(0.08)	–
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>17,862</b>	<b>112,908</b>			
Foreign withholding taxes	36	60			
Foreign income taxes paid (recovered)	–	–			
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>17,826</b>	<b>112,848</b>			
<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>					
Series A	6,922	68,294			
Series AR	14	95			
Series D	10	52			
Series E	–	6			
Series F	1,125	7,285			
Series FB	16	82			
Series G	10	68			
Series I	7	62			
Series J	13	468			
Series O	903	3,257			
Series PW	1,510	2,461			
Series PWF	570	1,467			
Series PWFB	1	–			
Series PWT8	1	5			
Series PWX	83	294			
Series PWX8	3	5			
Series R	5,799	24,162			
Series S	538	2,084			
Series LB	354	2,701			
Series LW	(53)	–			

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



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# MACKENZIE CORPORATE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

FIXED INCOME FUND

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Series A		Series AR		Series D		Series E		Series F	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	586,084	692,853	1,173	805	597	433	50	45	66,107	62,908
Increase (decrease) in net assets from operations	6,922	68,294	14	95	10	52	–	6	1,125	7,285
Distributions paid to securityholders:										
Investment income	(18,860)	(25,999)	(52)	(40)	(26)	(22)	(2)	(2)	(2,547)	(3,120)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(18,860)	(25,999)	(52)	(40)	(26)	(22)	(2)	(2)	(2,547)	(3,120)
Security transactions:										
Proceeds from securities issued	49,270	182,988	522	397	90	156	–	–	17,669	23,081
Reinvested distributions	16,934	23,097	52	40	16	13	2	2	1,961	2,326
Value of securities redeemed	(243,521)	(355,149)	(205)	(124)	(105)	(35)	(3)	(1)	(31,114)	(26,373)
Total security transactions	(177,317)	(149,064)	369	313	1	134	(1)	1	(11,484)	(966)
<b>Total increase (decrease) in net assets</b>	<b>(189,255)</b>	<b>(106,769)</b>	<b>331</b>	<b>368</b>	<b>(15)</b>	<b>164</b>	<b>(3)</b>	<b>5</b>	<b>(12,906)</b>	<b>3,199</b>
<b>End of period</b>	<b>396,829</b>	<b>586,084</b>	<b>1,504</b>	<b>1,173</b>	<b>582</b>	<b>597</b>	<b>47</b>	<b>50</b>	<b>53,201</b>	<b>66,107</b>
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	<b>130,996</b>	<b>164,867</b>	<b>123</b>	<b>90</b>	<b>63</b>	<b>49</b>	<b>4</b>	<b>4</b>	<b>14,062</b>	<b>14,258</b>
Issued	11,070	41,236	55	42	9	17	–	–	3,770	4,990
Reinvested distributions	3,816	5,253	6	4	2	1	–	–	420	503
Redeemed	(54,613)	(80,360)	(22)	(13)	(11)	(4)	–	–	(6,628)	(5,689)
<b>Securities outstanding – end of period</b>	<b>91,269</b>	<b>130,996</b>	<b>162</b>	<b>123</b>	<b>63</b>	<b>63</b>	<b>4</b>	<b>4</b>	<b>11,624</b>	<b>14,062</b>
	Series FB		Series G		Series I		Series J		Series O	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	947	641	669	633	415	714	3,104	5,340	30,018	26,727
Increase (decrease) in net assets from operations	16	82	10	68	7	62	13	468	903	3,257
Distributions paid to securityholders:										
Investment income	(38)	(35)	(23)	(28)	(16)	(25)	(20)	(172)	(1,629)	(1,547)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(38)	(35)	(23)	(28)	(16)	(25)	(20)	(172)	(1,629)	(1,547)
Security transactions:										
Proceeds from securities issued	283	312	31	48	14	–	–	–	4,656	6,839
Reinvested distributions	38	35	22	26	16	23	19	145	1,598	1,514
Value of securities redeemed	(395)	(88)	(196)	(78)	(130)	(359)	(2,689)	(2,677)	(7,295)	(6,772)
Total security transactions	(74)	259	(143)	(4)	(100)	(336)	(2,670)	(2,532)	(1,041)	1,581
<b>Total increase (decrease) in net assets</b>	<b>(96)</b>	<b>306</b>	<b>(156)</b>	<b>36</b>	<b>(109)</b>	<b>(299)</b>	<b>(2,677)</b>	<b>(2,236)</b>	<b>(1,767)</b>	<b>3,291</b>
<b>End of period</b>	<b>851</b>	<b>947</b>	<b>513</b>	<b>669</b>	<b>306</b>	<b>415</b>	<b>427</b>	<b>3,104</b>	<b>28,251</b>	<b>30,018</b>
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	<b>92</b>	<b>67</b>	<b>76</b>	<b>77</b>	<b>95</b>	<b>174</b>	<b>279</b>	<b>511</b>	<b>3,322</b>	<b>3,149</b>
Issued	28	31	3	5	3	–	–	–	517	767
Reinvested distributions	4	3	3	3	4	5	2	13	178	171
Redeemed	(39)	(9)	(22)	(9)	(30)	(84)	(242)	(245)	(809)	(765)
<b>Securities outstanding – end of period</b>	<b>85</b>	<b>92</b>	<b>60</b>	<b>76</b>	<b>72</b>	<b>95</b>	<b>39</b>	<b>279</b>	<b>3,208</b>	<b>3,322</b>

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

# MACKENZIE CORPORATE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

FIXED INCOME FUND

## 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 PW		Series PWF		Series PWFB		Series PWT8	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	24,899	21,377	14,782	12,096	–	–	52	57
Increase (decrease) in net assets from operations	1,510	2,461	570	1,467	1	–	1	5
Distributions paid to securityholders:								
Investment income	(4,066)	(1,024)	(1,398)	(673)	(16)	–	(2)	(2)
Capital gains	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	(2)	(2)
Management fee rebates	(17)	(4)	(8)	(2)	–	–	–	–
Total distributions paid to securityholders	(4,083)	(1,028)	(1,406)	(675)	(16)	–	(4)	(4)
Security transactions:								
Proceeds from securities issued	88,940	10,529	20,553	7,405	604	–	22	2
Reinvested distributions	3,639	958	1,239	577	16	–	3	2
Value of securities redeemed	(25,508)	(9,398)	(6,124)	(6,088)	(12)	–	(20)	(10)
Total security transactions	67,071	2,089	15,668	1,894	608	–	5	(6)
<b>Total increase (decrease) in net assets</b>	<b>64,498</b>	<b>3,522</b>	<b>14,832</b>	<b>2,686</b>	<b>593</b>	<b>–</b>	<b>2</b>	<b>(5)</b>
<b>End of period</b>	<b>89,397</b>	<b>24,899</b>	<b>29,614</b>	<b>14,782</b>	<b>593</b>	<b>–</b>	<b>54</b>	<b>52</b>

	Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities: (note 7)</b>								
<b>Securities outstanding – beginning of period</b>	2,573	2,354	1,525	1,329	–	–	4	5
Issued	9,184	1,103	2,120	771	60	–	3	–
Reinvested distributions	379	101	129	60	2	–	–	–
Redeemed	(2,646)	(985)	(635)	(635)	(1)	–	(2)	(1)
<b>Securities outstanding – end of period</b>	<b>9,490</b>	<b>2,573</b>	<b>3,139</b>	<b>1,525</b>	<b>61</b>	<b>–</b>	<b>5</b>	<b>4</b>

	Series PWX		Series PWX8		Series R		Series S	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	2,540	2,236	54	53	206,493	205,705	18,487	16,502
Increase (decrease) in net assets from operations	83	294	3	5	5,799	24,162	538	2,084
Distributions paid to securityholders:								
Investment income	(146)	(147)	(3)	(3)	(10,392)	(11,700)	(1,047)	(990)
Capital gains	–	–	–	–	–	–	–	–
Return of capital	–	–	(2)	(1)	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(146)	(147)	(5)	(4)	(10,392)	(11,700)	(1,047)	(990)
Security transactions:								
Proceeds from securities issued	410	870	–	–	38,033	42,487	1,091	318
Reinvested distributions	146	147	–	–	1,082	951	1,047	990
Value of securities redeemed	(719)	(860)	(6)	–	(65,019)	(55,112)	(1,079)	(417)
Total security transactions	(163)	157	(6)	–	(25,904)	(11,674)	1,059	891
<b>Total increase (decrease) in net assets</b>	<b>(226)</b>	<b>304</b>	<b>(8)</b>	<b>1</b>	<b>(30,497)</b>	<b>788</b>	<b>550</b>	<b>1,985</b>
<b>End of period</b>	<b>2,314</b>	<b>2,540</b>	<b>46</b>	<b>54</b>	<b>175,996</b>	<b>206,493</b>	<b>19,037</b>	<b>18,487</b>

	Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities: (note 7)</b>								
<b>Securities outstanding – beginning of period</b>	266	249	4	4	22,674	24,035	2,087	1,985
Issued	44	92	–	–	4,171	4,688	123	36
Reinvested distributions	15	16	–	–	120	105	119	114
Redeemed	(76)	(91)	–	–	(7,147)	(6,154)	(122)	(48)
<b>Securities outstanding – end of period</b>	<b>249</b>	<b>266</b>	<b>4</b>	<b>4</b>	<b>19,818</b>	<b>22,674</b>	<b>2,207</b>	<b>2,087</b>

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



# MACKENZIE CORPORATE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

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

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

	2018	2017	2018	2017	2018	2017
	Series LB		Series LW		Total	
	\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>						
<b>Beginning of period</b>	23,174	27,266	–	–	979,645	1,076,391
Increase (decrease) in net assets from operations	354	2,701	(53)	–	17,826	112,848
Distributions paid to securityholders:						
Investment income	(684)	(1,021)	(108)	–	(41,075)	(46,550)
Capital gains	–	–	–	–	–	–
Return of capital	–	–	–	–	(4)	(3)
Management fee rebates	–	–	(1)	–	(26)	(6)
Total distributions paid to securityholders	(684)	(1,021)	(109)	–	(41,105)	(46,559)
Security transactions:						
Proceeds from securities issued	2,056	2,459	7,586	–	231,830	277,891
Reinvested distributions	680	1,015	109	–	28,619	31,861
Value of securities redeemed	(15,030)	(9,246)	(966)	–	(400,136)	(472,787)
Total security transactions	(12,294)	(5,772)	6,729	–	(139,687)	(163,035)
<b>Total increase (decrease) in net assets</b>	<b>(12,624)</b>	<b>(4,092)</b>	<b>6,567</b>	<b>–</b>	<b>(162,966)</b>	<b>(96,746)</b>
<b>End of period</b>	<b>10,550</b>	<b>23,174</b>	<b>6,567</b>	<b>–</b>	<b>816,679</b>	<b>979,645</b>
<b>Increase (decrease) in fund securities: (note 7)</b>	<b>Securities</b>		<b>Securities</b>			
<b>Securities outstanding – beginning of period</b>	<b>2,312</b>	<b>2,897</b>	<b>–</b>	<b>–</b>		
Issued	206	246	758	–		
Reinvested distributions	68	103	11	–		
Redeemed	(1,504)	(934)	(97)	–		
<b>Securities outstanding – end of period</b>	<b>1,082</b>	<b>2,312</b>	<b>672</b>	<b>–</b>		

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



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Investments

# MACKENZIE CORPORATE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

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## STATEMENTS OF CASH FLOWS

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

	2018	2017
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	17,826	112,848
Adjustments for:		
Net realized loss (gain) on investments	(78,544)	(43,829)
Change in net unrealized loss (gain) on investments	101,681	(23,317)
Purchase of investments	(282,461)	(317,516)
Proceeds from sale and maturity of investments	418,930	485,314
Change in accrued interest receivable	888	5,178
Change in dividends receivable	21	29
Change in due from manager	(7)	–
Change in due to manager	49	–
<b>Net cash from operating activities</b>	<b>178,383</b>	<b>218,707</b>
<b>Cash flows from financing activities</b>		
Proceeds from redeemable securities issued	98,747	136,140
Payments on redemption of redeemable securities	(265,825)	(332,013)
Distributions paid net of reinvestments	(12,486)	(14,703)
<b>Net cash from financing activities</b>	<b>(179,564)</b>	<b>(210,576)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,181)</b>	<b>8,131</b>
Cash and cash equivalents at beginning of period	48,272	40,059
Effect of exchange rate fluctuations on cash and cash equivalents	39	82
<b>Cash and cash equivalents at end of period</b>	<b>47,130</b>	<b>48,272</b>
Cash	21,998	48,272
Cash equivalents	25,132	–
<b>Cash and cash equivalents at end of period</b>	<b>47,130</b>	<b>48,272</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	456	678
Foreign taxes paid	36	212
Interest received	51,444	62,655
Interest paid	78	3

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



**MACKENZIE**  
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# MACKENZIE CORPORATE BOND FUND

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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)
<b>BONDS</b>					
1011778 B.C. Unlimited Liability Company/New Red Finance Inc. 4.63% 01-15-2022 Callable	Canada	Corporate - Non Convertible	USD 4,401,000	5,801	5,701
The AES Corp. 4.875% 05-15-2023 Callable 2018	United States	Corporate - Non Convertible	USD 1,095,000	1,118	1,437
The AES Corp. 5.50% 04-15-2025 Callable 2020	United States	Corporate - Non Convertible	USD 3,400,000	4,241	4,543
The AES Corp. 5.13% 09-01-2027 Callable 2022	United States	Corporate - Non Convertible	USD 590,000	751	776
AK Steel Corp. 6.38% 10-15-2025 Callable 2020	United States	Corporate - Non Convertible	USD 740,000	930	910
Alimentation Couche-Tard Inc. 3.899% 11-01-2022 Callable	Canada	Corporate - Non Convertible	9,500,000	9,500	9,872
Alliance Data Systems Corp. 5.375% 08-01-2022 Callable 144A	United States	Corporate - Non Convertible	USD 855,000	919	1,103
Allison Transmission Inc. 4.75% 10-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 160,000	197	195
Ally Financial Inc. 5.75% 11-20-2025 Callable 2025	United States	Corporate - Non Convertible	USD 965,000	1,273	1,284
Ally Financial Inc. 8.00% 11-01-2031	United States	Corporate - Non Convertible	USD 3,090,000	4,637	4,871
Altice SA 7.75% 05-15-2022 Callable 144A	Luxembourg	Corporate - Non Convertible	USD 2,045,000	2,289	2,454
AMC Entertainment Holdings Inc. 5.88% 02-15-2022 Callable 2018	United States	Corporate - Non Convertible	USD 1,055,000	1,168	1,377
AMC Entertainment Holdings Inc. 6.13% 05-15-2027 Callable	United States	Corporate - Non Convertible	USD 680,000	939	864
American International Group Inc. 8.175% 05-15-2058 (F/R @ 05-15-2038) Callable 2038	United States	Corporate - Non Convertible	USD 1,925,000	1,931	3,300
American Tire Distributors Inc. 10.25% 03-01-2022 Callable 2018 144A	United States	Corporate - Non Convertible	USD 415,000	524	549
Antero Resources Corp. 5.125% 12-01-2022 Callable	United States	Corporate - Non Convertible	USD 1,410,000	1,556	1,837
ArcelorMittal SA 7.00% 10-15-2039	Luxembourg	Corporate - Non Convertible	USD 285,000	285	434
ARD Securities Finance SARL 8.75% 01-31-2023 Callable 2019 144A	Luxembourg	Corporate - Non Convertible	USD 431,000	540	580
Ardagh Packaging Finance PLC 7.25% 05-15-2024 Callable 2019 144A	Ireland	Corporate - Non Convertible	USD 900,000	1,129	1,234
Arterra Wines Canada Inc. Term Loan B1 1st Lien F/R 12-15-2023	Canada	Term Loans	USD 987,500	1,322	1,278
Ashtead Capital Inc. 4.13% 08-15-2025 Callable 2020 144A	United Kingdom	Corporate - Non Convertible	USD 995,000	1,251	1,232
Ashtead Capital Inc. 4.38% 08-15-2027 Callable 2022 144A	United Kingdom	Corporate - Non Convertible	USD 1,320,000	1,660	1,622
ASP AMC Merger Sub Inc. 8.00% 05-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,505,000	1,977	1,820
ATS Automation Tooling Systems Inc. 6.50% 06-15-2023 144A Callable 2018	Canada	Corporate - Non Convertible	USD 6,223,000	8,019	8,386
Banco Bilbao Vizcaya Argentaria SA 9.00% 05-29-2049 Callable 2018	Spain	Corporate - Non Convertible	USD 1,000,000	1,292	1,296
Bank of America Corp. 6.50% 12-31-2049 Callable 2024	United States	Corporate - Non Convertible	USD 1,125,000	1,269	1,561
The Bank of Nova Scotia 4.50% 12-16-2025	Canada	Corporate - Non Convertible	USD 4,500,000	5,938	5,931
Baytex Energy Corp. 5.125% 06-01-2021 Callable 2017 144A	Canada	Corporate - Non Convertible	USD 1,260,000	1,417	1,516
Baytex Energy Corp. 6.625% 07-19-2022 Callable 2018	Canada	Corporate - Non Convertible	3,250,000	3,265	3,170
Baytex Energy Corp. 5.625% 06-01-2024 Callable 2019 144A	Canada	Corporate - Non Convertible	USD 1,402,000	1,514	1,591
Beacon Roofing Supply Inc. 6.375% 10-01-2023 Callable	United States	Corporate - Non Convertible	USD 700,000	934	951
Bell Canada 3.35% 06-18-2019	Canada	Corporate - Non Convertible	5,610,000	5,622	5,683
Bell Canada 3.35% 03-22-2023	Canada	Corporate - Non Convertible	5,000,000	4,992	5,083
Bell Canada 7.30% 02-23-2032 Callable	Canada	Corporate - Non Convertible	4,000,000	5,273	5,391
Berry Global Inc. 4.50% 02-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 480,000	600	587
Big River Steel LLC 7.25% 09-01-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,980,000	2,525	2,672
Boise Cascade Co. 5.63% 09-01-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 626,000	839	830
Bombardier Inc. 8.75% 12-01-2021 144A	Canada	Corporate - Non Convertible	USD 10,607,000	14,719	15,043
Bombardier Inc. 7.50% 12-01-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 1,165,000	1,492	1,557



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<b>BONDS (cont'd)</b>					
Boyne USA Inc. 7.25% 05-01-2025 Callable 2021 144A	United States	Corporate - Non Convertible	USD 450,000	580	594
Brand Energy & Infrastructure Services Inc. Term Loan 1st Lien F/R 06-21-2024	United States	Term Loans	USD 2,347,263	3,072	3,054
Brand Energy & Infrastructure Services Inc. 8.50% 07-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 550,000	746	741
Brookfield Asset Management Inc. 4.54% 03-31-2023	Canada	Corporate - Non Convertible	6,000,000	6,028	6,373
Builders FirstSource Inc. 5.63% 09-01-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 635,000	864	823
Building Materials Corp. of America 5.375% 11-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 1,780,000	2,000	2,327
Building Materials Corp. 6.00% 10-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 670,000	937	887
BWAY Holding Co. 7.25% 04-15-2025 144A	United States	Corporate - Non Convertible	USD 2,060,000	2,757	2,720
Caesars Entertainment Corp. 5.00% 10-01-2024 Convertible	United States	Corporate - Convertible	USD 335,330	879	738
Calfrac Well Services Ltd. 7.50% 12-01-2020 Callable 144A	Canada	Corporate - Non Convertible	USD 3,310,000	4,044	4,205
California Resources Corp. 8.00% 12-15-2022 Callable 2018 144A	United States	Corporate - Non Convertible	USD 469,000	648	476
Calpine Corp. 5.875% 01-15-2024 Callable 2018 144A	United States	Corporate - Non Convertible	USD 605,000	633	788
Calpine Corp. 5.75% 01-15-2025 Callable 2019	United States	Corporate - Non Convertible	USD 1,840,000	2,054	2,172
Calpine Corp. 5.25% 06-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 1,115,000	1,397	1,388
Canadian Natural Resources Ltd. 3.05% 06-19-2019	Canada	Corporate - Non Convertible	6,306,000	6,326	6,362
Cascades Inc. 5.50% 07-15-2021 Callable 2017 144A	Canada	Corporate - Non Convertible	2,500,000	2,500	2,570
Cascades Inc. 5.50% 07-15-2022 Callable 144A	Canada	Corporate - Non Convertible	USD 2,000,000	2,523	2,594
CBS Radio Inc. 7.25% 11-01-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 485,000	644	637
CCO Holdings LLC/CCO Holdings Capital Corp. 5.25% 09-30-2022 Callable	United States	Corporate - Non Convertible	USD 3,110,000	3,227	4,074
CCO Holdings LLC 5.13% 05-01-2023 Callable 2018 144A	United States	Corporate - Non Convertible	USD 1,060,000	1,382	1,369
CCO Holdings LLC 5.75% 02-15-2026	United States	Corporate - Non Convertible	USD 295,000	388	378
CCO Holdings LLC 5.50% 05-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 625,000	808	791
CCO Holdings LLC 5.88% 05-01-2027 Callable 2021 144A	United States	Corporate - Non Convertible	USD 705,000	959	907
CEC Entertainment 8.00% 02-15-2022 Callable	United States	Corporate - Non Convertible	USD 1,320,000	1,450	1,533
Cemex Finance LLC 6.00% 04-01-2024 Callable 2019 144A	Mexico	Corporate - Non Convertible	USD 675,000	744	902
Cenovus Energy Inc. 6.75% 11-15-2039 Callable	Canada	Corporate - Non Convertible	USD 4,136,000	5,703	6,160
Centene Corp. 4.75% 05-22-2021 Callable	United States	Corporate - Non Convertible	USD 1,595,000	1,800	2,084
Centene Escrow Corp. 6.13% 02-15-2024 Callable 2019	United States	Corporate - Non Convertible	USD 1,240,000	1,741	1,666
Cequel Communications Holdings I LLC/Cequel Capital Corp. 7.75% 07-15-2025 Callable 2020	United States	Corporate - Non Convertible	USD 235,000	330	321
Cequel Communications Holdings I LLC 5.13% 12-15-2021 Callable 2018 144A	United States	Corporate - Non Convertible	USD 75,000	92	97
Ceridian HCM Holding Inc. 11.00% 03-15-2021 Callable 2018 144A	United States	Corporate - Non Convertible	USD 1,279,000	1,499	1,705
CES Energy Solutions Corp. 6.38% 10-21-2024 Callable 2020	Canada	Corporate - Non Convertible	5,000,000	5,000	5,053
CHC Group LLC 0% 10-01-2020 Conv.	Cayman Islands	Corporate - Convertible	USD 2,911,887	2,984	4,858
The Chemours Co. 7.00% 05-15-2025 Callable 2020	United States	Corporate - Non Convertible	USD 600,000	724	837
The Chemours Co. 5.38% 05-15-2027 Callable 2027	United States	Corporate - Non Convertible	USD 440,000	598	569
Cheniere Corpus Christi Holdings LLC 5.88% 03-31-2025	United States	Corporate - Non Convertible	USD 1,325,000	1,844	1,788
Cheniere Corpus Christi Holdings LLC 5.13% 06-30-2027	United States	Corporate - Non Convertible	USD 1,140,000	1,556	1,463
Chesapeake Energy Corp. 8.00% 12-15-2022	United States	Corporate - Non Convertible	USD 1,124,000	1,829	1,537
Chesapeake Energy Corp. 8.00% 01-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,500,000	1,966	1,869



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<b>BONDS (cont'd)</b>					
Chesapeake Energy Corp. 8.00% 06-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 485,000	656	598
Choice Properties Real Estate Investment Trust 3.498% 02-08-2021	Canada	Corporate - Non Convertible	2,250,000	2,250	2,291
CHS/Community Health Systems Inc. 6.875% 02-01-2022 Callable 2018	United States	Corporate - Non Convertible	USD 935,000	1,047	699
CHS/Community Health Systems Inc. 6.25% 03-31-2023 Callable	United States	Corporate - Non Convertible	USD 1,470,000	1,997	1,746
Cinemark USA Inc. 5.125% 12-15-2022 Callable	United States	Corporate - Non Convertible	USD 820,000	814	1,077
Cinemark USA Inc. 4.875% 06-01-2023 Callable 2018	United States	Corporate - Non Convertible	USD 185,000	190	236
CIT Group Inc. 5.00% 08-01-2023	United States	Corporate - Non Convertible	USD 2,715,000	3,250	3,585
CIT Group Inc. 5.25% 03-07-2025 Callable 2024	United States	Corporate - Non Convertible	USD 115,000	148	152
Clear Channel Worldwide Holdings Inc. 7.625% 03-15-2020 Callable	United States	Corporate - Non Convertible	USD 891,000	899	1,148
Clear Channel Worldwide Holdings Inc. 6.50% 11-15-2022 Callable	United States	Corporate - Non Convertible	USD 1,057,000	1,173	1,392
Clearwater Seafoods Inc. 6.88% 05-01-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 2,775,000	3,747	3,423
Cogeco Communications Inc. 4.175% 05-26-2023 Callable	Canada	Corporate - Non Convertible	5,000,000	5,044	5,219
Community Health Systems Inc. 7.13% 07-15-2020 Callable 2018	United States	Corporate - Non Convertible	USD 545,000	684	575
Compass Minerals International Inc. 4.875% 07-15-2024 Callable 2024 144A	United States	Corporate - Non Convertible	USD 445,000	587	562
Concordia Healthcare Corp. 7.00% 04-15-2023 144A	Canada	Corporate - Non Convertible	USD 6,030,000	7,545	540
Constellation Merger Sub Inc. 8.50% 09-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 3,235,000	4,070	4,055
Continental Resources Inc. 4.50% 04-15-2023 Callable 2023	United States	Corporate - Non Convertible	USD 486,000	615	635
Continental Resources Inc. 3.80% 06-01-2024 Callable 2024	United States	Corporate - Non Convertible	USD 780,000	880	970
Continental Resources Inc. 4.90% 06-01-2044 Callable 2043	United States	Corporate - Non Convertible	USD 1,390,000	1,551	1,717
Covey Park Energy LLC 7.50% 05-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 485,000	650	622
CPG Merger Sub LLC 8.00% 10-01-2021 Callable 144A	United States	Corporate - Non Convertible	USD 215,000	221	283
CRC Escrow Issuer LLC 5.25% 10-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,930,000	2,400	2,388
Credit Acceptance Corp. 6.125% 02-15-2021 Callable	United States	Corporate - Non Convertible	USD 920,000	1,005	1,197
Credit Suisse Group AG 6.25% 12-29-2049 Callable 2024 144A	Switzerland	Corporate - Non Convertible	USD 535,000	658	709
Crew Energy Inc. 6.50% 03-14-2024 Callable	Canada	Corporate - Non Convertible	4,500,000	4,500	4,238
Crown Americas LLC 4.75% 02-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 675,000	838	841
CrownRock LP / CrownRock Finance Inc. 5.63% 10-15-2025 Callable 144A	United States	Corporate - Non Convertible	USD 1,275,000	1,595	1,635
CSC Holdings LLC 6.75% 11-15-2021 Callable	United States	Corporate - Non Convertible	USD 2,875,000	2,987	3,872
CSC Holdings LLC 10.125% 01-15-2023 Callable 2019 144A	United States	Corporate - Non Convertible	USD 735,000	980	1,052
CSC Holdings LLC 5.25% 06-01-2024	United States	Corporate - Non Convertible	USD 740,000	964	908
Dakota Merger Sub Inc. 7.75% 09-01-2023 Callable 2019 144A	United States	Corporate - Non Convertible	USD 2,475,000	3,182	3,473
Dakota Merger Sub Inc. 10.75% 09-01-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 405,000	514	569
Dean Foods Co. 6.50% 03-15-2023 Callable 2018 144A	United States	Corporate - Non Convertible	USD 1,725,000	2,163	2,115
Denbury Resources Inc. 9.00% 05-15-2021 Callable 144A	United States	Corporate - Non Convertible	USD 1,314,000	1,582	1,737
Diamond 1 Finance Corp. 5.45% 06-15-2023 Callable 2023 144A	United States	Corporate - Non Convertible	USD 1,025,000	1,325	1,401
Diamond 1 Finance Corp. 7.13% 06-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 2,880,000	4,182	3,967
Dynegy Inc. 7.625% 11-01-2024	United States	Corporate - Non Convertible	USD 430,000	515	600
Dynegy Inc. 8.13% 01-30-2026 Callable 2020 144A	United States	Corporate - Non Convertible	USD 735,000	923	1,046
Enbridge Inc. 3.19% 12-05-2022	Canada	Corporate - Non Convertible	5,000,000	4,997	5,018
Enbridge Income Fund Holdings Inc. 3.94% 01-13-2023	Canada	Corporate - Non Convertible	7,500,000	7,499	7,722



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Endo Finance LLC/Endo Finco Inc. 5.375% 01-15-2023 Callable 144A	United States	Corporate - Non Convertible	USD 1,585,000	1,707	1,549
Endo Finance LLC 6.00% 07-15-2023 Callable 2018 144A	United States	Corporate - Non Convertible	USD 265,000	285	258
Endo Finance LLC 6.00% 02-01-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,540,000	1,865	1,443
Energy Transfer Equity LP 5.875% 01-15-2024 Callable 2023	United States	Corporate - Non Convertible	USD 680,000	924	906
Energy Transfer Equity LP 5.50% 06-01-2027 Callable 2027	United States	Corporate - Non Convertible	USD 570,000	756	735
Energy Transfer Partners LP F/R 02-15-2166 Perpetual Callable 2028	United States	Corporate - Non Convertible	USD 3,010,000	3,832	3,691
Ensco PLC 7.75% 02-01-2026	United States	Corporate - Non Convertible	USD 925,000	1,166	1,094
EP Energy LLC/Everest Acquisition Finance Inc. 9.38% 05-01-2020 Callable 2018	United States	Corporate - Non Convertible	USD 348,000	450	419
ESH Hospitality Inc. 5.25% 05-01-2025 144A Callable 2020	United States	Corporate - Non Convertible	USD 970,000	1,264	1,217
Everest Acquisition Finance Inc. 9.38% 05-01-2024 Callable 2020	United States	Corporate - Non Convertible	USD 812,000	1,049	747
Extraction Oil & Gas Inc. 5.63% 02-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 965,000	1,199	1,176
Fairfax Financial Holdings Ltd. 7.38% 04-15-2018	Canada	Corporate - Non Convertible	USD 10,400,000	10,477	13,417
First Data Corp. 7.00% 12-01-2023 Callable 2018 144A	United States	Corporate - Non Convertible	USD 1,145,000	1,520	1,551
First Data Corp. 5.75% 01-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 2,430,000	3,213	3,164
First Quantum Minerals Ltd. 7.25% 04-01-2023 Callable 2019 144A	Canada	Corporate - Non Convertible	USD 350,000	467	447
First Quantum Minerals Ltd. 6.50% 03-01-2024 Callable 2020 144A	Zambia	Corporate - Non Convertible	USD 335,000	423	410
First Quantum Minerals Ltd. 7.50% 04-01-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 3,310,000	4,421	4,199
First Quantum Minerals Ltd. 6.88% 03-01-2026 Callable 2021 144A	Zambia	Corporate - Non Convertible	USD 1,130,000	1,428	1,384
Ford Credit Canada Co. 2.58% 05-10-2021	United States	Corporate - Non Convertible	2,000,000	2,000	1,973
Freeport-McMoRan Inc. 6.88% 02-15-2023	United States	Corporate - Non Convertible	USD 1,095,000	1,527	1,517
Frontier Communications Corp. 10.50% 09-15-2022 Callable 2022	United States	Corporate - Non Convertible	USD 530,000	702	573
Frontier Communications Corp. 11.00% 09-15-2025 Callable 2025	United States	Corporate - Non Convertible	USD 420,000	557	407
FTS International Inc. Term Loan 1st Lien F/R 04-16-2021	United States	Term Loans	USD 1,213,425	1,499	1,572
FXI Holdings Inc. 7.88% 11-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,150,000	1,475	1,452
Gates Global LLC 6.00% 07-15-2022 Callable 144A	United States	Corporate - Non Convertible	USD 786,000	917	1,030
Gateway Casinos & Entertainment Ltd. Term Loan B 1st Lien F/R 03-13-2025	Canada	Term Loans	USD 1,750,000	2,255	2,275
Gateway Casinos & Entertainment Ltd. 8.25% 03-01-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 4,000,000	5,230	5,479
GCP Applied Technologies Inc. 9.50% 02-01-2023 Callable 2019 144A	United States	Corporate - Non Convertible	USD 1,750,000	2,474	2,483
GFL Environmental Inc. Term Loan B 1st Lien F/R 09-29-2023	Canada	Term Loans	USD 1,314,975	1,728	1,704
GFL Environmental Inc. 9.875% 02-01-2021 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 2,500,000	3,636	3,399
GFL Environmental Inc. 5.63% 05-01-2022 Callable 2019 144A	Canada	Corporate - Non Convertible	USD 1,250,000	1,652	1,623
GFL Environmental Inc. 5.38% 03-01-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 655,000	831	830
Gibson Energy Inc. 5.375% 07-15-2022 Callable	Canada	Corporate - Non Convertible	4,130,000	4,133	4,190
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS	Canada	Corporate - Non Convertible	4,260,000	4,261	4,289
GLP Capital LP 4.875% 11-01-2020	United States	Corporate - Non Convertible	USD 1,070,000	1,111	1,404
goeasy Ltd. 7.88% 11-01-2022 Callable 2019 144A	Canada	Corporate - Non Convertible	USD 2,842,000	3,703	3,929
Great Canadian Gaming Corp. 6.625% 07-25-2022 Callable 144A	Canada	Corporate - Non Convertible	10,935,000	11,270	11,312
Great Lakes Dredge & Dock Corp. 8.00% 05-15-2022	United States	Corporate - Non Convertible	USD 1,930,000	2,604	2,549
GW Honos Security Corp. 8.75% 05-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 3,360,000	4,473	4,542
HCA Holdings Inc. 5.25% 06-15-2026 Callable 2025	United States	Corporate - Non Convertible	USD 1,535,000	2,057	2,007
HCA Inc. 6.50% 02-15-2020 Callable	United States	Corporate - Non Convertible	USD 2,500,000	2,357	3,386



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<b>BONDS (cont'd)</b>					
HCA Inc. 5.50% 06-15-2047 Callable 2046	United States	Corporate - Non Convertible	USD 3,125,000	4,200	3,892
Howard Hughes Corp. 5.38% 03-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 2,295,000	3,089	2,924
Hub Holdings LLC 8.125% 07-15-2019 Callable 144A	United States	Corporate - Non Convertible	USD 485,000	516	626
HUB International Ltd. 7.88% 10-01-2021 Callable 144A	United States	Corporate - Non Convertible	USD 795,000	818	1,062
HudBay Minerals Inc. 7.63% 01-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 730,000	973	1,002
Husky Energy Inc. 7.25% 12-15-2019	Canada	Corporate - Non Convertible	USD 1,375,000	1,737	1,893
Icahn Enterprises LP 6.00% 08-01-2020 Callable	United States	Corporate - Non Convertible	USD 541,000	607	713
iHeartCommunications Inc. 1st Lien F/R 01-30-2019	United States	Term Loans	USD 1,560,000	1,657	1,594
IHS Markit Ltd. 4.00% 03-01-2026 Callable 2025 144A	United States	Corporate - Non Convertible	USD 295,000	378	366
Indigo Natural Resources LLC 6.88% 02-15-2026 144A	United States	Corporate - Non Convertible	USD 1,155,000	1,417	1,417
Infor (US) Inc. 6.50% 05-15-2022 Callable 2018	United States	Corporate - Non Convertible	USD 1,940,000	2,440	2,545
Infor Software Parent LLC 7.13% 05-01-2021 Callable 144A	United States	Corporate - Non Convertible	USD 1,570,000	2,021	2,046
Intelsat Connect Finance SA 12.50% 04-01-2022	Luxembourg	Corporate - Non Convertible	USD 91,000	76	91
Intelsat Jackson Holdings SA 9.75% 07-15-2025 Callable 2021 144A	Luxembourg	Corporate - Non Convertible	USD 2,238,000	2,955	2,693
Inter Pipeline Ltd. 3.776% 05-30-2022	Canada	Corporate - Non Convertible	5,000,000	5,000	5,144
Iron Mountain Canada Operations ULC 5.38% 09-15-2023 Callable 2019	United States	Corporate - Non Convertible	5,000,000	5,000	5,088
Itron Inc. 5.00% 01-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 770,000	978	979
Jeld-Wen Inc. 4.63% 12-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 780,000	1,003	960
Jeld-Wen Inc. 4.88% 12-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 680,000	874	826
Jo-Ann Stores Holdings Inc. 9.75% 10-15-2019 Callable 144A	United States	Corporate - Non Convertible	USD 1,786,000	1,728	2,308
Jonah Energy LLC 7.25% 10-15-2025 Callable 2021 144A	United States	Corporate - Non Convertible	USD 935,000	1,163	1,095
KFC Holding Co. 5.00% 06-01-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 1,375,000	1,802	1,764
KFC Holding Co. 5.25% 06-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 1,375,000	1,802	1,767
KFC Holding Co. 4.75% 06-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 760,000	1,013	945
Kinetic Concepts Inc. 12.50% 11-01-2021 Callable 2019 144A	United States	Corporate - Non Convertible	USD 190,000	284	276
Lamb Weston Holdings Inc. 4.63% 11-01-2024 Callable 2021 144A	United States	Corporate - Non Convertible	USD 380,000	509	487
Lamb Weston Holdings Inc. 4.88% 11-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 1,570,000	2,095	2,011
Lennar Corp. 5.88% 11-15-2024 Callable 2024	United States	Corporate - Non Convertible	USD 1,160,000	1,318	1,551
LG FinanceCo Corp. 5.88% 11-01-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 1,155,000	1,535	1,554
Louisiana-Pacific Corp. 4.88% 09-15-2024 Callable 2019	United States	Corporate - Non Convertible	USD 750,000	974	970
LPL Holdings Inc. 5.75% 09-15-2025 Callable 2020	United States	Corporate - Non Convertible	USD 1,485,000	1,987	1,892
Lundin Mining Corp. 7.875% 11-01-2022 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 5,000,000	5,609	6,817
Mariposa Borrower Inc. 8.75% 10-15-2021 Callable 144A	United States	Corporate - Non Convertible	USD 885,137	926	726
MasTec Inc. 4.875% 03-15-2023 Callable 2018	United States	Corporate - Non Convertible	USD 250,000	258	319
Mattamy Group Corp. 6.88% 12-15-2023 Callable 2019 144A	Canada	Corporate - Non Convertible	USD 745,000	974	990
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020	Canada	Corporate - Non Convertible	3,000,000	3,000	3,062
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 955,000	1,178	1,244
MEG Energy Corp. 6.375% 01-30-2023 Callable 144A	Canada	Corporate - Non Convertible	USD 3,766,000	4,224	4,072
MEG Energy Corp. 7.00% 03-31-2024 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 1,144,000	1,185	1,224
MEG Energy Corp. 6.50% 01-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 4,248,000	5,455	5,315
Mercer International Inc. 7.75% 12-01-2022 Callable	Canada	Corporate - Non Convertible	USD 1,394,000	1,603	1,909
Mercer International Inc. 6.50% 02-01-2024 Callable 2020	Canada	Corporate - Non Convertible	USD 365,000	475	495
Mercer International Inc. 5.50% 01-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 780,000	998	999
Meredith Corp. 6.88% 02-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 1,355,000	1,705	1,793



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<b>BONDS (cont'd)</b>					
MGM Growth Properties Operating Partnership LP 4.50% 01-15-2028 Callable 2027	United States	Corporate - Non Convertible	USD 480,000	582	582
Mirant Americas Generation LLC 9.125% 05-01-2031	United States	Corporate - Non Convertible	USD 1,650,000	962	1,108
Molina Healthcare Inc. 5.38% 11-15-2022 Callable 2022	United States	Corporate - Non Convertible	USD 865,000	1,139	1,102
Molina Healthcare Inc. 4.88% 06-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 285,000	385	343
Murray Energy Corp. 11.25% 04-15-2021 Callable 2018 144A	United States	Corporate - Non Convertible	USD 1,033,000	1,074	505
Navistar Inc. Term Loan B 1st Lien F/R 11-06-2024	United States	Term Loans	USD 2,650,000	3,377	3,437
The Neiman Marcus Group Ltd. LLC 8.00% 10-15-2021 Callable 144A	United States	Corporate - Non Convertible	USD 955,000	987	781
Neptune Finco Corp. 10.875% 10-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 745,000	994	1,130
Netflix Inc. 4.88% 04-15-2028 144A	United States	Corporate - Non Convertible	USD 1,065,000	1,346	1,320
New Gold Inc. 6.25% 11-15-2022 Callable 144A	Canada	Corporate - Non Convertible	USD 2,590,000	2,881	3,423
New Gold Inc. 6.38% 05-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 1,005,000	1,396	1,325
New Red Finance Inc. 4.25% 05-15-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 2,645,000	3,469	3,260
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 3,655,000	4,581	4,497
Newfield Exploration Co. 5.75% 01-30-2022	United States	Corporate - Non Convertible	USD 1,585,000	1,681	2,145
Newfield Exploration Co. 5.625% 07-01-2024	United States	Corporate - Non Convertible	USD 1,775,000	1,887	2,414
Noble Holding International Ltd. 7.88% 02-01-2026 Callable 2021 144A	United Kingdom	Corporate - Non Convertible	USD 485,000	603	620
Norbord Inc. 6.25% 04-15-2023 144A	Canada	Corporate - Non Convertible	USD 1,635,000	2,064	2,234
Northwest Acquisitions ULC 7.13% 11-01-2022 Callable 2019 144A	United States	Corporate - Non Convertible	USD 550,000	683	724
NOVA Chemicals Corp. 5.25% 08-01-2023 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 3,040,000	3,526	3,944
NOVA Chemicals Corp. 4.88% 06-01-2024 Callable 144A	Canada	Corporate - Non Convertible	USD 863,000	1,166	1,071
NOVA Chemicals Corp. 5.25% 06-01-2027 Callable 2027 144A	Canada	Corporate - Non Convertible	USD 2,367,000	3,119	2,904
Novelis Corp. 6.25% 08-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 680,000	930	898
NRG Energy Inc. 7.25% 05-15-2026 Callable 2021	United States	Corporate - Non Convertible	USD 2,000,000	2,625	2,733
NRG Energy Inc. 5.75% 01-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 485,000	626	614
Numericable-SFR 6.00% 05-15-2022 Callable 144A	France	Corporate - Non Convertible	USD 940,000	1,058	1,186
Numericable-SFR 7.38% 05-01-2026 Callable 2021 144A	France	Corporate - Non Convertible	USD 450,000	637	553
NuVista Energy Ltd. 6.50% 03-02-2023 Callable 2020	Canada	Corporate - Non Convertible	2,000,000	2,000	2,007
Oasis Petroleum Inc. 6.875% 01-15-2023 Callable	United States	Corporate - Non Convertible	USD 1,153,000	1,182	1,509
Omega Healthcare Investors Inc. 4.95% 04-01-2024 Callable	United States	Corporate - Non Convertible	USD 1,560,000	1,689	2,056
Omega US Sub LLC 8.75% 07-15-2023 Callable 2018 144A	United Kingdom	Corporate - Non Convertible	USD 83,000	115	113
Ortho-Clinical Diagnostics Inc. 6.625% 05-15-2022 Callable 144A	United States	Corporate - Non Convertible	USD 1,885,000	2,041	2,396
Oshkosh Corp. 5.375% 03-01-2025 Callable 2020	United States	Corporate - Non Convertible	USD 1,500,000	1,882	2,001
Outdoor Americas Capital LLC/Outfront Media Capital Corp. 5.625% 02-15-2024	United States	Corporate - Non Convertible	USD 115,000	126	149
Paramount Resources Ltd. 6.875% 06-30-2023 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 5,000,000	6,077	6,685
Parkland Fuel Corp. 5.75% 09-16-2024 Callable 2019	Canada	Corporate - Non Convertible	5,500,000	5,571	5,580
Parkland Fuel Corp. 5.63% 05-09-2025 Callable 2020	Canada	Corporate - Non Convertible	2,150,000	2,150	2,168
Park-Ohio Industries Inc. 6.63% 04-15-2027 Callable 04-15-2022	United States	Corporate - Non Convertible	USD 725,000	1,013	973
Penske Automotive Group Inc. 5.75% 10-01-2022 Callable	United States	Corporate - Non Convertible	USD 420,000	417	555
Penske Automotive Group Inc. 5.375% 12-01-2024 Callable 2019	United States	Corporate - Non Convertible	USD 1,550,000	1,751	2,013
Penske Automotive Group Inc. 5.50% 05-15-2026 Callable 2021	United States	Corporate - Non Convertible	USD 595,000	765	756
Precision Drilling Corp. 6.50% 12-15-2021 Callable	Canada	Corporate - Non Convertible	USD 3,049,000	3,014	3,983
Precision Drilling Corp. 7.75% 12-15-2023 Callable 2019	Canada	Corporate - Non Convertible	USD 3,085,000	4,074	4,145



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<b>BONDS (cont'd)</b>					
PulteGroup Inc. 7.875% 06-15-2032	United States	Corporate - Non Convertible	USD 1,870,000	2,714	2,868
Quebecor Media Inc. 6.625% 01-15-2023 144A	Canada	Corporate - Non Convertible	8,765,000	8,851	9,539
Revlon Consumer Products Corp. Term Loan B 1st Lien F/R 09-07-2023	United States	Term Loans	USD 3,945,037	4,776	4,019
Revlon Consumer Products Corp. 6.25% 08-01-2024 Callable WI	United States	Corporate - Non Convertible	USD 505,000	487	402
Ritchie Bros. Auctioneers Inc. 5.38% 01-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 2,385,000	3,224	3,083
Rivers Pittsburgh Borrower LP 6.13% 08-15-2021 Callable 2018 144A	United States	Corporate - Non Convertible	USD 2,470,000	3,228	3,069
Robertshaw US Holding Corp. Term Loan 1st Lien F/R 02-15-2025	United States	Term Loans	USD 890,000	1,108	1,158
Robertshaw US Holding Corp. Term Loan 2nd Lien F/R 02-15-2026	United States	Term Loans	USD 840,000	1,038	1,085
ROC Finance LLC 6.75% 11-15-2021 Callable 2018 144A	United States	Corporate - Non Convertible	USD 1,410,000	1,888	1,888
ROC Finance LLC 10.25% 11-15-2022 Callable 2019 144A	United States	Corporate - Non Convertible	USD 2,880,000	3,856	4,067
Rogers Communications Inc. 5.34% 03-22-2021 Callable	Canada	Corporate - Non Convertible	7,400,000	8,437	7,965
Rogers Communications Inc. 4.00% 06-06-2022	Canada	Corporate - Non Convertible	8,000,000	8,180	8,386
Russel Metals Inc. 6.00% 03-16-2026 Callable 2021	Canada	Corporate - Non Convertible	2,000,000	2,000	2,013
Scientific Games International Inc. 10.00% 12-01-2022 Callable 2018	United States	Corporate - Non Convertible	USD 3,630,000	3,677	5,052
Service Corp. International 5.375% 01-15-2022 Callable	United States	Corporate - Non Convertible	USD 675,000	688	889
Service Corp. International 5.375% 05-15-2024 Callable 2019	United States	Corporate - Non Convertible	USD 2,305,000	2,541	3,090
Service Corp. International 4.63% 12-15-2027 Callable 2022	United States	Corporate - Non Convertible	USD 390,000	495	486
Seven Generations Energy Ltd. 6.75% 05-01-2023 Callable 144A	Canada	Corporate - Non Convertible	USD 4,610,000	6,009	6,130
Seven Generations Energy Ltd. 5.38% 09-30-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 955,000	1,181	1,183
Sinclair Television Group Inc. 5.625% 08-01-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 745,000	876	955
Sirius XM Radio Inc. 5.00% 08-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,380,000	1,815	1,674
Six Flags Entertainment Corp. 4.88% 07-31-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 1,605,000	2,118	2,016
Six Flags Entertainment Corp. 5.50% 04-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,825,000	2,432	2,333
SM Energy Co. 6.50% 11-15-2021 Callable	United States	Corporate - Non Convertible	USD 505,000	509	657
SM Energy Co. 6.50% 01-01-2023 Callable	United States	Corporate - Non Convertible	USD 690,000	893	887
Solera Finance Inc. 10.50% 03-01-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 705,000	1,011	1,012
Spectrum Brands Escrow Corp. 6.625% 11-15-2022 Callable	United States	Corporate - Non Convertible	USD 150,000	150	200
Spectrum Brands Inc. 6.125% 12-15-2024 Callable 2019	United States	Corporate - Non Convertible	USD 1,225,000	1,387	1,641
Springleaf Finance Corp. 6.00% 06-01-2020	United States	Corporate - Non Convertible	USD 1,420,000	1,427	1,893
Sprint Capital Corp. 6.875% 11-15-2028	United States	Corporate - Non Convertible	USD 2,680,000	3,038	3,229
Sprint Corp. 7.25% 09-15-2021	United States	Corporate - Non Convertible	USD 1,955,000	2,068	2,607
Sprint Corp. 7.875% 09-15-2023	United States	Corporate - Non Convertible	USD 4,011,000	4,706	5,280
Sprint Spectrum Co. LLC 3.36% 09-20-2021	United States	Corporate - Non Convertible	USD 835,625	1,105	1,070
Standard Industries Inc. 4.75% 01-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 95,000	119	115
Steel Dynamics Inc. 5.25% 04-15-2023 Callable 2018	United States	Corporate - Non Convertible	USD 165,000	228	216
Steel Dynamics Inc. 4.13% 09-15-2025 Callable 2020	United States	Corporate - Non Convertible	USD 400,000	489	494
Steel Dynamics Inc. 5.00% 12-15-2026 Callable 2021	United States	Corporate - Non Convertible	USD 2,085,000	2,790	2,694
Sugarhouse HSP Gaming Prop Mezz LP 5.88% 05-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,150,000	1,565	1,417
Tallgrass Energy Partners LP 5.50% 01-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 970,000	1,265	1,257



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<b>BONDS (cont'd)</b>					
Targa Resources Partners LP 5.13% 02-01-2025 Callable 2020	United States	Corporate - Non Convertible	USD 485,000	633	622
Targa Resources Partners LP 5.38% 02-01-2027 Callable 2022	United States	Corporate - Non Convertible	USD 970,000	1,266	1,247
Targa Resources Partners LP 5.00% 01-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 2,550,000	3,190	3,137
Teck Resources Ltd. 4.75% 01-15-2022 Callable 2021	Canada	Corporate - Non Convertible	USD 3,211,000	4,349	4,198
Teck Resources Ltd. 3.75% 02-01-2023 Callable 2022	Canada	Corporate - Non Convertible	USD 6,614,000	8,419	8,207
Teck Resources Ltd. 8.50% 06-01-2024 Callable 144A	Canada	Corporate - Non Convertible	USD 240,000	311	344
Teine Energy Ltd. 6.875% 09-30-2022 Callable 2017 144A	Canada	Corporate - Non Convertible	USD 3,000,000	4,115	3,955
TELUS Corp. 5.05% 07-23-2020	Canada	Corporate - Non Convertible	2,000,000	2,188	2,113
TELUS Corp. 3.35% 03-15-2023 Callable 2022	Canada	Corporate - Non Convertible	5,000,000	5,026	5,090
Tenet Healthcare Corp. 6.00% 10-01-2020	United States	Corporate - Non Convertible	USD 1,405,000	1,454	1,876
Tervita Escrow Corp. 7.63% 12-01-2021 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 5,000,000	6,620	6,536
Teva Pharmaceutical Finance Netherlands III BV 6.00% 04-15-2024 144A	Israel	Corporate - Non Convertible	USD 920,000	1,187	1,153
Teva Pharmaceutical Finance Netherlands III BV 6.75% 03-01-2028 144A	Israel	Corporate - Non Convertible	USD 1,390,000	1,793	1,772
T-Mobile USA Inc. 4.50% 02-01-2026 Callable 2021	United States	Corporate - Non Convertible	USD 490,000	610	606
T-Mobile USA Inc. 5.38% 04-15-2027 Callable 2022	United States	Corporate - Non Convertible	USD 700,000	952	913
T-Mobile USA Inc. 4.75% 02-01-2028 Callable 2023	United States	Corporate - Non Convertible	USD 1,170,000	1,457	1,451
TMX Finance LLC 8.50% 09-15-2018 Callable 144A	United States	Corporate - Non Convertible	USD 365,000	422	450
TransDigm Inc. 6.50% 05-15-2025 Callable 2020	United States	Corporate - Non Convertible	USD 1,450,000	1,984	1,897
TRI Pointe Holdings Inc. 5.875% 06-15-2024	United States	Corporate - Non Convertible	USD 645,000	692	845
Trinidad Drilling Ltd. 6.63% 02-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 4,065,000	5,377	4,911
Trinseo Materials Operating SCA 5.38% 09-01-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 985,000	1,256	1,253
USG Corp. 5.50% 03-01-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 340,000	421	458
USG Corp. 4.88% 06-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 45,000	61	59
Valeant Pharmaceuticals International In. 9.25% 04-01-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,135,000	1,457	1,458
Valeant Pharmaceuticals International Inc. 7.00% 03-15-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 375,000	504	504
Valeant Pharmaceuticals International Inc. 5.50% 11-01-2025 Callable 144A	United States	Corporate - Non Convertible	USD 375,000	474	471
Valeant Pharmaceuticals International Inc. 9.00% 12-15-2025 Callable 2021	United States	Corporate - Non Convertible	USD 1,000,000	1,253	1,283
Ventas Canada Finance Ltd. 3.00% 09-30-2019	United States	Corporate - Non Convertible	8,000,000	7,977	8,078
Vermilion Energy Inc. 5.63% 03-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 7,500,000	10,059	9,495
Videotron Ltd./Videotron Ltee. 5.13% 04-15-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 1,525,000	2,072	1,928
Videotron Ltee 5.00% 07-15-2022	Canada	Corporate - Non Convertible	USD 3,130,000	3,171	4,110
Videotron Ltee 5.625% 06-15-2025 Callable 2025	Canada	Corporate - Non Convertible	9,510,000	9,573	10,051
Viterra Inc. 5.95% 08-01-2020 144A	Canada	Corporate - Non Convertible	USD 8,000,000	8,144	10,884
VRX Escrow Corp. 5.875% 05-15-2023 Callable 2018 144A	United States	Corporate - Non Convertible	USD 2,060,000	2,622	2,349
VRX Escrow Corp. 6.125% 04-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 3,670,000	4,283	4,081
W.R. Grace & Co.-Conn. 5.125% 10-01-2021 144A	United States	Corporate - Non Convertible	USD 240,000	319	317
W.R. Grace & Co.-Conn. 5.625% 10-01-2024 144A	United States	Corporate - Non Convertible	USD 420,000	519	558
Waste Pro USA Inc. 5.50% 02-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 875,000	1,087	1,115
Watco Companies LLC 6.375% 04-01-2023 Callable 2018 144A	United States	Corporate - Non Convertible	USD 1,446,000	1,916	1,912
Weatherford International Ltd. 9.88% 02-15-2024 Callable 2023	United States	Corporate - Non Convertible	USD 700,000	1,087	824
Werner FinCo LP 8.75% 07-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,960,000	2,579	2,601



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<b>BONDS (cont'd)</b>					
Western Digital Corp. 4.75% 02-15-2026 Callable 2025	United States	Corporate - Non Convertible	USD 1,575,000	1,941	2,030
The Williams Companies Inc. 8.75% 03-15-2032	United States	Corporate - Non Convertible	USD 390,000	633	671
Windstream Holdings Inc. 6.375% 08-01-2023 Callable 2018	United States	Corporate - Non Convertible	USD 890,000	878	661
WMG Acquisition Corp. 5.50% 04-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 335,000	430	434
Wolverine World Wide Inc. 5.00% 09-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 940,000	1,209	1,190
Wrangler Buyer Corp. 6.00% 10-01-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,770,000	2,215	2,254
Wyndham Hotels and Resorts Inc. 5.38% 04-15-2021 Callable 2021 144A	United States	Corporate - Non Convertible	USD 905,000	1,166	1,179
Wyndham Worldwide Corp. 4.50% 04-01-2027 Callable	United States	Corporate - Non Convertible	USD 1,870,000	2,355	2,395
Wynn Las Vegas LLC 5.25% 05-15-2027 Callable 2027 144A	United States	Corporate - Non Convertible	USD 2,320,000	3,011	2,938
ZF North America Capital Inc. 4.75% 04-29-2025 144A	Germany	Corporate - Non Convertible	USD 1,100,000	1,325	1,438
<b>Total bonds</b>				<b>740,224</b>	<b>759,385</b>
<b>EQUITIES</b>					
Ally Financial Inc.	United States	Financials	57,065	1,471	1,996
Avaya Holdings Corp.	United States	Information Technology	44,010	899	1,270
BCE Inc.	Canada	Telecommunication Services	37,150	857	2,060
Berry Global Group Inc.	United States	Materials	22,790	1,152	1,609
Caesars Entertainment Corp.	United States	Consumer Discretionary	8,693	134	126
Charter Communications Inc. Class A	United States	Consumer Discretionary	3,295	1,440	1,321
CHC Group LLC	Cayman Islands	Energy	56,625	1,079	584
CIT Group Inc.	United States	Financials	23,350	1,033	1,549
Crown Castle International Corp. Conv. Pfd. Series A	United States	Real Estate	1,267	1,677	1,825
Crown Holdings Inc.	United States	Materials	12,745	868	833
Gaming and Leisure Properties Inc.	United States	Real Estate	40,787	1,643	1,759
Halcon Resources Corp. Purchase Warrants Exp. 09-09-2020	United States	Energy	16,660	-	12
Halcon Resources Corp.	United States	Energy	61,330	791	385
Nine Point Energy Holdings Inc. Pfd.	United States	Energy	538	735	765
Nine Point Energy Holdings Inc.	United States	Energy	20,794	454	369
Quad Graphics Inc.	United States	Industrials	999	-	33
Seven Generations Energy Ltd.	Canada	Energy	78,415	2,039	1,255
Tervita Corp. Class A Voting	Canada	Health Care	11,982	111	117
<b>Total equities</b>				<b>16,383</b>	<b>17,868</b>
Transaction costs				(22)	-
<b>Total investments</b>				<b>756,585</b>	<b>777,253</b>
Derivative instruments (see schedule of derivative instruments)					(20,923)
Cash and cash equivalents					47,130
Other assets less liabilities					13,219
<b>Total net assets</b>					<b>816,679</b>



**MACKENZIE**  
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# MACKENZIE CORPORATE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

FIXED INCOME FUND

## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2018	
Portfolio Allocation	% of NAV
Bonds	93.0
Cash and short-term investments	5.8
Equities	2.1
Other assets (liabilities)	(0.9)

Regional Allocation	
Regional Allocation	% of NAV
Canada	47.5
United States	44.2
Cash and short-term investments	5.8
Luxembourg	0.7
Cayman Islands	0.7
United Kingdom	0.4
Israel	0.4
Zambia	0.2
France	0.2
Germany	0.2
Spain	0.2
Ireland	0.2
Mexico	0.1
Switzerland	0.1
Other assets (liabilities)	(0.9)

Sector Allocation	
Sector Allocation	% of NAV
Corporate bonds	90.4
Cash and short-term investments	5.8
Term loans	2.6
Real estate	0.4
Financials	0.4
Energy	0.3
Materials	0.3
Telecommunication services	0.3
Consumer discretionary	0.2
Information technology	0.2
Other assets (liabilities)	(0.9)

March 31, 2017	
Portfolio Allocation	% of NAV
Bonds	91.7
Cash and short-term investments	4.9
Equities	1.7
Other assets (liabilities)	1.7

Regional Allocation	
Regional Allocation	% of NAV
Canada	51.7
United States	39.0
Cash and short-term investments	4.9
Other assets (liabilities)	1.7
Luxembourg	0.9
Germany	0.4
Ireland	0.3
France	0.3
United Kingdom	0.2
Bermuda	0.2
Spain	0.1
Brazil	0.1
Mexico	0.1
Switzerland	0.1

Sector Allocation	
Sector Allocation	% of NAV
Corporate bonds	89.0
Cash and short-term investments	4.9
Term loans	2.7
Other assets (liabilities)	1.7
Energy	0.4
Financials	0.4
Consumer discretionary	0.3
Telecommunication services	0.2
Real estate	0.2
Consumer staples	0.1
Materials	0.1



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# MACKENZIE CORPORATE BOND FUND

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## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2018

### Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
A	912	U.S. dollar	(1,174)	Canadian dollar	Apr. 18, 2018	1,174	1,174	–
A	5,634	U.S. dollar	(7,138)	Canadian dollar	Apr. 18, 2018	7,138	7,256	118
A	2,061	Canadian dollar	(1,590)	U.S. dollar	Apr. 18, 2018	(2,061)	(2,048)	13
A	2,224	Canadian dollar	(1,714)	U.S. dollar	Apr. 18, 2018	(2,224)	(2,207)	17
A	94	U.S. dollar	(117)	Canadian dollar	Apr. 18, 2018	117	120	3
A	867	U.S. dollar	(1,098)	Canadian dollar	Apr. 18, 2018	1,098	1,117	19
A	1,101	U.S. dollar	(1,386)	Canadian dollar	Apr. 18, 2018	1,386	1,418	32
A	821	U.S. dollar	(1,037)	Canadian dollar	Apr. 18, 2018	1,037	1,057	20
A	348	Canadian dollar	(270)	U.S. dollar	Apr. 18, 2018	(348)	(348)	–
AA	7,743	U.S. dollar	(9,921)	Canadian dollar	Apr. 18, 2018	9,921	9,972	51
AA	1,533	U.S. dollar	(1,968)	Canadian dollar	Apr. 18, 2018	1,968	1,975	7
AA	572	U.S. dollar	(736)	Canadian dollar	Apr. 18, 2018	736	737	1
AA	421	U.S. dollar	(526)	Canadian dollar	Apr. 18, 2018	526	543	17
AA	31	U.S. dollar	(38)	Canadian dollar	Apr. 18, 2018	38	39	1
AA	846	U.S. dollar	(1,054)	Canadian dollar	Apr. 18, 2018	1,054	1,089	35
AA	1,034	U.S. dollar	(1,285)	Canadian dollar	Apr. 18, 2018	1,285	1,333	48
AA	1,313	U.S. dollar	(1,643)	Canadian dollar	Apr. 18, 2018	1,643	1,691	48
AA	290	U.S. dollar	(360)	Canadian dollar	Apr. 18, 2018	360	373	13
AA	427	U.S. dollar	(535)	Canadian dollar	Apr. 18, 2018	535	550	15
AA	588	U.S. dollar	(725)	Canadian dollar	Apr. 18, 2018	725	758	33
AA	13,287	U.S. dollar	(16,378)	Canadian dollar	Apr. 18, 2018	16,378	17,111	733
AA	2,147	Canadian dollar	(1,641)	U.S. dollar	Apr. 18, 2018	(2,147)	(2,113)	34
AA	246	Canadian dollar	(190)	U.S. dollar	Apr. 18, 2018	(246)	(245)	1
<b>Unrealized Gains</b>								<b>1,259</b>
A	1,293	U.S. dollar	(1,687)	Canadian dollar	Apr. 18, 2018	1,687	1,665	(22)
A	1,088	U.S. dollar	(1,406)	Canadian dollar	Apr. 18, 2018	1,406	1,401	(5)
A	926	U.S. dollar	(1,196)	Canadian dollar	Apr. 18, 2018	1,196	1,192	(4)
A	5,389	U.S. dollar	(6,947)	Canadian dollar	Apr. 18, 2018	6,947	6,941	(6)
A	1,331	Canadian dollar	(1,072)	U.S. dollar	Apr. 18, 2018	(1,331)	(1,381)	(50)
A	1,440	Canadian dollar	(1,160)	U.S. dollar	Apr. 18, 2018	(1,440)	(1,494)	(54)
A	126,319	Canadian dollar	(101,150)	U.S. dollar	Apr. 18, 2018	(126,319)	(130,269)	(3,950)
A	1,704	Canadian dollar	(1,384)	U.S. dollar	Apr. 18, 2018	(1,704)	(1,783)	(79)
A	869	Canadian dollar	(705)	U.S. dollar	Apr. 18, 2018	(869)	(908)	(39)
A	2,408	Canadian dollar	(1,959)	U.S. dollar	Apr. 18, 2018	(2,408)	(2,523)	(115)
A	1,890	Canadian dollar	(1,497)	U.S. dollar	Apr. 18, 2018	(1,890)	(1,927)	(37)
A	6,660	U.S. dollar	(8,579)	Canadian dollar	Apr. 18, 2018	8,579	8,577	(2)
A	456	U.S. dollar	(591)	Canadian dollar	Apr. 18, 2018	591	587	(4)
A	1,788	U.S. dollar	(2,305)	Canadian dollar	Apr. 18, 2018	2,305	2,303	(2)
A	840	U.S. dollar	(1,082)	Canadian dollar	Apr. 18, 2018	1,082	1,082	–
A	133,174	Canadian dollar	(106,650)	U.S. dollar	Apr. 18, 2018	(133,174)	(137,352)	(4,178)
A	532	Canadian dollar	(423)	U.S. dollar	Apr. 18, 2018	(532)	(545)	(13)
A	2,894	Canadian dollar	(2,278)	U.S. dollar	Apr. 18, 2018	(2,894)	(2,934)	(40)
A	346	Canadian dollar	(282)	U.S. dollar	Apr. 18, 2018	(346)	(363)	(17)
A	8,775	U.S. dollar	(11,450)	Canadian dollar	Apr. 18, 2018	11,450	11,301	(149)
A	5,174	U.S. dollar	(6,712)	Canadian dollar	Apr. 18, 2018	6,712	6,663	(49)



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# MACKENZIE CORPORATE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

FIXED INCOME FUND

## SCHEDULE OF DERIVATIVE INSTRUMENTS (cont'd)

As at March 31, 2018

### Schedule of Forward Currency Contracts (cont'd)

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized (Losses) (\$ 000s)
A	133,587	Canadian dollar	(106,965)	U.S. dollar	Apr. 18, 2018	(133,587)	(137,758)	(4,171)
A	2,049	Canadian dollar	(1,651)	U.S. dollar	Apr. 18, 2018	(2,049)	(2,126)	(77)
A	1,179	Canadian dollar	(950)	U.S. dollar	Apr. 18, 2018	(1,179)	(1,223)	(44)
A	2,145	Canadian dollar	(1,719)	U.S. dollar	Apr. 18, 2018	(2,145)	(2,215)	(70)
AA	2,629	U.S. dollar	(3,433)	Canadian dollar	Apr. 18, 2018	3,433	3,386	(47)
AA	1,745	U.S. dollar	(2,280)	Canadian dollar	Apr. 18, 2018	2,280	2,247	(33)
AA	133,733	Canadian dollar	(107,080)	U.S. dollar	Apr. 18, 2018	(133,733)	(137,907)	(4,174)
AA	3,418	Canadian dollar	(2,657)	U.S. dollar	Apr. 18, 2018	(3,418)	(3,421)	(3)
AA	925	Canadian dollar	(722)	U.S. dollar	Apr. 18, 2018	(925)	(930)	(5)
AA	1,307	Canadian dollar	(1,058)	U.S. dollar	Apr. 18, 2018	(1,307)	(1,362)	(55)
AA	1	Canadian dollar	(1)	U.S. dollar	Apr. 18, 2018	(1)	(1)	–
AA	2,524	Canadian dollar	(1,992)	U.S. dollar	Apr. 18, 2018	(2,524)	(2,565)	(41)
AA	10,677	U.S. dollar	(13,770)	Canadian dollar	Apr. 18, 2018	13,770	13,750	(20)
AA	1,579	Canadian dollar	(1,265)	U.S. dollar	Apr. 18, 2018	(1,579)	(1,629)	(50)
AA	9,932	Canadian dollar	(7,932)	U.S. dollar	Apr. 18, 2018	(9,932)	(10,215)	(283)
AA	9,251	Canadian dollar	(7,409)	U.S. dollar	Apr. 18, 2018	(9,251)	(9,542)	(291)
AA	125,428	Canadian dollar	(100,426)	U.S. dollar	Apr. 18, 2018	(125,428)	(129,337)	(3,909)
AA	2,705	Canadian dollar	(2,110)	U.S. dollar	Apr. 18, 2018	(2,705)	(2,717)	(12)
AA	366	Canadian dollar	(293)	U.S. dollar	Apr. 18, 2018	(366)	(377)	(11)
AA	1,347	Canadian dollar	(1,073)	U.S. dollar	Apr. 18, 2018	(1,347)	(1,382)	(35)
AA	348	Canadian dollar	(277)	U.S. dollar	Apr. 18, 2018	(348)	(356)	(8)
AA	373	Canadian dollar	(297)	U.S. dollar	Apr. 18, 2018	(373)	(383)	(10)
AA	763	Canadian dollar	(607)	U.S. dollar	Apr. 18, 2018	(763)	(781)	(18)
Unrealized (Losses)								(22,182)
<b>Total forward currency contracts</b>								<b>(20,923)</b>
<b>Total derivative instruments at fair value</b>								<b>(20,923)</b>



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## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

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

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

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

### 2. Basis of Preparation and Presentation

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

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

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

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

### 3. Significant Accounting Policies

#### (a) Financial instruments

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

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

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

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

#### (b) Fair value measurement

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

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

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

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

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

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

(c) Income recognition

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

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

(d) Commissions and other portfolio transaction costs

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

(e) Securities lending, repurchase and reverse repurchase transactions

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

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

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

(f) Offsetting

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

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

(g) Foreign currency

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

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

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

(h) Net assets attributable to securityholders per security

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

(i) Net asset value per security

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

## NOTES TO FINANCIAL STATEMENTS

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

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

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

(k) Mergers

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

### 4. Critical Accounting Estimates and Judgments

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

#### Use of Estimates

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

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

#### Use of Judgments

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

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

##### *Functional currency*

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

##### *Structured entities and associates*

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

### 5. Income Taxes

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

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

## NOTES TO FINANCIAL STATEMENTS

### 6. Management Fees and Operating Expenses

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

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

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

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

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

### 7. Fund's Capital

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

### 8. Financial Instruments Risk

#### i. Risk exposure and management

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

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

#### ii. Liquidity risk

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

#### iii. Currency risk

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



## NOTES TO FINANCIAL STATEMENTS

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

#### iv. Interest rate risk

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

#### v. Other price risk

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

#### vi. Credit risk

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

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

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

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

#### vii. Underlying funds

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

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## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation      October 19, 1999

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](http://www.mackenzieinvestments.com))

Series A securities are offered to retail investors investing a minimum of \$500.

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

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

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

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

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

Series O securities are offered only to investors investing a minimum of \$500,000 who have an account with Mackenzie Private Wealth Counsel; certain institutional investors; and certain qualifying employees of Mackenzie and its subsidiaries.

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

Series PWF securities are offered through our Private Wealth Solutions to certain high net worth investors who 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. Effective June 1, 2018, Series PWF securities were consolidated into Series F securities.

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

Series PWX and Series PWX8 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor. Investors in Series PWX8 securities also want to receive a monthly cash flow of 8% per year.

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

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

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

Series J securities are no longer available for sale.

**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](http://www.laurentianbank.ca/mackenzie))

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

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

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Mar. 31, 2018	Mar. 31, 2017
Series A	November 3, 2000	1.35%	0.18%	4.35	4.47
Series AR	November 20, 2013	1.35%	0.23%	9.31	9.56
Series D	December 17, 2013	1.00%	0.15%	9.21	9.47
Series E	December 2, 2008	0.75%	0.15%	11.67	12.03
Series F	November 3, 2000	0.55% <sup>(3)</sup>	0.15%	4.57	4.70
Series FB	October 26, 2015	0.75%	0.20%	10.01	10.29
Series G	April 1, 2005	1.10%	0.18%	8.56	8.79
Series I	November 3, 2000	0.80%	0.20%	4.24	4.35
Series J	October 10, 2008	1.35%	0.15%	10.83	11.13
Series O	July 13, 2004	— <sup>(1)</sup>	— *	8.80	9.04
Series PW	October 10, 2013	1.05%	0.15%	9.42	9.68
Series PWF	October 9, 2013	0.55%	0.15%	9.43	9.69
Series PWFB	April 3, 2017	0.55%	0.15%	9.73	—
Series PWT8	August 27, 2014	1.05%	0.15%	11.71	12.56
Series PWX	November 19, 2013	— <sup>(2)</sup>	— <sup>(2)</sup>	9.30	9.54
Series PWX8	December 20, 2013	— <sup>(2)</sup>	— <sup>(2)</sup>	12.37	13.11
Series R	July 3, 2007	— *	— *	8.88	9.11
Series S	February 28, 2005	— <sup>(1)</sup>	0.02%	8.62	8.86
Series LB	January 19, 2012	1.35%	0.18%	9.75	10.02
Series LW	December 1, 2017	1.05%	0.15%	9.77	—

\* 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 Series F was charged to the Fund at a rate of 0.75%.

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

As at March 31, 2018, Mackenzie, other funds managed by Mackenzie and Related Insurance Companies had an investment of \$6, \$175,996 and \$19,037 (2017 – \$Nil, \$206,493 and \$18,487), respectively, in the Fund.

#### (c) Loss Carryforwards

As at the last taxation year-end, the Fund has capital losses of \$44,310 which may be carried forward indefinitely to reduce future realized capital gains. There were no non-capital losses available to carry forward for tax purposes.

#### (d) Securities Lending

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

	March 31, 2018	March 31, 2017
	(\$)	(\$)
Value of securities loaned	49,519	104,251
Value of collateral received	52,496	109,710



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

#### (d) Securities Lending (cont'd)

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	623	100.0	565	100.0
Tax withheld	(162)	(26.0)	(152)	(26.9)
	461	74.0	413	73.1
Payments to Securities Lending Agent	(116)	(18.6)	(103)	(18.2)
Securities lending income	345	55.4	310	54.9

#### (e) Commissions

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

	(\$)
March 31, 2018	6
March 31, 2017	10

#### (f) Investments Pledged and Received as Collateral

Investments in United States Treasury Bills with a fair value of \$16,739 have been pledged as collateral against forward currency contracts.

As at March 31, 2017, \$479 of cash and United States Treasury Notes with fair values of \$876 have been received from J.P. Morgan as collateral against forward currency contracts.

#### (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	150	(150)	–	–
Unrealized losses on derivative contracts	(8,916)	150	–	(8,766)
Liability for options written	–	–	–	–
Total	(8,766)	–	–	(8,766)

	March 31, 2017			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	3,009	(479)	–	2,530
Unrealized losses on derivative contracts	(479)	479	–	–
Liability for options written	–	–	–	–
Total	2,530	–	–	2,530



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# MACKENZIE CORPORATE BOND FUND

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## NOTES TO FINANCIAL STATEMENTS

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

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

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

The Fund seeks above-average income with potential for long-term capital growth by investing primarily in higher-yielding Canadian fixed income securities and equities. It may hold up to 49% of its assets in foreign investments.

##### *ii. Currency risk*

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

Currency	March 31, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure*
U.S. dollar	601,845	30,317	(625,259)	6,903
Total	601,845	30,317	(625,259)	6,903
% of Net Assets	73.7	3.7	(76.6)	0.8

Currency	March 31, 2017			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure*
U.S. dollar	685,179	37,642	(727,784)	(4,963)
Total	685,179	37,642	(727,784)	(4,963)
% of Net Assets	69.9	3.8	(74.3)	(0.6)

\* Includes both monetary and non-monetary financial instruments

As at March 31, 2018, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have increased or decreased by approximately \$345 or 0.0% of total net assets (2017 – \$248 or 0.0%). In practice, the actual trading results may differ and the difference could be material.

##### *iii. Interest rate risk*

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

Bonds	March 31, 2018	March 31, 2017
	(\$)	(\$)
Less than 1 year	15,461	16,598
1-5 years	314,375	317,270
5-10 years	387,331	496,270
Greater than 10 years	42,218	68,635
Total	759,385	898,773

As at March 31, 2018, had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased by approximately \$30,955 or 3.8% of total net assets (2017 – \$35,080 or 3.6%). In practice, the actual trading results may differ and the difference could be material.

##### *iv. Other price risk*

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

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## NOTES TO FINANCIAL STATEMENTS

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

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

##### v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2018, was 2.0% of the net assets of the Fund (2017 – 4.3%).

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

Bond Rating*	March 31, 2018	March 31, 2017
	% of Net Assets	% of Net Assets
AAA	–	–
AA	–	–
A	1.7	1.5
BBB	20.4	24.2
BB	33.4	31.3
B	27.9	27.7
Less than B	8.6	5.9
Unrated	1.0	1.1
Total	93.0	91.7

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

#### (i) Fair Value Classification

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

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

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

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

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

	March 31, 2018				March 31, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	759,385	–	759,385	–	891,799	6,974	898,773
Equities	16,033	701	1,134	17,868	15,554	479	904	16,937
Derivative assets	–	1,259	–	1,259	–	7,630	–	7,630
Derivative liabilities	–	(22,182)	–	(22,182)	–	(870)	–	(870)
Short-term investments	–	25,132	–	25,132	–	–	–	–
Total	16,033	764,295	1,134	781,462	15,554	899,038	7,878	922,470

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.

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.

For the period ended March 31, 2018, equity positions with a fair value of \$912 (2017 – \$178) and bond positions with a fair value of \$6,058 (2017 – \$Nil) were transferred from Level 3 to Level 2 as a result of changes in the inputs used for valuation.



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

#### (i) Fair Value Classification (cont'd)

For the period ended March 31, 2018, equity positions with a fair value of \$Nil (2017 – \$9) were transferred from Level 3 to Level 1 and were primarily due to the conversion of holdings into actively-traded securities (Level 1).

The table below presents a reconciliation of financial instruments measured at fair value using unobservable inputs (Level 3) for the periods ended March 31, 2018 and 2017:

	March 31, 2018			March 31, 2017		
	Equities (\$)	Bonds (\$)	Total (\$)	Equities (\$)	Bonds (\$)	Total (\$)
Balance – beginning of period	904	6,974	7,878	239	–	239
Purchases	1,189	–	1,189	1,079	2,697	3,776
Sales	–	–	–	–	–	–
Transfers in	–	–	–	–	–	–
Transfers out	(912)	(6,058)	(6,970)	(187)	–	(187)
Gains (losses) during the period:						
Realized	–	–	–	(2,863)	–	(2,863)
Unrealized	(47)	(916)	(963)	2,636	4,277	6,913
Balance – end of period	1,134	–	1,134	904	6,974	7,878
Change in unrealized gains (losses) during the period attributable to securities held at end of period	(55)	–	(55)	(175)	4,277	4,102

Changing one or more of the inputs to reasonably possible alternative assumptions for valuing Level 3 financial instruments would not significantly affect the fair value of those instruments.

#### (j) Comparative Amounts

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



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