

Interim Unaudited Financial Statements

For the Six-Month Period Ended September 30, 2018

These Interim Unaudited Financial Statements do not contain the Interim Management Report of Fund Performance (“MRFP”) of the investment fund. You may obtain a copy of the Interim MRFP, at no cost, by contacting us using one of the methods noted under Fund Formation and Series Information or by visiting the SEDAR website at www.sedar.com. Copies of the Annual Financial Statements or Annual MRFP may also be obtained, at no cost, using any of the methods outlined above.

Securityholders may also contact us using one of these methods to request a copy of the investment fund’s proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS

Mackenzie Financial Corporation, the Manager of the Fund, appoints independent auditors to audit the Fund’s Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Interim Financial Statements, this must be disclosed in an accompanying notice.

The Fund’s independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.



MACKENZIE STRATEGIC BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

FIXED INCOME FUND

STATEMENTS OF FINANCIAL POSITION

In thousands (except per security figures)
As at

	Sep. 30 2018	Mar. 31 2018 (Audited)		Sep. 30 2018	Mar. 31 2018 (Audited)
	\$	\$		\$	\$
ASSETS					
Current assets					
Investments at fair value	215,174	248,564	Series S6	1,413	1,990
Cash and cash equivalents	13,468	7,468	Series T6	994	1,089
Accrued interest receivable	1,370	1,453	Series LB	4,597	5,987
Dividends receivable	8	4	Series LW	4,202	5,090
Accounts receivable for investments sold	2,354	658	Net assets attributable to securityholders		
Accounts receivable for securities issued	309	157	per security (note 3)		
Due from manager	–	2	Series A	9.95	10.11
Margin on futures contracts	238	85	Series AR	10.28	10.45
Unrealized gains on derivative contracts	1,145	203	Series D	10.06	10.22
Total assets	234,066	258,594	Series F	9.99	10.14
			Series F6	12.33	12.74
			Series F8	14.60	–
			Series FB	9.79	9.95
			Series FB5	13.54	13.92
			Series O	10.05	10.21
			Series O6	13.49	13.89
			Series PW	10.21	10.38
			Series PWF	–	10.29
			Series PWF6	–	14.28
			Series PWF8	–	12.51
			Series PWF6	9.74	9.89
			Series PWF5	14.06	14.43
			Series PWT6	13.73	14.23
			Series PWX	10.05	10.21
			Series R	9.95	10.11
			Series S	9.96	10.12
			Series SC	9.94	10.10
			Series S6	12.36	12.81
			Series T6	12.15	12.62
			Series LB	9.86	10.01
			Series LW	9.76	9.92
LIABILITIES					
Current liabilities					
Accounts payable for investments purchased	9,919	4,091			
Accounts payable for securities redeemed	431	237			
Due to manager	–	12			
Liability for options written	1	–			
Unrealized losses on derivative contracts	20	643			
Total liabilities	10,371	4,983			
Net assets attributable to securityholders	223,695	253,611			
Net assets attributable to securityholders					
per series (note 3)					
Series A	24,889	29,279			
Series AR	2,607	2,392			
Series D	233	188			
Series F	40,698	22,631			
Series F6	207	197			
Series F8	46	–			
Series FB	20	27			
Series FB5	1	1			
Series O	12,476	12,715			
Series O6	184	188			
Series PW	48,311	28,267			
Series PWF	–	15,574			
Series PWF6	–	1			
Series PWF8	–	73			
Series PWF6	298	159			
Series PWF5	1	1			
Series PWT6	630	25			
Series PWX	377	339			
Series R	46,313	75,523			
Series S	49	38			
Series SC	35,149	51,837			

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



MACKENZIE
Investments

MACKENZIE STRATEGIC BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

FIXED INCOME FUND

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended September 30 (note 1)
In thousands (except per security figures)

	2018	2017
	\$	\$
Income		
Dividends	105	95
Interest income	3,837	3,256
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(1,845)	550
Net unrealized gain (loss)	(1,808)	(4,642)
Securities lending income	2	–
Fee rebate income	6	–
Total income (loss)	297	(741)
Expenses (note 6)		
Management fees	901	886
Management fee rebates	(3)	(3)
Administration fees	145	137
Interest charges	2	–
Commissions and other portfolio transaction costs	14	18
Independent Review Committee fees	–	–
Other	1	2
Expenses before amounts absorbed by Manager	1,060	1,040
Expenses absorbed by Manager	–	–
Net expenses	1,060	1,040
Increase (decrease) in net assets attributable to securityholders from operations before tax	(763)	(1,781)
Foreign withholding taxes	–	–
Foreign income taxes paid (recovered)	–	–
Increase (decrease) in net assets attributable to securityholders from operations	(763)	(1,781)
Increase (decrease) in net assets attributable to securityholders from operations per series		
Series A	(192)	(344)
Series AR	(17)	(23)
Series D	–	(1)
Series F	(41)	(78)
Series F6	–	(2)
Series F8	–	–
Series FB	(1)	–
Series FB5	–	–
Series O	29	(38)
Series O6	–	(2)
Series PW	(78)	(302)
Series PWF	(28)	(193)
Series PWF6	–	–
Series PWF8	–	–
Series PWFB	2	–
Series PWFB5	–	–
Series PWT6	1	–
Series PWX	1	1
Series R	(78)	(252)

	2018	2017
	\$	\$
Series S	1	–
Series SC	(288)	(398)
Series S6	(13)	(21)
Series T6	(8)	(15)
Series LB	(31)	(113)
Series LW	(22)	–
Increase (decrease) in net assets attributable to securityholders from operations per security		
Series A	(0.07)	(0.10)
Series AR	(0.07)	(0.13)
Series D	(0.04)	(0.16)
Series F	(0.01)	(0.04)
Series F6	(0.01)	(0.14)
Series F8	–	–
Series FB	(0.09)	(0.25)
Series FB5	(0.03)	(0.08)
Series O	0.02	(0.03)
Series O6	0.03	(0.05)
Series PW	(0.02)	(0.14)
Series PWF	(0.02)	(0.16)
Series PWF6	(0.03)	(0.12)
Series PWF8	(0.03)	(0.07)
Series PWFB	0.05	(0.18)
Series PWFB5	(0.01)	(0.12)
Series PWT6	0.06	(0.15)
Series PWX	0.04	0.01
Series R	(0.01)	(0.05)
Series S	0.02	–
Series SC	(0.07)	(0.09)
Series S6	(0.09)	(0.16)
Series T6	(0.09)	(0.19)
Series LB	(0.06)	(0.11)
Series LW	(0.05)	–

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



MACKENZIE
Investments

MACKENZIE STRATEGIC BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

FIXED INCOME FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the periods ended September 30 (note 1)
In thousands

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Series A		Series AR		Series D		Series F		Series F6	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	29,279	35,292	2,392	1,762	188	38	22,631	24,254	197	167
Increase (decrease) in net assets from operations	(192)	(344)	(17)	(23)	–	(1)	(41)	(78)	–	(2)
Distributions paid to securityholders:										
Investment income	(236)	(253)	(22)	(13)	(3)	(1)	(482)	(200)	(3)	(2)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–	(4)	(4)
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(236)	(253)	(22)	(13)	(3)	(1)	(482)	(200)	(7)	(6)
Security transactions:										
Proceeds from securities issued	1,708	4,677	423	296	48	46	25,329	7,193	20	121
Reinvested distributions	225	238	22	13	2	1	409	180	1	3
Payments on redemption of securities	(5,895)	(6,499)	(191)	(54)	(2)	(24)	(7,148)	(11,832)	(4)	(27)
Total security transactions	(3,962)	(1,584)	254	255	48	23	18,590	(4,459)	17	97
Total increase (decrease) in net assets	(4,390)	(2,181)	215	219	45	21	18,067	(4,737)	10	89
End of period	24,889	33,111	2,607	1,981	233	59	40,698	19,517	207	256

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	2,897	3,462	229	167	18	4	2,231	2,373	15	12
Issued	169	459	40	29	5	4	2,514	701	2	10
Reinvested distributions	23	23	2	1	–	–	41	18	–	–
Redeemed	(588)	(636)	(18)	(5)	–	(2)	(711)	(1,149)	–	(2)
Securities outstanding – end of period	2,501	3,308	253	192	23	6	4,075	1,943	17	20

	Series F8		Series FB		Series FB5		Series O		Series O6	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	–	–	27	1	1	1	12,715	10,785	188	190
Increase (decrease) in net assets from operations	–	–	(1)	–	–	–	29	(38)	–	(2)
Distributions paid to securityholders:										
Investment income	(1)	–	–	–	–	–	(230)	(184)	(3)	(3)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	(1)	–	–	–	–	–	–	–	(2)	(3)
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(2)	–	–	–	–	–	(230)	(184)	(5)	(6)
Security transactions:										
Proceeds from securities issued	72	–	12	35	–	–	752	1,491	–	80
Reinvested distributions	–	–	–	–	–	–	229	184	1	4
Payments on redemption of securities	(24)	–	(18)	(10)	–	–	(1,019)	(619)	–	–
Total security transactions	48	–	(6)	25	–	–	(38)	1,056	1	84
Total increase (decrease) in net assets	46	–	(7)	25	–	–	(239)	834	(4)	76
End of period	46	–	20	26	1	1	12,476	11,619	184	266

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	–	–	3	–	–	–	1,245	1,048	14	13
Issued	5	–	1	4	–	–	74	143	–	6
Reinvested distributions	–	–	–	–	–	–	23	18	–	–
Redeemed	(2)	–	(2)	(1)	–	–	(101)	(60)	–	–
Securities outstanding – end of period	3	–	2	3	–	–	1,241	1,149	14	19

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



MACKENZIE STRATEGIC BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

FIXED INCOME FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

For the periods ended September 30 (note 1)
In thousands

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Series PW		Series PWF		Series PWF6		Series PWF8		Series PWFB	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	28,267	15,372	15,574	4,277	1	-	73	52	159	-
Increase (decrease) in net assets from operations	(78)	(302)	(28)	(193)	-	-	-	-	2	-
Distributions paid to securityholders:										
Investment income	(471)	(222)	(62)	(161)	-	-	-	(1)	(4)	-
Capital gains	-	-	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	(1)	(1)	-	-
Management fee rebates	(1)	(2)	(1)	(1)	-	-	-	-	-	-
Total distributions paid to securityholders	(472)	(224)	(63)	(162)	-	-	(1)	(2)	(4)	-
Security transactions:										
Proceeds from securities issued	25,439	12,088	697	11,229	-	1	-	-	150	11
Reinvested distributions	450	220	56	152	-	-	-	-	4	-
Payments on redemption of securities	(5,295)	(2,183)	(16,236)	(1,091)	(1)	-	(72)	-	(13)	-
Total security transactions	20,594	10,125	(15,483)	10,290	(1)	1	(72)	-	141	11
Total increase (decrease) in net assets	20,044	9,599	(15,574)	9,935	(1)	1	(73)	(2)	139	11
End of period	48,311	24,971	-	14,212	-	1	-	50	298	11

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	2,724	1,469	1,514	412	-	-	6	4	16	-
Issued	2,475	1,148	68	1,074	-	-	-	-	16	1
Reinvested distributions	44	21	6	15	-	-	-	-	-	-
Redeemed	(514)	(208)	(1,588)	(106)	-	-	(6)	-	(1)	-
Securities outstanding – end of period	4,729	2,430	-	1,395	-	-	-	4	31	1

	Series PWF65		Series PWT6		Series PWX		Series R		Series S	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	1	-	25	-	339	526	75,523	44,990	38	-
Increase (decrease) in net assets from operations	-	-	1	-	1	1	(78)	(252)	1	-
Distributions paid to securityholders:										
Investment income	-	-	(5)	-	(6)	(7)	(912)	(780)	(1)	-
Capital gains	-	-	-	-	-	-	-	-	-	-
Return of capital	-	-	(9)	-	-	-	-	-	-	-
Management fee rebates	-	-	-	-	-	-	-	-	-	-
Total distributions paid to securityholders	-	-	(14)	-	(6)	(7)	(912)	(780)	(1)	-
Security transactions:										
Proceeds from securities issued	-	1	696	1	186	1	8,691	16,441	13	-
Reinvested distributions	-	-	5	-	6	7	-	-	1	-
Payments on redemption of securities	-	-	(83)	-	(149)	(132)	(36,911)	(1,764)	(3)	-
Total security transactions	-	1	618	1	43	(124)	(28,220)	14,677	11	-
Total increase (decrease) in net assets	-	1	605	1	38	(130)	(29,210)	13,645	11	-
End of period	1	1	630	1	377	396	46,313	58,635	49	-

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	-	-	2	-	33	51	7,472	4,422	4	-
Issued	-	-	50	-	18	-	871	1,611	1	-
Reinvested distributions	-	-	-	-	1	1	-	-	-	-
Redeemed	-	-	(6)	-	(15)	(13)	(3,687)	(173)	-	-
Securities outstanding – end of period	-	-	46	-	37	39	4,656	5,860	5	-

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

MACKENZIE STRATEGIC BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

FIXED INCOME FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

For the periods ended September 30 (note 1)
In thousands

	2018	2017	2018	2017	2018	2017
	Series SC		Series S6		Series T6	
	\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS						
Beginning of period	51,837	49,780	1,990	1,512	1,089	751
Increase (decrease) in net assets from operations	(288)	(398)	(13)	(21)	(8)	(15)
Distributions paid to securityholders:						
Investment income	(425)	(406)	(17)	(15)	(9)	(7)
Capital gains	–	–	–	–	–	–
Return of capital	–	–	(35)	(36)	(23)	(23)
Management fee rebates	–	–	–	–	–	–
Total distributions paid to securityholders	(425)	(406)	(52)	(51)	(32)	(30)
Security transactions:						
Proceeds from securities issued	11,052	12,866	535	449	19	388
Reinvested distributions	410	398	22	8	29	23
Payments on redemption of securities	(27,437)	(13,710)	(1,069)	(133)	(103)	(117)
Total security transactions	(15,975)	(446)	(512)	324	(55)	294
Total increase (decrease) in net assets	(16,688)	(1,250)	(577)	252	(95)	249
End of period	35,149	48,530	1,413	1,764	994	1,000

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities	
Securities outstanding – beginning of period	5,134	4,891	155	112	86	56
Issued	1,105	1,263	42	33	2	29
Reinvested distributions	41	39	2	1	2	2
Redeemed	(2,744)	(1,339)	(85)	(10)	(8)	(9)
Securities outstanding – end of period	3,536	4,854	114	136	82	78

	Series LB		Series LW		Total	
	\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS						
Beginning of period	5,987	9,533	5,090	–	253,611	199,283
Increase (decrease) in net assets from operations	(31)	(113)	(22)	–	(763)	(1,781)
Distributions paid to securityholders:						
Investment income	(54)	(88)	(49)	–	(2,995)	(2,343)
Capital gains	–	–	–	–	–	–
Return of capital	–	–	–	–	(75)	(67)
Management fee rebates	–	–	(1)	–	(3)	(3)
Total distributions paid to securityholders	(54)	(88)	(50)	–	(3,073)	(2,413)
Security transactions:						
Proceeds from securities issued	201	2,783	165	–	76,208	70,198
Reinvested distributions	54	87	50	–	1,976	1,518
Payments on redemption of securities	(1,560)	(1,093)	(1,031)	–	(104,264)	(39,288)
Total security transactions	(1,305)	1,777	(816)	–	(26,080)	32,428
Total increase (decrease) in net assets	(1,390)	1,576	(888)	–	(29,916)	28,234
End of period	4,597	11,109	4,202	–	223,695	227,517

Increase (decrease) in fund securities (note 7):	Securities		Securities	
Securities outstanding – beginning of period	598	945	513	–
Issued	20	274	17	–
Reinvested distributions	5	9	5	–
Redeemed	(157)	(108)	(105)	–
Securities outstanding – end of period	466	1,120	430	–

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



MACKENZIE
Investments

MACKENZIE STRATEGIC BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

FIXED INCOME FUND

STATEMENTS OF CASH FLOWS

For the periods ended September 30 (note 1)
In thousands

	2018	2017
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	(763)	(1,781)
Adjustments for:		
Net realized loss (gain) on investments	547	(550)
Change in net unrealized loss (gain) on investments	1,778	4,642
Purchase of investments	(113,417)	(164,983)
Proceeds from sale and maturity of investments	147,053	132,741
Change in accrued interest receivable	83	(123)
Change in dividends receivable	(4)	(3)
Change in due from manager	2	–
Change in due to manager	(12)	–
Change in margin on futures contracts	(153)	372
Net cash from operating activities	35,114	(29,685)
Cash flows from financing activities		
Proceeds from securities issued	50,232	50,592
Payments on redemption of securities	(78,247)	(19,431)
Distributions paid net of reinvestments	(1,096)	(895)
Net cash from financing activities	(29,111)	30,266
Net increase (decrease) in cash and cash equivalents	6,003	581
Cash and cash equivalents at beginning of period	7,468	12,259
Effect of exchange rate fluctuations on cash and cash equivalents	(3)	3
Cash and cash equivalents at end of period	13,468	12,843
Cash	550	903
Cash equivalents	12,918	11,940
Cash and cash equivalents at end of period	13,468	12,843
Supplementary disclosures on cash flow from operating activities:		
Dividends received	101	92
Foreign taxes paid	–	–
Interest received	3,920	3,133
Interest paid	2	–

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MACKENZIE
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MACKENZIE STRATEGIC BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

FIXED INCOME FUND

SCHEDULE OF INVESTMENTS

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS					
407 International Inc. 3.43% 06-01-2033 MTN	Canada	Corporate - Non Convertible	730,000	741	724
407 International Inc. 3.60% 05-21-2047 Callable	Canada	Corporate - Non Convertible	310,000	310	302
407 International Inc. 3.72% 05-11-2048 Callable 2047	Canada	Corporate - Non Convertible	610,000	610	608
AbbVie Inc. 3.75% 11-14-2023 Callable 2023	United States	Corporate - Non Convertible	USD 80,000	104	103
AerCap Ireland Capital Designated Activity Co. 3.30% 01-23-2023 Callable 2022	Netherlands	Corporate - Non Convertible	USD 250,000	310	311
AerCap Ireland Capital Designated Activity Co. 4.45% 10-01-2025 Callable 2025	Ireland	Corporate - Non Convertible	USD 160,000	209	205
AIMCo Realty Investors LP 2.27% 06-26-2024 Callable 2024	Canada	Corporate - Non Convertible	400,000	401	380
AIMCo Realty Investors LP 3.04% 06-01-2028 Callable 2028	Canada	Corporate - Non Convertible	260,000	260	251
AL Midcoast Holdings LLC B Term Loan 1st Lien F/R 06-28-2025	United States	Term Loans	USD 110,000	144	143
Alcami Carolinas Corp. Term Loan 1st Lien F/R 07-06-2025	United States	Term Loans	USD 100,000	131	130
Alera Group Intermediate Holdings Inc. Term Loan B 1st Lien F/R 07-27-2025	United States	Term Loans	USD 39,900	52	52
Algonquin Power & Utilities Corp. 4.09% 02-17-2027 Callable	Canada	Corporate - Non Convertible	780,000	782	778
Allied Properties Real Estate Investment Trust 3.75% 03-13-2020	Canada	Corporate - Non Convertible	300,000	302	303
Allied Properties Real Estate Investment Trust 3.93% 11-14-2022	Canada	Corporate - Non Convertible	195,000	196	197
Allied Properties Real Estate Investment Trust 3.64% 04-21-2025 Callable 2025	Canada	Corporate - Non Convertible	400,000	401	389
AltaGas Ltd. 3.98% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	260,000	260	257
AltaLink LP 3.72% 12-03-2046 Callable MTN	Canada	Corporate - Non Convertible	317,000	316	317
Altice France SA Term Loan B13 1st Lien F/R 01-31-2026	France	Term Loans	USD 140,000	180	180
Amneal Pharmaceuticals LLC Term loan B 1st Lien F/R 03-23-2025	United States	Term Loans	USD 59,836	77	78
Anheuser-Busch InBev Finance Inc. 3.30% 02-01-2023 Callable 2022	Belgium	Corporate - Non Convertible	USD 480,000	686	613
Anheuser-Busch InBev Finance Inc. 2.60% 05-15-2024 Callable 2024	Belgium	Corporate - Non Convertible	840,000	833	802
APT Pipelines Ltd. 4.20% 03-23-2025 Callable 2024 144A	Australia	Corporate - Non Convertible	USD 390,000	498	499
Aroundtown SA 4.63% 09-18-2025 Callable 2025	Germany	Corporate - Non Convertible	300,000	299	298
AT&T Inc. 4.00% 11-25-2025 Callable 2025	United States	Corporate - Non Convertible	600,000	601	599
ATS Consolidated Inc. Term Loan B 1st Lien F/R 02-23-2025	United States	Term Loans	USD 59,700	75	78
Aviva PLC 4.50% 05-10-2021	United Kingdom	Corporate - Non Convertible	510,000	527	524
Avolon Holdings Funding Ltd. 5.13% 10-01-2023 Callable 2023 144A	Ireland	Corporate - Non Convertible	USD 50,000	66	65
Ball Metalpack Finco LLC Term Loan B 1st Lien F/R 07-26-2025	United States	Term Loans	USD 69,825	91	91
Bank of America Corp. 3.95% 04-21-2025	United States	Corporate - Non Convertible	USD 80,000	97	101
Bank of America Corp. F/R 09-20-2025 Callable 2024	United States	Corporate - Non Convertible	840,000	840	830
Bank of Montreal 2.27% 07-11-2022	Canada	Corporate - Non Convertible	600,000	597	585
Bank of Montreal 2.89% 06-20-2023	Canada	Corporate - Non Convertible	480,000	480	476
Bank of Montreal 2.70% 09-11-2024 DPNT	Canada	Corporate - Non Convertible	1,090,000	1,088	1,063
Bank of Montreal 3.32% 06-01-2026	Canada	Corporate - Non Convertible	720,000	732	722
Bank of Montreal 3.19% 03-01-2028	Canada	Corporate - Non Convertible	420,000	417	415
Bank of Montreal F/R 12-15-2032 Callable 2027	Canada	Corporate - Non Convertible	USD 400,000	514	483
The Bank of Nova Scotia 2.36% 11-08-2022	Canada	Corporate - Non Convertible	750,000	750	731
The Bank of Nova Scotia 2.98% 04-17-2023	Canada	Corporate - Non Convertible	880,000	881	876
The Bank of Nova Scotia 2.29% 06-28-2024	Canada	Corporate - Non Convertible	1,440,000	1,426	1,375
The Bank of Nova Scotia F/R 04-12-2066 Callable 2022	Canada	Corporate - Non Convertible	USD 530,000	662	643
bclMC Realty Corp. 3.00% 03-31-2027 Callable 2026	Canada	Corporate - Non Convertible	400,000	404	389
Bell Canada 2.70% 02-27-2024 Callable	Canada	Corporate - Non Convertible	300,000	303	289
Bell Canada 3.60% 09-29-2027 Callable	Canada	Corporate - Non Convertible	650,000	648	639



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BONDS (cont'd)					
Bell Canada 3.80% 08-21-2028 Callable 2028	Canada	Corporate - Non Convertible	640,000	636	634
Bell Canada 4.45% 02-27-2047 Callable	Canada	Corporate - Non Convertible	550,000	548	543
Boardriders Inc. Term Loan B 1st Lien F/R 03-21-2024	United States	Term Loans	USD 69,825	88	91
BP Capital Markets PLC 3.47% 05-15-2025	United Kingdom	Corporate - Non Convertible	490,000	490	489
Brookfield Infrastructure Finance ULC 4.20% 09-11-2028 Callable 2018	Canada	Corporate - Non Convertible	390,000	390	385
Brookfield Renewable Energy Partners ULC 3.752% 06-02-2025 Callable 2025	Canada	Corporate - Non Convertible	194,000	194	193
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate - Non Convertible	350,000	350	340
Brookfield Renewable Partners ULC 4.25% 01-15-2029 Callable 2028	Canada	Corporate - Non Convertible	370,000	370	370
Bruce Power LP 3.00% 06-21-2024 Callable 2024	Canada	Corporate - Non Convertible	910,000	915	885
Bruce Power LP 3.97% 06-23-2026	Canada	Corporate - Non Convertible	420,000	432	425
Bulldog Purchaser Inc. Delayed Draw Term Loan 1st Lien F/R 08-31-2025	United States	Term Loans	USD 31,714	41	41
Bulldog Purchaser Inc. Term Loan B 1st Lien F/R 08-31-2025	United States	Term Loans	USD 58,286	75	75
Cameco Corp. 5.67% 09-02-2019	Canada	Corporate - Non Convertible	647,000	725	663
Camelot Finance LP Term Loan 1st Lien F/R 10-03-2023	United States	Term Loans	USD 254,832	335	330
Can Am Construction Inc./Canada Term Loan B 1st Lien F/R 07-01-2024	Canada	Term Loans	USD 107,382	137	140
Canada Goose Inc. Term Loan 1st Lien F/R 12-22-2021	Canada	Term Loans	USD 260,000	326	336
Canada Housing Trust No 1 F/R 09-15-2023	Canada	Federal Government	6,800,000	6,792	6,803
Canada Housing Trust No. 1 2.35% 06-15-2023	Canada	Federal Government	2,950,000	2,948	2,916
Canadian Commercial Mortgage Origination Trust 1 2.768% 11-12-2018	Canada	Mortgage Backed	26,116	26	26
Canadian Imperial Bank of Commerce 2.47% 12-05-2022	Canada	Corporate - Non Convertible	470,000	471	460
Canadian Imperial Bank of Commerce 2.97% 07-11-2023	Canada	Corporate - Non Convertible	1,000,000	1,000	995
Canadian Imperial Bank of Commerce 3.30% 05-26-2025	Canada	Corporate - Non Convertible	580,000	581	582
Canadian Imperial Bank of Commerce 3.42% 01-26-2026 Callable 2021	Canada	Corporate - Non Convertible	700,000	718	703
Canadian Imperial Bank of Commerce F/R 04-04-2028 Callable 2023	Canada	Corporate - Non Convertible	420,000	420	416
Canadian National Railway Co. 3.60% 07-31-2048 Callable 2048	Canada	Corporate - Non Convertible	470,000	463	457
Canadian Natural Resources Ltd. 3.55% 06-03-2024	Canada	Corporate - Non Convertible	490,000	493	489
Canadian Western Bank 2.751% 06-29-2020	Canada	Corporate - Non Convertible	250,000	250	249
Canadian Western Bank 2.74% 06-16-2022 DPNT	Canada	Corporate - Non Convertible	220,000	220	216
Canadian Western Bank 2.92% 12-15-2022	Canada	Corporate - Non Convertible	430,000	430	423
Capital Power Corp. 4.28% 09-18-2024 Callable 2024	Canada	Corporate - Non Convertible	800,000	802	800
CareCentrix Inc. Term Loan 1st Lien F/R 03-22-2025	United States	Term Loans	USD 286,375	368	369
Careerbuilder LLC Term Loan 1st Lien F/R 07-31-2023	United States	Term Loans	USD 34,184	42	44
Casablanca US Holdings Inc. Term Loan 1st Lien F/R 03-31-2024	United States	Term Loans	USD 228,850	294	292
CCL Industries Inc. 3.86% 04-13-2028 Callable 2028	Canada	Corporate - Non Convertible	300,000	300	298
CCS-CMGC Holdings Inc. Term Loan 1st Lien F/R 09-25-2025	United States	Term Loans	USD 60,000	77	77
Central 1 Credit Union 2.60% 11-07-2022	Canada	Corporate - Non Convertible	320,000	320	312
Charter Communications Operating LLC 4.50% 02-01-2024 Callable 2024	United States	Corporate - Non Convertible	USD 290,000	384	377
Chartwell Retirement Residences 3.79% 12-11-2023 Callable 2023	Canada	Corporate - Non Convertible	510,000	508	508
Chartwell Retirement Residences 4.21% 04-28-2025 Callable 2025	Canada	Corporate - Non Convertible	150,000	150	150
CHIP Mortgage Trust 2.98% 11-15-2021	Canada	Corporate - Non Convertible	180,000	180	177



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BONDS (cont'd)					
Choice Properties Real Estate Investment Trust 4.055% 11-24-2025 Callable	Canada	Corporate - Non Convertible	500,000	538	503
Choice Properties Real Estate Investment Trust 4.18% 03-08-2028 Callable 2027	Canada	Corporate - Non Convertible	590,000	590	587
CI Financial Corp. 3.52% 07-20-2023 Callable 2023	Canada	Corporate - Non Convertible	230,000	230	228
Citigroup Inc. 4.09% 06-09-2025	United States	Corporate - Non Convertible	680,000	680	683
Comber Wind Financial Corp. 5.132% 11-15-2030	Canada	Corporate - Non Convertible	363,452	373	382
Comfort Holding LLC Term Loan 1st Lien F/R 02-05-2024	United States	Term Loans	USD 236,400	305	296
Communications Sales & Leasing Inc. Term Loan B 1st Lien F/R 10-24-2022	United States	Term Loans	USD 124,543	150	154
Corel Corp. Term Loan 1st Lien F/R 05-11-2024	Canada	Term Loans	USD 100,000	128	130
Coronado Australian Holdings Pty Ltd. Term Loan B 1st Lien F/R 03-21-2025	United States	Term Loans	USD 82,076	103	107
Coronado Australian Holdings Pty Ltd. Term Loan C 1st Lien F/R 03-21-2025	United States	Term Loans	USD 22,440	28	29
Crosslinx Transit Solutions General Partnership 4.651% 09-30-2046	Canada	Corporate - Non Convertible	364,000	363	371
CU Inc. 3.964% 07-27-2045 Callable	Canada	Corporate - Non Convertible	70,000	75	72
CU Inc. 3.76% 11-19-2046 Callable 2046	Canada	Corporate - Non Convertible	240,000	240	239
Danske Bank AS 2.80% 03-10-2021 144A	Denmark	Corporate - Non Convertible	USD 370,000	491	467
Daseke Inc. Term Loan 1st Lien F/R 02-27-2024	United States	Term Loans	USD 226,594	291	295
Diamond 1 Finance Corp. 4.42% 06-15-2021 Callable 2021 144A	United States	Corporate - Non Convertible	USD 40,000	52	52
Diamond 1 Finance Corp. 5.45% 06-15-2023 Callable 2023 144A	United States	Corporate - Non Convertible	USD 80,000	103	109
Diamond 1 Finance Corp. 6.02% 06-15-2026 Callable 2026 144A	United States	Corporate - Non Convertible	USD 80,000	103	110
Eagle Credit Card Trust 2.147% 09-17-2020	Canada	Corporate - Non Convertible	330,000	330	326
Eagle Credit Card Trust 2.63% 10-17-2022	Canada	Corporate - Non Convertible	170,000	170	167
Eagle Credit Card Trust 3.04% 07-17-2023	Canada	Corporate - Non Convertible	160,000	160	159
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	USD 197,703	246	256
Electrical Components International Inc. Term Loan 1st Lien F/R 06-22-2025	United States	Term Loans	USD 119,700	157	156
EmployBridge LLC Term Loan B 1st Lien F/R 04-10-2025	United States	Term Loans	USD 29,625	37	39
Enbridge Gas Distribution Inc. 3.51% 11-29-2047 Callable 2047	Canada	Corporate - Non Convertible	490,000	490	465
Enbridge Inc. 3.20% 06-08-2027 Callable 2027	Canada	Corporate - Non Convertible	290,000	290	276
Enbridge Inc. 4.57% 03-11-2044	Canada	Corporate - Non Convertible	1,330,000	1,355	1,326
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	1,820,000	1,823	1,735
Enbridge Inc. F/R 04-12-2078 Callable 2028	Canada	Corporate - Non Convertible	560,000	560	579
ENC Holding Corp. Delayed Draw Term Loan 1st Lien F/R 05-30-2025	United States	Term Loans	USD 2,857	4	4
ENC Holding Corp. Term Loan 1st Lien F/R 05-30-2025	United States	Term Loans	USD 47,143	61	61
EnerCare Solutions Inc. 3.38% 02-21-2022 Callable 2022	Canada	Corporate - Non Convertible	410,000	410	408
EnerCare Solutions Inc. 3.99% 02-21-2024 Callable 2023	Canada	Corporate - Non Convertible	310,000	310	311
Ensono LP Term Loan 1st Lien F/R 04-30-2025	United States	Term Loans	USD 109,725	140	143
Enterprise Merger Sub Inc. Term Loan 1st Lien F/R 09-28-2025	United States	Term Loans	USD 340,000	438	438
Enterprise Merger Sub Inc. 8.75% 10-15-2026 Callable 2021	United States	Corporate - Non Convertible	USD 30,000	38	38
EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047	Canada	Corporate - Non Convertible	330,000	330	317
EPR Properties 4.95% 04-15-2028 Callable 2028	United States	Corporate - Non Convertible	USD 260,000	326	331
Fairfax Financial Holdings Ltd. 8.30% 04-15-2026	Canada	Corporate - Non Convertible	USD 950,000	1,435	1,472
Fairfax Financial Holdings Ltd. 4.25% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	460,000	460	450



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BONDS (cont'd)					
Federation des Caisses Desjardins du Quebec 2.09% 01-17-2022	Canada	Corporate - Non Convertible	780,000	781	759
The Fédération des Caisses Desjardins du Québec 2.39% 08-25-2022	Canada	Corporate - Non Convertible	740,000	740	722
Federation des Caisses Desjardins du Quebec 3.06% 09-11-2023	Canada	Corporate - Non Convertible	950,000	949	946
Financial & Risk US Holdings Inc. Term Loan B 1st Lien F/R 10-01-2025	United States	Term Loans	USD 410,000	531	530
Financial & Risk US Holdings Inc. 6.25% 05-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 50,000	65	65
Financial & Risk US Holdings Inc. 8.25% 11-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 130,000	169	167
Fortified Trust 1.67% 07-23-2021	Canada	Corporate - Non Convertible	460,000	460	444
FortisAlberta Inc. 3.67% 09-09-2047 Callable 2047	Canada	Corporate - Non Convertible	80,000	78	79
FortisAlberta Inc. 3.74% 09-18-2048 Callable 2048	Canada	Corporate - Non Convertible	90,000	90	89
Fortress Transportation and Infrastructure Investors LLC 6.50% 10-01-2025 Callable 2021 144A	United States	Corporate - Non Convertible	USD 80,000	103	103
Gaz Metro Inc. 1.52% 05-25-2020	Canada	Corporate - Non Convertible	160,000	160	157
Gentiva Health Services Inc. Term Loan 1st Lien F/R 06-21-2025	United States	Term Loans	USD 87,964	116	115
Glacier Credit Card Trust 2.05% 09-20-2022	Canada	Corporate - Non Convertible	670,000	670	643
Glacier Credit Card Trust 3.14% 09-20-2023	Canada	Corporate - Non Convertible	260,000	260	258
The Goldman Sachs Group Inc. 2.43% 04-26-2023 Callable	United States	Corporate - Non Convertible	760,000	760	735
The Goldman Sachs Group Inc. 3.31% F/R 10-31-2025 Callable 2024	United States	Corporate - Non Convertible	600,000	600	585
Government of Bermuda 4.138% 01-03-2023	Bermuda	Foreign Governments	USD 290,000	382	381
Government of Bermuda 4.854% 02-06-2024	Bermuda	Foreign Governments	USD 460,000	615	621
Government of Bermuda 3.72% 01-25-2027 Callable 2026	Bermuda	Foreign Governments	USD 1,910,000	2,346	2,359
Government of Canada 1.50% 06-01-2023	Canada	Federal Government	210,000	205	202
Government of Canada 2.50% 06-01-2024	Canada	Federal Government	360,000	363	363
Government of Canada 2.00% 06-01-2028	Canada	Federal Government	14,380,000	13,943	13,864
Government of Canada 1.25% 12-01-2047 Real Return	Canada	Federal Government	4,080,000	5,105	5,146
Government of Canada 2.75% 12-01-2048	Canada	Federal Government	2,420,000	2,672	2,593
Green Plains Inc. Term Loan B 1st Lien F/R 08-29-2023	United States	Term Loans	USD 98,652	123	129
H&R Real Estate Investment Trust 2.92% 05-06-2022	Canada	Corporate - Non Convertible	320,000	319	313
H&R Real Estate Investment Trust 3.42% 01-23-2023 Callable 2022	Canada	Corporate - Non Convertible	220,000	220	218
H&R Real Estate Investment Trust 3.37% 01-30-2024 Callable 2023	Canada	Corporate - Non Convertible	590,000	588	575
Halo Buyer Inc. Delayed Draw Term Loan 1st Lien F/R 06-28-2025	United States	Term Loans	USD 14,815	19	19
Halo Buyer Inc. Term Loan 1st Lien F/R 06-28-2025	United States	Term Loans	USD 35,185	46	45
Hearthside Group Holdings LLC 1st Lien F/R 05-17-2025	United States	Term Loans	USD 19,950	25	26
Hearthland Dental LLC Delay Draw Term Loan 1st Lien F/R 04-17-2025	United States	Term Loans	USD 9,130	12	12
Hearthland Dental LLC Term Loan 1st Lien F/R 04/17/2025	United States	Term Loans	USD 60,717	76	79
Heathrow Funding Ltd. 3.25% 05-21-2025	United Kingdom	Corporate - Non Convertible	1,000,000	1,037	990
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	530,000	529	519
Heathrow Funding Ltd. 3.79% 09-04-2030 Callable 2030	United Kingdom	Corporate - Non Convertible	350,000	350	346
Hillman Group Inc. Term Loan B 1st Lien F/R 05-21-2025	United States	Term Loans	USD 69,825	89	89
HSBC Bank Canada 2.17% 06-29-2022	Canada	Corporate - Non Convertible	940,000	934	909
HSBC Bank Canada 2.54% 01-31-2023	Canada	Corporate - Non Convertible	530,000	530	516
HSBC Bank Canada 3.25% 09-15-2023	Canada	Corporate - Non Convertible	420,000	420	419
HSBC Holdings PLC 3.20% 12-05-2023	United Kingdom	Corporate - Non Convertible	570,000	570	562



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BONDS (cont'd)					
Hudson River Trading LLC Term Loan 1st Lien F/R 03-20-2025	United States	Term Loans	USD 159,200	206	208
Hydro One Inc. 2.97% 06-26-2025 Callable 2025	Canada	Corporate - Non Convertible	160,000	160	157
Hydro One Inc. 3.72% 11-18-2047	Canada	Corporate - Non Convertible	550,000	549	535
Hydro One Inc. 3.63% 06-25-2049 Callable 2048	Canada	Corporate - Non Convertible	200,000	200	191
Hyster-Yale Group Inc. Term Loan B 1st Lien F/R 05-30-2023	United States	Term Loans	USD 243,750	329	316
Inter Pipeline Ltd. 2.73% 04-18-2024 Callable 2024	Canada	Corporate - Non Convertible	1,280,000	1,294	1,224
Inter Pipeline Ltd. 3.173% 03-24-2025 Callable 2024 MTN	Canada	Corporate - Non Convertible	610,000	617	590
Inter Pipeline Ltd. 3.48% 12-16-2026 Callable 2026	Canada	Corporate - Non Convertible	420,000	426	407
The International Bank for Reconstruction and Development 3.50% 01-22-2021	Supra - National	n/a	NZD 520,000	481	458
International Finance Corp. 3.625% 05-20-2020	Supra - National	n/a	NZD 170,000	157	149
International Textile Group Inc. Term Loan 1st Lien F/R 04-19-2024	United States	Term Loans	USD 49,688	63	64
iQor US Inc. Term Loan B 1st Lien F/R 04-01-2021	United States	Term Loans	USD 239,213	276	291
Isagenix International LLC Term Loan 1st Lien F/R 04-26-2025	United States	Term Loans	USD 187,625	239	243
Ivanhoe Cambridge II Inc. 2.91% 06-27-2023 Callable 2023	Canada	Corporate - Non Convertible	190,000	190	188
JPMorgan Chase & Co. 3.19% 03-05-2021	United States	Corporate - Non Convertible	450,000	464	453
KEMET Corp. Term Loan B 1st Lien F/R 04-26-2024	United States	Term Loans	USD 84,619	111	112
Kestrel Acquisition LLC Term Loan B 1st Lien F/R 05-02-2025	United States	Term Loans	USD 49,875	64	65
Kindred Healthcare Inc. Term Loan B 1st Lien F/R 06-21-2025	United States	Term Loans	USD 80,000	105	104
L&W Inc. Term Loan 1st Lien F/R 05-17-2025	United States	Term Loans	USD 39,900	51	52
Lantheus Medical Imaging Inc. Term Loan B 1st Lien F/R 06-30-2022	United States	Term Loans	USD 95,755	127	124
Laurentian Bank of Canada F/R 10-22-2019	Canada	Corporate - Non Convertible	440,000	440	441
Laurentian Bank of Canada 3.45% 06-27-2023	Canada	Corporate - Non Convertible	190,000	190	188
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 48,279	61	63
The Manufacturers Life Insurance Co. 2.389% 01-05-2026 Callable 2021	Canada	Corporate - Non Convertible	530,000	531	523
Manulife Bank of Canada 1.92% 09-01-2021	Canada	Corporate - Non Convertible	420,000	420	407
Manulife Bank of Canada 2.84% 01-12-2023	Canada	Corporate - Non Convertible	920,000	912	908
Manulife Financial Corp. F/R 05-09-2028 Callable 2023	Canada	Corporate - Non Convertible	230,000	230	229
Manulife Financial Corp. F/R 08-20-2029 Callable 2024	Canada	Corporate - Non Convertible	690,000	690	670
McAfee LLC Term Loan B 1st Lien F/R 09-30-2024	United States	Term Loans	USD 78,056	96	102
McDermott Technology Americas Inc. Term Loan B 1st Lien F/R 04-05-2025	United States	Term Loans	USD 49,750	62	65
McDonald's Corp. 3.13% 03-04-2025 Callable 2025	United States	Corporate - Non Convertible	840,000	838	822
Meredith Corp. Term Loan B 1st Lien F/R 01-18-2025	United States	Term Loans	USD 283,644	351	369
Metro Inc. 3.39% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	340,000	340	327
Molson Coors International LP 2.84% 07-15-2023 Callable 2023	United States	Corporate - Non Convertible	360,000	360	347
Mondelez International Inc. 4.13% 05-07-2028 Callable 2028	United States	Corporate - Non Convertible	USD 130,000	165	166
Morgan Stanley 3.00% 02-07-2024	United States	Corporate - Non Convertible	670,000	670	654
National Bank of Canada 1.96% 06-30-2022	Canada	Corporate - Non Convertible	3,000,000	2,938	2,891
NAV Canada 3.29% 03-30-2048 Callable 2047	Canada	Corporate - Non Convertible	300,000	300	292
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	USD 27,657	35	36
Newell Brands Inc. 4.20% 04-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 200,000	254	246
North Battleford Power LP 4.958% 12-31-2032	Canada	Corporate - Non Convertible	104,416	104	112
North West Redwater Partnership 2.80% 06-01-2027 Callable 2027	Canada	Corporate - Non Convertible	540,000	521	509
North West Redwater Partnership 3.65% 06-01-2035 Callable 2034	Canada	Corporate - Non Convertible	290,000	290	280
Nouvelle Autoroute 30 Financement Inc. 4.11% 03-31-2042	Canada	Corporate - Non Convertible	300,000	300	300



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BONDS (cont'd)					
OCI Beaumont LLC Term Loan B 1st Lien F/R 02-16-2025	United States	Term Loans	USD 79,600	100	105
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	USD 51,705	64	69
Omega Healthcare Investors Inc. 4.50% 01-15-2025 Callable 2024	United States	Corporate - Non Convertible	USD 100,000	108	127
OMERS Realty Corp. 3.24% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	1,280,000	1,278	1,262
OMERS Realty Corp. 3.63% 06-05-2030 Callabe 2030	Canada	Corporate - Non Convertible	510,000	510	512
Ontario Electricity Financial Corp. 0% 11-27-2020	Canada	Provincial Governments	990,000	969	937
Ontario Power Generation Inc. 3.32% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	1,200,000	1,226	1,183
Ontario Power Generation Inc. 3.84% 06-22-2048 Callable 2047	Canada	Corporate - Non Convertible	260,000	260	254
OPB Finance Trust 2.98% 01-25-2027	Canada	Provincial Governments	380,000	381	374
OZ Management LP Term Loan 1st Lien F/R 04-04-2023	United States	Term Loans	USD 40,000	51	52
Pembina Pipeline Corp. 3.54% 02-03-2025 Callable	Canada	Corporate - Non Convertible	150,000	150	149
Pembina Pipeline Corp. 4.02% 03-27-2028 Callable 2027	Canada	Corporate - Non Convertible	400,000	400	399
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 421,000	135	119
PetSmart Inc. Term Loan B2 1st Lien F/R 03-10-2022	United States	Term Loans	USD 69,209	73	78
Piscis Midco Inc. Term Loan B 1st Lien F/R 03-29-2025	United States	Term Loans	USD 49,875	64	65
PNI Canada Acquireco Corp. Term Loan B 1st Lien F/R 08-23-2022	Canada	Term Loans	USD 29,252	35	38
Polar US Borrower LLC Term Loan 1st Lien F/R 08-21-2025	United States	Term Loans	USD 120,000	150	156
Prospect Medical Holdings Inc. Term Loan B 1st Lien F/R 02-15-2024	United States	Term Loans	USD 328,350	404	431
Province of Alberta 3.05% 12-01-2048	Canada	Provincial Governments	2,640,000	2,639	2,574
Province of Alberta 3.10% 06-01-2050	Canada	Provincial Governments	540,000	539	533
Province of Newfoundland 3.00% 06-02-2026	Canada	Provincial Governments	930,000	933	924
Province of Newfoundland 3.70% 10-17-2048	Canada	Provincial Governments	1,800,000	1,986	1,899
Province of Ontario Canada 2.90% 06-02-2028	Canada	Provincial Governments	9,610,000	9,524	9,472
Province of Ontario Generic Coupon Strip 0% 12-02-2023	Canada	Provincial Governments	2,280,000	1,952	1,967
Province of Ontario F/R 06-27-2022	Canada	Provincial Governments	2,020,000	2,035	2,033
Province of Ontario 0% 07-13-2022	Canada	Provincial Governments	350,000	315	315
Province of Ontario 2.60% 09-08-2023	Canada	Provincial Governments	5,460,000	5,458	5,424
Province of Ontario 0% 06-02-2024	Canada	Provincial Governments	840,000	777	712
Province of Ontario 0% 06-02-2026	Canada	Provincial Governments	480,000	400	378
Province of Ontario 4.60% 06-02-2039	Canada	Provincial Governments	1,080,000	1,326	1,300
Province of Ontario 2.90% 06-02-2049	Canada	Provincial Governments	8,300,000	7,940	7,808
Province of Quebec 0% 04-01-2026 Generic Strip	Canada	Provincial Governments	480,000	400	381
Province Of Quebec 2.75% 09-01-2028	Canada	Provincial Governments	2,970,000	2,938	2,895
Province of Quebec 3.50% 12-01-2048	Canada	Provincial Governments	4,590,000	5,018	4,870
Province of Saskatchewan 3.30% 06-02-2048	Canada	Provincial Governments	580,000	607	593
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	USD 69,825	90	91
PSC Industrial Outsourcing LP Term Loan B 1st Lien F/R 10-05-2024	United States	Term Loans	USD 178,650	222	233
Red Ventures LLC Term Loan B 1st Lien F/R 11-08-2024	United States	Term Loans	USD 114,080	141	149
Reliance LP 3.84% 03-15-2025 Callable 2025	Canada	Corporate - Non Convertible	380,000	380	373
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	United States	Term Loans	USD 78,778	96	102
Royal Bank of Canada 2.95% 05-01-2023	Canada	Corporate - Non Convertible	3,050,000	3,050	3,034
Royal Bank of Canada 3.30% 09-26-2023	Canada	Corporate - Non Convertible	1,460,000	1,460	1,462
Saputo Inc. 3.61% 08-14-2025 Callable 2025	Canada	Corporate - Non Convertible	280,000	280	279
Savage Enterprises LLC Term Loan B 1st Lien F/R 07-02-2025	United States	Term Loans	USD 108,375	140	142
Sea to Sky Highway Investment LP 2.63% 08-31-2030	Canada	Corporate - Non Convertible	391,720	392	373
Sigma Bidco BV Term Loan B 1st Lien F/R 03-07-2025	Netherlands	Term Loans	EUR 40,000	63	60



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MACKENZIE STRATEGIC BOND FUND

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SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Sigma US Corp. Term Loan B 1st Lien F/R 03-06-2025	Netherlands	Term Loans	USD 40,000	51	52
SIWF Holdings Inc. Term Loan 1st Lien F/R 05-25-2025	United States	Term Loans	USD 69,825	90	91
SNC-Lavalin Group Inc. 3.24% 03-02-2023 Callable 2023	Canada	Corporate - Non Convertible	220,000	220	217
Spirit AeroSystems Inc. 3.95% 06-15-2023 Callable 2023	United States	Corporate - Non Convertible	USD 190,000	244	245
Sprint Spectrum Co. LLC 4.74% 03-20-2025 144A	United States	Corporate - Non Convertible	USD 230,000	298	298
Spy Hill Power LP 4.14% 03-31-2036	Canada	Corporate - Non Convertible	90,234	86	90
SRS Distribution Inc. Term Loan B 1st Lien F/R 05-17-2025	United States	Term Loans	USD 40,000	51	51
Staples Inc. Term Loan 1st Lien F/R 08-15-2024	United States	Term Loans	USD 248,125	316	321
Starfruit US Holdco LLC Term Loan B 1st Lien F/R 09-2025	United States	Term Loans	USD 120,000	154	156
Stepstone Group LP Term Loan B 1st Lien F/R 03-19-2025	United States	Term Loans	USD 89,775	116	117
Sun Life Financial Inc. F/R 02-19-2026 Callable 2021	Canada	Corporate - Non Convertible	200,000	208	200
Sun Life Financial Inc. F/R 11-23-2027 Callable 2022	Canada	Corporate - Non Convertible	320,000	320	313
Sun Life Financial Inc. F/R 09-19-2028 Callable 2023	Canada	Corporate - Non Convertible	1,090,000	1,098	1,075
Sydney Airport Finance Co. Pty. Ltd. 3.625% 04-28-2026 Callable 2026 144A	Australia	Corporate - Non Convertible	USD 460,000	585	569
Syniverse Holdings Inc. Term Loan 1st Lien F/R 02-09-2023	United States	Term Loans	USD 69,650	87	90
Sysco Canada Inc. 3.65% 04-25-2025 Callable 2025	United States	Corporate - Non Convertible	380,000	380	381
TELUS Corp. 3.35% 04-01-2024 Callable	Canada	Corporate - Non Convertible	80,000	82	80
TELUS Corp. 3.63% 03-01-2028 Callable 2027	Canada	Corporate - Non Convertible	450,000	445	442
TELUS Corp. 4.70% 03-06-2048 Callable 2047	Canada	Corporate - Non Convertible	500,000	497	505
Teva Pharmaceutical Industries Ltd. 2.80% 07-21-2023	Israel	Corporate - Non Convertible	USD 100,000	117	115
Titan Acquisition Ltd. Term Loan 1st Lien F/R 03-16-2025	United Kingdom	Term Loans	USD 69,700	89	88
TMX Group Ltd. 4.46% 10-03-2023 Callable 2023	Canada	Corporate - Non Convertible	420,000	476	443
TMX Group Ltd. 2.30% 12-11-2024 Callable 2024	Canada	Corporate - Non Convertible	190,000	190	186
TMX Group Ltd. 3.78% 06-05-2028 Callable 2028	Canada	Corporate - Non Convertible	190,000	191	191
The Toronto-Dominion Bank 3.01% 05-30-2023	Canada	Corporate - Non Convertible	350,000	350	349
The Toronto-Dominion Bank 1.91% 07-18-2023 DPNT	Canada	Corporate - Non Convertible	1,020,000	1,022	968
The Toronto-Dominion Bank F/R 09-14-2028 Callable 2023	Canada	Corporate - Non Convertible	490,000	490	489
The Toronto-Dominion Bank F/R 07-25-2029 Callable 2024	Canada	Corporate - Non Convertible	780,000	785	760
TransCanada Pipelines Ltd. 3.39% 03-15-2028 Callable 2027	Canada	Corporate - Non Convertible	770,000	769	755
TransCanada PipeLines Ltd. 4.18% 07-03-2048 Callable 2048	Canada	Corporate - Non Convertible	240,000	240	234
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	620,000	620	588
Traverse Midstream Partners LLC Term Loan B 1st Lien F/R 09-21-2024	United States	Term Loans	USD 80,000	98	104
Trico Products Corp. Term Loan 1st Lien F/R 02-02-2024	United States	Term Loans	USD 39,500	47	51
Trillium Windpower LP 5.80% 02-15-2033	United States	Corporate - Non Convertible	93,610	94	103
Uber Technologies Inc. Term Loan 1st Lien F/R 03-21-2025	United States	Term Loans	USD 259,350	333	338
Uber Technologies Inc. Term Loan B 1st Lien F/R 07-13-2023	United States	Term Loans	USD 254,401	336	330
Ultra Clean Holdings Inc. Term Loan B 1st Lien F/R 08-27-2025	United States	Term Loans	USD 180,000	231	231
Union Gas Ltd. 3.59% 11-22-2047 Callable 2047	Canada	Corporate - Non Convertible	360,000	359	347
United States Treasury 2.25% 11-15-2027	United States	Foreign Governments	USD 90,000	114	109
United States Treasury 2.75% 02-15-2028	United States	Foreign Governments	USD 510,000	647	644
United States Treasury 3.00% 02-15-2048	United States	Foreign Governments	USD 5,370,000	6,738	6,695
Ventas Canada Finance Ltd. 2.55% 03-15-2023 Callable 2023	United States	Corporate - Non Convertible	530,000	530	511
Ventas Realty LP 4.00% 03-01-2028 Callable 2027	United States	Corporate - Non Convertible	USD 260,000	323	325
Verizon Communications Inc. 2.63% 08-15-2026 Callable 2026	United States	Corporate - Non Convertible	USD 680,000	894	797
Verra Mobility Corp. Term Loan B 1st Lien F/R 03-01-2025	United States	Term Loans	USD 10,000	13	13
Vodafone Group PLC 3.75% 01-16-2024	United Kingdom	Corporate - Non Convertible	USD 150,000	191	192
Wells Fargo & Co. 2.51% 10-27-2023	United States	Corporate - Non Convertible	771,000	740	738



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SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Welltower Inc. 4.25% 04-15-2028 Callable 2028	United States	Corporate - Non Convertible	USD 410,000	527	522
Westcoast Energy Inc. 4.79% 10-28-2041	Canada	Corporate - Non Convertible	410,000	434	438
Yak Access LLC Term Loan B 1st Lien F/R 06-26-2025	United States	Term Loans	USD 190,000	242	238
YRC Worldwide Inc. Term Loan 1st Lien F/R 07-21-2022	United States	Term Loans	USD 46,343	58	61
Zotec Partners LLC Term Loan 1st Lien F/R 02-09-2024	United States	Term Loans	USD 187,625	234	243
Total bonds				194,569	191,989
EQUITIES					
AltaGas Ltd. Pfd. Series K	Canada	Energy	7,735	193	188
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Real Estate	7,076	177	183
Brookfield Asset Management Inc. Pfd. Series 48	Canada	Real Estate	8,648	216	222
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Utilities	13,546	339	338
Source Energy Services Ltd.	Canada	Energy	2,475	23	10
TransAlta Corp. Pfd. Series A	Canada	Utilities	16,590	221	260
TransCanada Corp. Pfd. Series 15	Canada	Energy	16,327	409	426
Total equities				1,578	1,627
OPTIONS					
Options Purchased (see schedule of options purchased)				158	38
Total Options				158	38
EXCHANGE-TRADED FUNDS/NOTES					
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	44,220	4,398	4,319
Total exchange-traded funds/notes				4,398	4,319
MUTUAL FUNDS					
Mackenzie Global Credit Opportunities Fund Series R	Canada	Mutual Funds	1,827,188	18,252	17,201
Total mutual funds				18,252	17,201
Transaction costs				(18)	–
Total investments				218,937	215,174
Derivative instruments (see schedule of derivative instruments)					1,125
Liability for options written (see schedule of options written)					(1)
Cash and cash equivalents					13,468
Other assets less liabilities					(6,071)
Total net assets					223,695



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MACKENZIE STRATEGIC BOND FUND

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SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2018	
Effective Portfolio Allocation	% of NAV
Bonds	92.2
<i>Bonds</i>	92.0
<i>Short futures</i>	0.2
<i>Purchased options</i>	0.0
Cash and short-term investments	7.5
Exchange-traded funds/notes	1.9
Equities	0.9
Purchased currency options	0.0
Written currency options	(0.0)
Other assets (liabilities)	(2.5)

Effective Regional Allocation	% of NAV
Canada	71.1
United States	16.5
Cash and short-term investments	7.5
United Kingdom	2.0
Bermuda	1.5
Other	1.5
Belgium	0.7
Australia	0.6
Netherlands	0.5
Denmark	0.2
Luxembourg	0.2
France	0.2
Other assets (liabilities)	(2.5)

Effective Sector Allocation	% of NAV
Corporate bonds	44.9
Provincial bonds	20.3
Federal bonds	14.3
Cash and short-term investments	7.5
Term loans	7.0
Foreign government bonds	5.1
Exchange-traded funds/notes	1.9
Other	0.7
Supra-national bonds	0.4
Energy	0.4
Other assets (liabilities)	(2.5)

March 31, 2018	
Effective Portfolio Allocation	% of NAV
Bonds	95.0
<i>Bonds</i>	94.9
<i>Purchased options</i>	0.1
<i>Short futures</i>	(0.0)
Cash and short-term investments	3.3
Exchange-traded funds/notes	1.7
Equities	0.8
Other assets (liabilities)	(0.8)

Effective Regional Allocation	% of NAV
Canada	74.5
United States	15.5
Cash and short-term investments	3.3
United Kingdom	1.9
Other	1.5
Bermuda	0.9
Australia	0.7
Belgium	0.6
Bahamas	0.5
Netherlands	0.4
Denmark	0.3
Brazil	0.2
New Zealand	0.2
France	0.1
Germany	0.1
Luxembourg	0.1
Other assets (liabilities)	(0.8)

Effective Sector Allocation	% of NAV
Corporate bonds	44.5
Provincial bonds	19.7
Federal bonds	18.6
Term loans	7.1
Foreign government bonds	4.2
Cash and short-term investments	3.3
Exchange-traded funds/notes	1.7
Other	1.1
Supra-national bonds	0.6
Other assets (liabilities)	(0.8)

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

MACKENZIE STRATEGIC BOND FUND

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SCHEDULE OF OPTIONS PURCHASED

As at September 30, 2018

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000s)	Fair Value (\$ 000s)
Currency Call Option AUD/USD	5,880,000	Call	Oct. 02, 2018	USD 0.73	8	–
Currency Call Option AUD/USD	4,410,000	Call	Oct. 02, 2018	USD 0.74	4	–
Currency Call Option USD/CAD	5,960,000	Call	Oct. 05, 2018	CAD 1.33	17	–
Currency Call Option USD/CAD	1,990,000	Call	Oct. 05, 2018	CAD 1.33	6	–
iShares iBoxx \$ High Yield Corporate Bond ETF	386	Put	Nov. 16, 2018	USD 84.00	61	8
Currency Call Option EUR/NOK	1,900,000	Call	Dec. 14, 2018	NOK 9.30	26	12
iShares iBoxx \$ High Yield Corporate Bond ETF	271	Put	Jan. 18, 2019	USD 84.00	36	18
Total options					158	38

SCHEDULE OF OPTIONS WRITTEN

As at September 30, 2018

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Received (\$ 000s)	Fair Value (\$ 000s)
Currency Written Call Option EUR/NOK	(1,900,000)	Written Call	Dec. 14, 2018	NOK 8.90	(4)	(1)
Total options					(4)	(1)



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MACKENZIE STRATEGIC BOND FUND

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SCHEDULE OF DERIVATIVE INSTRUMENTS

As at September 30, 2018

Schedule of Futures Contracts

Number of Contracts	Type of Contract	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000s)	Unrealized Gains (\$ 000s)
(5)	10 Year Japanese Government Bond (OSE) Futures December 2018	Dec. 13, 2018	150.24 JPY	(8,537)	9
(266)	10 Year United States Treasury Note Futures December 2018	Dec. 19, 2018	119.99 USD	(40,831)	416
Unrealized Gains				(49,368)	425
Total futures contracts				(49,368)	425

*Notional value represents the exposure to the underlying instruments as at September 30, 2018

Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)	Sold (\$ 000s)	Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
AA	6,891 Canadian dollar	(5,185) U.S. dollar	Oct. 5, 2018	(6,891)	(6,698)	193
A	1,241 Canadian dollar	(952) U.S. dollar	Oct. 19, 2018	(1,241)	(1,228)	13
AA	810 Canadian dollar	(610) U.S. dollar	Oct. 19, 2018	(810)	(788)	22
AA	1,496 Canadian dollar	(1,140) U.S. dollar	Oct. 19, 2018	(1,496)	(1,472)	24
AA	2,816 Canadian dollar	(2,130) U.S. dollar	Oct. 26, 2018	(2,816)	(2,750)	66
A	260 Canadian dollar	(168) Euro	Nov. 2, 2018	(260)	(252)	8
A	626 Canadian dollar	(480) U.S. dollar	Nov. 2, 2018	(626)	(619)	7
A	2,197 Canadian dollar	(1,680) U.S. dollar	Nov. 2, 2018	(2,197)	(2,168)	29
AA	1,585 Canadian dollar	(1,200) U.S. dollar	Nov. 9, 2018	(1,585)	(1,549)	36
AA	191 Canadian dollar	(146) U.S. dollar	Nov. 9, 2018	(191)	(188)	3
AA	3,648 Canadian dollar	(2,775) U.S. dollar	Nov. 30, 2018	(3,648)	(3,580)	68
AA	2,073 Canadian dollar	(1,600) U.S. dollar	Nov. 30, 2018	(2,073)	(2,063)	10
AA	612 Canadian dollar	(703) New Zealand dollar	Dec. 5, 2018	(612)	(602)	10
AA	1,212 Canadian dollar	(930) U.S. dollar	Dec. 7, 2018	(1,212)	(1,200)	12
AA	796 Canadian dollar	(610) U.S. dollar	Dec. 7, 2018	(796)	(786)	10
AA	11,368 Canadian dollar	(8,655) U.S. dollar	Dec. 14, 2018	(11,368)	(11,159)	209
Unrealized Gains						720
AA	135 U.S. dollar	(175) Canadian dollar	Oct. 5, 2018	175	174	(1)
AA	820 U.S. dollar	(1,077) Canadian dollar	Oct. 5, 2018	1,077	1,059	(18)
AA	135 U.S. dollar	(175) Canadian dollar	Dec. 7, 2018	175	174	(1)
Unrealized (Losses)						(20)
Total forward currency contracts						700
Total derivative instruments at fair value						1,125



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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 six-month periods ended or as at September 30, 2018 and 2017, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2018, 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 unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including international Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2018. 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 November 13, 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 – Other changes in fair value of investments and other net assets – 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.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

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.

The Fund accounts for its holdings in unlisted open-ended investment funds and exchange-traded funds, if any, at FVTPL. 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 and other net assets – 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 September 30, 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 – Other changes in fair value of investments and other net assets – 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 September 30, 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 September 30, 2018, grouped by asset type, with geographic and sector information.

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

ii. Liquidity risk

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

iii. Currency risk

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

NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

iv. Interest rate risk

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

v. Other price risk

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

vi. Credit risk

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

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

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

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

vii. Underlying funds

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

MACKENZIE STRATEGIC BOND FUND

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NOTES TO FINANCIAL STATEMENTS

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

(a) Fund Formation and Series Information

Date of Formation April 30, 2013

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

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

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

Series 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, Series F6 and Series F8 securities are offered to investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$500 (\$5,000 for Series F6 and Series F8); they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie. Investors in Series F6 and Series F8 securities also want to receive a regular monthly cash flow of 6% and 8% per year, respectively.

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

Series O and Series O6 securities are offered only to investors investing a minimum of \$500,000 who are enrolled in Mackenzie Portfolio Architecture Service or Open Architecture Service; certain institutional investors; and certain qualifying employees of Mackenzie and its subsidiaries. Investors in Series O6 securities also want to receive a monthly cash flow of 6% per year.

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

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

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

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

Series PWF, Series PWF6 and Series PWF8 securities are no longer available for sale. Effective June 1, 2018, Series PWF, Series PWF6 and Series PWF8 securities were consolidated into Series F, Series F6 and Series F8 securities, respectively.

Series Distributed by LBC Financial Services Inc. (1360 René-Lévesque Blvd. West, 13th Floor, Montréal, Québec H3G 0A9; 1-800-522-1846; www.laurentianbank.ca/mackenzie)

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

Series LW securities are offered through our Preferred Pricing Program to certain high net worth investors who invest a minimum of \$100,000.

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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NOTES TO FINANCIAL STATEMENTS

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Sep. 30, 2018	Mar. 31, 2018
Series A	May 6, 2013	1.40%	0.17%	9.95	10.11
Series AR	October 21, 2013	1.40%	0.20%	10.28	10.45
Series D	March 19, 2014	0.85%	0.15%	10.06	10.21
Series F	May 15, 2013	0.45% ⁽⁴⁾	0.15%	9.99	10.14
Series F6	June 14, 2013	0.45% ⁽⁴⁾	0.15%	12.33	12.74
Series F8	June 1, 2018	0.45% ⁽¹⁰⁾	0.15%	14.60	—
Series FB	October 26, 2015	0.60%	0.17%	9.79	9.94
Series FB5	October 26, 2015	0.60%	0.17%	13.54	13.92
Series O	June 18, 2013	— ⁽¹⁾	— *	10.05	10.21
Series O6	January 12, 2016	— ⁽¹⁾	— *	13.49	13.88
Series PW	November 4, 2013	0.95% ⁽⁵⁾	0.15%	10.21	10.37
Series PWF	None issued ⁽⁷⁾	0.55%	0.15%	—	10.28
Series PWF6	None issued ⁽⁸⁾	0.55%	0.15%	—	14.28
Series PWF8	None issued ⁽⁹⁾	0.55%	0.15%	—	12.51
Series PWFB	April 3, 2017	0.45% ⁽⁶⁾	0.15%	9.74	9.89
Series PWFB5	April 3, 2017	0.45% ⁽⁶⁾	0.15%	14.06	14.42
Series PWT6	April 3, 2017	0.95% ⁽⁵⁾	0.15%	13.73	14.22
Series PWX	February 11, 2014	— ⁽²⁾	— ⁽²⁾	10.05	10.21
Series R	December 16, 2015	— *	— *	9.95	10.10
Series S	October 2, 2017	— ⁽¹⁾	0.02%	9.96	10.11
Series SC	May 6, 2013	1.10% ⁽³⁾	0.17%	9.94	10.10
Series S6	January 27, 2014	1.10% ⁽³⁾	0.17%	12.36	12.81
Series T6	January 22, 2014	1.40%	0.17%	12.15	12.62
Series LB	December 4, 2014	1.10% ⁽³⁾	0.17%	9.86	10.01
Series LW	December 1, 2017	1.05%	0.15%	9.76	9.92

* 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 April 3, 2017, the management fee for this series was charged to the Fund at a rate of 1.15%.

(4) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.60%. From June 1 through September 27, 2018, the management fee for this series was charged to the Fund at a rate of 0.50%.

(5) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 1.05%. From June 1 through September 27, 2018, the management fee for this series was charged to the Fund at a rate of 1.00%.

(6) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.55%. From June 1 through September 27, 2018, the management fee for this series was charged to the Fund at a rate of 0.50%.

(7) The series' original start date was February 11, 2014. All securities in the series were consolidated into Series F on June 1, 2018.

(8) The series' original start date was April 3, 2017. All securities in the series were consolidated into Series F6 on June 1, 2018.

(9) The series' original start date was July 14, 2015. All securities in the series were consolidated into Series F8 on June 1, 2018.

(10) Prior to September 28, 2018, the management fee for Series F8 was charged to the Fund at a rate of 0.50%.



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MACKENZIE STRATEGIC BOND FUND

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

(b) Investments by Mackenzie and Affiliates

As at September 30, 2018, Mackenzie, other funds managed by Mackenzie and Related Insurance Companies had investments of \$14, \$46,313 and \$49 (March 31, 2018 – \$14, \$75,523 and \$38), respectively, in the Fund.

(c) Loss Carryforwards

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

(d) Securities Lending

The value of securities loaned and collateral received from securities lending at September 30, 2018 and March 31, 2018, were as follows:

	September 30, 2018	March 31, 2018
	(\$)	(\$)
Value of securities loaned	23,536	165,899
Value of collateral received	24,715	174,289

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 September 30, 2018 and 2017 is as follows:

	2018		2017	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	3	100.0	–	–
Tax withheld	–	–	–	–
	3	100.0	–	–
Payments to Securities Lending Agent	(1)	(33.3)	–	–
Securities lending income	2	66.7	–	–

(e) Unfunded Credit Agreements

The Fund has entered into credit agreements whereby the Fund commits to fund a participation in a senior unsecured credit facility (“Commitment Amount”) during an agreed upon period of time (“Commitment Period”). In exchange for providing this potential funding the Fund is entitled to receive a commitment fee (“Commitment Fee”) from the issuer equal to a certain percentage of the Commitment Amount at the end of the Commitment Period. The funding requirement and the Commitment Fee are both contingent on whether or not the issuer of the credit agreement completes a contemplated transaction by the end of the Commitment Period. As at September 30, 2018, none of the Commitment Amounts were funded (March 31, 2018 – \$Nil). The unfunded Commitment Amounts, the Commitment Fee rates and Commitment Period end date are listed below.

	Total Unfunded Commitment Amount (US\$)	Total Number of Commitments	Range of Unfunded Commitment Amounts (US\$)	Range of Commitment Fee Rates (%)	Range of Commitment Period End Date
September 30, 2018	2,770	3	220 - 1,970	0.750	December 17, 2018 - May 18, 2019
March 31, 2018	390	3	95 - 165	0.750	June 18, 2018 - August 21, 2018



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MACKENZIE STRATEGIC BOND FUND

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NOTES TO FINANCIAL STATEMENTS

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

(f) 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.

	September 30, 2018			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	762	(1)	–	761
Unrealized losses on derivative contracts	(1)	1	238	238
Liability for options written	–	–	–	–
Total	761	–	238	999

	March 31, 2018			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	22	(15)	–	7
Unrealized losses on derivative contracts	(207)	15	85	(107)
Liability for options written	–	–	–	–
Total	(185)	–	85	(100)

(g) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks income and the preservation of capital by investing primarily in Canadian government and corporate fixed income and asset-backed securities. The Fund may hold up to 30% 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	September 30, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Australian dollar	–	–	9,612	9,612
U.S. dollar	33,069	3,706	(33,763)	3,012
Japanese yen	–	8	9	17
New Zealand dollar	607	–	(602)	5
Euro	72	–	(253)	(181)
Total	33,748	3,714	(24,997)	12,465
% of Net Assets	15.1	1.7	(11.2)	5.6



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

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

ii. Currency risk (cont'd)

Currency	March 31, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Euro	267	–	–	267
New Zealand dollar	658	–	(653)	5
U.S. dollar	34,906	493	(35,701)	(302)
Total	35,831	493	(36,354)	(30)
% of Net Assets	14.1	0.2	(14.3)	–

* Includes both monetary and non-monetary financial instruments

As at September 30, 2018, had the Canadian dollar increased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased by approximately \$159 or 0.1% of total net assets (March 31, 2018 – \$309 or 0.1%). Similarly, had the Canadian dollar decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have increased by approximately \$380 or 0.2% of the total net assets (March 31, 2018 – \$309 or 0.1%). In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

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

Term to Maturity	September 30, 2018 (\$)		March 31, 2018 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	689	(49,368)	1,126	(3,745)
1-5 years	49,494	–	63,709	–
5-10 years	90,764	–	96,915	–
Greater than 10 years	51,042	–	63,286	–
Total	191,989	(49,368)	225,036	(3,745)

As at September 30, 2018, had prevailing interest rates increased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased by approximately \$13,743 or 6.1% (March 31, 2018 – \$18,364 or 7.2%) of total net assets. Similarly, had prevailing interest rates decreased by 1%, with all other variables held constant, net assets would have increased by approximately \$13,848 or 6.2% (March 31, 2018 – \$18,402 or 7.3%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

iv. Other price risk

As at September 30, 2018 and March 31, 2018, the Fund did not have a significant exposure to price risk.



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

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

v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at September 30, 2018, was 14.3% (March 31, 2018 – 18.6%) of the net assets of the Fund.

As at September 30, 2018 and March 31, 2018, debt securities by credit rating are as follows:

Bond Rating*	September 30, 2018	March 31, 2018
	% of Net Assets	% of Net Assets
AAA	18.8	23.4
AA	29.8	28.8
A	15.9	13.9
BBB	15.5	14.8
Less than BBB	5.4	7.0
Unrated	0.4	0.8
Total	85.8	88.7

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

(h) 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.

	September 30, 2018				March 31, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	191,989	–	191,989	–	225,036	–	225,036
Equities	1,627	–	–	1,627	1,634	–	–	1,634
Options	–	38	–	38	–	118	–	118
Exchange-traded funds/notes	4,319	–	–	4,319	4,346	–	–	4,346
Mutual funds	17,201	–	–	17,201	17,430	–	–	17,430
Derivative assets	425	720	–	1,145	–	203	–	203
Derivative liabilities	–	(21)	–	(21)	(43)	(600)	–	(643)
Short-term investments	–	12,918	–	12,918	–	6,910	–	6,910
Total	23,572	205,644	–	229,216	23,367	231,667	–	255,034

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

During the period, there were no significant transfers between Level 1 and Level 2.

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